



**Canadian Stewardship
Services Alliance**

ANNUAL STEWARD MEETING

October 29, 2015



**Canadian Stewardship
Services Alliance**

ANNUAL STEWARD MEETING

John Coyne, Executive Chair



Agenda

- Welcome
- Guest Speakers
- Fee Setting Methodology Review Project
- Break
- Program performance, status update, 2016 budget and fee schedule:
 - Multi-Material BC (MMBC)
 - Multi-Material Stewardship Western (MMSW)
 - Multi-Material Stewardship Manitoba (MMSM)
 - Stewardship Ontario (SO)
- Q&A
- Wrap-up



Information for webcast participants

- In person attendees – 130
- Webcast audience – 400+
- Speaker advances slides
- Sound slider ①
- Questions/comments at ‘Ask a Question’ ②
 - Click ‘submit’
- If you have technical issues also let us know via the “Ask A Question” box



The Evolving Tonne of Recyclables and How This Impacts on Recycling Program Costs

Maria Kelleher, Kelleher Environmental

29th October, 2015



Presentation Outline

First 20 years of recycling and what we have seen since 2008/2009

Reasons for the evolving tonne - changing ratio of paper to plastic

How the evolving tonne impacts on recycling program costs

Residential Recycling in 1980's and 1990's

Many original residential recycling programs developed in Canada and the US late 1980's and 1990's

Provinces and states set recycling targets and encouraged recycling

For 20 years, efforts focussed on:

- Collecting paper, glass, metals, plastics (PET/HDPE)
- Expanding materials collected
- Stabilizing markets for processed materials
- Increasing participation and capture of materials
- Driving recovery up and driving costs down
- Making the system more efficient
- Meeting recycling and diversion targets







Recycling Systems Began to Change in 2005

More materials added to residential recycling programs

Boxes were replaced by Bins

- ...increased recycling 30%, addressed litter and lowered worker injury

Green Bin programs added to complexity of collection

More single stream recycling systems

- MRFs became more complex

More user pay systems and container limits

- Incentive for recycling but more contamination in Blue Bins

Less garbage

- some communities moved to bi-weekly garbage collection

Composition and amounts of recyclables stayed approximately the same

Fundamental Change Started 2008/2009

Ratio of plastic to paper changed – more plastic, less paper, more small packages...

Residue rates increased

Markets began to complain about quality of materials from MRFs

MRF operators noticed a drop in newsprint (ONP) and increase in cardboard (OCC)

Toronto Future Blue Bin Study (2010) – explored reasons for changing composition and included into Business Plan projections

Evolving Tonne – More Plastic, Less Paper..

Recyclers are used to cyclic nature of markets, cost of fuel, US\$ up and down

The paper/plastic evolving tonne issue is new...and permanent...and is still changing and evolving

Evolving tonne has significant impacts on costs – going up and will continue to go up

Other factors are also impacting recycling program costs:

- China's Green Fence – markets for mixed paper and mixed plastics impacted
- Softening Chinese economy – lower demand/revenue for secondary materials from recycling programs

Toronto (2010) and Calgary (2014) both completed studies on impacts of evolving tonne on diversion targets and business planning

Changing Demographics and Lifestyles

Demographic and Lifestyle Trends Impacting on Recycling Materials

“Greying” of Canadian Population - we are living longer

- over 65's expected to double in next 20 years
- By 2018, 25% of US population will be over 55

Smaller Households

- fewer children
- more 1-person households – first marriage later, divorce, single

Design of packaging and products to suit changing demographics

- Convenience is king – more take-away food and prepared meals
- Complicated packaging (to accommodate arthritic hands)
- Small portion, re-sealable packaging

The Internet Changed Everything

Handheld and mobile devices changing the way we live and communicate

PAPER newspapers decreasing

- less newspaper in recycling programs

Internet shopping increasing

- Purchases are delivered by corrugated or boxboard container
- More OCC and OBB showing up in residential recycling programs
- OCC – bulky in collection systems – increases costs

Impact of Internet On Newsprint..

Less/smaller newspapers

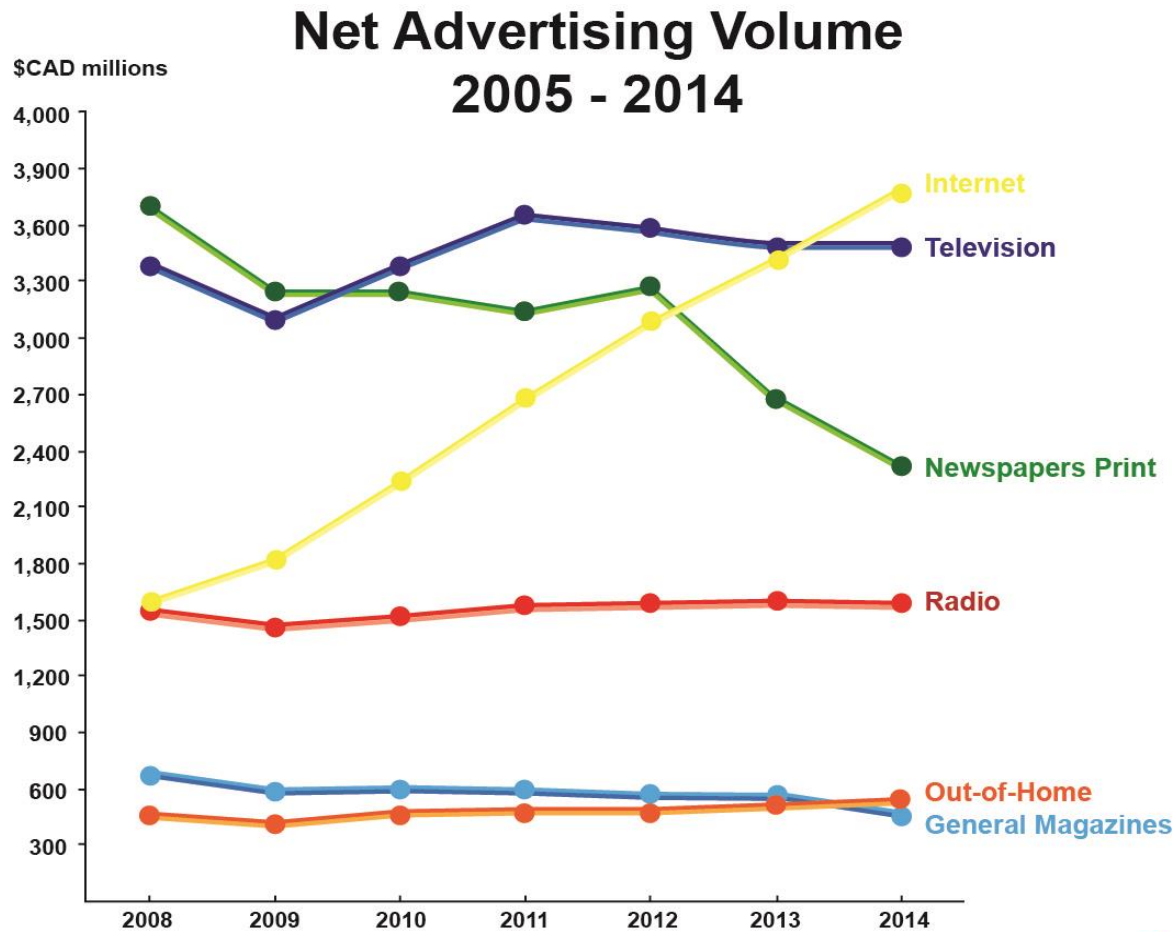
- Decreased circulation or closure of newspapers...
- Decisions to drop Sunday edition
- Move to 3 editions per week rather than 6
- Smaller format...from broadsheet to tabloid
- Lighter/thinner paper, fewer pages

La Presse, Montreal

- dropping weekday print edition completely, only Saturday print edition 2016

Paper directory format phonebooks - Toronto alone – 3,500 tonnes of directory paper gone

The Death of Paper Newspapers...



