

ANNUAL REPORT



2007-08

REDUCE • REUSE • RECYCLE

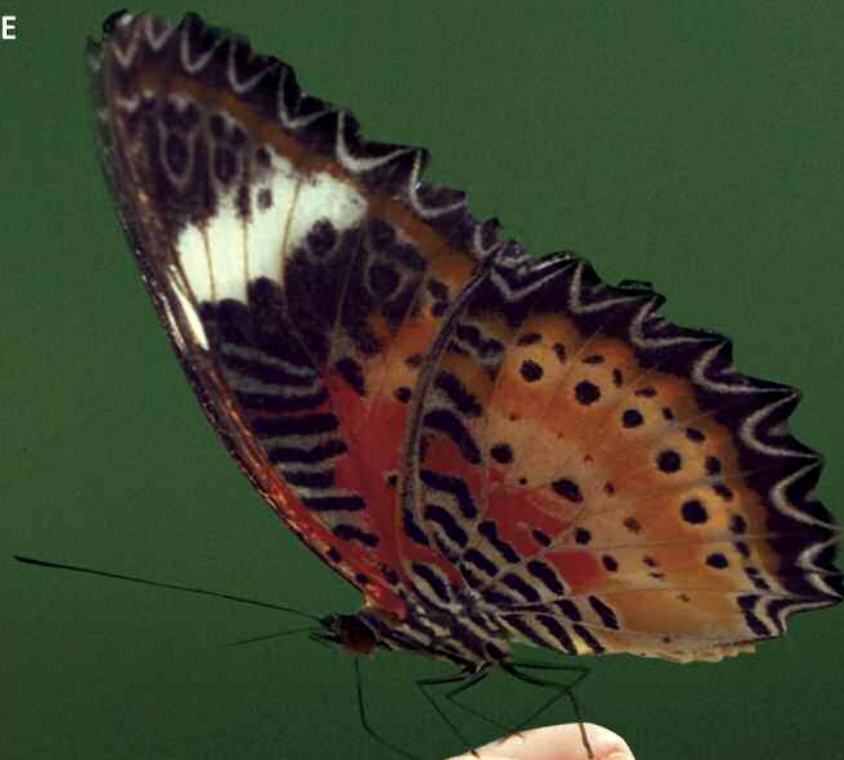
## *A Solution on Hand*

Across our province, we're working together to get our waste to half. We all hold the power to make a positive change and the MMSB is committed to supporting and guiding you to take the necessary steps to reduce your waste and protect our province for future generations.

To achieve this goal, we each need to start addressing this problem with a new way of thinking – one that says we'll become more committed, that we'll practice simple daily habits, and that we won't let our province go to waste. By reducing, reusing and recycling, the solutions are all within our reach.

# ANNUAL REPORT 2007-08

REDUCE • REUSE • RECYCLE



## TABLE OF CONTENTS

TRANSMITTAL LETTER TO THE MINISTER	2
MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER	3
OVERVIEW OF MMSB	5
– Mandate	6
– Vision	6
– Mission	6
LINES OF BUSINESS	9
– Waste Diversion - Recycling	9
– Capacity Building – Implementation of Provincial Waste Management Strategy	10
– Public Education and Awareness	11
STRATEGIC PRIORITIES AND ACCOMPLISHMENTS	13
– Waste Diversion - Recycling	13
– Capacity Building – Implementation of Provincial Waste Management Strategy	19
– Public Education and Awareness	22
OPPORTUNITIES AND CHALLENGES AHEAD	25
FINANCIAL STATEMENTS	26
– Consolidated Statement of Operations	
– Consolidated Statement of Changes in Net Assets	
– Consolidated Statement of Financial Position	
– Consolidated Statement of Cash Flows	
– Notes to the Consolidated Financial Statements	
– Consolidated Schedule of Administrative Expenses	
BOARD OF DIRECTORS	37

# Transmittal Letter to Minister

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

Dear Minister Johnson:

On behalf of the Board of Directors of the Multi-Materials Stewardship Board (MMSB), I am pleased to present our Annual Report for the 2007-08 fiscal period in accordance with the Transparency and Accountability Act.

This report outlines the achievements and outcomes of MMSB's efforts in relation to the goals established in its 2007-08 strategic plan based on the strategic policy direction provided to the Board by government.

As Chair of the Board, my signature below is indicative of the Board's overall accountability for the preparation of the 2007-08 Annual Report and the accuracy of the results reported herein.

Respectfully submitted,



JOHN D. SCOTT  
Chair  
Board of Directors  
MMSB

September 24, 2008



# Message from the Chair and Chief Executive Officer

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

This year's Annual Report highlights how MMSB is guiding the province to a greener future for all Newfoundlanders and Labradorians. Each year in our province, we generate more than 400,000 tonnes of waste material. That is approximately two kilograms for every person every day of the year. We need to and we can do better, individually and collectively, as we strive to meet the overall goal of diverting 50 per cent of the waste we presently generate.

The successes we have attained this year have been good for the environment, our economy and our communities. Here are the highlights for 2007-08:

- **over 139 million used beverage containers recycled** – a 68 per cent recovery rate – and surpassing the 1.3 billion container mark since the program started in 1997;
- **more than 12 million used beverage containers recovered** through MMSB's school recycling program, generating \$1.3 million in funds for the schools under the Green School Routine Program;
- **over 94,000 litres of household hazardous waste collected** from 15 communities through 20 special collection events;
- **almost 300,000 used tires collected** and diverted from waste disposal sites;
- **over \$750,000 committed** through the Waste Management Trust Fund to support the planning and organizational needs of regional waste management authorities to help them advance the provincial Waste Management Strategy at the local level;
- **the continuation of a new Residential Backyard Composting Program** that was launched in 2005;
- **the continued implementation of a major new public education and awareness waste reduction campaign** under the "Get to Half" banner; and
- **sustained employment within the recycling industry**, estimated at more than 300 jobs throughout Newfoundland and Labrador.

It matters whether or not a pop can is recycled or an apple core is thrown in the trash instead of being composted. It also matters whether or not a person puts household hazardous waste in the garbage rather than properly disposing of the unwanted product. The way we dispose of our waste today will have a significant impact on future generations in our province. MMSB is committed to working toward positive and lasting environmental change through the adoption of progressive waste management practices. It is a commitment in which we take great personal and corporate pride. We are striving to nurture that same commitment in everyone... because keeping our province green is the responsibility of us all.



John D. Scott  
Chair & CEO



# Overview of MMSB



**REDUCE • REUSE • RECYCLE**

**The Multi-Materials Stewardship Board (MMSB) is a Crown agency of the Government of Newfoundland and Labrador, reporting to the Minister of Environment and Conservation.** It was established in 1996 to develop, implement and manage waste diversion and recycling programs on a province-wide basis for those specific waste streams designated by the government. MMSB's mandate has expanded over time and now includes the administration of the Newfoundland and Labrador Waste Management Trust Fund (which supports the implementation of the provincial Waste Management Strategy), as well as the development and implementation of province-wide public education initiatives to promote more progressive waste management practices in Newfoundland and Labrador generally.

MMSB carries out its mandate **in partnership with various departments and agencies of the Government of Newfoundland and Labrador**, primarily through an Interdepartmental Waste Management Steering Committee comprised of the Department of Environment and Conservation, the Department of Municipal Affairs and the Department of Government Services. MMSB also works with key stakeholders such as regional waste management authorities, Municipalities Newfoundland and Labrador, and the Newfoundland and Labrador Environmental Industry Association to fulfill its mandate.

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

The day-to-day work of MMSB is carried out by management and staff employed by the Board under the direction of a Chief Executive Officer (CEO). However, much of the work of the organization is achieved through a range of relationships with other organizations (such as regional waste management authorities and municipalities) and "third-party" contracted service providers (such as Green Depots). Its corporate structure is made up of a headquarters office based in St. John's with **18 professional and administrative employees**, and four field offices in Mount Pearl, Bishop's Falls, Stephenville and Wabush, with seven employees that support the Used Beverage Container Recycling Program.

