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our province  
to a greener  
future

## TABLE OF CONTENTS

Message from the Chair	2
Overview of MMSB	3
Background	3
Governance	3
Operations and Finance	3
Highlights and Partnerships	4
Report on Performance	5
Issue 1 – Waste Diversion	5
Issue 2 – Capacity Building	10
Issue 3 – Public Awareness and Education	18
Opportunities and Challenges Ahead	24
Appendix A	25
Board of Directors 2016-17	
Appendix B	
Financial Statements	26

## MESSAGE FROM THE CHAIR

On behalf of the Board of Directors of the Multi-Materials Stewardship Board (MMSB), I am pleased to present the Annual Report for 2016-17 in accordance with the Transparency and Accountability Act. This report outlines achievements of goals as stated in MMSB's Strategic Plan for 2014-17, as well as achievements of objectives from April 1, 2016 to March 31, 2017.

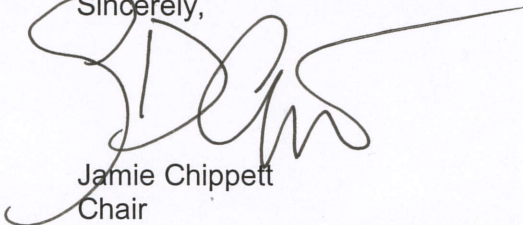
During the reporting period, MMSB continued to advance sustainable waste management through the development and implementation of public education and waste diversion programs that deliver economically viable and environmentally sustainable solutions.

In particular, MMSB has made progress towards increasing waste diversion through its Beverage Container Recycling and Used Tire Management programs as well as through the province-wide public education program, Rethink Waste, which encourages Newfoundlanders and Labradorians to do their part to make a meaningful impact on the environment.

MMSB also remained focus on cultivating and nurturing partnerships with regional waste management authorities, municipalities, schools, waste management service providers and suppliers as well as the general public to achieve our shared waste diversion and reduction goals. While we are proud of our collective efforts, we recognize the need for greater environmental change to protect the long-term health and well-being of our environment and communities.

I look forward to building on the progress achieved to date and working to address the challenges and opportunities presented by MMSB. As Chair of the Board, my signature below is indicative of the Board's overall accountability for the actual results reported within the 2016-17 Annual Report.

Sincerely,



Jamie Chippett  
Chair

## OVERVIEW

### Background

The Multi-Materials Stewardship Board (MMSB) is a Crown agency of the Government of Newfoundland and Labrador that reports to the Minister of Municipal Affairs and Environment (Minister). Established in 1996, MMSB supports and promotes sustainable waste management on a province-wide basis through the development and implementation of public education and waste diversion programs, in accordance with provincial legislation and informed by the Provincial Solid Waste Management Strategy.

The delivery of this mandate is achieved through collaboration with the Department of Municipal Affairs and Environment (MAE), Service NL and third-party contracted service providers such as Green Depot operators, as well as with stakeholders such as regional waste management authorities, municipalities and environmental industry associations.

Information on MMSB's mandate, vision and lines of business can be found online at [www.mmsb.nl.ca](http://www.mmsb.nl.ca).

### Governance

MMSB is governed by a Board of Directors appointed by the Lieutenant Governor in Council. The Board is comprised of representatives from stakeholder groups, as well as members at-large; additional information on the Board of Directors is provided in Appendix (A). The Board is responsible and accountable for the overall business affairs of MMSB and performs three fundamental roles:

- Sets direction for achieving the mandate of the organization;
- Develops strategic policy that ensures the organization fulfills its mandate and key responsibilities; and
- Provides general oversight of the organization.

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). Its current corporate structure consists of a head office located in Mount Pearl with 17 professional and administrative employees and a field office, also in Mount Pearl, with two employees. Of the 19 MMSB employees, seven are male and 12 are female.

### Operations and Finance

As a self-financed Crown Agency, MMSB does not receive funding from the Government of Newfoundland and Labrador. In accordance with provincial legislation, its revenues are derived from deposits applied on the sale of ready-to-serve beverage containers and environmental fees applied on the sale of new highway tires, as well as from the sale of recyclable materials collected through its waste diversion programs.

MMSB's operating revenue in 2016-17 was approximately \$28.2M. Operating expenditures were approximately \$27.1M with an additional \$2.8M allocated to the Waste Management Trust Fund, which helps advance sustainable waste management in Newfoundland and Labrador (see Appendix B for audited financial statements). Total committed assets in the Trust Fund as of March 31, 2017 were approximately \$3.2M.

## HIGHLIGHTS AND PARTNERSHIPS

### Highlights

MMSB is committed to educating, enabling and motivating Newfoundlanders and Labradorians to reduce and recycle waste as a means of protecting the environment. Success achieved in the following areas indicates that efforts are having a positive impact on advancing sustainable waste management in the province:

- **Waste Diversion Programs** – Since 1997, approximately 2.6 billion used beverage containers have been diverted from provincial landfills and recycled. For a report on quarterly collection statistics for 2016-17, visit [www.mmsb.nl.ca](http://www.mmsb.nl.ca).

Since 2002, more than 5.7 million used tires have been diverted from landfills throughout the province. Visit [www.mmsb.nl.ca](http://www.mmsb.nl.ca) for quarterly collection statistics for 2016-17.

In 2016-17, approximately 13 million beverage containers were diverted from landfills across Newfoundland and Labrador through the efforts of 250 schools province-wide that have participated in MMSB's Get Matched! program. Through the program, schools raised approximately \$1.3 million in recycling refunds and matching grants.

MMSB's management information system was implemented in four additional Green Depots in 2016-17 for a total of 48 depots now using the computer based technology that provides operational, administrative and customer service efficiencies.

- **Public Education** – In 2016-17, MMSB delivered 94 presentations to business, community, school and youth audiences throughout Newfoundland and Labrador, including composting workshops and presentations and/or consultations with businesses and organizations to educate employees about sustainable waste management practices and help implement waste management programs.

### Partnerships

Fulfilling MMSB's mandate requires partnerships with multiple government departments; regional waste management authorities; businesses; communities and schools. Collaboration in the following areas has helped address challenges and identify opportunities associated with managing solid waste and protecting our environment and communities.

- **Increasing Waste Diversion** – MMSB conducted a provincial waste audit during a four-week period in the summer of 2016 to gain understanding of the composition, amount and origins of roadside litter, which is harmful to the natural environment – it threatens water, wildlife and habitat. Findings from the audit will help inform industry stakeholders to develop and implement future litter prevention and clean-up programs. In 2017-18, MMSB will share the litter audit findings with municipal and provincial governments, enforcement entities and businesses.
- **Changing Attitudes and Behaviours** – MMSB, in partnership with the Newfoundland and Labrador English School District (NLESD), expanded the Recycle at School program into the central Newfoundland waste management region. Participating schools now have access to educational resources including: signage, classroom posters, recycling bin labels and a video tutorial to help teach students and staff how to properly sort their waste. The Recycle at School program has the potential to divert approximately 50 per cent of daily waste generated in schools from landfills.

## REPORT ON PERFORMANCE

March 31, 2017 marks the end of MMSB's three year strategic plan for 2014-17. The plan identifies three priority issues, which reflect consideration for government's Provincial Solid Waste Management Strategy, including: waste diversion and recycling; capacity building; and public awareness and education. This section reports on the goals for 2014-17 as well as objectives for 2016-17.

### Issue 1 Waste Diversion and Recycling

To help achieve provincial waste diversion goals, MMSB must significantly strengthen existing recycling and waste diversion programs and establish new provincial recycling initiatives. MMSB has made important progress through its waste diversion and recycling programs, composting initiatives and partnerships with industry stakeholders. Increases in the recovery of both used beverage containers and tires along with operational efficiencies and targeted marketing initiatives continue to strengthen sustainable waste management practices and services in the province. In addition, the collection and analysis of waste generation and diversion data are providing meaningful insights required to expand and explore waste diversion and recycling programs.

The following section outlines how waste diversion and recycling programs are contributing to solid waste management by addressing the Provincial Solid Waste Management Strategy; organic waste management and recycling; and management of hazardous waste components of MMSB's 2014-17 Strategic Plan.