Lifestyle Trends

Convenience is King

More ready to eat meals

- salads, cooked food from grocery stores, etc
- Convenience food growth rate of 3% to 5% from 2013 to 2018
- More plastic and paper take away packaging

Re-sealable packages

Single serve packages

Smaller portion packaging

Customized single serve packaging

- Coffee-pod market expecting dramatic growth

More, smaller pieces to process at a MRF to get one tonne

- Do more work to sell the same amount of material

Packaging Design Changes, Substitution, Lightweighting

Plastics have doubled in Ontario MRFs over last 10 years (lightweighting, multi-layer, etc)

- Plastics is 6% of weight but 23% of the volume of a tonne of recyclables

Some glass packaging moving to plastic multi-layer pouches

Lightweighting – PET bottles now weights ½ of weight 20 years ago

- One tonne was 35,000 PET bottles; now 70,000
- This means twice as much processing cost to get one tonne to sell

More multi-layer non-recyclable packaging

- Granola bars

More vegetables/products in thermoform PET

- Clamshells increase dramatic in last 2 years

Why Are Recycling Costs Going Up

Recycling Costs: Collection + Processing - Revenue

Collection Cost Impacts of Evolving Tonne:

- Less heavier material
- More lightweight and low density material
- Truck will cube out sooner
- Increases collection costs

Processing Cost Impacts of Evolving Tonne:

- MRF designs need to change to accommodate different material mix – MRFs are more expensive; processing is more expensive

Material Revenue Impacts of Evolving Tonne:

- Affected by poor quality/higher contamination
- No markets for some materials
- China's "Green Fence" –impacted market for lower quality paper and plastics

Ontario Blue Box Costs Going Up But Diversion Has Stalled

Year	Blue Box Diversion Rate	Blue Box Net Cost in PIM (Pay In Model) (\$ millions)
2003	46.0%	\$ 62
2004	53.0%	\$ 82
2005	55.0%	\$ 118
2006	57.0%	\$ 111
2007	64.0%	\$ 109
2008	63.0%	\$ 130
2009	66.0%	\$ 155
2010	67.6%	\$ 170
2011	64.2%	\$ 190
2012	62.8%	\$ 187
2013	65.8%	\$197

Reasons For Increasing Ontario Blue Box Costs 2010, 2011

2010 - Ontario Blue Box net costs \$170 million, diversion 67.6%

- Until 2010, Ontario Blue Box costs going up each year but could be explained - adding more materials, diversion increasing

2011 - Ontario Blue Box net costs up \$20 million, diversion down from 67.6% to 64.2%

- First year impacts of evolving tonne kicked in...
- Paper dropping, plastic increasing
- More light material (plastics), less heavy material (glass, paper) – lower diversion

Reasons For Increasing Ontario Blue Box Costs 2012, 2013

2012 - Ontario Blue Box net costs (PIM) up another \$3 million; while diversion has stalled down

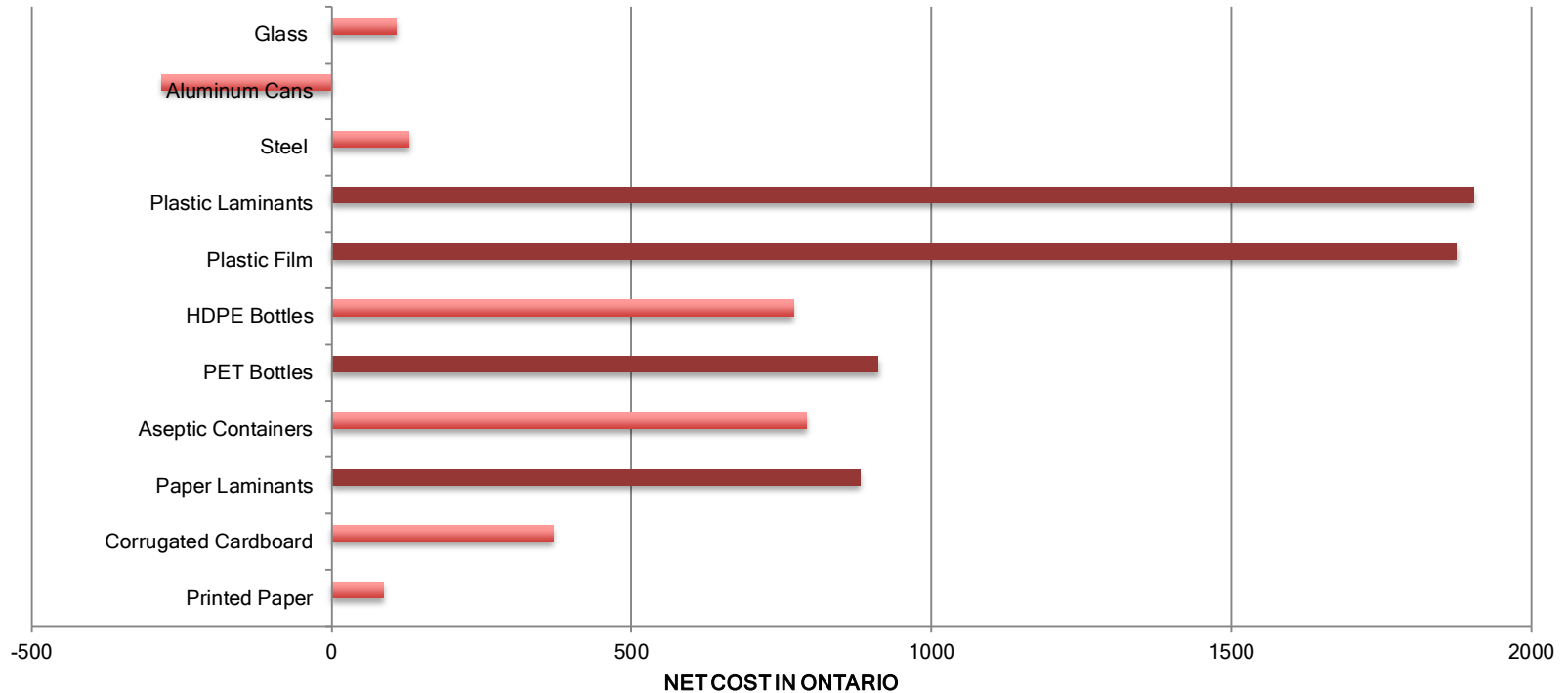
Revenues impacted by recycling market collapse 2008/09

- Impact of evolving tonne reflected in much higher prices for some large, newly awarded contracts (Durham, Toronto, others)
- Prices playing “catch-up” with market reality
- China Green Fence beginning to lower value of mixed paper and mixed plastic

Blue Box began to have more “expensive to recycle” materials (plastics) and less “cheap to recycle” materials (paper)

Relative Cost Per Tonne To Recycle Materials in Ontario Blue Box

Net Recycling Cost by Material Type in Ontario's Blue Box Programs
(Collection, Processing minus revenues)



Change #1: Newsprint Down

Newsprint used to be the backbone of all recycling programs

- Lots of newsprint, good reliable markets, good solid source of revenue, easy to collect and process
- Newsprint was 80% of what a MRF handled in the early Blue Box days: now 38% and dropping
- In one MRF in SW Ontario, newsprint was 45% of Blue Box; now only 5% of Blue Box materials

Impacts of Lower Newsprint On Recycling Costs

Harder/impossible to create #8 News bale which had a higher revenue

MRFs now produce #6 News bale, lower revenue, but less effort to meet specs

Mills are getting used to this change (as they need the fibre)

Pay lower revenue for lower grade bale with less newsprint and spend more money getting contaminants out

Used to think this was a single stream system issue – now understand it is a complex combination of factors at play

Newspaper extinction timeline

When newspapers in their current form will become insignificant*



—stripes indicate that newspapers will be extinct in metropolitan areas before regional areas



- Media strategy
- Thought leadership content
- Scenario planning

www.futureexploration.net

Created by Ross Dawson
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Change #2: Paper vs Packaging Proportions Changing

Paper used to make up 82% of material in MRF, packaging was 18%

Some processors report paper is down to 62% , packaging up to 38%

Paper is cheap to recycle; packaging is expensive. Changing proportions, less paper recycling, costs go up

Change #3: More Plastics

More plastic packaging – some high value (PET, HDPE) with good markets, other material low/no value – markets need to be developed but that takes time

In the interim - lots of money to process lighter materials with low/no value

Technology (screens, optical sorters) catching up, but always a lag of a few years

PET bottles now so light, they flatten in MRF

- Confused with paper in optical sorters (flat vs round sort)
- End up in paper bales, lowering quality and value

Plastic film a real hassle in MRFs - winds around machinery, causes work stoppages, costs money

Change #4: Lower Density (Lighter Fluffier Materials)