MMSB is a **self-financed Crown agency** that does not receive funding from the Government of Newfoundland and Labrador. Its revenues are derived from levies applied on various waste streams as authorized and prescribed under provincial legislation (presently beverage containers and tires), as well as from the sale of recyclable materials it collects under its various programs. MMSB's operating revenue stream in 2007-08 was \$21.4 million. MMSB's operating expenditures in 2007-08 were \$19.0 million.

Any operating surpluses generated by MMSB are held by MMSB for **investment in the Newfoundland and Labrador Waste Management Trust Fund to support the implementation of the provincial Waste Management Strategy.** Total (accumulated) available resources in the Trust Fund at April 1, 2007 were \$11.6 million for use over a multi-year period, with \$3 million of this amount being committed to various initiatives throughout the 2007-08 fiscal year, for a net available balance of \$8.6 million at the end of the fiscal year (March 31, 2008). This balance will continue to be utilized in support of the provincial Waste Management Strategy over the next three years, primarily through the regional waste management authorities.

## Overview of MMSB cont'd

Each year, Newfoundlanders and Labradorians generate more than **400,000 tonnes of waste materials** – that's approximately two kilograms per person per day.



### MANDATE

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

Through the provincial Waste Management Strategy, the Government of Newfoundland and Labrador has set a long term objective of diverting 50 per cent of the solid waste stream (as defined in 2002) from disposal in landfills by the year 2015.

### VISION

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

### MISSION

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

**MMSB is an "agent of change"** whose fundamental responsibility is to promote and support modern waste management practices in the province, with a particular focus on waste reduction and recycling, as a means of contributing to a cleaner and healthier environment throughout Newfoundland and Labrador. Our mission is founded on MMSB playing a leadership role in guiding regional waste management authorities and other stakeholders toward this goal in keeping with the principles embodied in the provincial Waste Management Strategy and the specific **target of diverting 50 per cent of the solid waste stream**

(as defined in 2002) from disposal in landfills by the year 2015.

Complementary to MMSB's leadership role, the fifteen (15) regional waste management authorities will play a vital role in moving the agenda forward at the local level.

They will be responsible and accountable for **designing, implementing and operating comprehensive new waste management systems throughout the province.** These new systems will provide communities in each region with modern waste separation and recycling services (at curbside for households); access to centralized composting facilities; specific disposal sites for construction and demolition debris and metals; household hazardous waste management and disposal services; and access to centrally-located end use solid waste disposal facilities (new environmentally engineered landfills) that will accept waste products that are not diverted from the general waste stream.

**recycle** gable-top juice containers



### NEWFOUNDLAND AND LABRADOR WASTE MANAGEMENT TRUST FUND

The Newfoundland and Labrador Waste Management Trust Fund is a statutory fund that was established in 1997 to aid in the development and implementation of waste management initiatives in the province. The Trust Fund is governed by legislation and administered by MMSB under the direction of the Minister of Environment and Conservation. The Trust Fund is financed from surplus operating revenues generated by MMSB.

In its early years, the Trust Fund financed a wide variety of waste management initiatives, ranging from local education and information projects, community cleanups, school recycling programs, pilot projects on waste diversion, and municipal studies to investigate the practicality of regional approaches to managing waste in a more environmentally responsible manner.

In 2004, the Trust Fund was fundamentally realigned to support the core goals and objectives of the provincial Waste Management Strategy and a "rolling" three year investment plan has been developed each year thereafter to facilitate its implementation, primarily through the regional waste management authorities.

# Lines of Business

## WASTE DIVERSION – RECYCLING

MMSB develops, manages and administers the implementation of provincial waste diversion programs and services in accordance with government priorities as prescribed in the Waste Management Regulations or as authorized through policy directives issued by the Minister of Environment and Conservation (arising from recommendations made by the Board of Directors of MMSB or otherwise). Specific waste diversion programs and services provided by MMSB in 2007-08 included the following:



- A province-wide **Used Beverage Container Recycling Program** that is administered as a deposit-return system in accordance with specific parameters established under the Waste Management Regulations. This program captures all ready-to-serve beverage containers with the exception of milk, medicinal nutritional supplements and beverages sold in refillable containers. The program is financed through a consumer deposit of 8 cents on non-alcoholic beverages and 20 cents on liquor containers. Consumers receive a 5 cent refund when a non-alcoholic container is returned to a Green Depot for recycling and 10 cents on liquor containers. Used beverage containers collected and recycled through the program include products sold in aluminum, glass, plastic, steel and mixed fibre packages.

- A province-wide **Used Tire Recycling Program** that is administered in accordance with specific parameters established under the Waste Management Regulations. The program is financed through retailer-based levies on the sale of new highway tires (\$3 on tires with a rim size of 17 inches or less and \$9 on tires above that size but under 24.5 inches). Tire retailers are responsible for taking used tires back from consumers free of charge and MMSB retrieves the tires for end use recycling through a province-wide collection system.



- A **Household Hazardous Waste (HHW) Collection Program** that is delivered in partnership with municipalities in areas of the province where meaningful volumes of HHW can be diverted and recycled in a cost-effective manner. This program is financed through the Waste Management Trust Fund and from municipal contributions on a cost-shared basis with MMSB. The delivery of this program is set annually by MMSB's Board of Directors based on program criteria approved by the Minister of Environment and Conservation. It is designed as an interim waste diversion measure pending





Each year, hundreds of thousands of paper towels, convenience packets, and plastic shopping bags are tossed into our overburdened dumps.

the establishment of permanent HHW collection infrastructure in the province by regional waste management authorities as part of the provincial Waste Management Strategy.



• A province-wide **Residential Backyard Composting Program** that provides residential households with the tools and incentives to divert household organic waste through

backyard composting. This program is financed through the Waste Management Trust Fund based on criteria set by MMSB's Board and approved by the Minister of Environment and Conservation. It is designed as a limited two-year initiative (from 2005 to 2007) to encourage increased household participation in backyard composting.

• A **Regional-Community Fibre (Cardboard and Paper) Recycling Program** that provides capital financial incentives for municipalities to acquire the necessary infrastructure to introduce sustainable new permanent fibre recycling programs in their communities where meaningful volumes of fibre waste can be diverted and recycled in a cost-effective manner. This program is financed



through the Waste Management Trust Fund based on criteria set by MMSB's Board and approved by the Minister of Environment and Conservation. It is designed as an interim waste diversion measure pending the establishment of more broadly based recycling infrastructure throughout the province by regional waste management authorities pursuant to the provincial Waste Management Strategy.

## CAPACITY BUILDING – IMPLEMENTATION OF PROVINCIAL WASTE MANAGEMENT STRATEGY

Through financial resources allocated under the Waste Management Trust Fund and through specialized expertise provided directly by MMSB staff, MMSB provides capacity building support to regional waste management authorities and the Interdepartmental Waste Management Steering Committee to facilitate the implementation of the provincial Waste Management Strategy. Specific activities include the following:

- the **identification of markets** for recyclable waste materials not captured under MMSB's own recycling programs;
- **research into the feasibility and design** of new province-wide waste diversion programs, such as electronics (e-waste) recycling, complementary to the more broadly based curbside recycling programs to be operated by the regional waste management authorities;
- **support for and financing of the development of long-term regional waste management plans** in each of the 15 designated waste management regions of the province;
- **support for and financing of the initial organizational development needs of the Interdepartmental Waste Management Steering Committee** to help it advance and coordinate the overall implementation plan for the provincial Waste Management Strategy;

- **support for and financing of the initial organizational development needs of each of the 15 designated waste management authorities in the province**, including support for regional waste management coordinators in each area;
- **research into new policy approaches to achieve the province's waste diversion goals**, such as extended producer responsibility (industry stewardship) models;
- **coordination of province-wide research into waste disposal alternatives** for isolated communities unable to participate in a regional approach to waste management because of practical considerations;
- **financing formative opportunities** identified by regional waste management authorities and municipalities for the permanent closure of existing waste disposal sites that do not meet modern environmental standards or which can be consolidated with other waste disposal sites to achieve a more efficient regional approach to the management of solid waste in the province;
- **support for research into opportunities** to maximize economic and employment benefits from the implementation of the provincial Waste Management Strategy; and
- **support for and financing of demonstration/pilot projects** for innovative waste diversion initiatives that have potential application throughout the province.

and management of waste, focusing in particular on the need to reduce the amount of waste Newfoundlanders and Labradorians generate in the first place. Complementary to this province-wide effort, MMSB also supports the 15 regional waste management authorities in the development of their own public education campaigns and helps to promote waste reduction and waste diversion initiatives of other stakeholders in the province. These collective efforts are financed through the Waste Management Trust Fund and from the consumer and retailer levies applied to beverage containers and tires respectively.

