



Multi-Materials Stewardship Board 2018-19 Annual Report

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Message from Chair

On behalf of the Board of Directors of the Multi-Materials Stewardship Board (MMSB), I am pleased to present the Annual Report for the 2018-19 fiscal period in accordance with the **Transparency and Accountability Act**. This report outlines MMSB's achievements from April 1, 2018 to March 31, 2019, which is the second reporting period of MMSB's 2017-20 Strategic Plan.

Over the course of 2018-19, much attention has been drawn to the way we are impacting our environment through waste management, marine life and climate change. Today's public is more aware of the long-lasting effects of our actions and culture. We are seeing a call for change.

MMSB and its partners are proud of the role we play in educating the public on ways we can bring about change in our daily lives through simple acts of reduction, reuse, and recycling. As always, shifting attitudes and practices starts at home and in the community. We will continue to build on our efforts to work with the residents of Newfoundland and Labrador to ensure our province achieves its goals of waste diversion and reduction.

Over the reporting period, we welcomed new Board members as well as a new Chief Executive Officer which will better position the organization to fulfil its mandate. I'd like to thank our dedicated team at MMSB and our Board of Directors for their continual commitment to moving the waste management agenda forward in our province.

As Chair of the Board, my signature below is indicative of the Board's overall accountability for the actual results reported within the 2018-19 Annual Report.

Sincerely,

A handwritten signature in black ink, appearing to read "Dermot Flynn", is written over a horizontal line.

Dermot Flynn
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 waste diversion programs and public education, in accordance with provincial legislation.

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.

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 St. John's with sixteen professional and administrative employees and a field office, located in Mount Pearl, with two employees.

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 2018-19 was approximately \$29.2 million. Operating expenditures were approximately \$26.5 million with an additional \$0.3 million 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, 2019 were approximately \$1.0 million.

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 continued efforts are having a positive impact on advancing sustainable waste management in the province:

- **Waste Diversion Programs** – A new regulation for Used Oil and Glycol was put forward and approved by Government in 2018 allowing for the establishment of a province-wide collection and recycling program which is the third (3rd) Extended Producer Responsibility (EPR) program in the province. Subsequently, MMSB approved a five-year stewardship plan submitted by the Used Oil Management Association Atlantic slated to begin in October 2019. Within five years, it is expected that recovery rates for oil, oil filters, and oil containers will be at 75 per cent, and glycol and glycol containers will be at 50 per cent, as required under the regulations. All products from an industry perspective will be 100 per cent valued and enjoy a second life. Containers will be reused or decontaminated, recycled and reintroduced into other products such as agricultural drains, bins, composite construction material, etc. The filters will be compressed to extract the oil and sent to smelters. The fluids will be re-refined, regenerated or used as energy recovery. With industry at the forefront, our waste diversion scorecard will improve.

In 2018-19, more than 188 million used beverage containers were collected through the Used Beverage Container Recycling Program (UBC), resulting in an increase of 1.1 million units over 2017-18. Recovery for the 2018-19 year is at 68.17 per cent, the highest recovery to date. Since the beginning of the program in 1997, over 2.9 billion containers have been diverted from landfills throughout Newfoundland and Labrador.

In 2018-19, over 28,000 individuals or groups in Newfoundland and Labrador utilized the Xpress drop off service at Green Depots. This means that 37 per cent of all transactions at the Depot network are Xpress customers. By availing of Xpress drop off, customers do not stand in line waiting for service. They are in and out in just a couple of minutes.

Approximately 437,000 used tires were collected and diverted from waste disposal sites in Newfoundland and Labrador in 2018-19, bringing the total number of tires diverted from landfills to 6.6 million since 2002.

In 2018-19, approximately 11.5 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 \$1.2 million in recycling refunds and matching grants.

MMSB incorporated an automated counting system into its quality assurance functions. The automatic counting machine provides for increased count accuracy to the degree of 99 per cent and can accommodate an estimated 87 per cent of all material sorts. MMSB has realized an increased throughput of 28 per cent in the quality assurance process since the introduction of the machine and can now process all material from both the island and Labrador at the single quality assurance facility located in the Mount Pearl processing center.

- **Public Education** – In 2018-19, MMSB delivered 189 presentations/consultations to business, community, school and youth audiences throughout Newfoundland and Labrador, including composting workshops, and/or consultations with businesses, government and organizations to educate employees about sustainable waste management practices and help implement waste management programs.

To further enhance the Used Beverage Container Recycling Program and building on the Make it Count slogan, MMSB commenced implementation of a new media campaign with the objective of expanding and enhancing the Green Depot customer base and increasing overall UBC Program engagement. The digital campaign consisted of a video that focused on recycling being simple and not complicated or time consuming. The campaign also highlighted the greendepotnl.ca website which is dedicated to the UBC program.

MMSB further developed Household Hazardous Waste (HHW) assets to be added to the dedicated HHW section of the Rethink Waste NL website. Creative assets include a general HHW video which focuses on proper disposal of HHW products with additional videos being developed for MMSB's Facebook page focusing on alternatives to hazardous products.

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.

- **Waste Diversion Program Performance and Growth** – In pursuit of operational efficiencies for all, MMSB carried out testing on combining two plastic sorts; clear and blue PET (PET is the type of plastic labeled with the #1 code) into the same bulk container for collection, transportation and processing. If determined to be acceptable, this will simplify sorting and inventory requirements at Green Depots and allow the processing plant to realize greater efficiencies with its PET processing.

In 2018-19, MMSB partnered with a civil engineering professor from Memorial University, as part II of the tire derived aggregate (TDA) demonstration project. The project aims to put into practice small scale civil engineering projects utilizing TDA to demonstrate the beneficial properties it contains.

MMSB consulted with more than 30 businesses, municipalities and organizations to provide information and advice on implementing waste diversion activities and help educate employees and residents on sustainable waste management practices.

- **Changing Attitudes and Behaviours** – MMSB assisted regional waste management authorities through the provision of advice and guidance on existing and new waste diversion programs and public education. MMSB hosted a workshop with five Regional Service Boards and the City of St. John's to discuss options for the management of wood waste in Newfoundland and Labrador. This workshop led to the development of a Working Group to inform strategic planning and options for managing this waste stream in the province.

MMSB completed a characterization study of Construction, Renovation and Demolition (CRD) waste at the province's two regional landfills, to be combined with a second phase that will be used to inform CRD-related policy decisions at the regional level.

MMSB represented Newfoundland and Labrador on the Canadian Council of the Ministers of the Environment's Waste Resource and Recovery Committee to advance the Canada-Wide Action Plan on EPR and the development of Canada's Zero Plastic Waste Strategy.

MMSB represented Newfoundland and Labrador on a Committee led by Environment and Climate Change Canada to develop a National Strategy for the end-of-life management of mercury containing lamps.