<b>Goal 1:</b>	By March 31, 2017, MMSB will have increased waste diversion in the province towards the target set in the Provincial Solid Waste Management Strategy.
<b>Indicators Planned for 2014-17</b>	<b>Actual Performance for 2014-17</b>
Recovery levels are increased for those materials targeted by MMSB's existing recycling programs.	The recovery level for MMSB's Used Beverage Container Recycling program increased from 162 million beverage containers in 2013-14 to 177 million in 2016-17. In addition, the recovery level for the Used Tire Management program, increased from approximately 465,000 used tires 2013-14 to approximately 514,000 in 2016-17.
New recycling and waste diversion initiatives are implemented.	MMSB, in partnership with the Newfoundland and Labrador English School Board (NLESD), implemented Recycle at School to provide 43 schools in the central Newfoundland waste management region with the resources required to participate in the regional authority's mandatory recycling and garbage program.

## REPORT ON PERFORMANCE

<p><b>Goal 1:</b></p>	<p>By March 31, 2017, MMSB will have increased waste diversion in the province towards the target set in the Provincial Solid Waste Management Strategy.</p>
<p><b>Indicators Planned for 2014-17</b></p>	<p><b>Actual Performance for 2014-17</b></p>
<p>New recycling and waste diversion initiatives are implemented (continued).</p>	<p>MMSB implemented the Community Waste Diversion Fund to support incorporated municipalities and Local Service Districts in the implementation of community initiatives that identify new or enhance existing opportunities to divert waste from landfills. To date, MMSB has provided \$118,000 to 16 communities to support a range of community-based waste management initiatives including: community composting programs, plastic bag reduction initiatives, wood waste mulching, curbside promotional programs and pilot programs for mandatory recycling and curbside textiles collection.</p> <p>MMSB also implemented a recycling and waste diversion pilot program in partnership with Product Care, the Electronic Products Recycling Association (EPRA), Central Waste Management and Scotia Recycling to identify the potential to collect multiple waste streams through one-day recycling events. Events were held in Conception Bay South, Grand Falls-Windsor, Clarenville and Corner Brook. More than 1,100 vehicles attended the four events, resulting in the collection of approximately 30,000 litres of paint, 17 tonnes of electronic waste and more than 1,400 used tires. In addition 2,600 litres of HHW were collected at the Grand Falls-Windsor event.</p> <p>With a commitment to support the Institutional, Commercial and Industrial sector (ICI), over the past three years, MMSB has consulted with and/or delivered 81 presentations to businesses and government departments to provide information and strategic counsel on the development and implementation of waste diversion initiatives and programs. As part of this work, MMSB also conducted 34 ICI waste audits and implemented an online digital library offering free recycling signs for the ICI sector. To further support the ICI sector, since 2014, 24 local innovators have received more than \$260K in financial support through MMSB's Solid Waste Management Innovation Fund, which supports businesses, industry associations and non-profit organizations in the development of new or improved technologies, products, services or processes that advance solid waste management in Newfoundland and Labrador.</p>

## REPORT ON PERFORMANCE

<b>Goal 1:</b>	By March 31, 2017, MMSB will have increased waste diversion in the province towards the target set in the Provincial Solid Waste Management Strategy.
<b>Indicators Planned for 2014-17</b>	<b>Actual Performance for 2014-17</b>
Overall waste diversion in the province is increased toward the target of 50 per cent as set in the Provincial Solid Waste Management Strategy.	Waste diversion in the province is increased toward the target of 50 per cent as set in the Provincial Solid Waste Management Strategy through: <ul style="list-style-type: none"> <li>• The recovery of approximately 177M units through MMSB's Used Beverage Container Recycling program in 2016-17 compared to 162M units recovered in 2013-14.</li> <li>• The recovery of approximately 514,000 tires through MMSB's Used Tire Management Program in 2016-17 compared to 465,000 tires recovered in 2013-14.</li> <li>• The distribution of an additional 2580 backyard compost bins through MMSB's Backyard Composting program from 2014-17.</li> <li>• The collection of 173,109 litres of waste paint through Product Care's EPR program in 2016 compared to 161,083 litres in 2013</li> <li>• The collection of 1061 tonnes of end-of-life electronics through the Electronic Products Recycling Association's ERP program in 2015 compared to 862 tonnes in 2014 (the first full year of program operations in the province).</li> </ul>
<b>Objective 1.3</b>	By March 31, 2017, MMSB will have evaluated the impact of its existing waste diversion programs and will have commenced implementation of new waste diversion initiatives.
<b>Indicators Planned for 2016-17</b>	<b>Actual Performance for 2016-17</b>
Recovery levels in MMSB's used beverage and tire management programs have continued to improve.	<p>In 2016-17, more than 177 million used beverage containers were collected through the Used Beverage Container Recycling Program, resulting in an increase of 200,000 units over 2015-16.</p> <p>In 2016-17, approximately 514,000 used tires were collected and diverted from landfill as part of MMSB's Used Tire Management Program, resulting in a four per cent increase over the 2013-17 average recovery rate (a four year average is the industry standard and is based on purchase and product lifecycles.)</p>



## REPORT ON PERFORMANCE

<p><b>Objective 1.3</b></p>	<p>By March 31, 2017, MMSB will have evaluated the impact of its existing waste diversion programs and will have commenced implementation of new waste diversion initiatives.</p>
<p><b>Indicators Planned for 2016-17</b></p>	<p><b>Actual Performance for 2016-17</b></p>
<p>Province-wide and stakeholder-specific waste generation and diversion data have been collected through new waste diversion initiatives.</p>	<p>MMSB conducted research and collected province-wide and stakeholder-specific waste generation and diversion data through the following new waste diversion initiatives:</p> <ul style="list-style-type: none"> <li>• A provincial litter audit that quantified the composition, amount and origins of litter in the province was implemented with the goal to help inform multiple stakeholders in the development of litter prevention and clean-up programs. The scope of the audit included 20 sites in 11 communities as well as an additional 11 sites along the TransCanada Highway. Overall findings show a significant amount of roadside litter in Newfoundland and Labrador. This includes waste types classified as small litter such as cigarette butts and bottle caps, as well as large litter such as fast-food containers and packaging from confectionary items such as candy bar wrappers and chip bags.</li> <li>• Residential waste audits for the Central Regional Service Board, Labrador West Waste Management Committee and the Town of Portugal Cove – St. Philips implemented to further inform the development of regional and local waste diversion strategies. MMSB also analyzed waste audit data, collected by the City of Mount Pearl, to help inform the development of a mandatory curbside recycling and garbage pilot program in the city.</li> <li>• Research into wood waste grinding technologies for the Central Regional Service Board to help inform strategic planning and options for managing this waste type.</li> <li>• Analysis of financial options to transport waste from non-host regions to regional landfill and recycling facility sites. This information was shared with regional authorities in September.</li> </ul>

## REPORT ON PERFORMANCE

<b>Objective 1.3</b>	By March 31, 2017, MMSB will have evaluated the impact of its existing waste diversion programs and will have commenced implementation of new waste diversion initiatives.
<b>Indicators Planned for 2016-17</b>	<b>Actual Performance for 2016-17</b>
New Extender Producer Responsibility (EPR) programs to manage and divert waste from landfills have been advanced.	MMSB continued to work with industry partners to advance new EPR programs to manage and divert waste from landfills through the following initiatives: <ul style="list-style-type: none"> <li>• Consultations with public and private sector stakeholders in Newfoundland and Labrador and throughout Eastern Canada to assess key learnings and best practices for implementing an EPR program for used oil and glycol.</li> <li>• Consultations with public and private stakeholders in Quebec and New Brunswick on the development and implementation of an EPR program for printed paper and packaging waste.</li> <li>• Representing Newfoundland and Labrador on the Canadian Council of the Ministers of the Environment's (CCME's) Waste Management Task Group to advance EPR research and development in accordance with government direction and through a shared commitment to the Canada-Wide Action Plan on EPR.</li> </ul>

### Discussion of Results

MMSB has achieved both its planned goal for 2014-17 and objective for 2016-17, as outlined under issue one, with a focus on evaluating and improving existing waste diversion and recycling programs as well as developing new initiatives to increase diversion towards the targets established in the Provincial Solid Waste Management Strategy. In addition to achieving increased recovery for the Used Beverage Container Recycling Program and Used Tire Management Program, MMSB has established new pilot projects and funding programs, as well as conducted research and data collection that have helped inform strategic planning and advance sustainable waste management program development.