## PUBLIC EDUCATION AND AWARENESS

MMSB develops, manages and implements public information and education initiatives to support the goals of the specific waste diversion programs that fall directly under its responsibility. MMSB also develops, manages and implements province-wide public awareness and education campaigns to encourage a fundamental shift in public attitudes and behaviours toward the handling





# Strategic Priorities and Accomplishments

Three key priorities were identified by MMSB for attention in 2007-08, taking into account government's overall strategic direction on the solid waste management agenda (in respect to recycling, composting and extended producer responsibility policy), as well as the mandate and financial resources available to MMSB. These strategic priorities are outlined below, along with the progress and accomplishments made toward MMSB's specific goals that were established for each of them in 2007-08.

## WASTE DIVERSION – RECYCLING

Waste diversion is a key element of the provincial Waste Management Strategy. MMSB played a leadership role in addressing this challenge in 2007-08 through various recycling programs it administered directly and in partnership with regional waste management authorities, municipalities and other stakeholders. Strengthening existing MMSB recycling programs and developing new provincial recycling initiatives are essential to achieving the long-term waste diversion target set for the year 2015 in the provincial Waste Management Strategy.

**Goal 1: By March 31, 2008, MMSB will have strengthened its existing recycling programs.**

*Performance Measure 1.1: MMSB recycling programs strengthened.*

### Planned Results (Indicators)

The foundation of the **Used Beverage Container Recycling Program** is strengthened such that improved recycling levels are attained in future years.

### Actual Results (Performance)

**Achieved.** A new business licensing regime and new customer service performance standards for Green Depots, along with a plan to extend the geographic reach of Green Depots to more adequately service rural areas of the province, were developed and "piloted" in 2007-08.

- **More than 139 million used beverage containers** were collected and recycled in 2007-08 through a province-wide network of Green Depots that accept containers from the public. That's 4.3 million more containers than the year before, a record high since the program started in 1997.
- The **overall recovery rate for used beverage containers also continues to grow** every year and reached 68 per cent in 2007-08, the highest level achieved since the inception of the program.
- Used beverage containers collected through the province-wide Green School Routine Program contributed in a major way to this success – **12.3 million containers were collected through more than 300 schools** – that's up dramatically from the 3.4 million level attained in 2000-01.
- In addition to the important environmental benefits resulting from their efforts, the **schools raised almost \$1.3 million in recycling refunds and matching grants provided by MMSB** for reinvestment in a wide range of environmental and other educational initiatives within the schools.
- **Almost 1.3 billion used beverage containers have now been diverted from waste disposal sites** in all corners of our province since the inception of the program in 1997 – stacked end-to-end, that's enough beverage containers to circle the earth four times.
- **MMSB is committed to providing residents of Newfoundland and Labrador with accessible and convenient access to Green Depots.** Currently, there are 39 main depots, 20 satellite depots and 17 mobile collection services offered by Green Depots. This system provides 88 per cent of the population with access to a recycling service within 20 kilometres (or approximately 15 minutes) of their home. On top of this is the network of over 300 schools that participate in the Green School Routine Program and who, through this initiative, actively support recycling efforts within their respective communities.





Newfoundlanders and Labradorians generate approximately **one used tire per person per year.**

## Strategic Priorities and Accomplishments cont'd

- Notwithstanding the success achieved to date in the Used Beverage Container Recycling Program, MMSB took steps in 2007-08 to **strengthen the program further with a view to improving the overall recovery rate to 70 per cent in future years.** A new business licensing regime and new customer service performance standards for Green Depots, along with a plan to extend the geographic reach of Green Depots to more adequately service rural areas of the province, were developed to facilitate the achievement of this objective. These new measures were "piloted" in two areas of the province in 2007-08 with positive results, and will serve as a basis for full implementation over an approximate one year period commencing in 2008-09.

### Planned Results (Indicators)

The foundation of the **Used Tire Recycling Program** is strengthened such that improved recycling levels are attained in future years.

### Actual Results (Performance)

**Pending implementation.** MMSB refined a new recycling plan in 2007-08 that entailed the processing of used tires into tire derived aggregate (TDA) for use in civil engineering projects within the province. While the TDA plan was ready for execution in 2007-08, government requested MMSB to hold off on its implementation until it could more fully consider other potential long-term approaches to the recycling of used tires in the province.

- **Approximately 300,000 used tires** were collected and diverted from waste disposal sites in Newfoundland and Labrador in 2007-08, bringing the total number diverted from landfills to 1.8 million tires since the commencement of the program in 2002.
- Following the withdrawal of Newfoundland Envirotire Shreds Incorporated (NETS) from the Used Tire Recycling Program in 2004, MMSB

embarked on a three phased approach to the restructuring of the program over the longer term:

- **The first stage addressed the backlog of used tires** that had accumulated at tire retail outlets, various municipal waste disposal sites and other locations that had been used as collection sites since the commencement of the program. MMSB successfully retrieved all of these tires and secured them in a safe manner at four temporary storage yards in the province - two in Labrador (Wabush and Happy Valley-Goose Bay) and two on the Island (Placentia and Bull Arm). MMSB also secured the stockpile of semi-processed tires that had been abandoned over the 2002 to 2004 period by NETS at its processing facility in Stephenville (estimated at 460,000 passenger tire equivalents).
- **The second stage involved the establishment of permanent infrastructure** under MMSB's direct management for the collection and temporary storage of used tires throughout the province. A new dependable, efficient and secure province-wide drop-off and collection system was put in place in early 2005 and is meeting all of its objectives. Today residents can bring their used tires, free of charge, to any one of 595 tire retailer drop-off locations in the province – up from 460 locations in 2004. As well, MMSB has partnered with 40 municipalities over the past several years to organize special collection programs for used tires in conjunction with annual community clean-up events or regular bulk garbage collection activities.
- **The third and final stage was to craft a 'made in Newfoundland and Labrador' business model** for the actual recycling of the used tires, distinct and separate from their collection. A "call for proposals" was issued to the private sector in early 2005 to achieve this objective, emphasizing the need for a sustainable long-term solution.

- **Eight proposals** were received and MMSB granted approval-in-principle in the fall of 2005 to a Newfoundland and Labrador engineering company to establish an innovative technology-based tire recycling venture that would fully utilize the stockpiles at Placentia and Bull Arm as well as the ongoing generation of used tires on the Island.
- In the interim, **Quebec-based markets were successfully secured** for the end use recycling of tires that had been temporarily stored in Labrador as well as for the ongoing new supply of tires that are generated annually in this area of the province.
- MMSB also **secured a market in Quebec** for the recycling of the semi-processed stockpile of tires that had been abandoned by NETS in Stephenville. This stockpile was permanently disposed of and cleaned up in the fall of 2006.

- Unfortunately, the local technology-based tire recycling venture selected by MMSB as the preferred Island recycler was not ultimately able to raise its investment capital to proceed with the implementation of its plan.
- Accordingly, MMSB refined a contingency plan in 2007-08 that entailed the processing of used tires into tire derived aggregate (TDA) for use in civil engineering projects within the province. While the TDA contingency plan was ready for execution in 2007-08, government requested MMSB to hold off on its implementation until it could more fully consider other potential long-term approaches to the recycling of used tires in the province.





It takes mere drops of HHW to contaminate a drinking water source; and each person generates more than seven litres each year – **that's almost four million litres annually.**

**Planned Results (Indicators)**

An increased participation rate in the **HHW Collection Program.**

**Actual Results (Performance)**

**Achieved.** Over 4,300 households participated in the HHW program in 2007-08, up from 3,700 households in 2006-07, and these households dropped off in excess of 94,000 litres of HHW, up from 87,000 litres in 2006-07.