MMSB partnered with the Royal Newfoundland Constabulary (RNC) to develop a marketing and communications campaign with a focus on reducing intentional acts of littering on roadways. The campaign will aim to prevent and deter acts of littering.

Report on Performance

March 31, 2019 is the second year of MMSB's three-year strategic plan for 2017-20. The plan identifies three priority issues, which reflect consideration for government's Provincial Solid Waste Management Strategy, including: waste diversion program performance and growth; shared responsibility and partnerships; and knowledge and information enhancement. This section reports on the objectives for 2018-19.

Issue 1

Waste Diversion Program Performance and Growth

MMSB develops, manages and administers provincial waste diversion programs and services in accordance with government direction as prescribed in the **Waste Management Regulations** to help achieve provincial waste diversion goals. Existing waste diversion programs delivered by MMSB include the Used Beverage Container Recycling Program and the Used Tire Management Program. MMSB continuously strives to strengthen existing recycling and waste diversion programs by applying operational and administrative efficiencies; expanding customer engagement and program steward/brand owner communications and increasing recovery.

The following section outlines how waste diversion and recycling programs are continuously contributing to solid waste management by addressing the Provincial Solid Waste Management Strategy and management of MMSB's 2017-20 Strategic Plan.

Report on Performance

Goal 1:	By March 31, 2020, MMSB will have improved performance of the Used Beverage Container Recycling Program and the Used Tire Management Program.
Objective 1.2	By March 31, 2019, MMSB will have advanced implementation of new initiatives to strengthen the Used Beverage Container Recycling Program and Used Tire Management Program.
Indicators Planned for 2018-19	Actual Performance for 2018-19
Continued implementation of operational and public education plans.	<p>Building upon the current strategic platform and goals outlined in the Used Beverage Container Program public education and marketing strategy, MMSB utilized previous creative assets to launch a public education campaign. The aim was to engage residents throughout Newfoundland and Labrador with a campaign using the Make it Count slogan focusing on recycling being easy and not complicated.</p> <p>Inspections were performed at 56 Green Depots to ensure that MMSB Standards are being followed. These standards enable the beverage program to run smoothly ensuring favorable public experiences. Inspections also lead to feedback which results in improvements to the technological platform, customer service, workflow and third-party service provider contracts.</p> <p>MMSB extended its contract with Yellow Environmental for another year to provide IT services specific to the custom management information system known as Bluecan.</p> <p>MMSB carried out a third-party independent IT health check and architectural review of the Bluecan management information system. Based on the review, considerable system improvements were made to enhance database speed, performance, reporting ability and to strengthen the overall database platform for future growth opportunities.</p> <p>MMSB developed, tested and deployed enhancements to its MMSB Information Data Administration System (MIDAS) to streamline the receiving and baling operations at the processing plant. Through these enhancements, MMSB replaced the expensive and very limiting handheld scanners with a new Internet based web application with real time integration. This new technology allows for immediate transmission of data that results in increased production time at the processing facility and more timely reporting and analysis of data at MMSB. MMSB will also be moving forward to streamline the shipping function at the plant with the same technology.</p>

Report on Performance

<p>Objective 1.2</p>	<p>By March 31, 2019, MMSB will have advanced implementation of new initiatives to strengthen the Used Beverage Container Recycling Program and Used Tire Management Program.</p>
<p>Indicators Planned for 2018-19</p>	<p>Actual Performance for 2018-19</p>
	<p>MMSB extended the Used Tire Collection and Transportation contract with Riverbend Freight Services for a final three-year term based upon consistent service and performance for the collection of used tires throughout the island portion of the province.</p> <p>MMSB purchased and installed lighting and thermal image surveillance cameras at the multi-material storage yard in Norris Arm to increase security and fire preparedness at the site.</p> <p>Updates to the Used Beverage Container Recycling Program and Used Tire Management Program sections on the corporate website were completed inclusive of remitter information and updates to forms, as useful tools for MMSB stakeholders.</p>
<p>Continue with waste diversion opportunities and action items.</p>	<p>In pursuit of operational efficiencies, MMSB carried out testing on combining clear and blue PET (the type of plastic labelled with the #1 code) plastic sorts into the same bulk container. The testing resulted in combined materials flowing from the Green Depot, through the processing center, and to the end market. The end market evaluation is currently underway. If determined to be acceptable, this will simplify sorting and inventory requirements at Green Depots and allow the processing plant to realize greater efficiencies with its PET processing.</p> <p>MMSB developed and deployed a web-based quality assurance module allowing MMSB to prescribe the percentage of material from Green Depots to be audited. Bulk containers are now identified through the app during the shipping process and the user is prompted to segregate and tag the selected bulk containers for auditing purposes.</p> <p>In an effort to streamline operations in Labrador, MMSB added compaction to the Green Depot locations in Labrador West and in Happy Valley/Goose Bay. The ability to compact material on site at these locations mitigates shipping concerns as the depot can now store larger volumes of material alleviating the need for frequent shipments.</p>

Report on Performance

<p>Objective 1.2</p>	<p>By March 31, 2019, MMSB will have advanced implementation of new initiatives to strengthen the Used Beverage Container Recycling Program and Used Tire Management Program.</p>
<p>Indicators Planned for 2018-19</p>	<p>Actual Performance for 2018-19</p>
	<p>Following the previous years' jurisdictional review, MMSB has incorporated an automated counting system into its quality assurance functions. The automatic counting machine provides for increased count accuracy to the degree of 99 per cent and can accommodate an estimated 87 per cent of all material sorts. MMSB has realized an increased throughput of 28 per cent in the quality assurance process since the introduction of the machine and can now process all material from both the island and Labrador at the single quality assurance facility located in the Mount Pearl processing center.</p> <p>Furthering the Used Tire contingency TDA demonstration project, MMSB partnered with a civil engineering professor from Memorial University, to undertake an online study as well as meetings with Canadian and US users and experts in this field.</p>
<p>Enhanced program steward communications and resources.</p>	<p>MMSB completed an assessment and complete rewrite of the Licensing Standards & Best Practices Manual in 2018. The updated manual was introduced and discussed at the Green Depot Professional Development days held in September 2018, has been distributed to all Green Depot operators, and contains current content in an easier to follow structure.</p> <p>In 2019, eight remaining sub-depots will be added to the management information system to provide a complete electronic data picture of customer transactions, school transactions, inventory and recovered units throughout the province.</p>
<p>Increased public awareness and engagement.</p>	<p>MMSB launched a new campaign building on the Make it Count slogan, with the objective of attracting customers to increase overall UBC Program engagement. The creative concept used for the campaign challenges the idea that recycling is time consuming and complicated. The success of the campaign was measured by increases to website visits and Xpress sign-ups through the website. Through online display advertising, an increase of almost 50 per cent to the Xpress sign-up subdomain was realized, 83 per cent of which were first time visitors to greendepotnl.ca. Additionally, all social media platforms experienced a significant source of traffic inclusive of reactions, comments and shares, which is indicative of a successful campaign.</p>

