guiding our province to a greener future.

2012-13

annual report

mmsb

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TRANSMITTAL LETTER TO THE MINISTER

Honourable Tom Hedderson
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 Hedderson:

On behalf of the Board of Directors of the Multi-Materials Stewardship Board (MMSB), I am pleased to present our Annual Report for the 2012-13 fiscal period in accordance with the Transparency and Accountability Act.

This report outlines MMSB's achievements for 2012-13 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 2012-13 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 2012-13 Annual Report and the accountability of the actual results reported herein.

Respectfully submitted,

Leigh Puddester
Chair
Board of Directors
MMSB

July 26, 2013

MESSAGE FROM THE CHAIR

Newfoundlanders and Labradorians are delivering a strong, positive message about the importance of recycling and waste management in the province. The way we dispose of our waste today will have a significant impact on future generations in our province. That is why MMSB encourages all Newfoundlanders and Labradorians to make responsible waste management a priority.

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 we all have a responsibility to keep our province clean and healthy. Newfoundlanders and Labradorians understand this.

The success of MMSB's waste diversion and recycling programs in 2012-13 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 our accomplishments in 2012-13 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 am excited as we move ahead into a new year, continuing to improve our existing programs and launching 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 2012-13 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

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 19 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 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 2012-13 was approximately $26.9 million and operating expenditures were approximately $26.1 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, 2013, there was a total of $1.2 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.

The Provincial Solid Waste Management Strategy aims to reduce the amount of materials in provincial landfill sites by 50 per cent and to encourage residents of Newfoundland and Labrador to participate in waste diversion programs such as recycling and composting. Full implementation of the strategy is on target for 2020. 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 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 behaviours 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 and 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*.
- Includes the collection and recycling of used beverage containers that are sold in aluminum, glass, plastic, steel and mixed fibre packages.
- Captures all ready-to-drink beverage containers, with the exception of milk, infant formula, medicinal nutritional supplements and beverages sold in refillable containers.
- Provides residents of Newfoundland and Labrador with access to a province-wide network of Green Depots that includes 39 main depots and 17 sub depots.
- 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).

Province-wide Used Tire Recycling Program

- Administered in accordance with specific parameters established under the *Waste Management Regulations*.

- 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.

- 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 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.

- Includes permanent HHW depots located in St. George's, St. Anthony, Channel-Port aux Basques and Labrador West; in the 2012-13 fiscal period, MMSB sponsored an additional ten full-day mobile events and eight half-day events in partnership with volunteer fire departments.

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.

- Includes pilot projects implemented in the Town of Holyrood, Harbour Breton, the Town of Cape St. George and Small Point – Broad Cove – Blackhead – Adam's Cove. In addition, MMSB, in partnership with the Burin Peninsula Waste Management Corporation and the Town of Grand Bank, implemented a curbside composting pilot project.

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, followed by a regulation for electronic waste in 2012.

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 Awareness and Education

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.

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.

2012-13 Highlights:

- More than 167 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 14.4 million beverage containers were collected and diverted from Newfoundland and Labrador landfills through the efforts of 266 schools province-wide through MMSB's School Program.

- Schools raised approximately $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 fundraising sources for schools throughout the province.

- MMSB delivered 353 presentations in 52 schools throughout Newfoundland and Labrador, impacting more than 8,000 youth, a record number of presentations since the school program was launched in 2008.

- New public education programs were developed and launched, including an eco-cubs environmental education program in partnership with Scouts Canada and a revised Summer Camp program for municipalities across Newfoundland.

- Over 120,000 litres of household hazardous waste (HHW) was collected and properly disposed of through HHW mobile collection events and permanent HHW Depots. Including 5,000 litres that was collected in partnership with volunteer fire departments to divert HHW from rural communities throughout the province.

- Approximately 495,000 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 3.8 million, representing a record high since the inception of the program.

- MMSB committed $2.1 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.

- The research partnership between MMSB and Memorial University's Lesley Harris Centre of Regional Policy and Development approved a further 3 research projects totaling $45,000 in 2012-13. Investments in this research partnership are made through the Waste Management Trust Fund; a total of $193,000 has been approved since September 2010.

- A new regulation was put forward and approved by Government allowing for the establishment of a province-wide electronic (e-waste) collection and recycling program. Under the new regulation, MMSB approved an electronics industry stewardship plan for the establishment of an industry-run E-Waste program slated to begin on August 1, 2013.

- PaintRecycle, the province's first EPR-based program, collected over 80,000 litres of waste paint from 51 collection sites throughout Newfoundland and Labrador. The PaintRecycle program is operated by the industry steward, Product Care Association.

- The Solid Waste Management Innovation Fund (SWMIF) provided financial contributions to 10 projects in 2012-2013. Investments committed through the SWMIF are made through the Waste Management Trust Fund, including this year's investment of $100,000.

- MMSB established an Inter-Industry Organics By-Products Group consisting of federal government departments, provincial government departments and agencies and key stakeholders in the agriculture, aquaculture, forestry and fisheries industries to find value-added solutions for the management of industrial by-products.

- MMSB launched an Industrial, Commercial and Institutional Waste Diversion Program to assist organizations, businesses, and institutions to reduce waste and increase diversion opportunities, as well as support internal and external marketing and communication of waste reduction and diversion initiatives.

STRATEGIC PRIORITIES AND OUTCOMES

Three key priorities were identified by MMSB for attention in 2012-13 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 2012-13.