- From May to October 2007, MMSB partnered with **15 communities and organized 20 special household hazardous waste (HHW) collection events** around the province.
- Through an aggressive marketing and public education campaign embarked upon in 2007, participation rates in the program increased significantly from levels recorded in 2006. **Over 4,300 households** participated in the program in 2007 (up from 3,700 households in 2006) and these households dropped off in excess of **94,000 litres of HHW**, including pesticides, lead paint, used oil, propane tanks and a host of other hazardous waste materials (up from 87,000 litres in 2006).

- Since the inception of the HHW Collection Program in 1998, almost 625,000 litres of HHW have been diverted from landfills in the province and disposed of in an environmentally responsible manner. This is a significant accomplishment in consideration of the fact that it takes mere drops of hazardous waste to contaminate an entire community's drinking water supply.

**Planned Results (Indicators)**

An increased participation rate in the **Residential Backyard Composting Program.**

**Actual Results (Performance)**

**Achieved.** In 2007-08, over 3,100 households either took up backyard composting for the first time or expanded their previous efforts through the purchase of MMSB compost bins.

- In the fall of 2005, MMSB launched a two-year **province-wide Residential Backyard Composting Program** with a goal of increasing household participation by 50 per cent and diverting 2,000 tonnes of organic waste annually from our landfills in the process. This was to be



achieved by encouraging 20,000 households to either start backyard composting for the first time or expand their current efforts. Organic waste makes up approximately 30 per cent of all waste generated in Newfoundland and Labrador and, with modest effort, most households can divert a significant amount of this waste stream through backyard composting.

- **MMSB successfully partnered with provincial, regional and community stakeholders** to implement a major public awareness and education campaign to promote the benefits of backyard composting and give households the knowledge they need to participate in this easy to learn activity. MMSB also made an initial supply of 15,000 compost bins available to interested households at a subsidized price to encourage participation. As well, for those households interested in building their own bins, MMSB made **5,000 free "build your own" plans available** to the public.
- Participation by Newfoundlanders and Labradorians exceeded all expectations. In the first three months of the program in 2005, **almost 10,000 compost bins** were distributed throughout the province and thousands of requests were received for MMSB's free "build your own" plans.
- Accordingly, MMSB extended the program by making a further investment in 5,000 additional compost bins. MMSB also continued with its public education campaign throughout 2006-07 and most of 2007-08. Furthermore, more and more communities partnered with MMSB in this initiative as time progressed, some of whom subsidized the compost bins for their residents over and above the subsidized price offered by MMSB.
- By the end of 2007-08, all but a very small number of the 20,000 compost bins were distributed to residents in all corners of the province, with **over 4,000 new bins sold in 2007-08** alone.
- A sample survey conducted in the spring of 2007 of households who had purchased an MMSB compost bin revealed that 80 per cent of the bins sold were used to expand the overall level of backyard composting taking place in the province (the other

*You can still compost during the winter*



20 percent were bought to replace existing compost bins). Furthermore, 98 per cent of those households who had purchased bins indicated that they had used them, with 87 per cent of all purchasers reporting that they utilize their bins on a "regular" basis.

- Combined with the take-up of MMSB's free "build your own" compost plans, the goal of increasing overall household participation in backyard composting by 50 per cent was achieved and in fact was exceeded, resulting in an estimated **average reduction in curbside garbage of 34 per cent** for active participants.

## Strategic Priorities and Accomplishments cont'd

Businesses and offices throw away huge amounts of paper, paper cups, and other disposable items every single day. **One workplace can dispose of hundreds of thousands of such items over the course of a year.**



### Performance Measure 1.2: Development of a new provincial paint recycling program.

#### Planned Results (Indicators)

A framework for the introduction of a **province-wide paint recycling program** is developed for the consideration of the Minister of Environment and Conservation.

#### Actual Results (Performance)

**Achieved.** A framework for the introduction of a province-wide waste paint recycling program in Newfoundland and Labrador was developed in 2007-08 and is expected to be launched in 2008-09.

- Considerable research has been undertaken by MMSB in recent years on a **waste paint recovery and recycling program** for Newfoundland and Labrador, in part through an Atlantic Canada working group mandated by Ministers of Environment to develop a common industry stewardship (extended producer responsibility) approach to managing this waste stream across the Atlantic region.

- In 2007, the Atlantic Ministers sanctioned a "model" industry stewardship waste paint recovery and recycling program, recognizing that certain adjustments may be needed in each of the four provinces to accommodate specific jurisdictional circumstances. This model was then used as a basis for industry consultations that were coordinated on an Atlantic-wide level.
- Taking industry feedback into consideration, MMSB subsequently developed a detailed framework for the introduction of a province-wide waste paint recycling program in 2007-08 for the consideration of the Minister of Environment and Conservation. It is anticipated that this new recycling program will be launched in 2008-09.

#### Other Accomplishments: Regional-Community Fibre (Cardboard and Paper) Recycling Program

- In early 2005, MMSB launched a **Regional-Community Fibre (Cardboard and Paper) Recycling Program**, with the goal of partnering with regional waste management authorities and municipalities to introduce sustainable new fibre recycling programs where meaningful volumes of fibre waste can be diverted from landfills and recycled in a cost effective manner.

- Approximately 37 per cent of our waste is comprised of cardboard and paper and thus it is a strategically important part of the waste stream to recycle as a means of achieving the overall 50 per cent waste diversion target set for the entire province.
- MMSB partnered with the following communities in 2005-06 to support new cardboard and paper recycling initiatives:
  - City of Corner Brook – a residential curbside cardboard and paper recycling program was implemented on June 1, 2005 with the benefit of a one-time **investment of \$178,000 from MMSB** to help offset the initial capital and public education start-up costs.
  - City of St. John's - City of Mount Pearl - Town of Paradise - Town of Conception Bay South – a mandatory paper recycling program was introduced in these communities on September 1, 2005 for large businesses and institutions and was then extended on March 1, 2006 for small businesses and institutions with the benefit of a one-time **\$115,000 contribution from MMSB** to support a public education campaign targeted at these organizations.
  - Lewisporte-Campbellton – a mandatory cardboard recycling program for businesses and institutions and a voluntary residential cardboard and paper recycling program were introduced on September 1, 2005 in these two communities through a partnership with the Calypso Foundation in Lewisporte. MMSB provided a one-time **investment of \$85,000** to help offset the initial capital and public education start-up costs.
  - Exploits Valley Regional Services Board – a mandatory business and institutional cardboard recycling program servicing the communities of Grand Falls-Windsor, Bishop's Falls, Botwood and Northern Arm was implemented on September 1, 2005 with the benefit of a **\$7,000 one-time contribution from MMSB** to support a public education campaign targeted at these organizations.

- City of Mount Pearl – a residential curbside cardboard and paper recycling program was implemented on October 1, 2005 with the benefit of a one-time **investment of \$235,000 from MMSB** to help cover the initial capital and public education start-up costs.
- Results from these new initiatives are impressive:
  - the City of Corner Brook has diverted over **500 tonnes of fibre** from its landfill through to March 31, 2008;
  - the City of Mount Pearl, from its residential curbside recycling program alone, has recycled almost **1,650 tonnes of cardboard and paper** through to March 31, 2008; and
  - Lewisporte and Campbellton have diverted almost **500 tonnes of fibre waste** from the regional landfill at Lewisporte through to March 31, 2008.
- Results from the other initiatives that have been supported by MMSB have also been substantial, but detailed statistics are not readily available as the recyclable materials diverted through these other projects are collected and marketed by private companies and competitive concerns restrict the release of such information by these companies.

## CAPACITY BUILDING – IMPLEMENTATION OF PROVINCIAL WASTE MANAGEMENT STRATEGY

Regional waste management authorities and the Interdepartmental Waste Management Steering Committee require dedicated resources (staff, operational and research support) and access to specialized expertise in the areas of waste diversion and public education in order to advance the implementation of the provincial Waste Management Strategy at the local level. MMSB supported these needs in 2007-08 through its professional staff complement and the Waste Management Trust Fund.