Report on Performance

<p>Objective 1.2</p>	<p>By March 31, 2019, MMSB will have advanced implementation of new initiatives to strengthen the Used Beverage Container Recycling Program and Used Tire Management Program.</p>
<p>Indicators Planned for 2018-19</p>	<p>Actual Performance for 2018-19</p>
	<p>In 2018-19, MMSB delivered 189 presentations/consultations to business, community, school and youth audiences throughout Newfoundland and Labrador, including composting workshops, and/or consultations with businesses, government, and organizations to educate employees about sustainable waste management practices and help implement waste management programs.</p> <p>MMSB continues to support and enhance the Used Beverage Container Recycling Program through the greendepotnl.ca website, which profiles the Green Depot brand. The site is monitored and updated as required.</p> <p>MMSB continued its digital advertising and social media campaign during peak tire changeover seasons continuing to build awareness around the Used Tire Management Program. MMSB is currently investigating new creative ideas that will align with the ReThink Waste NL website.</p>
<p>Program recovery improvements.</p>	<p>In 2018-19, more than 188 million used beverage containers were collected through the Used Beverage Container Recycling Program, resulting in an increase of 1.1 million units over 2017-18. Recovery for the 2018-19 year is at 68.17 per cent, the highest recovery to date.</p> <p>Customer usage of the Xpress drop off system at Green Depots in 2018-19 accounted for 40.4 million units, which is a 5.1 million unit increase over the previous year.</p> <p>In 2018-19, approximately 437,000 used tires were collected and diverted from landfills. MMSB has now reached a recovery rate of 74 per cent, the highest since the inception of the Program. Approximately 6.6 million used tires have now been collected and managed through the program since 2002.</p>

Report on Performance

Objective 1.3	By March 31, 2020, MMSB will have further advanced implementation of new initiatives to strengthen its Used Beverage Container Recycling Program and Used Tire Management Program.
Indicators Planned for 2019-20	<ol style="list-style-type: none">1. Continue with operational and public education plans and improved administrative processes.2. Further advance waste diversion opportunities, research, and action items.3. Further enhance program steward communications and resources.4. Continue to increase public awareness and engagement.5. Pursue program improvements.

Issue 2 Shared Responsibilities and Partnerships

Residents, communities, industries, regional waste management authorities and government all share responsibilities advancing the implementation of the Provincial Solid Waste Management Strategy and in achieving sustainable waste management. As such, MMSB works collaboratively with these stakeholders in an effort to effectively manage solid waste and ensure a cleaner and healthier environment. This work includes strategic, proactive and coordinated communications with stakeholders; advancing product stewardship by industry; waste diversion policy and program development; providing strategic counsel and support to help with the implementation of community, regional, provincial and national plans; and ensuring stakeholders work together to make decisions to deliver enhanced and new solid waste management services and programs.

The following section outlines how MMSB has aligned, developed, and commenced implementation of initiatives to enhance stakeholder participation in sustainable waste management activities of MMSB's 2017-20 Strategic Plan.

Report on Performance

<p>Goal 2:</p>	<p>By March 31, 2020, MMSB will have advanced sustainable waste management through increased stakeholder engagement.</p>
<p>Objective 2.2</p>	<p>By March 31, 2019, MMSB will have advanced implementation of initiatives to enhance stakeholder participation in sustainable waste management activities.</p>
<p>Indicators Planned for 2018-19</p>	<p>Actual Performance for 2018-19</p>
<p>Continue to work with stakeholders to assess and identify opportunities to establish new and strengthen existing partnerships and initiatives.</p>	<p>MMSB held a regional forum in March 2019 with representatives from eight waste management regions, as well as 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 and to discuss opportunities and challenges going forward. This forum featured updates from each region, presentations from each government department/agency, a presentation from Island Waste Management of Prince Edward Island and site tours.</p> <p>MMSB and the Department of Municipal Affairs and Environment hosted a workshop in September 2018 with industry and municipal/regional stakeholders to discuss options for the management of plastic retail bags in Newfoundland and Labrador. MMSB produced and distributed a What We Heard document that outlined stakeholder views on the various options.</p> <p>In February 2019, MMSB worked with Western Regional Waste Management to conduct a waste audit of 100 households and develop a report on the status of the newly introduced curbside recycling program for residents in Western Newfoundland. MMSB used the findings from waste audits to counsel regions and municipalities on curbside sorting policies and procedures.</p> <p>MMSB completed a trial of combining the sorts of PET clear with blue plastics, during January 2019. The trial was successfully carried out at a participating Green Depot and at the processing center. The final product has been received well by end market, with no reported issues to date. MMSB hopes to build on this opportunity to combine other sorts in the future which would ultimately reduce operational costs for all concerned.</p>

Report on Performance

<p>Objective 2.2</p>	<p>By March 31, 2019, MMSB will have advanced implementation of initiatives to enhance stakeholder participation in sustainable waste management activities.</p>
<p>Indicators Planned for 2018-19</p>	<p>Actual Performance for 2018-19</p>
	<p>MMSB held a Green Depot Professional Development Session with Green Depot operators from across the province in the Fall of 2018. This provided owners/operators the opportunity to share common challenges, issues, and observations as well as opportunity to make suggestions for improvement that relate to the Beverage Program. The two-day session exposed Green Depot Operators to a variety of topics including the IT technology platform, Xpress growth, the new and improved Licensing Standards and Best Practices manual and the enhanced quality assurance process, inclusive of the new Automated Counting technology. Green Depot operators were also able to take part in an educational tour of the processing center inclusive of the quality assurance facility.</p> <p>MMSB carried out a review of Green Depot operational costs to gain a better understanding of how the changing economic environment affects sustainability of Green Depots. All Green Depots were consulted and results were combined to establish common challenges and operational cost trends. Future strategic and operational goals can now be better shaped using this information.</p> <p>As part of the 2018 Municipal Enforcement Conference in Bay Roberts (June 2018), MMSB delivered an update on the Indiscriminate Dumping Surveillance Assistance Program and surveillance training to 12 communities and 25 municipal enforcement officers from Newfoundland and Labrador and Atlantic Canada.</p> <p>To assist municipalities, regional waste management authorities, the province and the police in combating illegal dumping, MMSB renewed a three-year partnership with Crime Stoppers NL through a \$45,000 commitment from the Waste Management Trust Fund. With the goals to increase public awareness and deter potential offenders, the program provides the public with a safe and anonymous way to report instances of illegal dumping and littering in Newfoundland and Labrador.</p>