1. Waste Diversion and Recycling

To help achieve the 50 per cent waste diversion target as set out in the Provincial Solid Waste Management Strategy, MMSB must significantly strengthen existing recycling and waste diversion programs and establish new provincial recycling initiatives.

MMSB made important progress during 2012-13 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 introduced a new Extended Producer Responsibility (EPR) waste paint recycling program and advanced plans for the introduction of an Extended Producer Responsibility (EPR) electronic waste recycling program. Under an EPR approach, government regulations require electronics producers to develop, finance and manage the collection and recycling of their products, either on their own or through a non-government, industry stewardship organization. As a result of the success achieved throughout 2012-13 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 established in the Provincial Solid Waste Management Strategy. These collective efforts were implemented by MMSB to address government's strategic direction with respect to 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, 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.

Indicator

Further strengthen the Used Beverage Container Program by focusing on improving recovery and improving operations to achieve greater efficiencies.

Actual Results - In 2012-13, MMSB collected and recycled 167 million used beverage containers. MMSB also introduced a new quality assurance program to improve overall accuracy of beverage containers counts and reduce the overstatement of containers counted and reported by Green Depots. Furthermore, quality assurance facilities in Mount Pearl and Stephenville were relocated to the processing centers in their respective communities in an effort to improve operations and reduce costs.

Discussion of Results – In 2012-13, 167 million used beverage containers were collected across the province and recycled through the Used Beverage Container Recycling Program, 3.4 million more than were collected in 2011-12. This volume increase was achieved, in part, due to a mass media marketing campaign focusing on out-of-home recycling. The “Recycle on the Run” campaign increased awareness about maintaining recycling practices while visiting public and open spaces around our province, such as sports fields, parks and cabins.

An integral part of the MMSB’s internal controls specific to the beverage program is the auditing of material shipped from Green Depots. The implementation of a new quality assurance protocols has ensured an accurate representation of the recovery level and is

paramount to the integrity of the program. Increased accuracy of the count being performed by Green Depots has been realized as a direct result of the program.

By moving the quality assurance functions that were operating in separate facilities in Mount Pearl and Stephenville to the processing facilities in their respective communities, MMSB has optimized the movement of material, thus eliminating transportation costs to move loads to and from a separate quality assurance facility. As a result, MMSB has achieved a reduction in the space required to operate the Quality Assurance program that in turn has reduced downtime and improved performance, reducing overall costs.

Indicator

Strengthen the Used Tire Recycling Program by continuing to deplete the stockpile thereby reducing the associated storage, rent and security costs of the stockpile.

Actual Results - By the end of 2012-13, 600 loads of used tires were removed from the stockpile facility resulting in a reduction of the storage, rent and security costs incurred by MMSB.

Discussion of Results – Over 600 loads of used tires were removed from the stockpile facility and shipped to end markets in Quebec during 2012-13, representing a 58 per cent depletion. MMSB anticipates that the stockpile will be fully depleted during 2013-14. Related expenses, including storage and rent, declined each month following the onset of the transportation of tires from the facility. Furthermore, approximately 495,000 used tires were collected in 2012-13 representing a 25 per cent increase over 2011-12. Tire recovery was driven by increased marketing efforts during the spring and fall tire changeover season. In addition to the public awareness campaign, a Fall Tire Collection Pilot program was launched in 17 communities to help increase recovery and gain new insight about the potential number of tires stored in people's homes.

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

Indicator

An e-waste regulation will be put forward to Government in 2012-13.

Actual Results – In 2012-13, MMSB submitted an e-waste regulation to Government and was approved on October 31, 2012.

Discussion of Results - During 2011-12, MMSB drafted and submitted for consideration an amendment to the *Waste Management Regulations* under the *Environment Protection Act.* Upon approval by Government in 2012-13, the e-waste regulation became the second Extended Producer Responsibility-based regulation in the province. As a result of this new regulation, MMSB approved a stewardship plan submitted by the Electronic Products Recycling Association that presented the implementation strategy for a province-wide e-waste recycling program in our province. The program is expected to be launched in 2013-14.

Indicator

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.

Actual Results - In 2012-13, MMSB worked with waste management partners in other Atlantic Canadian jurisdictions and the used oil industry to develop an EPR-based regulatory framework to allow for the establishment of an industry-led collection program for used oil, glycol and containers.

Discussion of Results - In 2011-2012, MMSB developed a regulatory framework for the establishment of an EPR-based program for the management of used oil. The commitment to put forward a proposed regulation to government in 2012-13 was based upon this framework. However, MMSB did not anticipate that a proposed regulation would be affected by policy changes in other jurisdictions. During this process, a number of other Canadian jurisdictions indicated they were also amending or planning to amend used oil management regulations. To ensure that the proposed regulations for Newfoundland and Labrador are consistent with planned EPR-based regulatory models elsewhere, MMSB revised the regulatory framework developed in 2011-12 and continues to work in partnership with the Department of Environment And Conservation to put forward a revised framework to government. In 2013-14, MMSB will put forward to government a proposed regulation for the management of used oil.

Indicator

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.

Actual Results - MMSB continued to work with public and private sector partners at the provincial and national levels in the research and development of a framework for the management of municipal special and hazardous waste (MSHW).