**share** the daily newspaper or subscribe online





We still throw away close to **200,000 beverage containers** every single day.

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

*Performance Measure: Strengthened support to regional waste management authorities and the Interdepartmental Waste Management Steering Committee.*

**Planned Results (Indicators)**

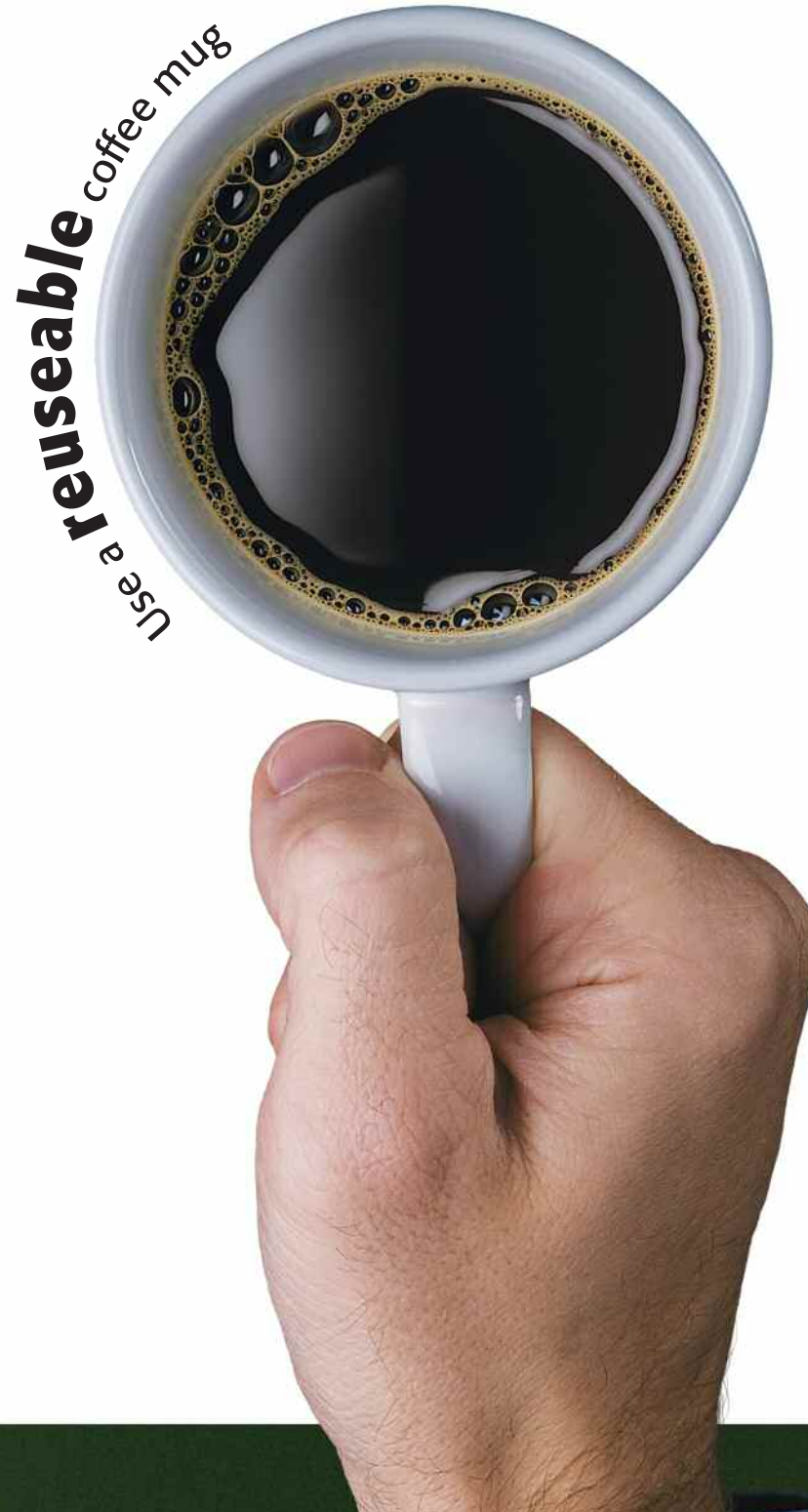
The internal capacity and expertise of MMSB is strengthened to provide relevant and effective support to the **regional waste management** authorities and the Interdepartmental Waste Management Steering Committee in MMSB's core waste diversion and public education lines of business.

**Actual Results (Performance)**

**Achieved.** MMSB's internal organizational structure was realigned and strengthened in 2007-08 to bring a more strategic and long-term focus to MMSB's core waste diversion and public education lines of business.

- A new **Programs Division** was formed within MMSB by bringing together the former business development and operations units within MMSB under the leadership of a newly created senior management (director) level position. This now enables MMSB to provide more effective support on an ongoing basis to the regional waste management authorities and the Interdepartmental Waste Management Steering Committee on the waste diversion front.
- A new **Marketing, Public Education and Communications Division** was formed under the leadership of a senior management (director) level position and with the benefit of additional staff resources to give greater attention to community outreach activities and a stronger

focus on public education generally through the regional waste management authorities and by MMSB directly.



**Planned Results (Indicators)**

A new **Regional Waste Management Capacity Building Program**, financed from the Waste Management Trust Fund, is developed to support the formative organizational and planning needs of the regional waste management authorities.

**Actual Results (Performance)**

**Achieved.** A new Regional Waste Management Capacity Building Program was developed and "piloted" in 2007-08 with the benefit of a \$3.3 million multi-year investment from the Waste Management Trust Fund.

- A commitment was made in the provincial Waste Management Strategy of 2002 for MMSB to fund a waste management coordinator position in each of the 15 designated waste management regions of the province for up to two years to assist in advancing a regional approach to waste management.
- A **Regional Waste Management Coordinators Program** was subsequently established under the Waste Management Trust Fund to support this goal, with an initial annual budget of \$35,000 for each region (adjusted upward to \$50,000 annually in 2005). A complementary Regional Waste Management Education Program, funded initially at \$5,000 annually for each region, but subsequently increased to \$10,000 annually in 2005, was established at the same time.
- Notwithstanding these initiatives, it is now recognized that a more strategic investment in the regional waste management authorities is required to provide them with the necessary planning and organizational capacity to fully develop and advance their regional waste management plans to the implementation stage.
- Accordingly, a new **Regional Waste Management Capacity Building Program** was developed in 2007-08 to replace the former Regional Waste Management Coordinators Program and the Regional Waste Management Education Program.

- A multi-year investment of **\$3.3 million** has been allocated from the Waste Management Trust Fund to support this new initiative and will be reviewed annually to ensure sufficient resources are available to meet the developmental needs of all regional waste management authorities.
- Specific funding levels and the duration of funding (including eligibility for commencement of support) will be determined on a region-by-region basis, taking into account regional implementation target dates as set forth in the provincial Waste Management Strategy; planning and organizational support provided to date by MMSB/government; and additional capacity building support required to advance the implementation of regional waste management plans.
- The Central Newfoundland Regional Waste Management Authority, which is one of three "host" regions on the Island portion of the province that will develop and operate the large scale waste management facilities serving the entire Island, was the first recipient of support through this new initiative on a "pilot" basis in the fall of 2007 whereby **\$500,000 was committed** over a three year period.
- Implementation in the other regions will be phased in over time in keeping with individual needs, commencing in the 2008-09 fiscal year.

**Planned Results (Indicators)**

The **formative organizational and planning needs of the Interdepartmental Waste Management Steering Committee** are financed from the Waste Management Trust Fund.

**Actual Results (Performance)**

**Achieved.** MMSB committed \$1.5 million from the Waste Management Trust Fund over a three year period in 2007-08 to enable the Interdepartmental Waste Management Steering Committee to lead and support the implementation of the provincial Waste Management Strategy.

## Strategic Priorities and Accomplishments cont'd

In this province, we throw **300 tonnes of organic waste** into our dumps every day – that's about 30 per cent of all the waste generated in Newfoundland and Labrador.