## **Issue 2**

### **Capacity Building**

As the province moves forward with implementation of the Provincial Solid Waste Management Strategy, MMSB's capacity building framework continues to evolve to reflect the new roles of regional waste management authorities; support the diversion of industrial, commercial and institutional waste; and address the need for increased organic waste diversion. In addition, funding for regional infrastructure and pilot projects combined with grants that support local innovators, municipalities and Local Service Districts (LSDs) are helping advance regional plans and strengthen waste management services throughout the province. Also, MMSB's professional development, strategic counsel and public education services continue to provide regional waste management authorities and stakeholders with guidance on practices and behaviours required to achieve modern waste management.

The following section outlines how capacity building is contributing to solid waste management by helping address the Provincial Solid Waste Management Strategy, management of hazardous wastes, and organic waste management and recycling components of MMSB's 2014-17 Strategic Plan.

## REPORT ON PERFORMANCE

<b>Goal 2</b>	By March 31, 2017, MMSB will have strengthened the capacity of active regional waste management authorities and their stakeholders to advance the implementation of the Provincial Solid Waste Management Strategy.
<b>Indicators Planned for 2014-17</b>	<b>Actual Performance for 2014-17</b>
<p>The capacity of regional waste management authorities and their stakeholders has been strengthened through the provision of financial and human resources by MMSB.</p>	<p>The capacity of regional waste management authorities and their stakeholders has been strengthened through the provision of more than \$6M in funding as well as human resources support provided by MMSB. Over the past three years, the following initiatives have been supported:</p> <ul style="list-style-type: none"> <li>• \$650,000 to the Burin Peninsula Regional Service Board for a mobile bulk waste collection system to service the region.</li> <li>• \$850,000 to the Central Newfoundland Waste Management Authority for the purchase of a high-volume bulk waste shredder, which will be shared by regional waste management authorities. The shredder is projected to reduce the volume of bulk waste being landfilled by approximately 50 per cent.</li> <li>• \$4M to design and construct a new lined landfill cell at the Norris Arm regional landfill site, which will double the site's projected 50 year lifespan and accommodate waste from the Western, Northern Peninsula, Coast of Bays and Baie Verte-Green Bay waste management regions.</li> <li>• \$40,000 to the Discovery Regional Service Board to fund ongoing operations that will support the advancement of waste management in the region.</li> <li>• \$100,000 to the Northern Peninsula Regional Service Board to implement a composting pilot project that will offer an organics collection service to 900 households in the region.</li> <li>• \$155,000 to assist three regional waste management authorities in expanding household hazardous waste management services by funding four permanent HHW Depots.</li> <li>• \$240,000 to the Baie Verte – Green Bay Regional Waste Management Committee to assist in hiring a Regional Coordinator to advance regional waste management initiatives and explore new diversion opportunities.</li> </ul>

## REPORT ON PERFORMANCE

<b>Goal 2</b>	By March 31, 2017, MMSB will have strengthened the capacity of active regional waste management authorities and their stakeholders to advance the implementation of the Provincial Solid Waste Management Strategy.
<b>Indicators Planned for 2014-17</b>	<b>Actual Performance for 2014-17</b>
<p>The capacity of regional waste management authorities and their stakeholders has been strengthened through the provision of financial and human resources by MMSB (continued).</p>	<p>MMSB has also hosted four regional forums to provide training and share research with representatives from each regional waste management authority, government departments and agencies involved in advancing sustainable waste management.</p> <p>To assist regional waste management authorities in combating illegal dumping, MMSB invested \$45,000 in a three-year partnership with Crime Stoppers to help deter illegal dumping and littering and provide the public with a safe and anonymous way to report suspicious activity. Since 2014, 50 tips have been received from residents reporting illegal dumping and/or littering activities. Also, MMSB partnered with the Town of Conception Bay South and the Northern Peninsula Regional Service Board as part of its Illegal Dumping Surveillance Program to deliver two illegal dumping surveillance training sessions. To date, communities who have participated in the surveillance program have collectively laid 41 charges, resulting in 37 convictions for illegal dumping and/or littering.</p> <p>MMSB partnered with 30 communities to distribute 2,580 backyard compost bins to their residents. MMSB also provided train-the-trainer workshops and education support for participating communities.</p>
<p>MMSB has supported regional waste management authorities in the development and implementation of their public education plans.</p>	<p>MMSB has supported regional waste management authorities in the development and implementation of their public education plans through the following initiatives:</p> <ul style="list-style-type: none"> <li>• Led and coordinated strategic planning sessions with regional waste management authorities in the northern peninsula, western and central regions to help guide and advance public education needs and regional initiatives.</li> </ul> <p>Cont'd</p>

## REPORT ON PERFORMANCE

<b>Goal 2</b>	By March 31, 2017, MMSB will have strengthened the capacity of active regional waste management authorities and their stakeholders to advance the implementation of the Provincial Solid Waste Management Strategy.
<b>Indicators Planned for 2014-17</b>	<b>Actual Performance for 2014-17</b>
MMSB has supported regional waste management authorities in the development and implementation of their public education plans (continued).	<ul style="list-style-type: none"> <li>• Launched Rethink Waste, an education campaign to increase awareness and encourage participation in sustainable waste management practices. Rethink Waste features the web portal <a href="http://www.rethinkwasteNL.ca">www.rethinkwasteNL.ca</a>, as well as a suite of advertising and social media resources designed to be tailored to meet the education needs of each regional waste management authority through a province-wide brand identity and call to action.</li> <li>• Launched Recycle at School, a program informed by Central Newfoundland Waste Management's <i>Sort It</i> program and key learning from the <i>Recycle at School</i> pilot program implemented in nine schools in the Eastern Waste Management Region. The pilot identified the potential for schools in the province to divert approximately 50 per cent of their daily waste from landfill.</li> <li>• Supported NorPen in the development and implementation of public education and media relations planning to announce the launch of the region's residential curbside composting pilot project as well as provide media updates on illegal dumping convictions in the region as a result of surveillance and investigations.</li> <li>• Created and delivered a digital media workshop with the goal to provide insights and best practices on new and emerging online technologies that can help provide timely and targeted communications outreach at the regional level.</li> <li>• Developed and launched a corporate website for Western Regional Waste Management. The site is designed as a template to be tailored to meet the regional needs of each waste management authority and also leverages the Rethink Waste strategy to further reinforce the message of sustainable waste management. MMSB also developed and delivered a media and communications training session to members of the Western Regional Waste Management Board and operations teams to support ongoing public engagement and outreach. The session was designed to be adapted to meet future needs of other regional waste management authorities.</li> </ul> <p>Cont'd</p>

## REPORT ON PERFORMANCE

<b>Goal 2</b>	By March 31, 2017, MMSB will have strengthened the capacity of active regional waste management authorities and their stakeholders to advance the implementation of the Provincial Solid Waste Management Strategy.
<b>Indicators Planned for 2014-17</b>	<b>Actual Performance for 2014-17</b>
MMSB has supported regional waste management authorities in the development and implementation of their public education plans (continued).	<ul style="list-style-type: none"> <li>Supported Central Newfoundland Waste Management in the design, development and distribution of marketing and public education materials to support the launch of Sort-It Central, the region's new recycling and garbage program. Campaign materials included an information package for more than 30,000 businesses and households, an online sorting guide, advertising (radio, print and online), social media content and media materials.</li> </ul>
<b>Objective 2.3</b>	By March 31, 2017, MMSB will have continued to strengthen capacity building through programs and services and will have advanced a new capacity building framework to support the future requirements of the Provincial Solid Waste Management Strategy.
<b>Indicators Planned for 2016-17</b>	<b>Actual Performance for 2016-17</b>
A revised framework for MMSB's Regional Capacity Building Program aligned with the implementation of the Provincial Solid Waste Management Strategy has been advanced to the Board for consideration.	<p>A review of MMSB's Regional Capacity Building Program has been completed and proposed changes have been advanced to the board.</p> <p>An analysis of the ongoing needs of regional waste management authorities was completed and included proposed revisions to the existing Regional Capacity Building Program with a focus on increasing waste diversion opportunities, advancing organic waste management and supporting regional public education initiatives. These recommendations build upon past capacity building activities while realigning with new waste management priorities and progress achieved to date in advancing the Provincial Waste Management Strategy.</p>
Ongoing support has been provided to regional waste management authorities through MMSB's waste diversion and capacity building programs.	MMSB has provided support to regional waste management authorities through the following waste diversion and capacity building initiatives:  Cont'd