Discussion of Results

MMSB conducted a review of how EPR-based programs for the management of MSHW in other Canadian jurisdictions. Analysis of existing programs revealed that sufficient, pre-existing municipal infrastructure for the collection and storage of this material must be in place to enable the implementation of such programs. As of March 31, 2013, there was insufficient infrastructure in place in Newfoundland and Labrador to sufficiently support the advancement of a MSHW program. As a result, MMSB did not recommend advancing a framework for consideration of the Minister.

2. Capacity Building

To help facilitate the consolidation of waste management activities within 12 regions of the province, as set out in the Provincial Solid Waste Management Strategy, MMSB must support the need for dedicated resources (staff, operational and research support) and access to specialized expertise in the areas of waste diversion and public education.

In 2012-13, MMSB continued to support these capacity building needs through its professional staff complement and the Regional Waste Management Capacity Building Program, which has been established under the Waste Management Trust Fund. As the province moves forward with the implementation of the Provincial Solid Waste Management Strategy, the capacity building framework will evolve to reflect the new roles of the Regional Waste Management Authorities; support the diversion of industrial, commercial and institutional waste; and address the need for increased organic waste diversion.

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 to facilitate the implementation of the Provincial Solid Waste Management Strategy.

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 2.1: Capacity building framework is advanced

Indicator

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.

Actual Results - MMSB developed a standardized methodology for the collection and reporting of waste data.

Discussion of Results - In 2012-13, MMSB worked with the Department of Environment and Conservation to ensure that, where possible, certificates of approval for waste managers in this province included requirements for reporting waste data to MMSB in a standardized format as prescribed by MMSB. Standardized data collection and reporting processes were implemented across regions to consistently measure waste volumes and categorize waste types. Standardized data will allow for a comparative analysis of waste profiles to help Regional Waste Management Authorities understand and implement best practices that support the Provincial Solid Waste Management Strategy.

Furthermore, at MMSB's regional waste management forum in January 2013, MMSB shared the methodology with Regional Waste Management Authorities to help them understand the importance of collecting waste data. In 2012-2013, MMSB held membership on a national waste-specific sub-committee of the Council of Canadian Ministers of Environment (CCME). As a member of this sub-committee, MMSB brought forward the need for a discussion on a national standard for waste management data collection and reporting.

Indicator

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.

Actual Results - MMSB committed $322,000 from the Waste Management Trust Fund to support Regional Waste Management Authorities/Committees in the development and implementation of regional waste management plans.

Discussion of Results - To support the needs of Regional Waste Management Authorities, MMSB disbursed funds from the Waste Management Trust Fund to the Bonavista Peninsula Regional Waste Management Committee in the amount of $240,000. The Western Regional Waste Management Committee also received funding for capacity building in the amount of $50,000 to continue supporting regional waste management initiatives. MMSB also disbursed $32,000 to the Burin Peninsula Waste Management Corporation to support the expansion of a regional curbside paper-fibre and organics collection pilot project in the Town of Grand Bank.

MMSB hosted a Regional Forum in January of 2012-13 that was attended by representatives from Regional Waste Management committees and authorities from across Newfoundland and Labrador, as well as government departments and agencies involved in advancing the Provincial Solid Waste Management Strategy. The forum provided authorities with training and education on implementing waste and litter auditing tactics at local and regional levels, highlighting the importance of measurement and evaluation to the implementation of successful waste management programs.

Indicator

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.

Actual Results - MMSB launched an Industrial, Commercial and Institutional (ICI) Waste Diversion Program to explore waste reduction and diversion opportunities in the ICI sector during 2012-13. A structured framework for gathering information and reporting waste management data has been developed and implemented.

Discussion of Results - MMSB staff received training in waste auditing and developed auditing methodologies for residential, ICI and business auditing for the purpose of increasing and enhancing waste diversion programs. The ICI program assists businesses and industry to implement modern waste management programs that focus on waste reduction and increasing opportunities for waste diversion. The program involves soliciting program participants; screening potential participants according to program criteria; conducting a facility walk-through to determine the appropriate audit methodology followed by the completion of a waste audit; reporting including recommendations for diversion; implementing approved recommendations and communicating the program and successes to internal staff and external stakeholders. To date, MMSB has conducted an audit of commercial waste in Eastern Newfoundland, worked with the City of St. John's to audit residential waste and completed a waste audit of Vale Newfoundland and Labrador Limited to improve waste management operations.

Indicator

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.

Actual Results - MMSB continued to work toward the goals of the Indiscriminate Dumping and Litter Abatement working group in 2012-13 in an effort to curb illegal dumping and litter throughout Newfoundland and Labrador.

Discussion of Results - In 2012-13, MMSB developed the Indiscriminate Dumping Surveillance Assistance Program to assist select municipalities with equipment and training costs associated with the successful prosecution of indiscriminate dumpers. MMSB, in partnership with the Town of Conception Bay South delivered 11 information sessions on illegal dumping and littering throughout Newfoundland and Labrador during February and March of 2013. The sessions were well-received with over 140 municipal councilors, mayors and staff from 70 towns attending the sessions. MMSB committed $65,000 to further assist seven communities in the set-up of camera surveillance programs in 2013-14.

MMSB has continued to work in partnership with the Department of Environment and Conservation, Municipal Affairs and Service NL to advance a province wide communications strategy for illegal dumping and litter.