- Similar to the needs of regional waste management authorities, the Interdepartmental Waste Management Steering Committee requires dedicated resources to facilitate and advance the implementation of the provincial Waste Management Strategy at a macro level.
- Through the Waste Management Trust Fund, MMSB committed **\$1.5 million over a three year period** in 2007-08 to enable the Committee to effectively lead and support the implementation of the provincial Waste Management Strategy. A dedicated team under the leadership of a senior management (director) level position is being put in place to achieve this objective, complementing existing resources already available to support the provincial Waste Management Strategy in the Departments of Municipal Affairs, Environment and Conservation, and Government Services. A key priority for this new team will be to help all 15 regional waste management authorities position themselves from a governance and business perspective to fulfill the mandates prescribed for them in the provincial Waste Management Strategy.

### Planned Results (Indicators)

**A draft industry stewardship** (extended producer responsibility) policy framework is developed for the consideration of the Minister of Environment and Conservation to help finance the implementation of the new regional waste management systems throughout the province.

### Actual Results (Performance)

**Under development.** Extensive research was undertaken in 2007-08 by MMSB on a comprehensive industry stewardship framework for the province that revealed various issues requiring further consideration which delayed its full development by March 31, 2008. Details will be finalized in 2008-09 once it is determined how the new regional waste management systems can be harmonized in their fundamental design across the province.

- Extensive research has been undertaken by MMSB on a **comprehensive industry stewardship** (extended producer responsibility) framework based, in part, on similar policy approaches adopted in other provinces and through consultations with key industry stakeholders.
- The successful implementation of an industry stewardship model to help finance new curbside waste diversion and recycling systems in the province will depend to a large degree on the extent to which the new regional waste management systems are harmonized in their fundamental design across the province. An assessment of how this can be achieved in a practical manner is ongoing and, once concluded in 2008-09, will allow final decisions to be taken on a full policy framework for implementation.

## PUBLIC EDUCATION AND AWARENESS

Achieving modern waste management in the province requires a significant change in attitude and behaviour among Newfoundlanders and Labradorians with regard to the handling and management of waste. A strong and ongoing public awareness and education program, focusing in particular on the need to reduce the amount of waste we generate in the first instance, was pursued in 2007-08 to achieve these changes and was targeted at individuals, communities, businesses and other institutions alike.



### **Goal 3: By March 31, 2008, MMSB will have strengthened and expanded its current public education initiatives and activities.**

*Performance Measure: Stronger and expanded public education programs and services.*

#### Planned Results (Indicators)

A new **strategic marketing, communications and public education plan** is developed to support the public education goals embodied in the provincial Waste Management Strategy.

#### Actual Results (Performance)

**Achieved.** Based on extensive market and consumer research, as well as consultations with key stakeholders, MMSB developed and adopted a new strategic marketing, communications and public education plan in 2007-08 to guide MMSB over the next three years in this domain.

- The principal elements of the new Strategic Marketing, Public Education and Communications Plan are as follows:
  - the creation of a new **Marketing, Public Education and Communications Division** within MMSB to bring stronger focus and more resources to the public education mandate, including the provision of additional staff resources to launch a revitalized community outreach program;
  - the development and implementation of a comprehensive province-wide **communications program** to effectively educate the public and key stakeholders about the provincial Waste Management Strategy such that they are aware of, prepared for and become committed to its full implementation;
  - the development and implementation of new approaches to promote and encourage stronger public participation in MMSB's existing recycling and waste diversion programs;

- the positioning of MMSB as the clear "provincial source" for public information and support related to waste reduction, including the development of a more **dynamic and integrated corporate communications** and public education website to meet the waste reduction informational needs of Newfoundlanders and Labradorians at all levels;
- the development of new tools and support mechanisms to better enable regional waste management authorities to design and implement public education initiatives and activities at the local level, complementary to the province-wide public education mandate carried out by MMSB;
- the strengthening of MMSB's existing **"Get to Half"** public awareness and education campaign (which is designed to encourage Newfoundlanders and Labradorians to 'reduce-reuse-recycle'), including more emphasis on out-of-home opportunities to reduce and divert waste; and
- the enhancement of MMSB's **Green School Routine Program** through the incorporation of stronger waste reduction themes and greater encouragement to schools to become more active in recycling and other waste diversion activities.

#### Planned Results (Indicators)

MMSB's **existing "Get to Half" public education campaign** (which is designed to encourage Newfoundlanders and Labradorians to 'reduce-reuse-recycle') is strengthened.

#### Actual Results (Performance)

**Achieved.** The "Get to Half" campaign was modified and strengthened in 2007-08 in messaging (design) and programming (delivery) to provide simple and effective waste reduction "tips" for households and out-of-home audiences, complementary to the overarching "Get to Half" theme and messages.

# Opportunities and Challenges Ahead

## Strategic Priorities and Accomplishments cont'd

- Through its ongoing **public education activities**, MMSB provides Green Depots, schools, businesses, retailers, households and the general public with information about Newfoundland and Labrador's current waste disposal practices and the many things we can do collectively and individually to help improve our environment through the adoption of more progressive waste management practices.
- To reach these target groups, MMSB makes extensive use of television, radio, newspapers, brochures, posters, recycling contests, trade shows, a website, and a toll-free telephone call in service. Particular emphasis is given to the promotion and encouragement of new ways to reduce the amount of waste we generate in the first instance.
- To support this objective, MMSB launched a major new **province-wide waste reduction educational campaign** under the "Get to Half" banner in the fall of 2006. This was a strategic change in messaging to introduce an overarching goal for the province and one that households and workplaces could embrace as their own inspirational goal.
- The campaign focused on the strong use of youth to deliver key messages and utilized a new web-based educational tool to help households and workplaces adopt simple new waste reduction practices as a part of their day-to-day routine.
- Consumer research undertaken in 2007 revealed that the new campaign was being well received, but that individuals and households could benefit from more specific solutions and guidance on how to reduce waste in their daily routines. As well, the market research indicated that the out-of-home audience was not being reached to its full potential.
- Accordingly, the "Get to Half" campaign was modified and strengthened in messaging (design) and programming (delivery) to provide **simple and effective waste reduction "tips"** for households and out-of-home audiences, complementary to the overarching "Get to Half" theme, as a means of encouraging the specific behavioural changes sought within these targeted groups.

- Further follow-up consumer research is planned in 2008-09 to assess the effectiveness of these new interventions and to guide the "Get to Half" campaign in appropriate directions in future years.

### Planned Results (Indicators)

Support is provided to active regional waste management authorities to help them **develop and implement regional public education initiatives and activities.**

### Actual Results (Performance)

**Achieved.** Support and financial assistance from the Waste Management Trust Fund was provided in 2007-08 to the four regional waste management authorities that were active in the province during the 2007-08 fiscal period.

- MMSB continued to provide support and financial assistance to active regional waste management authorities in 2007-08 to facilitate the implementation of various public education initiatives related to their regional waste management plans.
- Green Bay Waste Authority, NorPen Waste Management Authority and the Burin Peninsula Waste Management Authority each received \$10,000 from the Waste Management Trust Fund in 2007-08 to help them maintain momentum on this front. As well, the \$500,000 multi-year commitment made to the Central Newfoundland Regional Waste Management Authority in 2007-08 under the new Regional Waste Management Capacity Building Program of the Trust Fund enabled that region to commence the development and implementation of a comprehensive regional public education plan as part of its overall mandate.
- **Educational support** will be provided to other regional waste management authorities through the Regional Waste Management Capacity Building Program as new authorities come on stream over time.

As we move beyond 2007-08, MMSB will face many new challenges and opportunities as it continues to advance the goals and objectives of the provincial Waste Management Strategy and, in particular, as it brings the province closer to its 50 per cent waste diversion target.