Report on Performance

<p>Objective 2.2</p>	<p>By March 31, 2019, MMSB will have advanced implementation of initiatives to enhance stakeholder participation in sustainable waste management activities.</p>
<p>Indicators Planned for 2018-19</p>	<p>Actual Performance for 2018-19</p>
	<p>To both strategically advance MMSB's Surveillance Assistance Program to its second phase of implementation and to assist in the implementation of recommendations contained in the Central region's waste audit report, Central Newfoundland Waste Management (CNWM) commenced its one-year indiscriminate dumping and waste enforcement pilot project. Through \$75,000 in funding from the Waste Management Trust Fund, the Central region hired an enforcement resource in October of 2018 to conduct indiscriminate dumping surveillance and establish and oversee policies and procedures for waste sorting and recycling. MMSB and CNWM established an advisory committee with representatives from both organizations as well as the RCMP and Service NL to develop workplans and oversee the enforcement pilot.</p> <p>To assist Western Regional Waste Management in transitioning the residents and businesses of Western Newfoundland to mandatory recycling programs, MMSB approved \$168,000 in funding from the Waste Management Trust Fund for Western Regional Waste Management to hire a Regional Outreach/Education Officer in February 2019.</p> <p>MMSB assisted regional waste management authorities with advice and guidance on existing and new waste diversion programs and public education. MMSB hosted a workshop in November 2018 with five Regional Service Boards and the City of St. John's to discuss options for the management of wood waste in Newfoundland and Labrador. This workshop led to the development of a Working Group to inform strategic planning and options for managing this waste stream.</p> <p>MMSB project managed the development of a report assessing alternative technologies to landfilling waste in Newfoundland and Labrador by Wood Consulting.</p> <p>MMSB partnered with the Western Regional Service Board for the handling and compensation of Used Beverage Containers and Fluid Milk Packaging collected and managed through their curbside collection program. MMSB now has agreements with three (3) of the regional service boards and as a result should continue to see improvements in recovery rates of Used Beverage Containers.</p>

Report on Performance

<p>Objective 2.2</p>	<p>By March 31, 2019, MMSB will have advanced implementation of initiatives to enhance stakeholder participation in sustainable waste management activities.</p>
<p>Indicators Planned for 2018-19</p>	<p>Actual Performance for 2018-19</p>
	<p>MMSB renewed its Agreement with the Atlantic Dairy Council for continued compensation for the handling of end of life Fluid Milk Packaging on behalf of the regional authorities. Capture rates have been on a continuous incline over the past 5 years now indicating over 20 per cent recovery of all milk packaging entering the Newfoundland market.</p> <p>MMSB and the Royal Newfoundland Constabulary (RNC) are partnering to develop a marketing and communications campaign to help reduce intentional acts of littering on roadways. The campaign strategy will aim to prevent and deter acts of littering on roadways by achieving the following objectives: to create awareness that littering is harmful and there are fines associated with littering on roadways; to change behaviours by influencing litterers to properly dispose of their waste; and to make litterers understand there are consequences – they can get caught and the RNC will be actively enforcing the law.</p>
<p>Continue with activities enhancing stakeholder participation in sustainable waste management.</p>	<p>MMSB partnered with 16 communities to distribute 1,580 backyard compost bins and tumblers to residents. MMSB also provided train-the-trainer workshops and education support for participating communities.</p> <p>MMSB consulted with and/or delivered more than 30 presentations to businesses, municipalities and government departments to provide information and strategic advice on the development and implementation of waste diversion initiatives and programs. For example, MMSB has been closely working with and providing counsel to the Sisters and staff of Presentation Convent on the progression of their waste diversion programs and Colliers International, Johnson Insurance and the Avalon Mall on the development of waste diversion programs.</p> <p>MMSB supported the Greening Government Action Plan by working with three provincial government offices to improve the management of solid waste. MMSB conducted a second waste audit at the Petten Building and the Department of Tourism, Culture, Industry and Innovation. Internally, MMSB also supported the Greening Government Action Plan by moving to paperless Board meetings using a secure web-based resource.</p>

Report on Performance

<p>Objective 2.2</p>	<p>By March 31, 2019, MMSB will have advanced implementation of initiatives to enhance stakeholder participation in sustainable waste management activities.</p>
<p>Indicators Planned for 2018-19</p>	<p>Actual Performance for 2018-19</p>
<p>Worked with provincial and territorial jurisdictions in advancing sustainable waste management policy in Newfoundland and Labrador consistent with national direction.</p>	<p>MMSB advanced a new regulation for used oil and glycol which was approved by Government in November 2018. The Used Oil and Used Glycol regulation became the third Extended Producer Responsibility (EPR) regulation in the province. The regulation is modeled after New Brunswick’s 2014 regulation and demonstrates Atlantic harmonization. As a result of this new regulation, MMSB approved a five-year stewardship plan submitted by the Used Oil Management Association Atlantic that presented the implementation strategy for a province-wide oil and glycol recycling program in Newfoundland and Labrador. The program is expected to be launched in 2019.</p> <p>MMSB approved new five-year stewardship plans from Product Care Association, the Electronic Products Recycling Association and the Canadian Wireless Telecommunications Association for waste paint and electronic waste recycling programs in Newfoundland and Labrador.</p> <p>MMSB provided oversight of existing EPR programs for waste paint and electronic waste to ensure compliance. The industry-led program for waste paint run by Product Care Association realized a 4.7 per cent recovery rate with 200 tonnes of waste paint and containers collected from more than 60 drop-off locations and collection events in 2018. For the same period, the industry-led program for electronic waste operated by the Electronic Products Recycling Association collected close to 800 tonnes of material from more than 50 drop-off locations and collection events.</p> <p>MMSB consulted with stakeholders in Quebec and New Brunswick on the development and implementation of an EPR program for packaging and printed paper.</p> <p>MMSB represented Newfoundland and Labrador on the Canadian Council of the Ministers of the Environment’s Waste Resource and Recovery Committee to advance the Canada-Wide Action Plan on EPR and the development of Canada’s Zero Plastic Waste Strategy.</p> <p>MMSB represented Newfoundland and Labrador on a Committee led by Environment and Climate Change Canada to develop a National Strategy for the end-of-life management of mercury containing lamps.</p>