3. Public Awareness and Education

In order to achieve modern waste management in the province, as outlined in the Provincial Solid Waste Management Strategy, significant change in attitudes and behaviours of Newfoundlanders and Labradorians remains a priority. MMSB will continue to deliver provincial public awareness and education programs and targeted stakeholder outreach campaigns to motivate and inform audiences about the importance of waste reduction 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 to 2014.

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

Measure 3.1: New marketing and education plan executed.

Indicator

New province-wide waste reduction and diversion marketing and communications campaign launched.

Actual Results - A province-wide marketing and communications campaign, Treat Your Trash Can Right, was launched in the fall to inspire and motivate people to change their behaviour and take responsibility for their waste.

Discussion of Results - The Treat Your Trash Can Right Campaign was designed to inspire and motivate people to change their behaviour and make them realize that a problem exists. Although MMSB has realized many successes over the past number of years, there was still a lot of work to be done. A combination of traditional, online and social media, including a new micro website that delivers region-specific information to residents across the province were employed as a suite of communications vehicles to make garbage at home, work and in outdoor spaces seem less normal.

The campaign highlighted the source of the problem – the trash can. MMSB personified these trash cans and made them brand champions; a creative voice to deliver a more memorable message designed to inform the public and influence corrective behaviour.

Indicator

Continued marketing and public outreach targeted at engaging the Industrial, Commercial, Institutional sector.

Actual Results - MMSB continued to engage the Industrial, Commercial and institutional sector through targeted marketing and public education activities.

Discussion of Results - MMSB has initiated a number of marketing and public education initiatives to engage the ICI sector. As referenced under the Capacity Building section, MMSB worked one-on-one with individual businesses to reduce waste and increase waste diversion by conducting work place waste audits and facilitating discussions with the ICI sector. To support this initiative, MMSB's public education staff developed a new business presentation to empower and motivate employees to take positive action where they work, live and play. Staff delivered presentations to seven businesses in the revitalized program's inaugural year and offered informal consultations to businesses through MMSB's public inquiry service. To further engage the ICI audience, MMSB exhibited at the Hospitality Newfoundland and Labrador Conference and Tradeshow focusing on accommodations and food industries.

In addition, the aforementioned Treat Your Trash Can Right campaign also targeted work place audiences with a 15-second video that focused on reducing waste generated during the lunch break. The video was disseminated through television and through social media channels that targeted business groups and professional associations.

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 marketing, public education and communications was provided to active Regional Waste Management Authorities.

Discussion of Results - MMSB has continued to work with Regional Waste Management Authorities to ensure that appropriate activities and messages are conveyed to the public at the local level. Guidance and support was provided on the use of marketing materials and community outreach initiatives. Specifically, MMSB's public outreach staff supported Eastern Waste Management's marketing efforts in the Isthmus Region, delivering regionally-specific information to students and disseminating Eastern Waste Management's print materials for a new curbside recycling initiative in communities in the area. Also, MMSB provided marketing, public education and communications support to the Burin Peninsula Waste Management Corporation in the launch of phase two of its curbside composting pilot program as reported under capacity building.

At the first of two regional forums in 2012-13, Regional Waste Management Authorities were provided with digital copies of MMSB's waste reduction guide for businesses. In addition, authorities have access to MMSB's public outreach including school, business and composting presentations.

Indicator

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

Actual Results - MMSB launched a program-specific marketing campaign focusing on out-of-home beverage container recycling.

Discussion of Results - In spring 2012, as a result on an extensive research study on beverage container recovery, a number of strategic priorities were identified. In July, MMSB launched a province-wide Recycle on the Run campaign to address the lack of recycling opportunities

(infrastructure) for beverage containers that were consumed out-of-home such as at a sports field or at the cabin. The campaign also addressed confusion around the types of containers accepted through the Used Beverage Container Recycling Program, highlighting certain types of containers that have low recovery rates, specifically foil juice packs, orange drink containers and yogurt drinks. Marketing tactics focused heavily on radio and online advertising but also integrated other media such as print, billboards, mobile and a social media campaign. All tactics steered traffic towards a new micro website that encouraged residents across the province to "take their recycling with them" and clearly outlined the specific types of containers that could be recycled under MMSB's Beverage Recycling Program. MMSB also engaged partners such as Parks and Natural Areas division who helped deliver the message to visitors to our Province's provincial parks and Colemans grocery stores who disseminated information to customers at 12 locations across the province.

In addition to the Recycle on the Run campaign, the aforementioned Treat Your Trash Can Right campaign also targeted out-of-home recycling with a 15 second video that was disseminated through television and social media channels.

Indicator

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

Actual Results - MMSB launched program-specific marketing campaign to help increase the number of tires captured through the Used Tire Recycling Program. Approximately 495,000 used tires were collected through MMSB's Used Tire Recycling Program in 2012-13 representing a 25 per cent increase over 2011-12.

Discussion of Results - MMSB launched a mass media campaign, including print, radio and online and social media to specifically target consumers during the spring and fall tire change over season. The campaign served as a reminder that consumers should leave their old tires at one of 650 tire return locations in the province.

In addition, to the tire change over program, a marketing and communications campaign was implemented to support MMSB's Residential Fall Tire Pilot Program. MMSB hosted 12, one-day tire drop off events and 5 curbside collection events in partnership with select municipalities and retailers across the province. The Residential Used Tire Pilot Collection Program provided residents of the province with a convenient way to dispose of the used tires that they have been storing in their basements, sheds and garages. To support the program, MMSB implemented a number of public relations tactics to support media interest and marketing tactics to raise awareness of the events, including media relations, direct mail, radio and online advertising, as well as employing social media channels. MMSB also partnered with retailers to deliver the message to consumers.