DENSITY (relationship between weight and volume) of recyclable material is decreasing

Collection costs are 2/3 of recycling costs

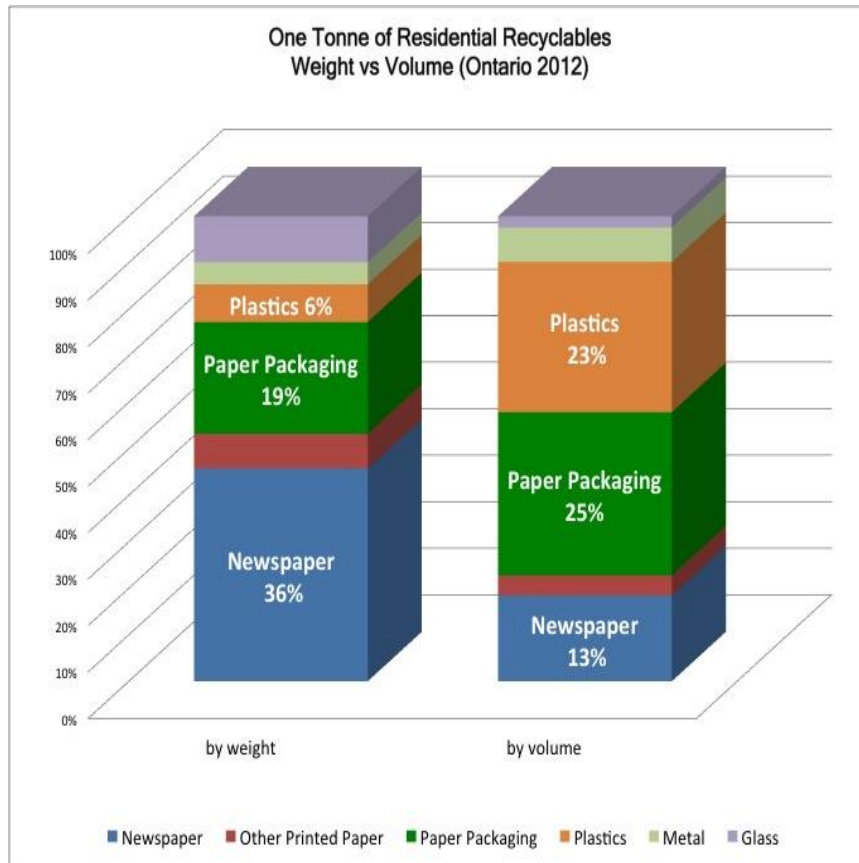
1 cubic metre (m³) of recyclables used to weight 107kg, now weights 57kg

Now takes 140 trucks to deliver material that used to only need 100 trucks

Higher collection costs.

One MRF - weight up by 20%, volume up by 70%.

One Tonne of Recyclables By Weight and Volume



Plastics 6% of weight, 23% of volume – expensive to collect...more trucks, more fuel, more drivers and labour cost

Newspaper 36% of weight, only 13% of volume – cheap to collect

We Are Not Alone..

A Perfect Storm

- Wall Street Journal 29th April, 2015: *Unprofitable Recycling Weighs On Waste Management* Serena Ng and Angela Chen

Fortune Magazine 3rd September, 2015: *The American recycling business is a mess: Can Big Waste fix it?* Claire Groden

New York Times 23rd October, 2015: *A Global Chill in Commodity Demand Hits America's Heartland*"

A Perfect Storm

David Steiner, Waste Management Inc, various interviews
Spring, 2015

- WMI – largest recycler in US (15 million tons) losing significant \$
- Tumbling prices of recycled materials (down 14% Jan-March, 2015) - *“its as low as it has ever been and we have seen no indication of a bottom”*
- Lost \$13 million Q1/2015, closed 4 recycling plant, may close more
- Recycled plastics prices down with low oil price
- Worsening economics around handling glass – lost \$6 million recycling glass 2014
- Slower economic growth in China – lower demand for used paper and other materials

Conclusions

The world is changing at a rapid rate:

- Lifestyles are changing
- Packaging formats are changing
- Printed paper is going down

All of these changes impact on recycling costs

Packaging decisions impact on recycling program costs

There is a need to monitor changes in paper to plastics ratio, and composition of recycling program materials

Estimate impacts of new materials in recycling programs

Plan for a future of increasing recycling costs

CSSA Annual Steward Meeting

Smart Design for Recycling Supply Chains

October 29th, 2015



GREEN
by Nature EPR[®]

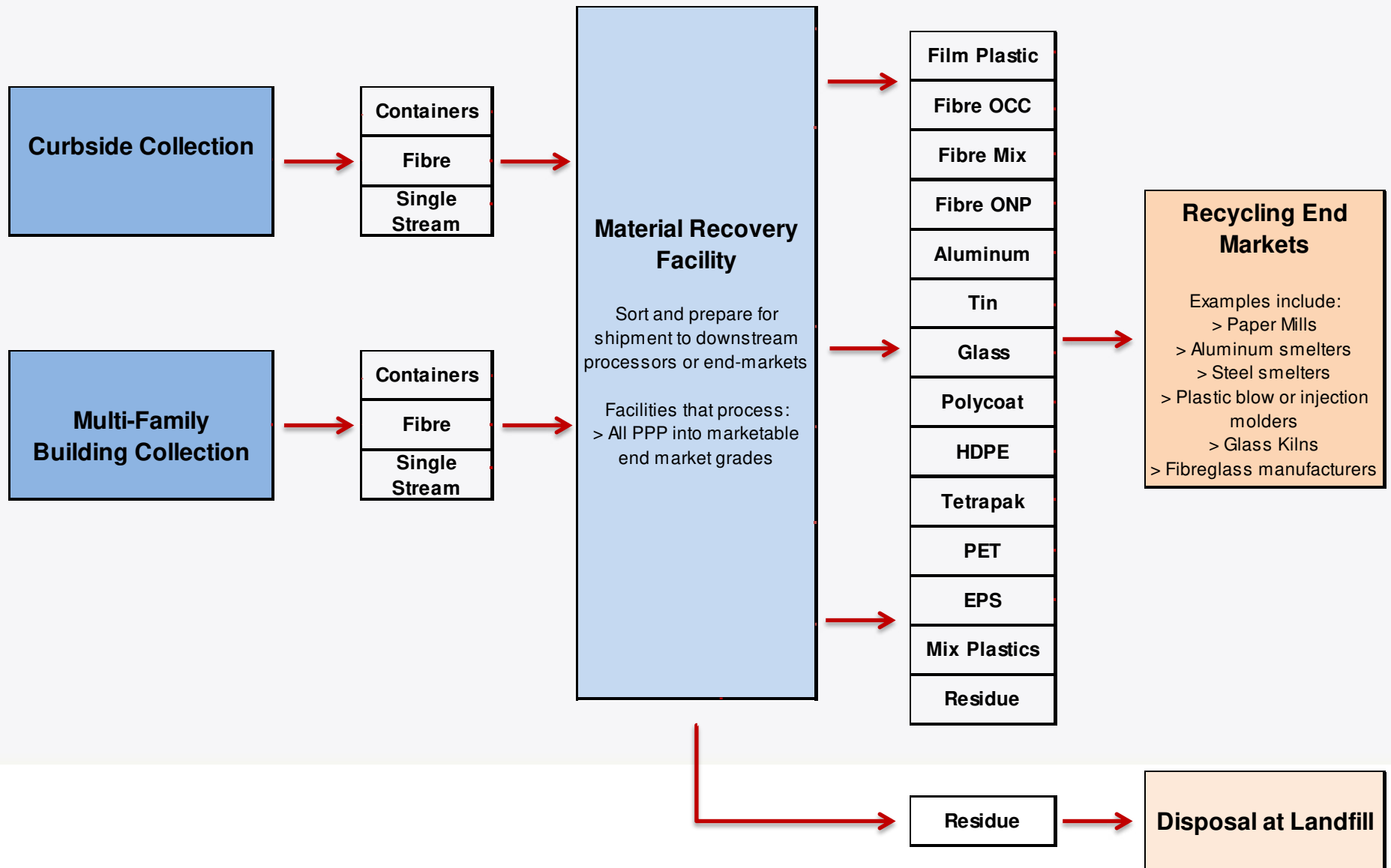


The Cascades 'Closed Loop' family



GREEN
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Typical Post Collection System



Challenges facing Post Collection

1

Material Composition has changed and will continue to change

2

Recovering More materials; waste management mentality, lower commodity prices, lower oil prices

3

No Standardization – every program is custom

4

Foreign Markets – decreasing demand, Green Fence





Are we designing packaging for the 'supply chain' or designing the 'supply chain' for the packaging?