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

- **Increasing recovery rates** in the beverage container and used tire recycling programs, and examining opportunities for expanding the scope of each of these programs to capture additional recyclable products in each of them.
- **Extending the reach** of the HHW program to include more communities and to encourage greater participation by households wherever feasible until the regional waste management authorities are in a better position, financially and organizationally, to establish permanent HHW infrastructure throughout the province.
- **Examining the best way** of implementing new province-wide recycling and waste diversion programs to address particular waste streams that are significant in terms of their impact on the environment and/or their special handling needs. Products including lead acid batteries, pharmaceuticals, propane tanks and electronics will receive particular attention by MMSB in this regard.

**Investing in the regional waste management** authorities through the Newfoundland and Labrador Waste Management Trust Fund. Priority and emphasis will be given to strengthening the planning and organizational capacity of regional waste management authorities to enable them to implement modern waste management systems throughout the province, including curbside recycling services for their residents.

- **Strengthening and expanding** public education and awareness activities, with a particular focus on waste reduction themes. Success in reducing the amount of waste we generate in the first instance will pay enormous dividends for our environment and also generate significant savings to individuals, municipalities and businesses from the avoided cost of otherwise having to dispose of our waste through conventional means.

Our goals for the coming years are aggressive, yet achievable. MMSB looks forward to working with its stakeholders and partners as we continue to guide our province to a greener future.



# Financial Statements



## AUDITORS' REPORT

To the Directors of the  
Multi-Materials Stewardship Board

We have audited the consolidated statement of financial position of the Multi-Materials Stewardship Board at March 31, 2008, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Board's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Board as at March 31, 2008, and the consolidated results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Grant Thornton LLP*

Grant Thornton LLP  
Chartered Accountants

St. John's, Newfoundland and Labrador  
June 9, 2008

## MULTI-MATERIALS STEWARDSHIP BOARD CONSOLIDATED STATEMENT OF OPERATIONS

Year Ended March 31	2008	2007
Revenue		
Gross revenue from deposits	\$ 19,067,314	\$ 18,251,452
By-product revenue	2,210,029	2,427,746
Residential Backyard Composting Program	72,809	123,504
Household Hazardous Waste Program	66,596	67,701
Grant Revenue, Environment Canada	-	25,000
	<b>21,416,748</b>	20,895,403
Cost of sales (Note 8)	<b>16,984,930</b>	16,709,861
Gross margin	<b>4,431,818</b>	4,185,542
Miscellaneous income	<b>663,484</b>	801,418
Income before expenses	<b>5,095,302</b>	4,986,960
Expenses		
Administrative (Page 36)	<b>2,514,985</b>	2,324,130
Grant disbursements	<b>1,133,647</b>	711,774
	<b>3,648,632</b>	3,035,904
Excess of revenue over expenses	<b>\$ 1,446,670</b>	\$ 1,951,056

See accompanying notes to the consolidated financial statements.

# Financial Statements



## MULTI-MATERIALS STEWARDSHIP BOARD CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

Year Ended March 31			2008	2007
	Invested in Capital Assets	Unrestricted Net Assets	Total	Total
Net assets, beginning of year	\$ 261,865	\$ 17,226,706	<b>\$ 17,488,571</b>	\$ 15,537,515
Excess of revenue over expenses	(139,827)	1,586,497	<b>1,446,670</b>	1,951,056
Investments in capital assets	<u>287,922</u>	<u>(287,922)</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 409,960</u>	<u>\$ 18,525,281</u>	<b><u>\$ 18,935,241</u></b>	<u>\$ 17,488,571</u>

See accompanying notes to the consolidated financial statements.

## MULTI-MATERIALS STEWARDSHIP BOARD CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31	2008	2007
<b>Assets</b>		
Current		
Cash and cash equivalents	<b>\$18,603,196</b>	\$17,261,255
Receivables (Note 4)	<b>2,950,951</b>	2,270,575
Inventories	<b>118,918</b>	199,815
Prepays	<b>53,707</b>	51,560
	<b>21,726,772</b>	19,783,205
Long term investments	<b>445,396</b>	433,090
Note receivable	-	60,000
Property and equipment (Note 5)	<b>409,960</b>	261,865
	<b>\$ 22,582,128</b>	\$20,538,160
<b>Liabilities</b>		
Current		
Payables and accruals	<b>\$ 590,840</b>	\$ 706,006
Grants payable	<b>984,412</b>	423,692
Unearned revenue (Note 3(i))	<b>1,615,159</b>	1,486,801
	<b>3,190,411</b>	2,616,499
Performance bonds payable	<b>456,476</b>	433,090
	<b>3,646,887</b>	3,049,589
<b>Net Assets</b>		
Net assets invested in capital assets	<b>409,960</b>	261,865
Unrestricted net assets	<b>18,525,281</b>	17,226,706
	<b>18,935,241</b>	17,488,571
	<b>\$ 22,582,128</b>	\$20,538,160

Commitments (Note 7)

On behalf of the Board

Chairperson

Director

See accompanying notes to the consolidated financial statements.



# Financial Statements



## MULTI-MATERIALS STEWARDSHIP BOARD CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended March 31	2008	2007
Increase (decrease) in cash and cash equivalents		
Operating		
Excess of revenue over expenses	\$ 1,446,670	\$ 1,951,056
Depreciation	115,338	103,346
Loss (gain) on disposal of equipment	24,489	(206,550)
	<b>1,586,497</b>	1,847,852
Change in non-cash operating working capital (Note 6)	<b>(27,714)</b>	(210,633)
	<b>1,558,783</b>	1,637,219
Financing		
Increase in performance bonds payable	<b>23,386</b>	12,061
Investing		
Increase in long term investments	<b>(12,306)</b>	(12,061)
Purchase of property and equipment	<b>(287,922)</b>	(40,708)
Proceeds on disposal of equipment		326,001
Decrease in note receivable	<b>60,000</b>	-
	<b>(240,228)</b>	273,232
Net increase in cash and cash equivalents	<b>1,341,941</b>	1,922,512
Cash and cash equivalents		
Beginning of year	<b>17,261,255</b>	15,338,743
End of year	<b>\$ 18,603,196</b>	\$ 17,261,255

See accompanying notes to the consolidated financial statements.

## MULTI-MATERIALS STEWARDSHIP BOARD NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2008

### 1. Nature of operations

The Multi-Materials Stewardship Board is a statutory corporation established pursuant to The Environmental Protection Act. This Board manages the Used Beverage Container Deposit Refund System, the Used Tire Recycling Program, the Residential Backyard Composting 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 corporation is exempt from income taxes under Section 149(1)(d) of the Canadian Income Tax Act.

### 2. Basis of consolidation

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

The Multi-Materials Stewardship Board - Newfoundland and Labrador Waste Management Trust Fund is a restricted fund, managed by the Board, and its accounts have been grouped in these financial statements for consolidated purposes. Effective April 1, 2006, the accounts of the Household Hazardous Waste Program were combined with the accounts of the Newfoundland and Labrador Waste Management Trust Fund. Separate audited financial statements have been issued for this Trust Fund, with an audit report date of June 9, 2008.

The accounts of the Residential Backyard Composting Program have also been grouped in these financial statements for consolidated purposes. Separate audited financial statements have also been issued for this Program with an audit report date of June 9, 2008.

### 3. Summary of significant accounting policies

#### (a) Fund accounting

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

- i) property and equipment are recorded at cost, net of proceeds on disposal;
- ii) capital additions financed from the unrestricted funds are

included in the net assets invested in capital assets account; and  
 iii) depreciation of property and equipment and gains (losses) on disposal are included in the net assets invested in capital assets account.

#### (b) Use of estimates

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

#### (c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of one year or less.

#### (d) Revenue recognition

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

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

Revenue from the sale of compost bins is recognized when the bins are sold by the depots or to municipalities.

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

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

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

#### (e) Inventories

Inventories are valued at the lower of cost and net realizable value.

# Financial Statements



## MULTI-MATERIALS STEWARDSHIP BOARD NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2008

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

#### (f) Long term investments

Investments in guaranteed investment certificates are restricted to repay performance bonds at the end of the contracts if all conditions have been met by the parties involved.