KEY PRIORITIES FOR 2013-14

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 2013-14.

1. Waste Diversion and Recycling

OBJECTIVE 1: By March 31, 2014, MMSB will have significantly strengthened its existing recycling programs and will have moved forward with the development of a series of new recycling and waste diversion initiatives.

Measure 1.1: Existing waste diversion programs significantly strengthened.

Indicators

- The Used Beverage Container Recycling Program will be significantly strengthened by achieving greater operating efficiencies and focusing on increased recovery.
- The tire stockpile will be depleted, significantly strengthening the Used Tire Recycling Program by eliminating the associated storage, rent and security costs of the stockpile.
- The Waste Paint program will be significantly strengthened by working with the industry steward to ensure compliance with the regulation and improve operations.

Measure 1.2: Development of new waste diversion initiatives moved forward.

Indicators

- 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.

- A voluntary Extended Producer Responsibility (EPR) stewardship agreement for the recycling of fluid milk packaging is implemented.

- Province-wide, industry led E-Waste programs for the management of various electronic products will commence in 2013-14.

2. Capacity Building

OBJECTIVE 2: By March 31, 2014, MMSB will have redeveloped the capacity building framework to support the future requirements of the Provincial Solid Waste Management Strategy.

Measure 2.1: Capacity building framework is redeveloped.

Indicators

- The Capacity Building Framework will be redeveloped to support the future requirements of the Provincial Solid Waste Management Strategy.

- MMSB will work with the Institutional, Commercial and Industrial (ICI) sector to build capacity to increase diversion opportunities.

- MMSB will incorporate a multi-pronged approached to help communities and regions build capacity to address illegal dumping and litter abatement across Newfoundland and Labrador.

- Capacity building activities will be extended to include research, awareness and diversion opportunities for organic waste within Newfoundland and Labrador.

3. Public Education

OBJECTIVE 3: By March 31, 2014, MMSB will have completed the implementation of its revised marketing and education plan to achieve an increase in public and ICI sector engagement in modern waste management practices and issues.

Measure 3.1: Completed implementation of the new marketing and education plan.

Indicators

- MMSB will continue delivery of the new province-wide marketing and communication campaign that was launched in 2011-12.
- MMSB will apply a cross-curricular approach to continue to engage schools and enhance waste education in schools through the development of curriculum-linked resources.
- MMSB will increase public outreach to further target and engage the Industrial, Commercial and Institutional sector in modern waste management practices.

Measure 3.2: Increased public awareness and engagement in modern waste management practices and issue in Newfoundland and Labrador.

Indicators

- Marketing strategies and campaigns will be strengthened to help drive the recovery and celebrate the success of the Used Beverage Container Recycling Program.
- Continued marketing, education and communications to raise awareness of organic waste management**.**
- MMSB will strengthen marketing, education and communication support for Regional Waste Management Authorities.

OPPORTUNITIES AND CHALLENGES AHEAD

As we move beyond 2013-14, MMSB will face new challenges and opportunities as it continues to develop, implement and management waste diversion and recycling programs province-wide.

Considerable progress has been achieved, as outlined in this Annual Report, and MMSB has established key priorities for the next several years to continue to advance its mandate, 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, 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 to 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 2012-13

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.

As of March 31, 2013, the Board was comprised of the following 13 members:

Leigh Puddester	Chair
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, 2013

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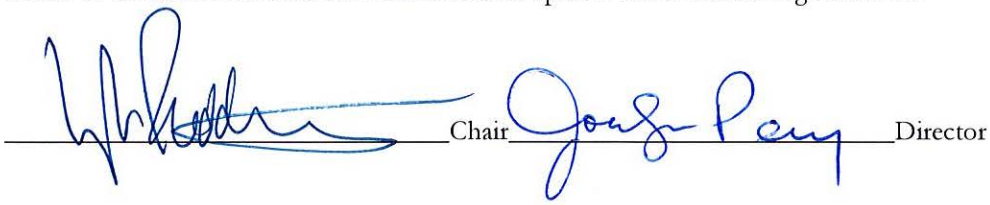
Statement of responsibility

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 Audit Committee 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 the 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 accordance with Canadian public sector accounting standards.



Chair Director

Independent auditors' report

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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, 2013, and the consolidated statements of operations, remeasurement gains and losses, changes in accumulated surplus, changes in net financial 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 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, 2013 and the results of its operations, net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Grant Thornton LLP

St. John's, Canada

June 27, 2013

Chartered Accountants

Multi-Materials Stewardship Board
Consolidated Statement of Financial Position

	March 31 2013	March 31 2012
Financial assets		
Cash and cash equivalents (Note 4)	**$ 12,254,400**	$ 14,815,868
Receivables (Note 5)	**3,745,155**	2,852,775
Notes receivable at amortized cost of non-interest bearing notes, repayable over the next five years, utilizing an interest rate of prime plus 1%	**55,371**	84,979
Inventories for sale (Note 6)	**53,991**	75,921
Long term investments	**655,768**	1,037,205
	16,764,685	18,866,748
Liabilities		
Payables and accruals	**1,532,461**	2,152,796
Grants payable	**1,509,238**	1,670,743
Accrued stockpile costs (Note 7)	**1,552,164**	3,148,221
Unearned revenue	**2,860,787**	1,971,953
Performance bonds payable	**617,189**	663,825
Accrued severance pay	**87,747**	98,735
	8,159,586	9,706,273
Net financial assets	**8,605,099**	9,160,475
Non-financial assets		
Prepaids	**$ 84,094**	$ 103,989
Tangible capital assets (Page 19)	**734,960**	707,111
	819,054	811,100
Accumulated surplus (Note 8)	**$ 9,424,153**	$ 9,971,575