What EPR brought to B.C.

**75% Recovery
Rate**

**Province Wide
Consistency**

**Fund Operations
& Management**

Under BC Recycling Regulation, Producers assume responsibility for the recycling of printed paper and packaging (PPP) – 100% EPR

**No Cost to
Householder**

No Interruptions

**Mandatory
Compliance**



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Green By Nature EPR



GREEN
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Cascades Recovery Inc.



EMTERRA
Environmental

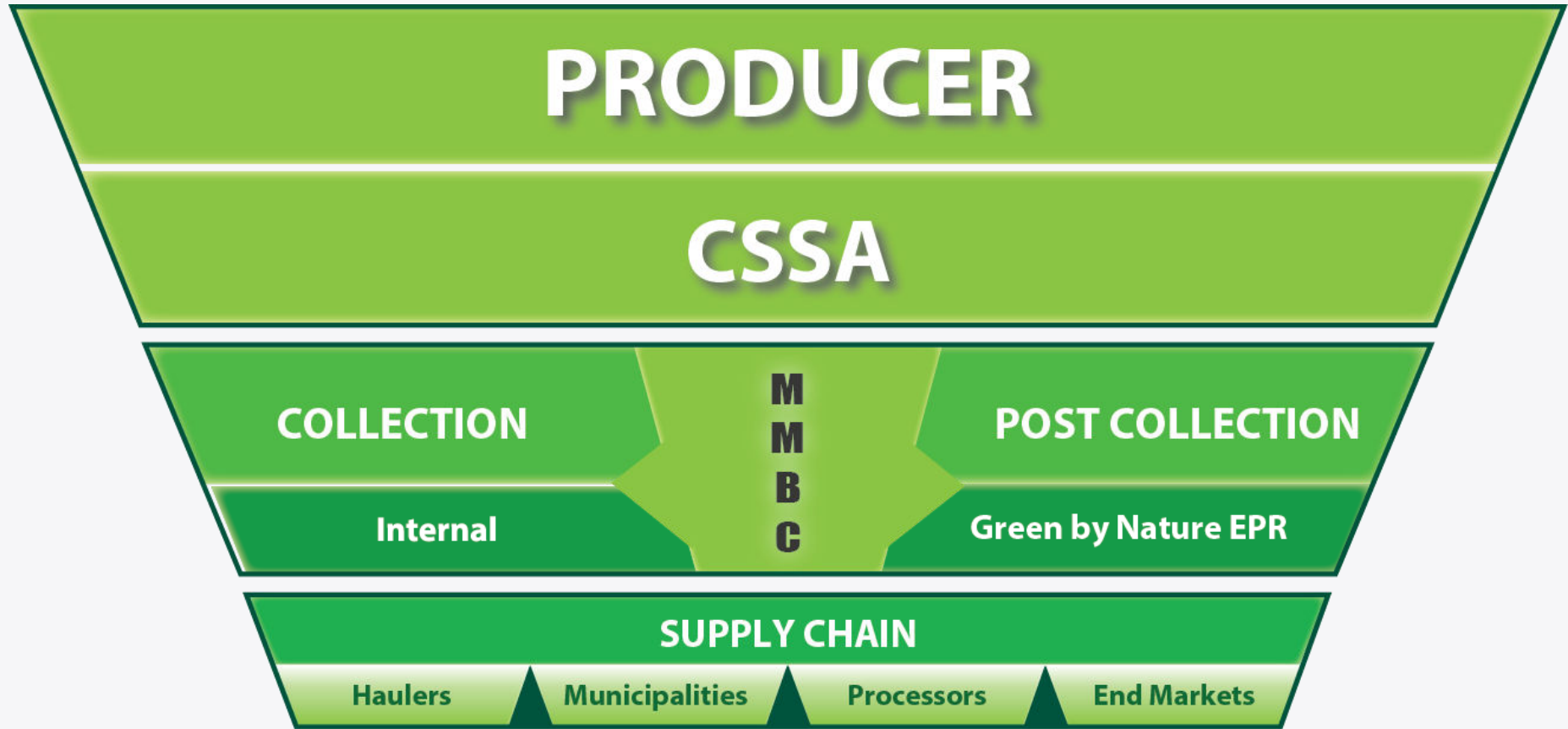


MERLIN PLASTICS



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The Role GBN Plays in BC



BC's Post Collection System

31 RCTs

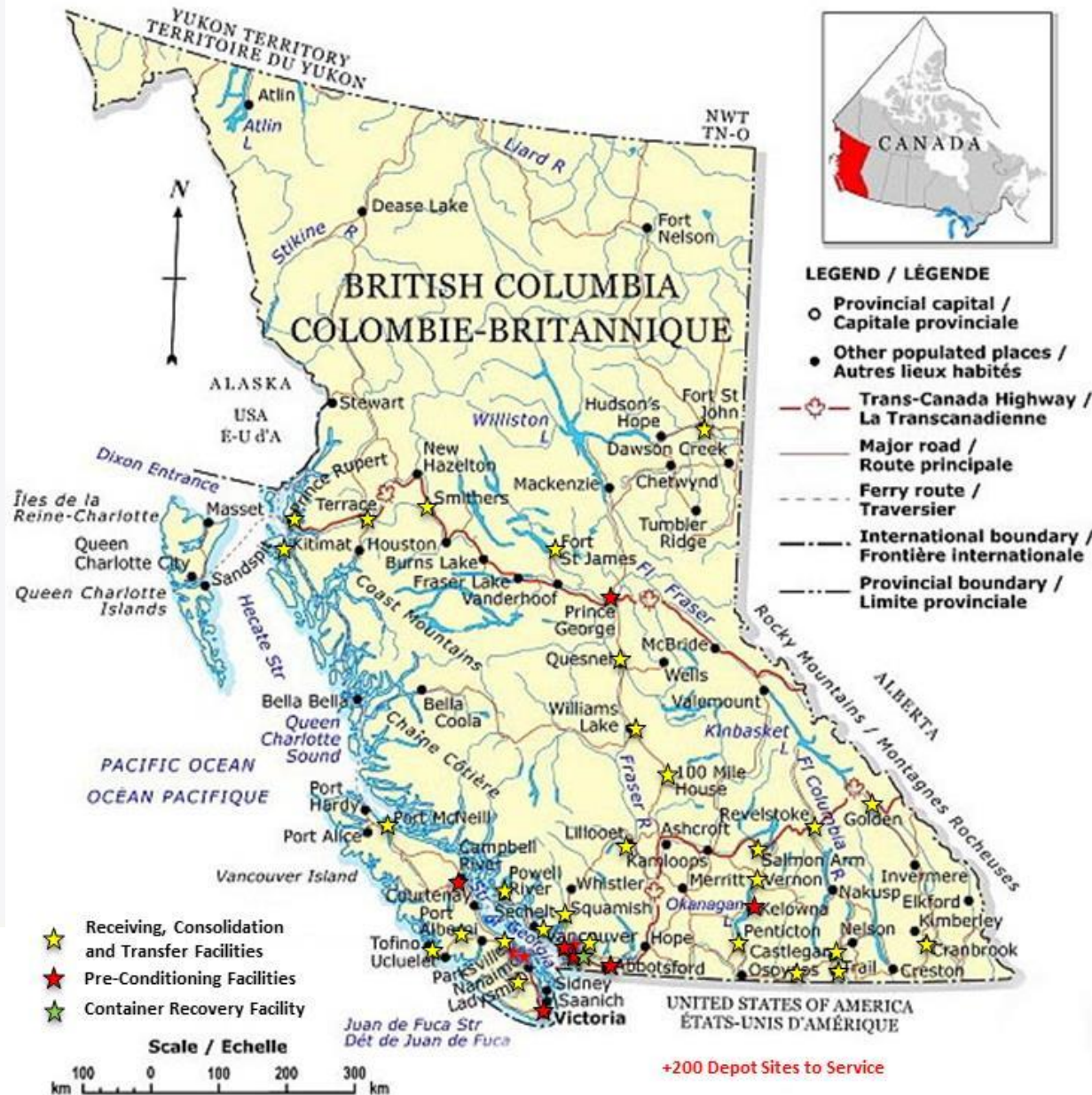
Receiving, Consolidation & Transfer

15 PCFs

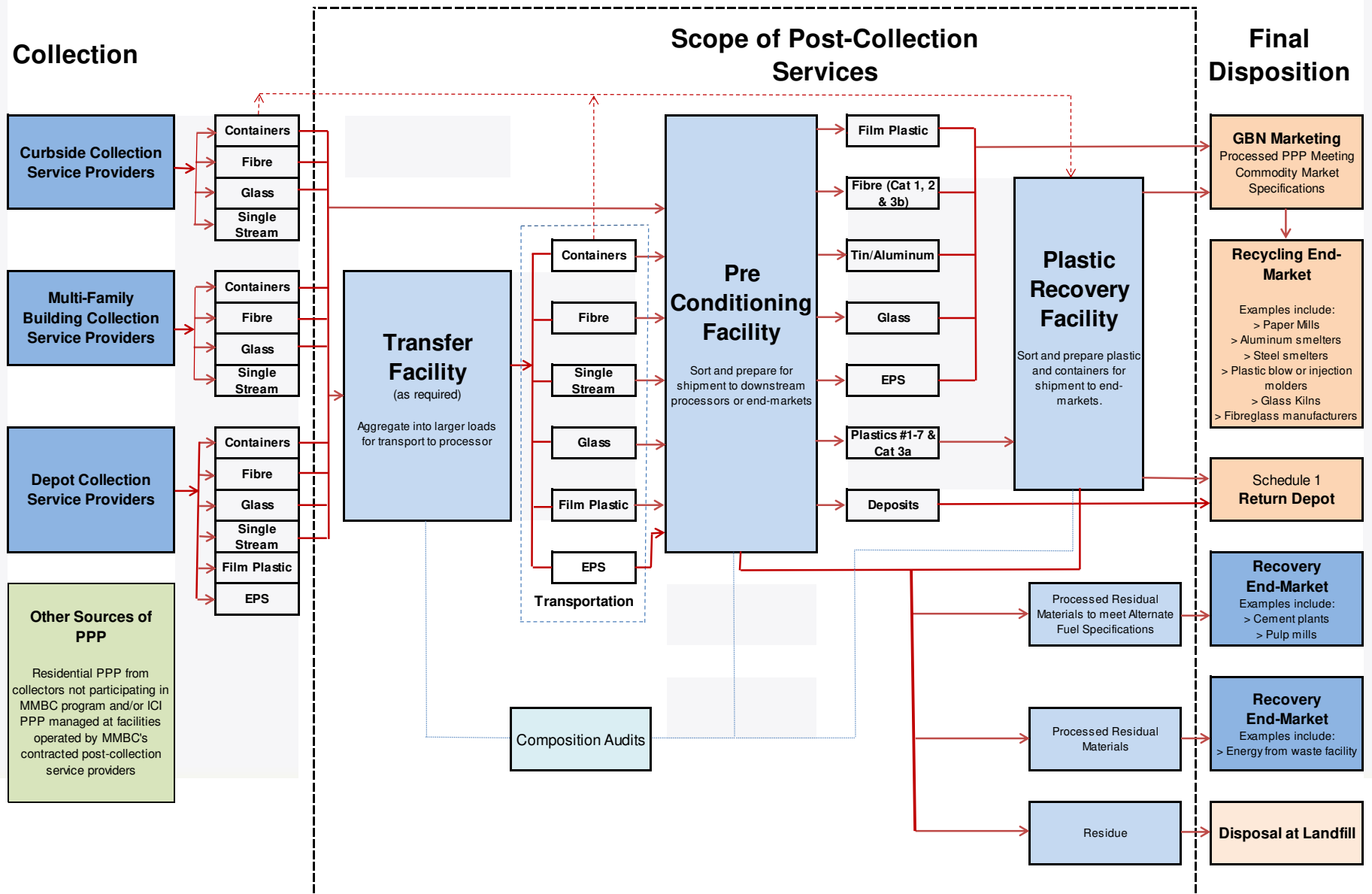
Pre-Conditioning Facilities

1 CRF

Container Recovery Facility



Post Collection Design



Smart Design & the Blue Box Business

Defined Objective

- A centralized management approach allows for standardization
- Builds confidence & encourages investment
- Supports a consistent and coordinated service delivery

Re-Engineer Recycling Supply Chain

- Facilities perform the same tasks
- Flexibility - outputs designed based on inputs
- Data collection and reporting
- Applicable to new program start-ups

Maximize Efforts

- Drive innovation and cost effectiveness
- Leverage volumes to command best prices
- Promote best practices

The Impact of *EPR* on the Supply Chain

- ✓ Municipalities, haulers, processors and end markets carry on business as usual
- ✓ Standardized feedstock and output
- ✓ Able to receive and manage a wider range of PPP with minimal investment
- ✓ Addresses processing challenges
- ✓ Minimize # of Sorts - focus is on executing the sort well
- ✓ No Market Risk
- ✓ Much higher levels of reporting and accountability

In the Works with MMBC

- Automating data collection – MOM
- Addressing contamination – i.e., curbside glass, residue
- Minimizing the handling efforts at all collection points - depot
- Working with Producers on packaging decisions
- Utilizing data collected from the system and from the central audit centre to provide Producers with customized data