Report on Performance

<p>Objective 2.2</p>	<p>By March 31, 2019, MMSB will have advanced implementation of initiatives to enhance stakeholder participation in sustainable waste management activities.</p>
<p>Indicators Planned for 2018-19</p>	<p>Actual Performance for 2018-19</p>
<p>Enhanced targeted communications outreach about funding opportunities.</p>	<p>MMSB's Community Waste Diversion Fund supports municipalities and Local Service Districts in the implementation of community initiatives that identify new or enhance existing opportunities to divert waste from landfills. In 2018-19, MMSB provided \$64,780 to six communities to support a range of community-based waste management initiatives including the development of a curbside organics collection program, plastic bag reduction initiatives, wood waste mulching, community composting and non-beverage glass recycling.</p> <p>MMSB's 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. In 2018-19, eight local innovators received more than \$99,000 in financial support for initiatives including reducing plastic waste resulting from manufacturing processes, continued development of restaurant inventory tracking software and creation of a new hybrid tumbling composter capable of processing mid-range organic waste volumes. The Solid Waste Management Innovation Fund received a strong response from the business community, with 19 proposals received during the fall intake amounting to over \$250,000 in requested funds.</p> <p>MMSB also provided counsel to past and current funding recipients as well as future applicants (including the review of business plans and proposals) throughout the year.</p>
<p>Continue with ongoing support to regional waste management authorities, supporting the development and implementation of regional plans with an emphasis on public education.</p>	<p>MMSB continued to build its free online digital library with the addition of digital signs to compliment the newly implemented Sort-It Western mandatory curbside recycling and garbage program, managed by Western Regional Waste Management.</p> <p>MMSB enhanced online resources on ReThink Waste NL with the addition of the Sort-It Western curbside collection details to further provide residents of the Western regional service area with proper disposal and recycling information pertinent to their region.</p>

Report on Performance

Objective 2.2	By March 31, 2019, MMSB will have advanced implementation of initiatives to enhance stakeholder participation in sustainable waste management activities.
Indicators Planned for 2018-19	Actual Performance for 2018-19
	As part of the Used Tire Management Program, MMSB added new collection information to both the MMSB and ReThink Waste NL websites to reflect new drop off locations available to residents offered through the regional waste management facilities in Eastern, Central and Western Newfoundland.

Report on Performance

Objective 2.3	By March 31, 2020, MMSB will have further advanced implementation initiatives and advanced a new framework to enhance stakeholder participation in sustainable waste management.
Indicators Planned for 2019-20	<ol style="list-style-type: none"> 1. Continue activities that enhance support of community and regional waste diversion plans. 2. Continue to work with provincial and territorial jurisdictions advancing sustainable waste management policy in Newfoundland and Labrador consistent with national direction. 3. Increase awareness and participation in MMSB funding programs. 4. Continue ongoing support to regional waste management authorities with an emphasis on operations.

Report on Performance

Issue 3

Knowledge and Information Enhancement

MMSB always strives to advance sustainable waste management with a focus on improving waste reduction and diversion – knowledge and information are essential in achieving this goal. To inform the continued development of programs, services, and resources, MMSB needs to fully understand waste generation, composition, reduction, and diversion as well as associated attitudes and behaviours. Newfoundlanders and Labradorians also need to be knowledgeable about sustainable waste management practices and have access to information to become engaged and take action. Research, data collection and analysis are key components to improving the understanding of sustainable waste management and in helping identify best practices and solutions. Proactive, sustained, and targeted communication and distribution of information are also critical to achieving waste diversion goals.

The following section outlines how MMSB has enhanced its knowledge and information sharing methods for the promotion of waste management practices and programs in public wide education initiatives to support the Provincial Solid Waste Management Strategy of MMSB's 2017-20 Strategic Plan.

Report on Performance

Goal 3:	By March 31, 2020, MMSB will have increased knowledge and awareness of sustainable waste management practices and programs.
Objective 3.2	By March 31, 2019, MMSB will have advanced implementation of new research and data collection initiatives as well as new province-wide public education initiatives.
Indicators Planned for 2018-19	Actual Performance for 2018-19
Continued implementation of province-wide and stakeholder-specific research and data collection requirements.	MMSB developed and implemented an online digital campaign to support the Used Beverage Container Recycling Program. The campaign draws from data collected through the Target Market Segmentation Analysis previously conducted. The objectives of the campaign were to deepen loyalty among existing Green Depot customers and expand the overall customer base as well as increase Used Beverage Container program engagement. MMSB will continue to use data from the Target Market Segmentation Analysis to help support the Program and future public education development and awareness.

Report on Performance

Objective 3.2	By March 31, 2019, MMSB will have advanced implementation of new research and data collection initiatives as well as new province-wide public education initiatives.
Indicators Planned for 2018-19	Actual Performance for 2018-19
Continue with research and data collection initiatives.	<p>MMSB completed its annual data call on waste disposed and recycled in the province. Currently, the province is at 25 percent waste diversion from landfills with a goal of 50 percent by 2020.</p> <p>MMSB met with representatives from Statistics Canada to enhance understanding and refinement of data collection methodologies.</p>
Collected and distributed waste generation, disposal and diversion data and also provided strategic counsel to stakeholders.	<p>As part of the curbside residential waste audit in the Western region, MMSB completed waste audits of the municipalities of Pasadena, Massey Drive, Corner Brook, Kippens, and Stephenville. The results were aggregated in a report on the success of the mandatory recycling program in Western Newfoundland to date and used to monitor and provide advice on the success of curbside recycling programs throughout the province.</p> <p>MMSB completed a two-week characterization study of CRD waste at the province's two regional landfills during the Summer of 2018. A report on the characterization of CRD waste at Robin Hood Bay was developed and distributed to the City of St. John's Waste Management Division, to be combined with a second phase that will be used to inform CRD-related policy decisions at the regional level.</p> <p>MMSB completed waste audits of the Petten Building and the Department of Tourism, Culture, Industry and Innovation to monitor progress in the recycling and composting programs implemented at Government buildings.</p> <p>MMSB completed waste audits of the Petten Building and the Department of Tourism, Culture, Industry and Innovation to monitor progress in the recycling and composting programs implemented at Government buildings.</p>

Report on Performance

Objective 3.2	By March 31, 2019, MMSB will have advanced implementation of new research and data collection initiatives as well as new province-wide public education initiatives.
Indicators Planned for 2018-19	Actual Performance for 2018-19
<p>Evaluate the impact of the Rethink Waste public education program and identified opportunities with a focus on household hazardous waste (HHW), food waste reduction and the K-12 school program.</p>	<p>In 2018-19, MMSB continued to focus efforts on supporting the new Household Hazardous Waste section of the Rethink Waste NL website through the continued development of new education resources. This includes a general HHW video which highlights the importance of proper disposal and new advertising assets to be used in future campaigns in an effort to increase awareness and motivate residents to take action. To further enhance the digital marketing strategy, creative concepts were developed and selected to produce thirty second HHW videos which will be used on MMSB's social media platforms highlighting environmentally friendly alternatives to hazardous household products. Promotion of these assets through MMSB's social media channels and the Rethink Waste NL website will commence in the next fiscal year.</p> <p>Continued to provide educational support and resources for the Recycle at School - Source Separated Recycling Program. Maintained communications with participating schools as well as updated online resources including signs, stickers and instructional videos and posters. Commenced conversations and planning with the Newfoundland and Labrador English School District (NLESD), western office regarding logistics for recycling infrastructure and implementation for schools that fall under the Western Regional Waste Management service region. This is the second expansion of the Recycle at School program since the pilot in 2014-15 which has the potential to divert 50 per cent of a school's daily generated waste.</p> <p>In 2018-19, with a continued focus on educating and motivating youth across the province to change their daily waste management behaviours, MMSB delivered 123 presentations in 18 schools which was a minor increase from the previous year but confirmed that the Rethink Waste public education school program continues to be well received and promotes waste reduction in schools throughout the province. Presentations were delivered to Primary and Elementary students and focused on Waste Free Lunch illustrations and Vermicomposting, which is worm composting, typically done indoors in a closed bin, whereas worms eat organic waste and expel it as worm castings, or droppings, providing a nutrient-rich material that is ideal for your plants or garden.</p>