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 Operations

Year Ended March 31	**Actual 2013**	Budget 2013	Actual 2012
Revenue			
Gross revenue from deposits	**$ 24,312,183**	$ 23,428,919	$ 23,095,506
By-product revenue	**2,431,932**	1,995,684	2,767,506
Provincial Waste Management Strategy revenue	**87,386**	-	-
Income from Organics program	**65**	-	83,162
Income from Household Hazardous Waste Program	**36,872**	30,484	41,393
	26,868,438	25,455,087	25,987,567
Cost of sales			
Deposits refunded	**8,680,105**	8,849,462	8,459,534
Green School Program	**752,335**	793,000	1,049,804
Handling fees	**7,181,174**	7,477,100	6,892,132
Stockpile costs (Note 7)	**-**	-	4,276,160
Regional processing	**1,640,156**	1,757,766	1,625,758
Freight and transportation	**4,121,303**	4,417,562	3,717,693
Depot fees	**387,000**	399,600	357,520
Quality assurance facilities	**89,095**	66,265	122,958
	22,851,168	23,760,755	26,501,559
Annual surplus (deficit) before expenses and other activities	**4,017,270**	1,694,332	(513,992)
Expenses			
Administrative expenses (Page 20)	**3,205,269**	3,627,648	3,116,618
Grant disbursements	**1,541,001**	2,585,484	2,402,727
	4,746,270	6,213,132	5,519,345
Annual deficit before other activities	**(729,000)**	(4,518,800)	(6,033,337)
Other activities			
Loss on disposal of tangible capital assets	**-**	-	(6,505)
Interest and sundry income	**95,839**	75,900	173,302
Note receivable grant expense	**-**	-	(13,922)
	95,839	75,900	152,875
Annual deficit	**$ (633,161)**	$ (4,442,900)	$ (5,880,462)

See accompanying notes to the consolidated financial statements.

Multi-Materials Stewardship Board

Consolidated Statement of Remeasurement Gains and Losses

Year Ended March 31	**2013**	2012
Accumulated remeasurement gains (losses), beginning of year	**$ (8,521)**	$ -
Unrealized gains (losses) attributed to foreign exchanges	**85,739**	(8,521)
Accumulated remeasurement gains (losses), end of year	**$ 77,218**	$ (8,521)

See accompanying notes to the consolidated financial statements.

Multi-Materials Stewardship Board

Consolidated Statement of Changes in Accumulated Surplus

Year Ended March 31	**Actual 2013**	Budget 2013	Actual 2012
Accumulated surplus, beginning of year	**$ 9,971,575**	$ 9,971,575	$ 15,860,558
Annual deficit	**(633,161)**	(4,442,900)	(5,880,462)
Remeasurement gains (losses)	**85,739**	-	(8,521)
Accumulated surplus, end of year	**$ 9,424,153**	$ 5,528,675	$ 9,971,575

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 2013**	Budget 2013	Actual 2012
Annual deficit	**$ (633,161)**	$ (4,442,900)	$ (5,880,462)
Acquisition of tangible capital assets	**(172,125)**	(727,100)	(523,150)
Amortization of tangible capital assets	**144,276**	252,358	68,081
Loss on disposal of tangible capital assets	-	-	6,505
Cash received from disposal from tangible capital assets	-	-	1,200
Increase in prepaids	**19,895**	-	42,358
Remeasurement gains (losses)	**85,739**	-	(8,521)
Decrease in net assets	**(555,376)**	(4,917,642)	(6,293,989)
Net financial assets, beginning of year	**9,160,475**	9,160,475	15,454,464
Net financial assets, end of year	**$ 8,605,099**	$ 4,242,833	$ 9,160,475

See accompanying notes to the consolidated financial statements.

Multi-Materials Stewardship Board
Consolidated Statement of Cash Flows

Year Ended March 31	**2013**	2012
(Decrease) increase in cash and cash equivalents		
Operating		
Annual deficit	**$ (633,161)**	$ (5,880,462)
Amortization	**144,276**	68,081
Loss on disposal of tangible capital assets	**-**	6,505
Remeasument gains (losses)	**85,739**	(8,521)
	(403,146)	(5,814,397)
Change in non-cash items (Note 9)	**(2,339,618)**	4,624,956
Cash applied to operating transactions	**(2,742,764)**	(1,189,441)
Capital		
Cash used to acquire tangible capital assets	**(172,125)**	(523,150)
Cash received from disposal of tangible capital assets	**-**	1,200
Cash applied to capital transactions	**(172,125)**	(521,950)
Investing		
Decrease in notes receivable	**29,608**	31,636
Increase in long term investments	**381,437**	(269,083)
Cash provided by (applied) to investing transactions	**411,045**	(237,447)
Financing		
(Decrease) increase in performance bonds payable	**(46,636)**	258,939
(Decrease) increase in accrued severance pay	**(10,988)**	76,433
Cash (applied to) provided by financing transactions	**(57,624)**	335,372
Decrease in cash and cash equivalents	**(2,561,468)**	(1,613,466)
Cash and cash equivalents, beginning of year	**14,815,868**	16,429,334
Cash and cash equivalents, end of year	**$ 12,254,400**	$14,815,868

See accompanying notes to the consolidated financial statements.