## REPORT ON PERFORMANCE

<b>Objective 2.3</b>	By March 31, 2017, MMSB will have continued to strengthen capacity building through programs and services and will have advanced a new capacity building framework to support the future requirements of the Provincial Solid Waste Management Strategy.
<b>Indicators Planned for 2016-17</b>	<b>Actual Performance for 2016-17</b>
Ongoing support has been provided to regional waste management authorities through MMSB's waste diversion and capacity building programs (continued).	<ul style="list-style-type: none"> <li>• A \$650,000 financial commitment to the Burin Peninsula Regional Service Board for a mobile bulk waste collection system to service the region.</li> <li>• A regional forum in March 2017 with representatives from 11 waste management regions, government departments and agencies involved in advancing the goals of the Provincial Solid Waste Management Strategy. The forum provided attendees with an opportunity to share key insights and best practices in advancing modern waste management. This forum featured presentations from six representatives from other Atlantic waste management regions in partnership with the Solid Waste Association of North America – Atlantic Canada Chapter.</li> <li>• A regional meeting, facilitated by MMSB in September of 2016, to discuss and explore options for financing inter-regional transportation of waste from non-host regions to regional landfills and recycling facilities.</li> </ul>
Stakeholders have been supported through strategic counsel, projects and programs that assist with the development and implementation of waste diversion initiatives.	In addition to providing strategic counsel to stakeholders to assist with the development and implementation of waste diversion initiatives, MMSB has provided support through: <ul style="list-style-type: none"> <li>• The Solid Waste Management Innovation Fund – MMSB provided at total of \$75,000 to six local innovators to support the management of solid waste in Newfoundland and Labrador. Examples of initiatives funded include piloting the recycling of used drywall, shredding of cardboard for use as animal bedding, developing food waste reduction education programming and composting restaurant food waste. The Solid Waste Management Innovation Fund supports businesses, industry associations and non-profit organizations in the development of new or improved technologies, products, services or processes that advance solid waste management in Newfoundland and Labrador.</li> </ul> <p>Cont'd</p>



## REPORT ON PERFORMANCE

<b>Objective 2.3</b>	By March 31, 2017, MMSB will have continued to strengthen capacity building through programs and services and will have advanced a new capacity building framework to support the future requirements of the Provincial Solid Waste Management Strategy.
<b>Indicators Planned for 2016-17</b>	<b>Actual Performance for 2016-17</b>
Stakeholders have been supported through strategic counsel, projects and programs that assist with the development and implementation of waste diversion initiatives (continued).	<ul style="list-style-type: none"> <li>• The Community Waste Diversion Fund – MMSB provided \$60,000 to seven communities to support community-based waste management initiatives. Examples of initiatives funded include: community composting programs, a plastic bag reduction initiative, wood waste mulching, a curbside give-away program and an appointment-based system for the collection of leaves for composting. The Community Waste Diversion Fund supports incorporated municipalities and Local Service Districts (LSD) in the implementation of community initiatives that identify new or enhance existing opportunities to divert waste from landfills.</li> <li>• The Surveillance Assistance Program – MMSB partnered with the Town of Conception Bay South and Northern Peninsula Regional Service Board to deliver surveillance training to six communities in July 2016.</li> <li>• Presentations – MMSB consulted with more than 25 businesses and organizations to provide information and advice on implementing waste diversion activities and help educate employees on sustainable waste management practices. For example, MMSB worked with the St. John’s Farmer’s Market to conduct a waste audit, develop a report of findings and recommendations such as introducing an onsite composting program and strengthening onsite recycling programs. MMSB also completed a waste audit of the Presentation Convent and delivered multiple presentations on the results and recommendations to residents and staff.</li> <li>• MMSB partnered with 10 municipalities to distribute 750 backyard compost bins to their residents..</li> <li>• MMSB has also supported the Greening Government Action Plan by working with four government offices to improve the management of solid waste. MMSB conducted waste audits of the Office of the Chief Information Officer and Research Development Corporation to identify the composition of waste types as well as waste generation and diversion data and to make recommendations for the improvement of solid waste management. Programs for paper, organics and mixed containers were implemented at the following locations: 40 Higgins Line (OCIO), 30 Strawberry Marsh Road (the Petten Building) and the Department of Tourism, Culture, Industry and Innovation.</li> </ul>

## Discussion of Results

MMSB has achieved both its planned goal for 2014-17 and objective for 2016-17, as outlined under issue two, with a focus on providing financial, human resource and public education support to strengthen the capacity of regional waste management authorities and their stakeholders as they work to advance implementation of the Provincial Solid Waste Management Strategy at the regional level. In addition to proposing changes to MMSB's Regional Capacity Program that realign with evolving waste management priorities and progress achieved to date, MMSB has continued to partner with regional authorities to provide strategic counsel, funding, training and marketing support to assist with the development and implementation of new waste diversion initiatives.

## REPORT ON PERFORMANCE

### Issue 3

#### Public Awareness and Education

Through strategically informed and targeted public awareness and education strategies, MMSB continues to make progress engaging with and encouraging residents and businesses to consistently practice the 3Rs of waste management (reduce, reuse and recycle). In addition, a province-wide call to action to *Rethink Waste* is encouraging all Newfoundlanders and Labradorians to take action and adopt sustainable waste management practices, helping to ensure a clean and healthy environment. Increased access to tools and resources is providing residents and businesses with relevant and timely information about waste management services and is helping waste management authorities advance regional plans.

The following section outlines how public awareness and education are contributing to solid waste management by helping address the Provincial Solid Waste Management Strategy and organic waste management and recycling components of MMSB's 2014-17 Strategic Plan.

<b>Goal 3</b>	By March 31, 2017, MMSB will have increased public awareness, knowledge and participation in modern waste practices and available programs.
<b>Indicators Planned for 2014-17</b>	<b>Actual Performance for 2014-17</b>
Awareness and knowledge about modern waste practices and available programs have been increased over 2014 baseline data.	<p>Data collection and analysis from a 2017 survey of 1,200 residents of Newfoundland and Labrador, 18 years or older, showed an increase in public awareness and knowledge of modern waste practices and available programs over 2014 baseline data. In addition, in 2017 MMSB increased access to and awareness of online content about waste reduction, reusing, recycling and disposal methods compared to 2014.</p> <p>Newfoundlanders and Labradorians continued to demonstrate growth in understanding about waste management practices and all available programs surveyed. Most notably, awareness and knowledge of curbside recycling programs as well as services for paper fibre recycling grew by more than 10 per cent in 2017. This can be attributed to the introduction of and supporting public education campaign for Sort-It, Central Newfoundland's Waste Management's mandatory recycling and garbage program. With the launch of Sort-It, more than 60 per cent of the population now has access to a curbside recycling program. In addition, awareness and knowledge of electronic waste recycling also increased by more than five per cent since 2014, which aligns with the continued growth and promotion of the industry-led program, which was launched by the Electronic Products Recycling Association (EPRA) in Newfoundland and Labrador only four years ago, in August 2013.</p> <p>Cont'd</p>