Report on Performance

Objective 3.2	By March 31, 2019, MMSB will have advanced implementation of new research and data collection initiatives as well as new province-wide public education initiatives.
Indicators Planned for 2018-19	Actual Performance for 2018-19
	<p>In addition, MMSB continued to track website activity to rethinkwastenl.ca and built on the information to improve the website and pursued new social media opportunities.</p>
<p>Developed province-wide public education initiatives to further support the Rethink Waste program and build on momentum.</p>	<p>Advanced the implementation of the 2017-20 Public Education Strategy with a focus on developing and delivering province-wide education programs that help achieve a fundamental shift in attitudes and behaviors.</p> <p>As part of MMSB’s digital marketing strategy, the MMSB corporate site (www.mmsb.nl.ca) and the Rethink Waste NL site (www.rethinkwastenl.ca), continue to be updated with the goal to enhance the online and mobile experience for MMSB’s public and stakeholder audiences.</p> <p>To further support the digital marketing strategy and the Rethink Waste public education platform, MMSB continued to develop and update creative designs which align its online marketing campaigns and initiatives to support a unified identity and presence for the public education platform that can be applied across all touchpoints moving forward. This level of consistency will ensure consumers rely on Rethink Waste as the trusted source of sustainable waste management information and education.</p> <p>The online library of downloadable recycling signs targeting businesses, restaurants and schools were updated and expanded. New signs were added to compliment the Sort-It Western mandatory curbside garbage and recycling program.</p>
<p>Increased public awareness and engagement.</p>	<p>MMSB continues to provide waste reduction presentations to the business community and work with businesses to expand and ensure their garbage and recycling programs are successful. In 2018-19, MMSB continued efforts with Ronald McDonald House Newfoundland and Labrador Charities to expand their internal recycling program with a focus on organics and future opportunities for collection. Staff information sessions were also provided on the topic.</p> <p>Continued to deliver backyard composting workshops to the general public and provide education training and resources to community groups, regional authorities and organizations who participated in the 2018 Backyard Compost Bin Distribution Program.</p>

Report on Performance

Objective 3.2	By March 31, 2019, MMSB will have advanced implementation of new research and data collection initiatives as well as new province-wide public education initiatives.
Indicators Planned for 2018-19	Actual Performance for 2018-19
	<p>MMSB recognized International Compost Awareness Week from May 6-12. During the week, MMSB's public education officer provided composting presentations to schools in Central NL and a composting workshop.</p> <p>MMSB supported Canadian Waste Reduction Week in October through MMSB's social media channels, Facebook, Twitter and Instagram. With a call to action of reuse, repair and recycle, MMSB supported and promoted educational content which encouraged daily waste reduction. During this campaign, over 50,000 people were reached through posts on MMSB's Facebook page.</p> <p>To promote waste reduction during the holidays, MMSB engaged a social media plan which ran on social media channels from mid-December 2018 to early January 2019. Images and content encouraged people to rethink their waste during the holidays with a focus on reduction.</p>

Objective 3.3	By March 31, 2020, MMSB will have further advanced implementation of research and data collection initiatives as well as province-wide public education initiatives.
Indicators Planned for 2019-20	<ol style="list-style-type: none"> 1. Improve province-wide and stakeholder-specific data collection, research and analysis. 2. Collect and share waste generation, disposal and diversion data. 3. Continue evaluation on the impact of Rethink Waste NL focusing on household hazardous waste (HHW) and the K-12 school program. 4. Continue province-wide public education initiatives reinforcing the Rethink Waste program. 5. Implement new public awareness and engagement activities.

Opportunities and Challenges Ahead

Advancing sustainable waste management and ensuring a healthy and clean environment presents challenges and opportunities that require continued collaboration between many stakeholders. In addition, identifying economically viable, socially acceptable, and environmentally sound solutions are moving targets that 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

Our beverage recycling program is all about opportunity: the opportunity to provide meaningful employment in communities as small as Burnt Island and Rocky Harbor; the opportunity to have our customers leave with cash in their pockets to spend back into their local communities; and the opportunity to enhance the customer experience at our network of Green Depots. To improve upon the customer experience at Green Depots we have introduced an Xpress service where customers can skip the line and be in and out in just a couple of minutes. Due to this enhancement the line ups at Green Depots have been reduced by 37 per cent. Our vision for the future is to build upon this precious service offering which will increase retention and sustainability of our beverage recycling program in Newfoundland and Labrador.

Waste Diversion

Newfoundland and Labrador generates over one tonne of waste per person each year with three quarters of it continuing to go to our landfills. To further reduce the amount of waste requiring landfill disposal, efforts need to be placed on five waste streams: packaging and printed paper; organics; construction, renovation and demolition; hazardous waste; and existing product stewardship programs.

Furthermore, to reduce the waste requiring landfill disposal, to maximize the investments made to date in modern waste management infrastructure and strategically invest in the facilities and equipment needed to move forward, a combination of tools is required including disposal bans, industry-led programs and human resources dedicated to research, enforcement, education and data capture. Nova Scotia reports that the net benefits of disposal bans – diversion, jobs, and innovation – outweigh the costs of compliance and enforcement.

Attitudes and Behaviours

In November of 2018, provinces and territories agreed in-principle to the Canadian Council of Ministers of the Environment's (CCME) Strategy on Zero Plastic Waste. The Strategy aims to shift our cultural approach to plastic pollution by moving from a linear approach where plastics are used and disposed to a circular approach where they are used and recycled into new plastic products. Opportunities and challenges in the years ahead will rest with improving upon product design; collection systems; consumer awareness; and research, to name a few.

APPENDIX A BOARD OF DIRECTORS 2018-19

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 9 members.

Board Member	Affiliation
Mr. Derm Flynn	Chair Appleton
Mr. Jamie Chippett	Deputy Minister, Municipal Affairs & Environment
Mr. Tony Chubbs	Director Happy Valley-Goose Bay
Ms. Maisie Clark	Consumer Representative Campbellton
Ms. Dale Colbourne	Municipalities Newfoundland and Labrador Representative St. Lunaire Griquet
Mr. John Patten	Distributor Representative President, Browning Harvey
Ms. Michele Peach	Director Mount Pearl
Mr. Sheldon Peddle	Director Corner Brook
Mr. Wayne Power	Director Freshwater

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.