Multi-Materials Stewardship Board
Notes to the Consolidated Financial Statements
March 31, 2013

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 27, 2013.

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 accrual for deposits outstanding at year end, 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, 2013

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 year end 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 $3,154 and $1,034,332 (2012 - $54,500 and Nil) in restricted cash related to the performance bonds payable and funds received for the Provincial Waste Management Strategy respectively.

Long term investments

Long term investments include guaranteed investment certificates with original maturities greater than one year. At March 31, 2013, $613,966 (2012 - $608,320) 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

Multi-Materials Stewardship Board
Notes to the Consolidated Financial Statements
March 31, 2013

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 65% (2012 - 66%).

Unearned revenue also includes funds received in relation to the Provincial Waste Management Strategy related to expenditures for strategic communications development. The funding is recognized as revenue as the expenditures are incurred and repayable if not fully spent on the project.

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.

Multi-Materials Stewardship Board
Notes to the Consolidated Financial Statements
March 31, 2013

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

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.

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.

Multi-Materials Stewardship Board
Notes to the Consolidated Financial Statements
March 31, 2013

4. Cash and cash equivalents	2013	2012
Cash and cash equivalents	**$ 11,216,914**	$ 14,761,368
Restricted cash deposits	**1,037,486**	54,500
	$ 12,254,400	$ 14,815,868

5. Receivables	March 31 2013	March 31 2012
Deposits	**$ 2,712,609**	$ 2,598,013
Trade and other	**1,032,546**	254,762
	$ 3,745,155	$ 2,852,775

6. Inventories for sale	2013	2012
Aluminium beverage containers	**$ 37,946**	$ 50,156
PET beverage containers	**16,045**	25,765
	$ 53,991	$ 75,921

7. 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 was 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, 2013, management has estimated future stockpile removal costs to be $1,552,164 (2012 - $3,148,221), which has been accrued in the stockpile costs.

8. Accumulated surplus	2013	2012
Accumulated surplus from operations	**$ 9,346,935**	$ 9,980,096
Accumulated remeasurement gains (losses)	**77,218**	(8,521)
	$ 9,424,153	$ 9,971,575

Multi-Materials Stewardship Board
Notes to the Consolidated Financial Statements
March 31, 2013

9. Supplemental cash flow information

	2013	2012
Change in non-cash items		
Receivables	**$ (892,380)**	$ 122,337
Inventories	**21,930**	3,633
Prepaids	**19,895**	42,358
Payables and accruals	**(620,335)**	1,442,581
Grants payable	**(161,505)**	(110,837)
Accrued stockpile costs	**(1,596,057)**	3,148,221
Unearned revenue	**888,834**	(23,337)
	$ (2,339,618)	$ 4,624,956

10. Commitments

The Board is committed to minimum annual lease payments for property and equipment for the next five years as follows: 2014 - $224,665; 2015 - $188,389; 2016 - $159,906; 2017 - $159,906; and 2018 - $7,608.

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, 2018;
(iv) collection of used tires in Happy Valley-Goose Bay area to February, 2014;
(v) transportation of used tires collected in Labrador to February, 2014;
(vi) transportation and disposal of processed glass to March, 2014;
(vii) loading and transportation of stockpile tires to date of completion; and
(viii) Household hazardous waste collection and disposal to October, 2013

11. 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, credit and market 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, 2013.

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Notes to the Consolidated Financial Statements
March 31, 2013

11. Financial instruments (cont'd.)

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.

There is no liquidity risk associated with the bonds payable as they are held in guaranteed investment certificates with a stated interest rate.

The aging of payables and accruals, grants payable, accrued stockpile costs accrued severance pay, is as follows:

	2013	2012
0-30 days	**$ 1,156,036**	$ 2,562,677
31-60 days	**282,466**	131,601
61-90 days	**129,208**	23,226
Over 91 days	**2,663,233**	3,463,630
1-5 years	**362,920**	790,626
> 5 years	**87,747**	98,735
Total	**$ 4,681,610**	$ 7,070,495

Credit risk

Credit risk is the risk of loss if a customer or counterparty cannot meet its contractual obligations. The carrying amount of financial assets represents the maximum credit exposure. The Board's credit risk is attributable to receivables. The accounts receivable represent a large number of small balances owed by its customers, and no one customer or group of customers represents a significant risk. Management reviews receivables on a case by case basis to determine if an allowance is necessary to reflect an impairment in collectability.