## REPORT ON PERFORMANCE

<b>Goal 3</b>	By March 31, 2017, MMSB will have increased public awareness, knowledge and participation in modern waste practices and available programs.
<b>Indicators Planned for 2014-17</b>	<b>Actual Performance for 2014-17</b>
Awareness and knowledge about modern waste practices and available programs have been increased over 2014 baseline data (continued).	MMSB increased access to and awareness of sustainable waste management practices through the continued presence of its corporate website (mmsb.nl.ca) and the addition of RethinkWasteNL.ca, which is dedicated to educating Newfoundlanders and Labradorians about the reducing, reusing and recycling with a focus on proper disposal options for a variety of waste types. The combined impact of these sites reached 25 per cent more users and resulted in 35 per cent more website sessions in 2016-17 compared to 2013-14.
Participation in modern waste practices and available programs has been increased over 2014 baseline data.	<p>Data collection and analysis from a 2017 survey of 1200 residents of Newfoundland and Labrador, 18 years or older showed an increase in participation in modern waste practices and available programs over 2014 baseline data.</p> <p>Survey results showed continued growth in the number of Newfoundland and Labradorians who reported participating “all of the time” or “most of the time” in modern waste management practices and available programs – this can be attributed to expanding services as well as public education.</p> <p>Most notably, increases in participation of more than 10 per cent were reported for curbside recycling, paper fibre, used paint and scrap metal services. A five per cent increase in participation was reported for both the electronic waste and Used Tire Management programs. The Used Beverage Container Recycling program, which has the highest overall participation rate and is the longest running recycling program in the province, achieved a two per cent increase in those who reported recycling “all of the time” or “most of the time.”</p>

## REPORT ON PERFORMANCE

<b>Objective 3.3</b>	By March 31, 2017, MMSB will have continued to implement its updated integrated marketing, communications and public education plan to achieve an increase in awareness, knowledge and participation of modern waste practices and programs.
<b>Indicators Planned for 2016-17</b>	<b>Actual Performance for 2016-17</b>
<p>Continued implementation of the updated integrated marketing, communications and public education campaign has increased awareness and encouraged participation in sustainable waste management programs and practices as measured through campaign analytics.</p>	<p>Continued implementation of the updated marketing, communications and public education program, Rethink Waste, has increased awareness and encouraged participation in sustainable waste management programs and practices.</p> <p>With a focus on helping residents and businesses “find a place for their waste,” in 2016-17 MMSB developed additional public education resources to highlight a variety of waste types and to deliver targeted and relatable messages through video and animated ads. In addition, this content was adapted for use through social media channels to further engage audiences and promote the Rethink Waste website.</p> <p>Website analytics show that in 2016-17, 35,000 users visited RethinkWasteNL.ca compared to approximately 20,000 in 2015-16, when the site first launched. Website sessions increased from nearly 26,000 in 2015-16 to more than 55,000 in 2016-17.</p> <p>In addition, MMSB also developed a public education strategy focused on Household Hazardous Waste (HHW) with the goals to establish understanding and awareness of types of HHW and proper disposal, as well as increase access to a range of education resources and information through RethinkWasteNL.ca. Implementation of the strategy, including content development and promotion, will commence in 2016-17.</p>
<p>Partnerships with regional waste management authorities have been further strengthened to increase access to public education resources that promote sustainable waste management programs and practices.</p>	<p>MMSB has further strengthened partnerships with regional waste management authorities to promote sustainable waste management practices through the following initiatives:</p> <ul style="list-style-type: none"> <li>• Led and coordinating strategic planning sessions with regional waste management authorities in the northern peninsula, western and central regions to help guide and advance public education needs and regional initiatives.</li> </ul> <p>Cont'd</p>

## REPORT ON PERFORMANCE

<b>Objective 3.3</b>	By March 31, 2017, MMSB will have continued to implement its updated integrated marketing, communications and public education plan to achieve an increase in awareness, knowledge and participation of modern waste practices and programs.
<b>Indicators Planned for 2016-17</b>	<b>Actual Performance for 2016-17</b>
Partnerships with regional waste management authorities have been further strengthened to increase access to public education resources that promote sustainable waste management programs and practices (continued).	<p>Partnered with Western Regional Waste Management to launch a new corporate website <a href="http://www.wrwm.ca">http://www.wrwm.ca</a> that leverages the Rethink Waste and Sort It brands to strengthen and reinforce a unified sustainable waste management message.</p> <ul style="list-style-type: none"> <li>• Leveraged the strategic and creative design of the Western website to commence planning with Central Newfoundland Waste Management on the development of a new website that will further engage residents and businesses in the Sort It – Central recycling and garbage program, as well as promote the broader Rethink Waste call to action.</li> <li>• Launched Recycle at School in the central waste management region and provided schools with French and English educational resources, to help students and staff properly sort paper, mixed containers and refundable beverage containers.</li> <li>• Supported NorPen in the development and implementation of media relations and a public education plan to promote the launch of the residential curbside composting pilot project in sub-region four in the Northern Peninsula waste management region. Households received communications materials and information required to participate in the pilot and were also invited to attend one of four drop-in sessions where they could register for the project, receive a free bin and learn how to sort their organic waste.</li> <li>• Provided communications counsel and support to NorPen and developing materials to announce three illegal dumping convictions in the region as a result of surveillance and investigations. Through MMSB’s Illegal Dumping Surveillance Assistance Program, in 2013, NorPen received the equipment and training necessary to implement effective surveillance and enforcement programs within its region. To date, NorPen has conducted investigations that have led to four convictions of illegal dumping.</li> </ul>

## REPORT ON PERFORMANCE

<b>Objective 3.3</b>	By March 31, 2017, MMSB will have continued to implement its updated integrated marketing, communications and public education plan to achieve an increase in awareness, knowledge and participation of modern waste practices and programs.
<b>Indicators Planned for 2016-17</b>	<b>Actual Performance for 2016-17</b>
Continued implementation of integrated marketing, communications and public education initiatives support MMSB's existing and new waste diversion initiatives.	<p>Integrated marketing, communications and public education initiatives have continued to be implemented to support MMSB's Used Beverage Container Recycling Program and Used Tire Management Program as well as new waste diversion initiatives.</p> <p>The following activities have been implemented through an integrated approach to marketing, communications and public education to help strategically and creatively align sustainable waste management messages for delivery to multiple target audiences and across a variety of media channels.</p> <ul style="list-style-type: none"> <li>• With a continued focus on engaging with and educating youth and the general public about participating in sustainable waste management programs in all facets of their daily lives, MMSB delivered public education presentations to K to 12 schools, youth and community groups, and businesses.</li> <li>• MMSB continued to build awareness about the Used Beverage Container Recycling Program and encourage Newfoundlanders and Labradorians to recycle more as part of an integrated digital media education campaign that celebrates the environmental, financial and community benefits of recycling beverage containers. MMSB also developed a new three-year public education strategy for the Used Beverage Container Recycling program and Green Depot network by building upon the current strategic platform and motivational levers to deploy a targeted customer engagement strategy. Implementation of the strategy will commence in 2016-17.</li> <li>• To further support the Green Depot network, MMSB created a refreshed logo design and produced interior and exterior signage along with marketing standards for all depot locations throughout the province.</li> </ul> <p>Cont'd</p>

## REPORT ON PERFORMANCE

<b>Objective 3.3</b>	By March 31, 2017, MMSB will have continued to implement its updated integrated marketing, communications and public education plan to achieve an increase in awareness, knowledge and participation of modern waste practices and programs.
<b>Indicators Planned for 2016-17</b>	<b>Actual Performance for 2016-17</b>
Continued implementation of integrated marketing, communications and public education initiatives support MMSB's existing and new waste diversion initiatives (continued).	<ul style="list-style-type: none"> <li>• MMSB continued to build awareness about the Used Tire Management Program through a digital advertising and social media campaign that ran during the peak winter and spring tire changeover seasons.</li> <li>• To further support Tire Suppliers registered with the Used Tire Management Program, MMSB developed and distributed new online resources. All resources are available online at MMSB's website and include: registration and remittance forms; Tire Supplier handbook and frequently asked questions (FAQs), updated list of tire remitters, new retailer posters and rack cards for customer distribution. Similar communications materials are now in development for distributors with the Used Beverage Container Recycling Program.</li> <li>• MMSB and Crime Stoppers developed a province-wide public awareness and education campaign to help combat illegal dumping by encouraging Newfoundlanders and Labradorians to take an active role in protecting their communities and report suspicious activity to Crime Stoppers. The campaign includes online, print and radio advertising, as well as social media content and delivers a message of action and empowerment by reinforcing that no matter where you live, work or play you can report illegal dumping anonymously by contacting Crime Stoppers. Investing in public education is critical to combatting illegal dumping and helping reduce the environmental and financial costs associated with this criminal and unnecessary activity.</li> <li>• MMSB also continued to provide public education training and resources to support 10 communities that participated in the Backyard Compost Bin Program in 2016-17.</li> </ul>