**APPENDIX B
FINANCIAL STATEMENTS**

Consolidated Financial Statements of

**MULTI-MATERIALS
STEWARDSHIP BOARD**

And Independent Auditors' Report thereon

Year ended March 31, 2019



KPMG LLP
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140 Water Street, Suite 1001
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Canada
Tel (709) 733-5000
Fax (709) 733-5050

INDEPENDENT AUDITORS' REPORT

To the Directors of Multi-Materials Stewardship Board

Opinion

We have audited the consolidated financial statements of Multi-Materials Stewardship Board (the Entity), which comprise:

- the consolidated statement of financial position as at March 31, 2019
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2019 and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 3

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

St. John's, Canada

May 31, 2019

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Financial Position

March 31, 2019, with comparative information for 2018

	2019	2018
Financial assets:		
Cash and cash equivalents (note 4)	\$ 12,877,763	\$ 10,444,265
Accounts receivable net of allowance for doubtful accounts of \$72,356 (2018 - \$51,550)	2,952,278	2,840,426
HST receivable	241,383	247,201
Notes receivable at amortized cost of non-interest bearing notes, repayable over the next four years, utilizing an interest rate of prime plus 1%	18,080	29,331
Inventory for resale (note 5)	152,593	64,636
Investments	2,427,943	2,430,382
	<u>18,670,040</u>	<u>16,056,241</u>
Liabilities:		
Accounts payable	443,307	299,796
Other payables and accrued liabilities (note 6)	1,623,357	1,499,164
Grants payable	771,907	692,353
Unearned revenue (note 7)	2,360,986	2,441,664
Performance bonds payable	396,797	417,623
	<u>5,596,354</u>	<u>5,350,600</u>
Net financial assets	13,073,686	10,705,641
Non financial assets:		
Tangible capital assets (schedule 3)	1,587,980	1,635,816
Prepaid expenses	100,604	86,059
	<u>1,688,584</u>	<u>1,721,875</u>
Commitments (note 11)		
Accumulated surplus	\$ 14,762,270	\$ 12,427,516

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, 2019, with comparative information for 2018

	2019 Actual	2019 Budget	2018 Actual
Revenues:			
Used beverage program deposits	\$ 22,697,434	\$ 23,541,204	\$ 22,905,792
Used beverage container by-product revenue	3,013,523	2,454,812	2,794,227
Used tire program deposits	2,935,153	2,965,106	3,037,023
Interest income	224,803	82,500	124,578
Milk packaging program	193,292	45,000	158,977
Miscellaneous income	92,302	10,000	43,431
Handling fees	92,269	89,045	100,742
Provincial Solid Waste Management Strategy	1,750	67,000	140,453
Waste Management Trust Fund Program	-	-	9,626
	29,250,526	29,254,667	29,314,849
Expenses:			
Used beverage container program	21,859,300	21,513,076	21,933,193
Used tire program	2,658,282	2,824,845	2,656,214
Grant disbursements	325,611	1,710,000	979,210
Program operations	76,806	117,500	155,995
Provincial Solid Waste Management Strategy	1,750	67,000	140,453
Other recycling programs	-	10,000	254
Administrative expenses (Schedule 1)	1,728,958	2,556,268	2,022,770
Public education expenses (Schedule 2)	265,065	550,000	387,567
	26,915,772	29,348,689	28,275,656
Annual surplus (deficit)	\$ 2,334,754	\$ (94,022)	\$ 1,039,193

See accompanying notes to consolidated financial statements.

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Changes in Accumulated Surplus

Year ended March 31, 2019, with comparative information for 2018

	Actual 2019	Budget 2019	Actual 2018
Accumulated surplus, beginning of year	\$ 12,427,516	\$ 12,427,516	\$ 11,388,323
Annual surplus (deficit)	2,334,754	(94,022)	1,039,193
Accumulated surplus, end of year	\$ 14,762,270	\$ 12,333,494	\$ 12,427,516

See accompanying notes to consolidated financial statements.

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2019, with comparative information for 2018

	Actual 2019	Budget 2019	Actual 2018
Annual surplus (deficit)	\$ 2,334,754	\$ (94,022)	\$ 1,039,193
Acquisition of tangible capital assets	(148,297)	(62,000)	(48,963)
Amortization of tangible capital assets	196,133	240,000	217,620
(Increase) decrease in prepaid expenses	(14,545)	-	4,510
Increase in net assets	2,368,045	83,978	1,212,360
Net financial assets, beginning of year	10,705,641	10,705,641	9,493,281
Net financial assets, end of year	\$ 13,073,686	\$ 10,789,619	\$ 10,705,641

See accompanying notes to consolidated financial statements.

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Cash Flows

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 2,334,754	\$ 1,039,193
Item not involving cash:		
Amortization	196,133	217,620
	<u>2,530,887</u>	<u>1,256,813</u>
Changes in non-cash operating working capital:		
(Increase) decrease in accounts receivable	(111,852)	142,743
Decrease in HST receivable	5,818	38,103
Decrease in notes receivable	11,251	1,045
(Increase) decrease in prepaid expenses	(14,545)	4,510
Decrease (increase) in inventory for resale	(87,957)	23,940
Increase (decrease) in accounts payable	143,511	(244,043)
Increase (decrease) in other payables and accrued liabilities	124,193	(64,706)
Increase in grants payable	79,554	46,523
(Decrease) increase in unearned revenue	(80,678)	6,669
(Decrease) increase in performance bonds payable	(20,826)	37,031
	<u>2,579,356</u>	<u>1,248,628</u>
Capital:		
Tangible capital asset purchases	(148,297)	(48,963)
Investing:		
Purchase of investments	(2,007,867)	(6,299,417)
Redemption of investments	2,010,306	4,246,473
	<u>2,439</u>	<u>(2,052,944)</u>
Increase (decrease) in cash and cash equivalents	2,433,498	(853,279)
Cash and cash equivalents, beginning of year	10,444,265	11,297,544
Cash and cash equivalents, end of year	<u>\$ 12,877,763</u>	<u>\$ 10,444,265</u>

See accompanying notes to consolidated financial statements.

MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements

Year ended March 31, 2019

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 May 31, 2019.

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 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, 2019

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 \$241,380 (2018 - \$5,654 and \$237,535) in restricted cash related to the performance bonds payable and funds received for the Provincial Waste Management Strategy respectively.

(d) Investments:

At March 31, 2019, \$393,644 (2018 - \$411,969) 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.

Included in the investments balance is \$2,034,299 (2018 - \$2,018,413) invested by the board in a GIC maturing May 2019. The rate of return on this investment is 1.95% per annum. The remaining balance is invested in GICs for purposes of satisfying performance security requirements with respect to contracts the board has entered into. These investments are due to mature at varying dates ranging from April 2019 to December 2022 at rates of return ranging from 0.90% to 2.20% per annum.