- Begin planning the addition of more materials

“We care so much about printed paper and packaging, when the consumer is done with it, We want it back”!

Every Package Recycled

One Process, One Set of Rules, For All

Al Metauro

President & CEO Green By Nature EPR

President & CEO Cascades Recovery Inc.

E: ametauro@recoverycascades.com

Thank You



Cascades Recovery Inc.



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A large stack of compressed recycling material, likely paper or cardboard, in an outdoor setting. The material is tightly packed and stacked in several layers, creating a textured, layered appearance. The background shows more stacks and some greenery.

**INSIGHTS INTO RECYCLING
COMMODITY MARKETS**
Jerry Powell, Resource Recycling

A close-up photograph of a person's hands working at a desk. The person is wearing a light blue button-down shirt. Their right hand is holding a silver pen over a red calculator, while their left hand rests on a document. The background is softly blurred, showing a window with vertical blinds. The overall scene conveys a professional, analytical, or financial context.

**FEE SETTING METHODOLOGY
REVIEW PROJECT UPDATE
Neil Antymis & Scott Tudor**



**Canadian Stewardship
Services Alliance**

Steward Consultation Committee Members

Co-Chairs: Neil Antymis and Scott Tudor

SCC Steward Members:

A. Lassonde Inc.

Costco Wholesale

Coca-Cola Refreshments Canada

Groupe TVA

Loblaw Companies Ltd

McCain Foods

Mondelēz International

Nestle

PepsiCo Beverages Canada

Procter & Gamble Canada

Sobeys Inc.

Tim Hortons Inc.

Unilever Canada Inc.

Walmart Canada Corp.

Canadian Tire

Staples

Home Hardware

Parmalat

CSSA & Program Staff

Laurie Simpson, Catherine Abel, Alastair Harris-Cartwright, Alex Chan, Chris van Rossem, David Pearce, Karen Melnychuk, Allen Langdon

External Consultants:

Guy Perry – GP & Assoc.

Rick Findlay – RFCL Innovations



SCC Terms of Reference

The SCC is a meaningful forum through which stewards that represent key blue box material sectors can explore alternatives for a fee setting methodology that can be applied to packaging and printed paper programs across Canada (as legislation permits).