#### (g) Depreciation

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

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

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

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

#### (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% (March 31, 2007 – 68%).

#### Accounting standards and policies adopted during the year

##### (i) Accounting changes

In July 2006, the Canadian Institute of Chartered Accountants ("CICA") issued section 1506 of the CICA Handbook, "Accounting Changes", which describes the criteria for changing accounting policies, along with the accounting and disclosure for

changes in accounting policies, changes in accounting estimates and correction of errors. These changes came into effect as of January 1, 2007 and are applicable for the Board's year ended March 31, 2008.

##### (ii) Financial instruments - Recognition and Measurement

On April 1, 2007, the Board implemented the CICA Handbook Sections 3855, "Financial Instruments - Recognition and Measurement" and 3861, "Financial Instruments - Disclosure and Presentation". These standards have been applied without restatement of prior years. There are no transitional adjustments resulting from these standards to be recognized in the opening balance of net assets.

CICA Section 3855, "Financial Instruments - Recognition and Measurement", requires the Board to revalue all of its financial assets and liabilities at fair value on the initial date of implementation and at each subsequent financial reporting date.

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

Classification choices for financial liabilities include: a) held for trading - measured at fair value with changes in fair value recorded in net earnings and b) other - measured at amortized cost with gains and losses recognized in net earnings in the period that the liability is no longer recognized.

Subsequent measurement for these assets and liabilities are based on either fair value or amortized cost using the effective interest method, depending upon their classification. Any financial asset or liability can be classified as held for trading as long as its fair value is reliably determinable.

## MULTI-MATERIALS STEWARDSHIP BOARD NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2008

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

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

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

Other balance sheet accounts, such as inventories, prepaids, property and equipment and unearned revenue are not within the scope of the new accounting standards as they are not financial instruments.

Embedded derivatives are required to be separated and measured at fair values if certain criteria are met. Under an election permitted by the new standard, management reviewed contracts entered into or modified subsequent to April 1, 2007 and determined that the Board does not currently have any significant embedded derivatives in its contracts that require separate accounting treatment.

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

##### (iii) Financial instruments – Disclosure and Presentation

Section 3861, "Financial Instruments – Disclosure and Presentation", which replaces CICA Section 3860, of the same title, establishes standards for the presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them.

There were no adjustments to the financial statements required as a result of the adoption of the above noted financial instruments policies.

#### Future changes in accounting policies

##### (i) Financial Instruments – Disclosure and Presentation

CICA Section 3862 "Financial Instruments – Disclosure" and CICA

Section 3863 "Financial Instruments – Presentation" replaces CICA Section 3861, "Financial Instruments – Disclosure and Presentation". CICA Section 3862 requires increased disclosures regarding the risks associated with financial instruments such as credit risk, liquidity risk and market risks and the techniques used to identify, monitor and manage these risks. CICA Section 3863 carries forward standards for presentation of financial instruments and non-financial derivatives and provides additional guidance for the classification of financial instruments, from the perspective of the issuer, between liabilities and equity. These standards are effective for financial statements relating to fiscal years beginning on or after October 1, 2007.

##### (ii) Inventories

In March 2007, the CICA issued section 3031 "Inventories", which has replaced existing Section 3030 with the same title. The new Section establishes that inventories should be measured at the lower of cost and net realizable value, with guidance on the determination of cost. This standard is effective for financial statements relating to fiscal years beginning on or after January 1, 2008.

The Board does not expect the adoption to these standards to have a significant impact on its financial disclosure and results of operations.

# Financial Statements



## MULTI-MATERIALS STEWARDSHIP BOARD NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2008

### 4. Receivables

	2008	2007
Deposits	<b>\$ 2,696,515</b>	\$ 1,825,470
Trade and other	<b>254,436</b>	445,105
	<b>\$ 2,950,951</b>	\$ 2,270,575

### 5. Property and equipment

	2008	2007		
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Office furniture and equipment	\$ 116,350	\$ 57,202	<b>\$ 59,148</b>	\$ 51,193
Leasehold improvements	8,912	1,538	<b>7,374</b>	-
Computer hardware	196,716	54,329	<b>142,387</b>	63,724
Computer software	220,556	154,451	<b>66,105</b>	65,675
Bags and tubs	346,356	222,285	<b>124,071</b>	75,819
Vehicle	33,142	22,267	<b>10,875</b>	5,454
	<b>\$ 922,032</b>	<b>\$ 512,072</b>	<b>\$ 409,960</b>	\$ 261,865

### 6. Supplemental cash flow information

	2008	2007
Change in non-cash operating working capital		
Receivables	<b>\$ (680,376)</b>	\$ (28,533)
Inventories	<b>80,897</b>	26,911
Prepays	<b>(2,147)</b>	5,822
Payables and accruals	<b>(115,166)</b>	(3,749)
Grants payable	<b>560,720</b>	(140,117)
Unearned revenue	<b>128,358</b>	(70,967)
	<b>\$ (27,714)</b>	\$ (210,633)

## MULTI-MATERIALS STEWARDSHIP BOARD NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2008

### 7. Commitments

The Board is committed to minimum annual lease payments for property and equipment for the next five years as follows: 2009 - \$293,761; 2010 - \$214,001; 2011 - \$213,479; 2012 - \$212,456; and 2013 - \$49,453

The Board has entered into the following agreements:

- (i) processing and transportation of beverage containers to March, 2009;
- (ii) collection of used tires in Labrador West area to April, 2012;
- (iii) collection and transportation of used tires in the island portion of Newfoundland and Labrador and the Labrador Straits to February, 2010;
- (iv) collection of used tires in Happy Valley-Goose Bay area to February, 2010;
- (v) transportation of used tires from Labrador to Quebec-based recycler to May, 2010; and,
- (vi) recycling of used tires collected in Labrador to May, 2010.

### 8. Cost of sales

In June 2004, the Board terminated its contract under the Used Tire Recycling Program with its previous contractor. Subsequent to this termination, the Board assumed responsibility for the Program and implemented a contingency plan for the storage of used tires. Included in the cost of sales is \$662,535 of interim contingency costs for the storage of used tires. The costs will be incurred until the Board is able to make alternate arrangements under the Used Tire Recycling Program.

# Financial Statements

## MULTI-MATERIALS STEWARDSHIP BOARD CONSOLIDATED SCHEDULE OF ADMINISTRATIVE EXPENSES

Year Ended March 31	2008	2007
Advertising	\$92,613	\$181,211
Doubtful accounts	60,000	-
Depreciation	115,338	103,346
Directors' remuneration	18,121	20,399
Dues, licenses and education	31,796	13,193
Equipment rental	25,866	12,559
Insurance	9,219	15,449
Interest and bank charges	11,688	10,162
Marketing and communications	707,272	530,669
Meetings and entertainment	6,055	6,085
Miscellaneous	4,384	17,247
Professional fees	154,193	163,250
Rent	113,337	86,419
Repairs and maintenance	6,218	913
Rocaps supplies	26,333	49,374
Stationery and office supplies	57,109	25,945
Telecommunications	31,882	23,075
Travel – board and staff	61,596	98,033
Vehicle operating	15,165	20,088
Wages and benefits	966,800	946,713
	<b>\$2,514,985</b>	<b>\$2,324,130</b>

## Board of Directors 2007 - 2008

John Scott  
Chair and CEO

John Patten  
Beverage Industry Representative  
St. John's

Edward Delaney  
Member-at-large  
Bay Roberts

Catherine Barrett  
Member-at-large  
Goulds

Derm Flynn  
Member-at-large  
Appleton

Don Hann  
Member-at-large  
Port-aux-Basques

Bassem Eid  
Newfoundland and Labrador Environmental  
Industry Association Representative  
St. John's

Hal Cormier  
Member-at-large  
Corner Brook

Paul Hanlon  
Member-at-large  
St. John's

Maisie Clark  
Consumer Representative  
Campbellton

Graham Letto  
Member-at-large (Labrador) and Municipalities  
Newfoundland and Labrador Representative  
Labrador City



**REDUCE • REUSE • RECYCLE**

[www.mmsb.nl.ca](http://www.mmsb.nl.ca)

P.O. Box 8131, Station A, St. John's, NL A1B 3M9

**709-753-0948**

**1-800-901-MMSB**

This annual report is printed on recycled paper. Please recycle where facilities exist.