The aging of receivables is as follows:

	2013	2012
0-30 days	**$ 2,341,775**	$ 2,277,971
31-60 days	**659,967**	222,529
61-90 days	**145,660**	14,445
Over 91 days	**604,105**	338,354
Total	**$ 3,751,507**	$ 2,853,299
Allowance for doubtful accounts	**(6,352)**	(524)
Net receivables	**$ 3,745,155**	$ 2,852,775

Multi-Materials Stewardship Board
Notes to the Consolidated Financial Statements
March 31, 2013

11. Financial instruments (cont'd.)

The aging of notes receivable is as follows:

	2013	2012
< 1 year	**$ 27,541**	$ 29,608
1 > 2 years	**21,629**	27,541
2 > 3 years	**5,651**	21,629
> 3 years	**550**	6,201
Total	**$ 55,371**	$ 84,979

Market risk

Market risk is the risk that the fair value of marketable securities or long-term investments will change as a result of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Board is mainly exposed to currency risk and other price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Consequently, some assets are exposed to foreign exchange fluctuations. As at March 31, 2013, cash of $4,734,495 USD is converted into Canadian dollars. Subsequent to year end the balance in the USD bank account was transferred to a Canadian account and therefore the risk of foreign currency fluctuations has been eliminated.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Board is exposed to other price risk through its sale of by-products.

The Board is exposed to concentration risk as all of its by-products are in a quoted active market.

Multi-Materials Stewardship Board
Notes to the Consolidated Financial Statements
March 31, 2013

11. Financial instruments (cont'd.)

The table below presents a sensitivity analysis for changes in market prices of aluminium and polyethylene terephthalate (PET) and the impact on by-product revenue:

	2013		2012	
	Aluminium	PET	Aluminium	PET
-0.10%	**$ 1,300,440**	**$ 768,985**	$ 1,347,138	$ 933,885
-0.05%	**1,372,687**	**811,706**	1,421,979	987,768
Market Price at March 31st	**1,444,934**	**854,428**	1,496,820	1,037,651
+0.05%	**1,517,180**	**897,149**	1,571,661	1,089,533
+0.10%	**1,569,427**	**939,870**	1,646,502	1,141,416

12. Employee future benefits

The Board participates in the Government of Newfoundland and Labrador's Government Money Purchase Plan (GMPP) which is a defined contribution pension plan. The plan is mandatory for all employees, with the exception of the CEO, from date of employment. Employees contribute 5% of regular earnings and the Board matches these contributions. Contributions made prior to January 1, 1997 are fully vested and locked-in after the completion of 10 years of continuous service and has attained the age 45 or after the completion of 5 years of plan participation. Contributions made on or after January 1, 1997 are fully vested and locked-in after the completion of 2 years of plan participation. Contributions paid and expensed by the Board during the year totaled $57,303 (2012 - $53,288).

The CEO participates in the Government of Newfoundland's Public Service Pension Plan which is a defined benefit plan. The plan is mandatory for all full time employees of the Government of Newfoundland and Labrador from the date of employment. Employee and employer contributions are at an amount equal to 6.8% of the salary; normal retirement age under the plan is 65; and the amount of pension is based on 2% of the average of the best five years pensionable salary multiplied by the years and months of credited pensionable service. Contributions paid and expensed by the Board during the year totaled $12,647 (2012 - $12,196). Additional information about the plan surplus or deficit is not available.

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	**2013**	2012
Cost									
Cost, beginning of year	$ 168,454	$ 138,211	$ 8,913	$ 126,996	$ 322,929	$ 363,802	$ 402,955	**$ 1,532,260**	$ 1,068,105
Additions during the year	-	11,869	-	9,384	2,640	81,686	66,546	**172,125**	523,150
Disposals during the year	-	-	-	-	-	-	-	**-**	(58,995)
Cost, end of year	$ 168,454	$ 150,080	$ 8,913	$ 136,380	$ 325,569	$ 445,488	$ 469,501	**$ 1,704,385**	$ 1,532,260
Accumulated Amortization									
Accumulated amortization, beginning of year	$ 112,163	$ 85,537	$ 5,622	$ 75,195	$ 199,248	$ -	$ 347,384	**$ 835,149**	$ 808,359
Amortization	14,748	11,681	601	13,996	33,141	41,522	28,587	**144,276**	68,081
Reversal of accumulated amortization relating to disposals	-	-	-	-	-	-	-	**-**	(51,291)
Accumulated amortization, end of year	126,911	97,218	6,223	89,191	232,389	41,522	375,971	**969,425**	825,149
Net book value of tangible capital assets	$ 41,543	$ 52,862	$ 2,690	$ 47,189	$ 93,180	$ 403,966	$ 93,530	**$ 734,960**	$ 707,111

Multi-Materials Stewardship Board

Consolidated Schedule of Administrative Expenses

Year Ended March 31

	2013	2012
Advertising	**$ 86,476**	$ 118,330
Amortization	**144,274**	68,081
Business development	**52,439**	-
Directors' remuneration	**19,215**	12,505
Dues, licences and education	**14,592**	9,518
Equipment rental and support	**70,630**	33,026
Insurance	**8,719**	10,272
Interest and bank charges	**4,457**	4,674
Marketing and communications	**302,486**	381,396
Meetings and entertainment	**18,480**	12,068
Miscellaneous	**11,626**	14,507
Professional fees	**173,029**	174,104
Rent	**138,691**	109,926
Repairs and maintenance	**400**	343
Stationery and office supplies	**38,443**	44,485
Strategic communications development	**87,386**	-
Supplies	**73,305**	32,423
Telecommunications	**33,962**	28,929
Travel - Board and staff	**109,357**	100,714
Vehicle operating	**25,799**	27,823
Wages and benefits	**1,791,503**	1,933,494
	$ 3,205,269	$ 3,116,618