SCC members are asked to:

- Validate a set of guiding principles for fee setting
- Listen to and consider the view of interested stakeholders
- Develop options for consideration by the Boards and broader stakeholder community



Five Phases of the Fee Project

Phase	Description	Status
1	Phase 1 – Charter the project	Complete
2	Phase 2 – Prepare materials and plans	Complete
3	Phase 3 – Involve Stewards – Develop options and business cases	In progress
4	Phase 4 – Consult with broader steward community	Early 2016
5	Phase 5 – Implement change	Not Started



Stakeholder Input

Written Submissions Received from:

- ❖ Carton Council
- ❖ Canadian Beverage Association
- ❖ Food & Consumer Products of Canada
- ❖ ICBC in British Columbia
- ❖ McDonald's
- ❖ Magazines Canada
- ❖ Newspapers Canada
- ❖ Paper & Paperboard Packaging Environmental Council (PPEC)

Presentations During Workshops 3&4

- ❖ PPEC
- ❖ Magazines Canada
- ❖ Carton Council
- ❖ Éco Entreprises Québec (EEQ)
- ❖ Canadian Beverage Association
- ❖ Newspapers Canada
- ❖ Retail Council of Canada



The Case for Change

- **Steward Feedback:** Stewards tell us that the current fee setting methodology is complex, difficult to understand and difficult to explain to company colleagues
- **Three-Factor Formula** not functioning as intended:
 - As the material mix in the system changes and more materials achieve target recovery rate the third factor of the Three-Factor Formula is weakening



Objectives of the Project

- **Produce a harmonized fee setting** that is easier to explain to stakeholders.
- **Define material fee rates** that align with the objectives of the new methodology
- **Identify options to fairly allocate** recycling system costs to materials.
- Determine the **appropriate level of reliance on waste system studies** needed to inform cost and revenue allocations.



Scope of Fee Project

In Scope:

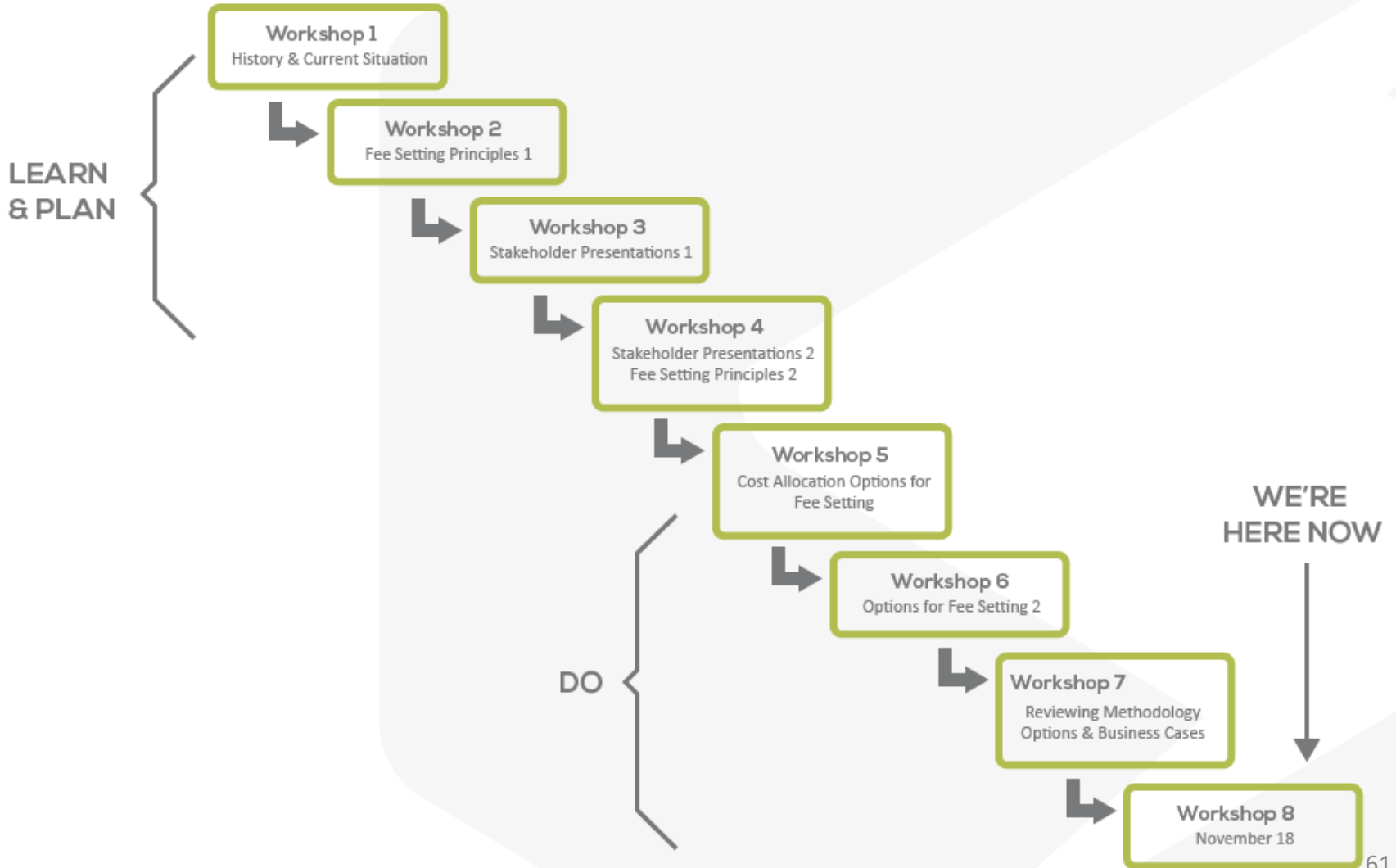
- Validation/ refinement of guiding principles for fee setting
- Examination for sharing costs and commodity revenue
- Preparation of business cases for valid options

Out of Scope:

- New EPR Legislation
- Determining recycling systems costs
- Benchmarking costs



SCC Workshop Schedule





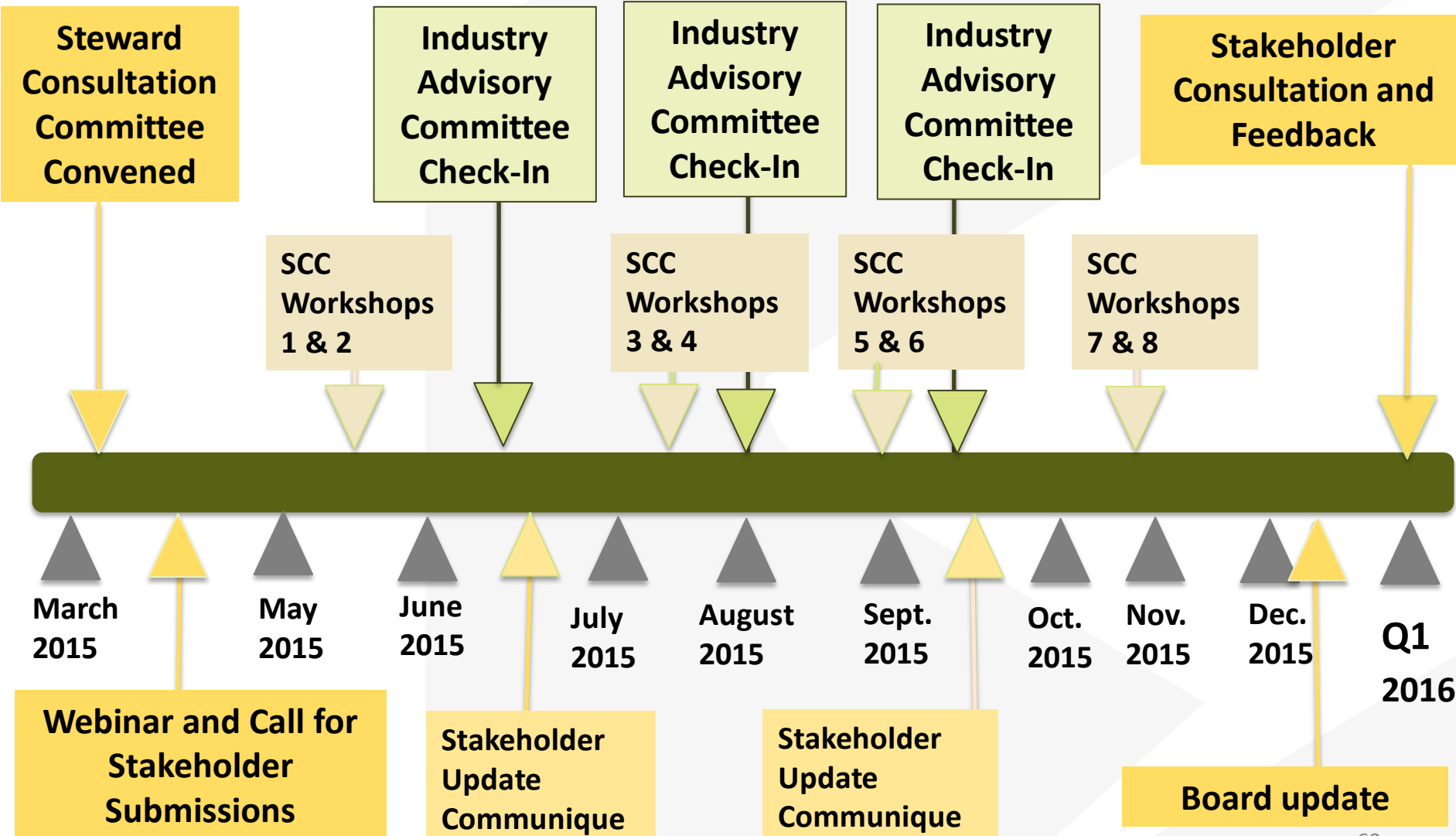
Current Work of SCC



- Having been presented with information about the activities and costs drivers within the supply chain, the SCC has been identifying valid options for how to allocate those costs in the fee calculation
- Business case for each option will be developed for further review.
- Once the review process is complete, the project outcomes will be shared with steward community for consideration – targeted for Q1 2016