### Discussion of Results

MMSB has achieved both its planned goal for 2014-17 and objective for 2016-17, as outlined under issue three, with a focus on increasing public awareness, knowledge and participation in modern waste practices and available programs. Research results continue to show an overall increase in Newfoundlanders and Labradorians understanding of and participation in sustainable waste management practices and available programs. This has been achieved through provincial and regional public education initiatives that promote a unifying call to action and provide resources to residents, businesses, schools and communities. While progress is being made in program participation, there remains room for continued growth. With implementation of required infrastructure, enforcement and the development of new programs and services, as well as ongoing public education outreach, residential and ICI sector participation in modern waste practices and programs is expected to increase.



## **OPPORTUNITIES AND CHALLENGES AHEAD**

Advancing sustainable waste management and ensuring a healthy and clean environment presents challenges and opportunities that require collaboration between multiple partners. In addition, identifying economically viable and environmentally sound solutions are essential in addressing waste generation and diversion issues, and in encouraging Newfoundlanders and Labradorians to actively participate in waste management practices that will help reach our provincial diversion goals. The following factors and trends have been identified as opportunities and challenges in the advancement of MMSB's mandate.

### **Operational Efficiencies**

MMSB must continue to maximize operational efficiencies to achieve further cost savings, increase recovery volumes, improve customer service and reduce environmental impacts. This requires continuous improvements in the Green Depot network, identifying and diversifying sustainable end-market solutions for recyclable materials collected through the Beverage Container Recycling Program and Used Tire Management Program, along with research on emerging trends and innovations in waste management. MMSB will continue to publish online quarterly progress reports on collection results for these programs at [www.mmsb.nl.ca](http://www.mmsb.nl.ca).

### **Waste Diversion**

While increases in waste diversion rates have been achieved, reaching a 50 per cent diversion goal requires the implementation of province-wide infrastructure to manage organic waste and recyclable materials, along with the introduction of disposal bans and new diversion and recycling programs. Therefore, MMSB, in partnership with regional waste management authorities and provincial and municipal governments must continue to collectively work towards establishing province-wide waste management infrastructure along with recycling and composting programs in all regions of the province. In addition, through improved access to waste generation and diversion data, MMSB must also work with regional waste management authorities and industry stakeholders to provide insights and guidance on opportunities to increase waste diversion.

### **Attitudes and Behaviours**

Achieving sustainable waste management in Newfoundland and Labrador requires a fundamental shift in attitudes and behaviours towards waste management. To affect change, MMSB must continue to partner with regional waste management authorities to strengthen public education activities that will motivate residents and businesses to participate in waste diversion programs. In addition, as advancements in technology continue to change the way Newfoundlanders and Labradorians receive, consume and interact with information, digital and social media plans must be strategically implemented to reach an increasingly connected and mobile audience. Additional strategies and guidance may also be identified through collaboration and shared experience with other Canadian jurisdictions.

## APPENDIX A BOARD OF DIRECTORS 2016-17

Established in 1996, the Multi-Materials Stewardship Board (MMSB) is a Crown Agency that operates arms-length from government with an independent Board of Directors appointed by the Lieutenant Governor in Council. The Board is presently comprised of 12 members.

<b>Board Member</b>	<b>Affiliation</b>
Mr. Jamie Chippett	Chair Deputy Minister, MAE
Mr. John Patten	Beverage Industry Representative President, Browning Harvey
Ms. Catherine Barrett	Member-at-large Goulds
Mr. Edward Delaney	Member-at-large Bay Roberts
Mr. Derm Flynn	Member-at-large Appleton
Mr. Don Hann	Member-at-large Port-Aux-Basque
Mr. Hal Cormier	Member-at-large Corner Brook
Ms. Jocelyn Perry	Member-at-large Conception Bay South
Ms. Maisie Clark	Consumer Representative Campbellton
Mr. Reg Bowers	Member-at-large Labrador
Mr. Neville Greeley	Municipalities Newfoundland and Labrador Representative
Mr. David Robbins	Newfoundland Environmental Industry Association

Remuneration of Board Members has been set by the Lieutenant Governor in Council at \$145/full day meeting and \$70/half-day meeting, plus travel expenses, consistent with MMSB's designation as a Level 1 Board/Commission/Agency. The current chair is an employee of the Government of Newfoundland and Labrador and therefore does not receive remuneration.

**APPENDIX B  
FINANCIAL STATEMENTS**

Consolidated Financial Statements of

**MULTI-MATERIALS  
STEWARDSHIP BOARD**

Year ended March 31, 2017



KPMG LLP  
TD Place  
140 Water Street, Suite 1001  
St. John's Newfoundland A1C 6H6  
Canada  
Telephone (709) 733-5000  
Fax (709) 733-5050

## INDEPENDENT AUDITORS' REPORT

To the Directors of Multi-Materials Stewardship Board

We have audited the accompanying consolidated financial statements of Multi-Materials Stewardship Board, which comprise the consolidated statement of financial position as at March 31, 2017, the consolidated statements of operations, changes in accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes, comprising 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' 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 our 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, we consider internal control relevant to the entity'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 entity'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, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Multi-Materials Stewardship Board as at March 31, 2017, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

June 16, 2017

St. John's, Canada

# MULTI-MATERIALS STEWARDSHIP BOARD

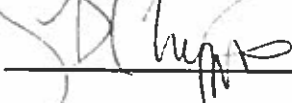
## Consolidated Statement of Financial Position

March 31, 2017, with comparative information for 2016

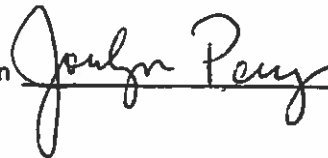
	2017	2016
<b>Financial assets:</b>		
Cash and cash equivalents (note 4)	\$ 11,297,544	\$ 14,197,820
Accounts receivable net of allowance for doubtful accounts of \$51,550 (2016 - \$27,811)	2,983,169	3,221,707
HST receivable	285,304	249,044
Notes receivable at amortized cost of non-interest bearing notes, repayable over the next four years, utilizing an interest rate of prime plus 1%	30,376	39,620
Inventory for resale (note 5)	88,576	79,347
Long-term investments	377,438	425,622
	<u>15,062,407</u>	<u>18,213,160</u>
<b>Liabilities:</b>		
Accounts payable	543,839	544,534
Other payables and accrued liabilities (note 6)	1,563,870	1,717,439
Grants payable	645,830	875,040
Unearned revenue (note 7)	2,434,995	2,554,326
Performance bonds payable	380,592	428,775
	<u>5,569,126</u>	<u>6,120,114</u>
Net financial assets	9,493,281	12,093,046
<b>Non financial assets:</b>		
Tangible capital assets (schedule 3)	1,804,473	875,259
Prepaid expenses	90,569	89,494
	<u>1,895,042</u>	<u>964,753</u>
Commitments (note 10)		
Accumulated surplus	\$ 11,388,323	\$ 13,057,799

See accompanying notes to consolidated financial statements.