(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, 2019

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
Tire yard equipment	Straight-line	10 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 68% (2018 - 67%).

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.

MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

2. Significant accounting policies (continued):

(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.

(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, 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.

MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

2. Significant accounting policies (continued):

(m) Financial instruments (continued):

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 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 or amortized 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. Adoption of accounting policies:

On April 1, 2018, the Board adopted Canadian public sector accounting standards PS 3430 Restructuring Transactions. The adoption of this standard did not result in an accounting policy change for the entity, and did not result in any adjustments to the financial statements as at April 1, 2018.

4. Cash and cash equivalents:

	2019	2018
Cash and cash equivalents	\$ 12,633,229	\$ 10,201,076
Restricted cash deposits	244,534	243,189
	<u>\$ 12,877,763</u>	<u>\$ 10,444,265</u>

MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

5. Inventory for resale:

	2019	2018
Aluminium beverage containers	\$ 152,593	\$ 59,456
PET beverage containers	-	5,180
	\$ 152,593	\$ 64,636

6. Other payables and accrued liabilities:

	2019	2018
Accrued liabilities	\$ 841,416	\$ 823,150
Tire stockpile accrual	365,000	200,000
Wages and benefits	263,975	230,779
MIS deferred handling fee	152,966	245,235
	\$ 1,623,357	\$ 1,499,164

7. Unearned revenue:

	2019	2018
Provincial Solid Waste Management Strategy	\$ 214,385	\$ 212,209
Used beverage container deposits	2,126,227	2,209,081
Grant contributions	20,374	20,374
	\$ 2,360,986	\$ 2,441,664

MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

8. Related party transactions:

The Board is related to the Newfoundland and Labrador Liquor Corporation (NLC) as both organizations are Government Reporting Entities established by the Provincial Government of Newfoundland and Labrador.

The NLC collects and remits Used Beverage Program deposits to the Board. Included in Used Beverage Program deposits for 2019 is \$2,792,690 (2018 - \$2,841,835) from the NLC. The organizations enter into transactions in the normal course of business and on normal trade terms. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. Stockpile costs:

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 tires in an efforts to undertake a Tire Derived Aggregate (TDA) Demonstration Project. As at March 31, 2019, total expected costs relating to the tires stored for purposes of undertaking the TDA Demonstration Project were \$365,000 (2018 - \$200,000).

10. 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 \$49,418 (2018 - \$59,247).

MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

11. Commitments:

The Board is committed to minimum annual lease payments for property, equipment and service agreements for the next five years as follows: 2020 - \$80,456; 2021 - \$55,683; 2022 \$48,162; 2023 - \$48,162; and 2024 - \$30,774.

The Board is also committed to funding the following Waste Management Trust Fund projects for the next two years as follows: 2020 - \$100,000; and 2021 - \$56,197.

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, 2021;
- (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.

MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

12. Financial risks:

(a) Market risk:

Market risk is the risk that the fair value of marketable securities or 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 if 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.

Investments are not subject to interest rate risk as they are at fixed interest rates risk.

The Board is exposed to other price risk through its sale of by-products.

(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 minimal 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, 2019, with comparative information for 2018

	2019	2018
Wages and benefits	\$ 1,210,737	\$ 1,501,109
Rent	163,473	148,295
Professional fees	80,467	68,364
Software support	61,634	48,976
Staff travel	48,437	54,672
Amortization	47,347	50,263
Telecommunications	24,444	43,041
Vehicle expenses	22,093	22,675
Board member expenses	21,149	25,280
Office supplies	17,394	12,613
Insurance	7,484	9,391
Subscriptions, memberships and conferences	6,557	6,241
Bank charges	6,385	9,353
Equipment lease and support	4,483	4,158
Training	4,117	11,990
Postage and courier	1,794	3,486
Miscellaneous	963	2,863
	<u>\$ 1,728,958</u>	<u>\$ 2,022,770</u>

MULTI-MATERIALS STEWARDSHIP BOARD

Schedule 2 - Consolidated Public Education Expenses

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Campaigns:		
Used beverage container program	\$ 166,459	\$ 164,876
Indiscriminate dumping	13,000	33,550
Used tire program	13,750	25,235
HHW	26,243	50,601
Other	1,813	-
Total campaigns	221,265	274,262
Corporate:		
Owned Media	15,064	17,280
Media monitoring	13,889	20,540
Account management and miscellaneous	-	2,376
Total corporate	28,953	40,196
Public Education Programs	14,847	73,109
Total public education	\$ 265,065	\$ 387,567

MULTI-MATERIALS STEWARDSHIP BOARD

Schedule 3 - Consolidated Schedule of Tangible Capital Assets

Year ended March 31, 2019, with comparative information for 2018

	Used beverage equipment	Office furniture and equipment	Leasehold improvements	Computer hardware	Computer software	CRM software and development	MIS software	Bags and tubs	Tire yard equipment	Infrastructure assets	2019	2018
Cost												
Cost beginning of year	\$ 193,980	\$ 169,605	\$ 8,913	\$ 177,098	\$ 325,570	\$ 445,488	\$ 799,328	\$ 328,924	\$ -	\$ 1,007,614	\$ 3,456,520	\$ 3,407,567
Additions during the year	1,403	4,832	-	15,148	-	29,110	23,515	-	78,699	-	152,707	48,953
Written-off during the year	-	(3,200)	(8,913)	-	-	-	-	-	-	-	(12,113)	-
Disposal during the year	-	-	-	-	-	-	-	(4,410)	-	-	(4,410)	-
Cost, end of year	\$ 195,383	\$ 171,237	\$ -	\$ 192,246	\$ 325,570	\$ 474,598	\$ 822,843	\$ 324,514	\$ 78,699	\$ 1,007,614	\$ 3,592,704	\$ 3,456,520
Accumulated amortization												
Accumulated amortization, beginning of year	\$ 166,924	\$ 137,576	\$ 7,931	\$ 150,229	\$ 306,410	\$ 204,494	\$ 467,232	\$ 321,322	\$ -	\$ 58,586	\$ 1,820,704	\$ 1,603,084
Amortization	7,255	6,954	982	8,234	5,078	26,100	85,466	1,093	4,591	50,380	196,133	217,620
Reversal of accumulated amortization relating to written-off	-	(3,200)	(8,913)	-	-	-	-	-	-	-	(12,113)	-
Accumulated amortization, end of year	174,179	141,330	-	158,463	311,488	230,594	552,698	322,415	4,591	108,966	2,004,724	1,820,704
Net book value of tangible capital assets	\$ 21,204	\$ 29,907	\$ -	\$ 33,783	\$ 14,082	\$ 244,004	\$ 270,145	\$ 2,099	\$ 74,108	\$ 898,648	\$ 1,587,980	\$ 1,635,816