2015 -2016 Stakeholder Engagement Schedule





MULTI
MATERIAL
BC

MULTI-MATERIAL BC

Allen Langdon

Overview

- 2014 Year in Review
- 2014 Recycling and Accessibility Performance
- 2014 Financial Program Performance
- 2015 Status Report
- 2016 Budget
- Fee Schedule
- Look Ahead

2014 – A Year in Review

- Program launched on **May 19, 2014**
- The MMBC program is the first fully financed and managed EPR program for packaging and printed paper in North America.
- MMBC introduced a standardized list of packaging and printed paper that is accepted for recycling in BC

2014 Achievements

- **116,457** tonnes of collected material
- **80.1%** recovery rate
- **27.5** kg recovered per capita
- **96%** of households with access to depot services
- **1,240,000** households serviced by curbside or multi-family collection
- **20** communities receiving curbside recycling services for the first time

2014 Recycling and Accessibility Performance

Representative of 7.5 months of operation

Metric	British Columbia 2014
Recycling Performance	
Recovered Tonnes	116,457
Supplied Tonnes	145,351
Recovery Rate	80.1%
Population Serviced by PPP Program	4,232,061*
Recovered kg per capita**	27.5
Accessibility Performance	
# Households Serviced	1,694,258*
% Households with Access to PPP Program	96%*
P&E Cost per capita	\$0.36
% of residents aware and using recycling services	98%

* Represents access to curbside, multi-family, and/or depot services

** Based on 7.5 months of recovery for entire BC population

2014 Financial Program Performance

Cost Performance	British Columbia 2014 (representative of 7.5 months)
Cost Performance	
Recovered Tonnes	116,457
Net Cost*	\$45,939,463
Net Cost per Tonne	\$394
Net Cost per Capita	\$11
Recovered kg per capita**	27.5

*Net cost includes supply chain costs, commodity revenues, P&E, regulatory and program management costs + program development?.

**Based on 7.5 moths of recovery for entire BC population

2015 Status Report

- First year of operations celebrated on May 19, 2015
- First Annual Report released on June 30, 2015
- Second Life promotion and education (P&E) campaign encouraged consumers to find out what happens to material once it's collected
- MMBC launched a streetscape pilot program

Promotion & Education

- Market research showed that consumers are sceptical that the materials they leave out for collection are actually recycled
- MMBC developed an engaging campaign to address this issue, as well an infographic video that walked consumers through the recycling process
- Campaign utilized TV, print, radio and online media



Promotion & Education

<https://youtu.be/w1OcgVVUZAo>

Streetscape Pilot Program

- As per the program plan, MMBC completed a baseline study and began piloting various collection containers and signage.
- MMBC will review data from the pilot and consult with stakeholders to determine the preferred approach to streetscape collection services when available.



2016 Budget

	BC 2016 Obligation (forecast)	BC 2015 Obligation
Obligation Share	100% industry managed	100% industry managed
Share of supply chain costs	\$70,189,611	\$74,779,210
Promotion & education	\$1,350,000	\$1,250,000
Program management	\$7,584,646	\$7,862,379
Program Management as % of total fee obligation less one time expenses	9.6%	9.4%
Program start-up		
Working Capital Accumulation		
Total fee obligation	\$79,124,257	\$83,891,589
YoY fee change %	-5.7%	

2016 Fee Schedule – no changes

Category	Material	Fee rates 2016	Fee rates 2015	Variance
PRINTED PAPER				
Printed Paper	Newsprint	20.00 ¢/kg	20.00 ¢/kg	0.0%
	Magazines and Catalogues	24.00 ¢/kg	24.00 ¢/kg	0.0%
	Telephone books			
	Other Printed Paper			
PACKAGING				
Paper Based Packaging	Corrugated Cardboard	29.00 ¢/kg	29.00 ¢/kg	0.0%
	Boxboard			
Composite Paper Packaging	Gable Top Cartons	52.00 ¢/kg	52.00 ¢/kg	0.0%
	Paper Laminates			
	Aseptic Containers			
High Grade Plastics Packaging	PET Bottles	31.00 ¢/kg	31.00 ¢/kg	0.0%
	HDPE Bottles			
Low Grade Plastics Packaging	Plastic Film	54.00 ¢/kg	54.00 ¢/kg	0.0%
	Polystyrene			
	Other Plastics			
Plastic Laminates	Plastic Laminates	70.00 ¢/kg	70.00 ¢/kg	0.0%
Steel Packaging	Steel	52.00 ¢/kg	52.00 ¢/kg	0.0%
Aluminum Packaging	Aluminum Food & Milk Containers	45.00 ¢/kg	45.00 ¢/kg	0.0%
	Other Aluminum Packaging			
Glass Packaging	Clear Glass	25.00 ¢/kg	25.00 ¢/kg	0.0%
	Coloured Glass			

Look Ahead

Expanding Communities

- MMBC strives to provide producer-funded recycling services to all BC residents, but until more stewards join the program, MMBC is unable to expand services to additional communities.

Questions?





Multi-Material
Stewardship Western

MULTI-MATERIAL STEWARDSHIP WESTERN

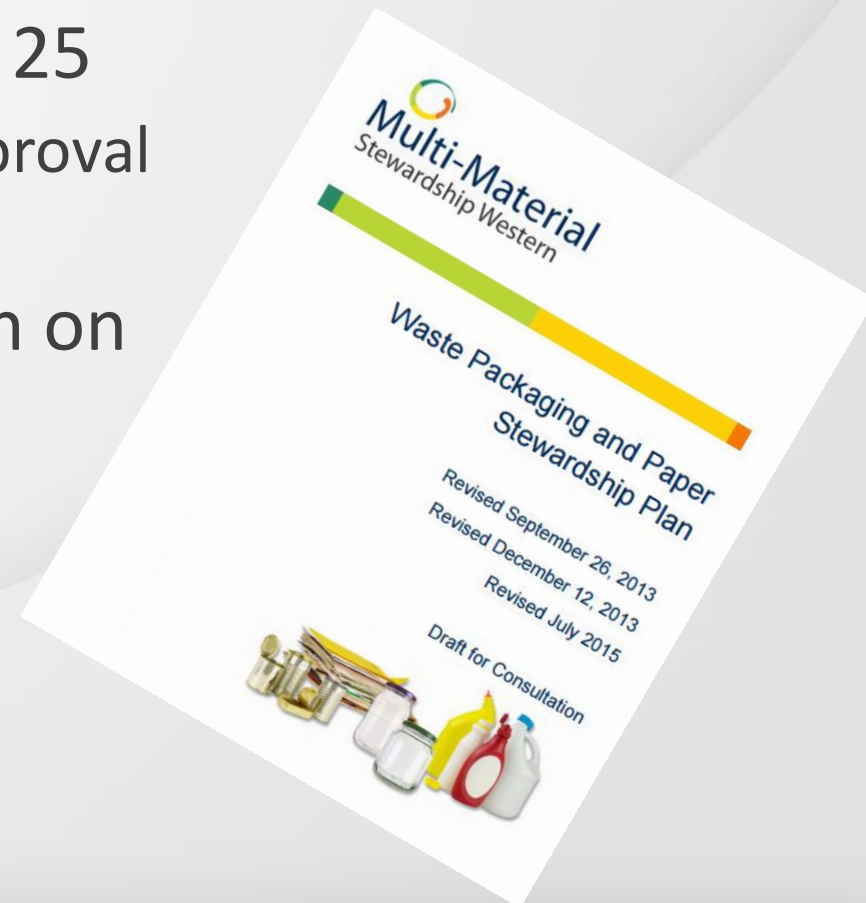
Allen Langdon

Overview

- Program Update
- 2016 Budget
- 2016 Fee Schedule

Program Update

- Revised Program Plan submitted to Saskatchewan government on September 25
 - Government announced approval of plan on Wed Oct 28
- MMSW program will launch on January 1, 2016



Why a Revised Program Plan?