On behalf of the Board:



Chairperson



Director

# MULTI-MATERIALS STEWARDSHIP BOARD

## Consolidated Statement of Operations

Year ended March 31, 2017, with comparative information for 2016

	2017 Actual	2017 Budget	2016 Actual
<b>Revenue:</b>			
Used beverage program deposits	\$ 22,820,306	\$ 22,504,499	\$ 22,498,134
Used beverage container by-product revenue	2,107,384	2,394,206	2,095,197
Used tire program deposits	2,935,753	2,914,472	2,915,547
Waste Management Trust Fund Program	4,565	-	10,435
Provincial Solid Waste Management Strategy	55,236	-	251,755
Milk packaging program	151,662	-	22,500
Interest income	93,578	115,000	104,679
Handling fees	69,247	89,045	94,037
Miscellaneous income	2,699	90,000	47,430
	<b>28,240,430</b>	<b>28,107,222</b>	<b>28,039,714</b>
<b>Expenses:</b>			
Used beverage container program	20,848,277	20,771,152	20,931,268
Used tire program	2,236,917	2,311,875	2,376,513
Administrative expenses (schedule 1)	2,183,226	2,449,109	2,235,472
Public education expenses (schedule 2)	722,865	730,000	862,184
Grant disbursements	2,801,765	6,105,000	485,994
Provincial Solid Waste Management Strategy	55,236	-	251,755
Program operations	1,061,540	1,105,000	70,906
Other recycling programs	80	90,000	444
	<b>29,909,906</b>	<b>33,562,136</b>	<b>27,214,536</b>
<b>Annual surplus (deficit)</b>	<b>\$ (1,669,476)</b>	<b>\$ (5,454,914)</b>	<b>\$ 825,178</b>

See accompanying notes to consolidated financial statements.

# MULTI-MATERIALS STEWARDSHIP BOARD

## Consolidated Statement of Changes in Accumulated Surplus

Year ended March 31, 2017, with comparative information for 2016

	Actual 2017	Budget 2017	Actual 2016
Accumulated surplus, beginning of year	\$ 13,057,799	\$ 13,057,799	\$ 12,232,621
Annual surplus (deficit)	(1,669,476)	(5,454,914)	825,178
Accumulated surplus, end of year	\$ 11,388,323	\$ 7,602,885	\$ 13,057,799

See accompanying notes to consolidated financial statements.



# MULTI-MATERIALS STEWARDSHIP BOARD

## Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2017, with comparative information for 2016

	Actual 2017	Budget 2017	Actual 2016
Annual surplus (deficit)	\$ (1,669,476)	\$ (5,454,914)	\$ 825,178
Acquisition of tangible capital assets	(1,148,717)	(896,000)	(55,839)
Amortization of tangible capital assets	198,201	294,850	215,539
Loss on disposal of tangible capital assets	21,302	-	-
Decrease (increase) in prepaid expenses	(1,075)	39,000	(10,789)
Increase (decrease) in net assets	(2,599,765)	(6,017,064)	974,089
Net financial assets, beginning of year	12,093,046	9,187,145	11,118,957
Net financial assets, end of year	\$ 9,493,281	\$ 3,170,081	\$ 12,093,046

See accompanying notes to consolidated financial statements.

# MULTI-MATERIALS STEWARDSHIP BOARD

## Consolidated Statement of Cash Flows

Year ended March 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operations:		
Annual surplus (deficit)	\$ (1,669,476)	\$ 825,178
Items not involving cash:		
Amortization	198,201	215,539
Loss on disposal of tangible capital assets	21,302	-
	<u>(1,449,973)</u>	<u>1,040,717</u>
Changes in non-cash operating working capital:		
Decrease (increase) in accounts receivable	238,538	(108,533)
Increase in HST receivable	(36,260)	(110,090)
Decrease (increase) in notes receivable	9,244	9,409
Increase in prepaid expenses	(1,075)	(10,789)
Increase in inventory for resale	(9,229)	(10,881)
Decrease in accounts payable	(695)	(379,091)
Decrease in other payables and accrued liabilities	(153,569)	(380,602)
(Decrease) increase in grants payable	(229,210)	164,441
Decrease in unearned revenue	(119,331)	(100,377)
(Decrease) increase in performance bonds payable	(48,183)	6,231
	<u>(1,799,743)</u>	<u>120,435</u>
Capital:		
Tangible capital asset purchases	(1,148,717)	(55,839)
Investing:		
Decrease (increase) in long-term investments	48,184	(48,212)
(Decrease) increase in cash and cash equivalents	(2,900,276)	16,384
Cash and cash equivalents, beginning of year	14,197,820	14,181,436
Cash and cash equivalents, end of year	<u>\$ 11,297,544</u>	<u>\$ 14,197,820</u>

See accompanying notes to consolidated financial statements.

# MULTI-MATERIALS STEWARDSHIP BOARD

## Notes to Consolidated Financial Statements

Year ended March 31, 2017

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Multi-Materials Stewardship Board (the "Board") is a statutory corporation established pursuant to The Environmental Protection Act. The Board manages the Used Beverage Container Recycling Program, the Used Tire Management 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 Municipal Affairs and Environment. The Board is exempt from income taxes under Section 149(1)(d) of the Canadian Income Tax Act.

### 1. Financial statements:

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 consolidated financial statements for consolidation purposes. Separate audited consolidated financial statements have been issued for this Trust Fund, with an audit report date of June 16, 2017.

### 2. Significant accounting policies:

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

#### (a) Use of estimates:

In preparing the Board's consolidated financial statements in conformity with the 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 consolidated financial statements and the reported amounts of revenue 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 consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these consolidated financial statements. Actual results could differ from these estimates.

# MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

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## 2. Significant accounting policies (continued):

### (b) Foreign currency translation:

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.

### (c) 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 \$350,273 (2016 - \$3,154 and \$425,195) in restricted cash related to the performance bonds payable and funds received for the Provincial Waste Management Strategy respectively.

### (d) Long-term investments:

Long-term investments include guaranteed investment certificates with original maturities greater than one year. At March 31, 2017, \$377,438 (2016 - \$425,622) 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.

### (e) 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, with net realizable value being current market prices.

### (f) 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.

# MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 2. Significant accounting policies (continued):

### (g) Tangible capital assets:

Tangible capital assets are stated at cost, less accumulated amortization. Amortization is provided using the following methods and annual rates:

Asset	Basis	Rate
Used beverage equipment	Declining balance	30%
Office furniture and equipment	Declining balance	20%
Leasehold improvements	Straight line	5 years
Computer hardware	Declining balance	30%
Computer software	Declining balance	30%
CRM software and development	Declining balance	10%
MIS software	Declining balance	30%
Bags and tubs	Declining balance	30%
Infrastructure assets	Straight line	20 years

### (h) Impairment of long-lived assets:

When a tangible capital asset no longer has any long-term service potential to the Board, the excess of its net carrying amount over any residual is recognized as an expense in the consolidated statement of operations.

### (i) 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 64% (2016 - 65%).

Unearned revenue also includes funds received in relation to the Provincial Waste Management Strategy related to expenditures for strategic communications development, the Green Depot Management Information System (MIS) related to customization, installation, training, licences and support for the system, and restricted grant contributions. The funding is recognized as revenue as the expenditures are incurred and repayable if not fully spent on the projects.

### (j) 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.

# MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

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## 2. Significant accounting policies (continued):

### (k) Revenue recognition:

Deposit revenue (both beverage and tire) 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.

Other income is recognized as earned.

### (l) Expenses:

The Board recognizes expenses on an accrual basis. The cost of all goods consumed and services received during the period is expensed. Grant disbursements to third parties are accounted for as government transfers. Grant disbursements that are financing arrangements are recorded as expenses when they are approved by the Minister. Grant disbursements that are reimbursement arrangements are recorded as expenses when the expenditures have been incurred by the recipient and the eligibility criteria have been met.

### (m) 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 bonds 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.

# MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

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## 2. Significant accounting policies (continued):

### (m) Financial instruments (continued):

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.

## 3. Future adoption of accounting policies:

### *Related Party Disclosures*

The Board is currently in the process of gathering information for the adoption of PS 2200 - Related Party Disclosures, which is applicable to year-ends beginning on or after April 1, 2017. This new standard defines a related party and establishes disclosures required for related party transactions.

### *Inter-entity Transactions*

The Board is currently in the process of gathering information for the adoption of PS 3420 - Inter-entity transactions, which is applicable to year-ends beginning on or after April 1, 2017. This new standard establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

### *Assets*

The Board is currently in the process of gathering information for the adoption of PS 3210- Assets, which is applicable to the year-ends beginning on or after April 1, 2017, and provides guidance on the definition of assets. This guidance will be helpful in determining whether an item meets the definition of an asset. This new Section provides additional guidance on what is meant by economic resources, control, past transactions or events, and future economic benefits. It may also result in public sector entities reassessing whether items meet the definition of an asset upon adoption of this Section. Section PS 3210 requires public sector entities to disclose major categories of assets that are not recognized in their financial statements (i.e. intangibles, crown lands, heritage assets, etc.).

### *Contingent Assets*

The Board is currently in the process of gathering information for the adoption of PS 3320- Contingent Assets, which is applicable to year-end beginning on or after April 1, 2017, and

# MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

### 3. Future adoption of accounting policies (continued):

provides a new definition of contingent assets. Section PS 3320 requires disclosure of contingent assets in the financial statements when the occurrence of a confirming future event is likely. This new Section may result in public sector entities performing a reassessment of items that meet the definition of a contingent asset and additional information being disclosed upon adoption of this Section.

#### *Contractual Rights*

The Board is currently in the process of gathering information for the adoption of PS 3380-Contractual Rights, which is applicable to year-ends beginning on or after April 1, 2017, and provides a new definition of contractual rights. This Section also requires that information about a public entity's contractual rights be disclosed in the financial statements.

It is not anticipated that any material changes will result from the adoptions of these standards.

### 4. Cash and cash equivalents:

	2017	2016
Cash and cash equivalents	\$ 10,944,117	\$ 13,769,471
Restricted cash deposits	353,427	428,349
	<u>\$ 11,297,544</u>	<u>\$ 14,197,820</u>

### 5. Inventory for resale:

	2017	2016
Aluminium beverage containers	\$ 58,999	\$ 62,540
PET beverage containers	29,577	16,807
	<u>\$ 88,576</u>	<u>\$ 79,347</u>



# MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 6. Other payables and accrued liabilities:

	2017	2016
Accrued liabilities	\$ 729,413	\$ 721,148
Tire stockpile accrual	225,000	262,009
Wages and benefits	263,479	319,057
MIS deferred handling fee	345,978	415,225
	\$ 1,563,870	\$ 1,717,439

## 7. Unearned revenue:

	2017	2016
Provincial Solid Waste Management Strategy	\$ 349,818	\$ 402,649
Used beverage container deposits	2,055,177	2,117,112
Grant contributions	30,000	34,565
	\$ 2,434,995	\$ 2,554,326

# MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

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## 8. Stockpile costs:

In June 2004, the Board terminated its contract under the Used Tire 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, 2017, the stockpile has been depleted and no further costs will be incurred.

In the 2017 fiscal year, the Board implemented a new contingency plan for the management of used tires. A decision was made to store a portion of collected program tires in an effort to undertake a Tire Derived Aggregate (TDA) Demonstration Project. As at March 31, 2017, total expected costs relating to the tires stored for purposes of undertaking the TDA Demonstration Project were \$225,000.

## 9. Employee future benefits:

The Board participates in the Government Money Purchase Pension Plan 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 the employee has attained the age of 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 \$62,584 (2016 - \$62,471).

# MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

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## 10. Commitments:

The Board is committed to minimum annual lease payments for property, equipment and service agreements for the next four years as follows: 2018 - \$238,579; 2019 - \$76,995; 2020 - \$28,369; and 2021 - \$1,081.

The Board is also committed to funding the following Waste Management Trust Fund projects for the next three years as follows: 2018 - \$1,650,000; 2019 - \$550,000; and 2020- \$30,000.

The Board has entered into the following agreements:

- (i) processing and transportation of beverage containers up to July, 2019;
- (ii) collection of used tires in Labrador West area to April, 2020;
- (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, 2020; and
- (v) transportation of used tires collected in Labrador to May, 2020.

## 11. Financial risks:

### (a) 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.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the 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.

# MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

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## 11. Financial risks: (continued):

### (b) 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 and cash. 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 impairment in collectability.

### (c) 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.

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

# MULTI-MATERIALS STEWARDSHIP BOARD

## Schedule 1 - Consolidated Administrative Expenses

Year ended March 31, 2017, with comparative information for 2016

	2017	2016
Wages and benefits	\$ 1,639,070	\$ 1,678,553
Rent	151,420	155,935
Professional fees	76,591	67,057
Amortization	57,228	67,348
Board member expenses	51,624	44,363
Staff travel	51,500	52,122
Software support	48,032	47,361
Telecommunications	41,120	43,192
Vehicle expenses	24,079	23,247
Office supplies	12,730	15,150
Insurance	9,153	7,343
Bank charges	9,008	6,265
Equipment lease and support	4,708	4,682
Postage and courier	4,604	4,552
Miscellaneous	1,243	377
Subscriptions, memberships and conferences	888	6,037
Training	228	11,888
	<b>\$ 2,183,226</b>	<b>\$ 2,235,472</b>

# MULTI-MATERIALS STEWARDSHIP BOARD

## Schedule 2 - Consolidated Public Education Expenses

Year ended March 31, 2017, with comparative information for 2016

	2017	2016
<b>Campaigns:</b>		
Used beverage container program	\$ 287,906	\$ 574,324
Indiscriminate dumping	53,901	77,000
Used tire program	44,768	48,050
HHW	24,400	-
Backyard composting	-	14,857
Other	-	857
<b>Total campaigns</b>	<b>410,975</b>	<b>715,088</b>
<b>Corporate:</b>		
Owned Media	41,553	37,454
Media monitoring	30,733	32,307
Sponsorship	-	20,224
Account management and miscellaneous	-	15,720
<b>Total corporate</b>	<b>72,286</b>	<b>105,705</b>
<b>Public Education Programs</b>	<b>239,604</b>	<b>41,391</b>
<b>Total public education</b>	<b>\$ 722,865</b>	<b>\$ 862,184</b>

Multi-Materials Stewardship Board  
 Schedule 3 - Consolidated Schedule of Tangible Capital Assets  
 Year ended March 31, 2017 with comparative information for 2016

	Used beverage equipment	Office furniture and equipment	Leasehold improvements	Computer hardware	Computer software	CRM software and development	MIS software	Bags and tubs	Infrastructure assets	2017	2016
<b>Cost</b>											
Cost beginning of year	\$ 170,773	\$ 158,505	\$ 8,913	\$ 168,327	\$ 325,570	\$ 445,488	\$ 627,401	\$ 478,497	\$ 24,949	\$ 2,408,423	\$ 2,352,584
Additions during the year	15,898	9,801	-	8,771	-	-	140,814	-	973,433	1,148,717	55,839
Disposals during the year	-	-	-	-	-	-	-	(149,573)	-	(149,573)	-
Cost, end of year	\$ 186,671	\$ 168,306	\$ 8,913	\$ 177,098	\$ 325,570	\$ 445,488	\$ 768,215	\$ 328,924	\$ 998,382	\$ 3,407,567	\$ 2,408,423
<b>Accumulated amortization</b>											
Accumulated amortization, beginning of year	\$ 153,120	\$ 122,504	\$ 7,444	\$ 130,962	\$ 290,119	\$ 148,130	\$ 243,785	\$ 437,100	\$ -	\$ 1,533,164	\$ 1,317,625
Amortization	5,516	7,632	268	10,361	9,489	29,478	117,343	9,794	8,320	198,201	215,539
Reversal of accumulated amortization relating to disposals	-	-	-	-	-	-	-	(128,271)	-	(128,271)	-
Accumulated amortization, end of year	158,636	130,136	7,712	141,323	299,608	177,608	361,128	318,623	8,320	1,603,094	1,533,164
<b>Net book value of tangible capital assets</b>	\$ 28,035	\$ 38,170	\$ 1,201	\$ 35,775	\$ 25,962	\$ 267,880	\$ 407,087	\$ 10,301	\$ 990,062	\$ 1,804,473	\$ 875,259