In response to government's introduction of exemptions and flat fees for some businesses:

- Permanent exemption for any business that generates less than \$2 million in gross annual revenue, or less than one tonne of WPP, or operates a single retail store
- Two-year transition exemption from reporting and paying fees, with the exception of payment of an annual \$500 flat fee, for all newspaper publishers with annual revenue over \$2 million, and all other businesses with annual revenue of between \$2-5 million

MMSW's Revised Program Plan

- Submitted to government on September 25, 2015
- Government announced approval of the plan on October 28
- During the two-year transition exemption period, MMSW will:
 - Accept the registration of newspapers, regardless of their size, and businesses with annual revenue between \$2-5 million for a payment of \$500 per year
 - Execute Membership Agreements with businesses with annual revenue of above \$5 million

Key Differences in Revised Program Plan

- Key differences for stewards:
 - Exemptions create a smaller base of obligated stewards
 - MMSW is operating its stewardship plan only on behalf of its Members:
 - Municipalities are paid by MMSW to recycle 60% of PPP supplied by MMSW members
 - Fee rates for stewards are included in the approved Program Plan and will remain fixed until December 31, 2016

Paying for MMSW members tonnes only

- Revised plan pays municipalities to only to collect and recycle 60% of the packaging and printed paper supplied by MMSW Members (i.e. those that have signed membership agreements with MMSW)
- Payments to municipalities are calculated on the basis of capturing 60% of the packaging and printed paper reported by MMSW members only
- Based on the 57,000 tonnes reported by MMSW members in 2015, MMSW will base its budget on payments to manage 34,200 tonnes of WPP (60% of 57,000), yielding a \$5.6M fund for payments to Saskatchewan municipalities.

2016 Budget



Multi-Material
Stewardship Western



2016 Budget

	MMSW 2016 Obligation	Budget Developed for Original 2015 Stewardship Plan
Steward obligation	75.0%	75.0%
Share of supply chain costs	\$5,668,202	\$4,869,652
Promotion & education	\$50,000	\$50,000
Program management	\$1,516,356	\$1,487,608
Program management (as % of total fee obligation less one-time start-up costs)	21%	23.2%
Program start up	\$0	\$600,000
Working capital accumulation	\$1,417,051	\$721,875
Total fee obligation	\$8,651,609	\$7,729,135

2016 Budget – Notable Information

- MMSW's 2016 budget reflects the original budget presented last year, minus the start-up costs which were recovered through the Cost Recovery Invoice issued in January 2015
- A one-off amount of \$1.4M is included in 2016 budget to start building up a working capital reserve
- Program Management at 21% is comparatively higher than other programs because same level of program management needed, yet costs spread over smaller scale program

2016 Fee Schedule – No Changes

Category	Material	2016 Fee Rates	2015 Fee Rates
PRINTED PAPER			
Printed Paper	Newsprint	7.15 ¢/kg	7.15 ¢/kg
	Magazines and Catalogues	7.15 ¢/kg	7.15 ¢/kg
	Telephone books		
	Other Printed Paper		
PACKAGING			
Paper Based Packaging	Corrugated Cardboard	12.92 ¢/kg	12.92 ¢/kg
	Boxboard		
Composite Paper Packaging	Gable Top Cartons	22.47 ¢/kg	22.47 ¢/kg
	Paper Laminates		
	Aseptic Containers		
High Grade Plastics Packaging	PET Bottles	17.54 ¢/kg	17.54 ¢/kg
	HDPE Bottles		
Low Grade Plastics Packaging	Plastic Film	24.62 ¢/kg	24.62 ¢/kg
	Polystyrene		
	Other Plastics		
Plastic Laminates	Plastic Laminates	33.76 ¢/kg	33.76 ¢/kg
Steel Packaging	Steel	15.76 ¢/kg	15.76 ¢/kg
Aluminum Packaging	Aluminum Food & Milk Containers	24.32 ¢/kg	24.32 ¢/kg
	Other Aluminum Packaging		
Glass Packaging	Clear Glass	13.80 ¢/kg	13.80 ¢/kg
	Coloured Glass		



Karen Melnychuk



Overview

- 2014 Year in Review
- 2015 Status Report
- Recycling and Accessibility Performance
- Financial Program Performance
- 2016 Budget
- 2016 Fee Schedule
- 2016 Look Ahead





MMSM

**Multi-Material
Stewardship Manitoba**

2014 Year in Review



2014 Year in Review

- 2014 marks the fifth year of operations for MMSM
- In 2014, MMSM achieved the following:
 - **9.5% increase** in the amount of packaging and printed paper recycled per capita since program launch in 2010
 - **5% reduction** in the amount of tonnes sold or distributed by stewards, 2014 compared to 2010
 - **64.9% recycling rate in 2014**, up from 52% in 2011



New Waste Legislation

- In 2014, Government of Manitoba issued a Recycling and Waste Reduction discussion paper to gather input on how to improve recycling in the province
- MMSM applied for a one-year extension to its current five-year plan while consultations continue
- MMSM will be consulting with stewards and stakeholders prior to submitting its renewal plan in 2016



2014 Promotion & Education



Reducing Single-Use Plastic Bag Use

- Continued work in 2014 with the Bag Up Manitoba campaign to meet government's 50% reduction target on plastic bags
- Waste audits show that close to 60% of Manitobans are reusing their plastic bags



Ad Campaign



Other P&E Activities

- School programs
- Environmental expos
- We Day
- Funding for post-secondary education institutions





MMSM

**Multi-Material
Stewardship Manitoba**

2015 Status Report



2015 Status Report

- Bag it Forward Program – encouraging further reduction of plastic bag use
- MMSM recognised for recycling initiatives with remote First Nations communities





MMSM

**Multi-Material
Stewardship Manitoba**

2014 Recycling and Accessibility Performance

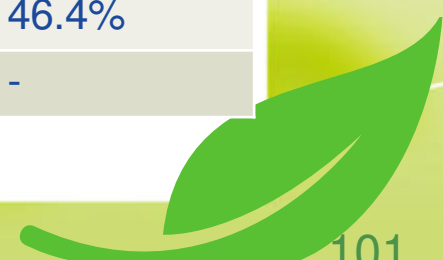


Recycling and Accessibility Performance

Metric	Manitoba 2014	Manitoba 2013	YOY Variance
Recycling Performance			
Eligible Recycled Tonnes	81,141	81,122	0.0%
Generated Tonnes	125,110	128,864	-2.9%
Recycling Rate	64.9%	63.0%	3.0%*
Population Serviced by PPP Program	1,129,772	1,119,436	0.9%
Recycled kg per capita	71.8	72.5	-0.9%
Accessibility Performance			
# Households Serviced	498,146	498,007	0.0%
% Households with Access to PPP Program	94%	93%	0.5%
P&E Cost per capita**	\$0.69	\$0.47	46.4%
Consumer Awareness	93%	93%	-

**The 3.0% variance represents an 1.9 point increase YOY.*

***Total municipal and MMSM P&E costs.*





2014 Financial Program Performance



Financial Program Performance

	Manitoba 2014	Manitoba 2013	YOY Variance
Cost Performance			
Eligible Recycled Tonnes	81,141	81,122	0.0%
Net Cost*	\$22,528,271	\$22,293,812	1.1%
Net Cost per Tonne	\$278	\$275	1.0%
Net Cost per Capita	\$20	\$20	0.1%
Recycled kg per capita	71.8	72.5	0.9%

*Net costs include 100% of municipal costs and 100% of commodity revenues. Also included are MMSM's Promotion & Education, regulatory, market development and all other program management costs.





2016 Budget



2016 Budget

	MB 2016 Obligation	MB 2015 Obligation	YOY Variance
Steward obligation	80.0%	80.0%	
Share of supply chain costs	\$13,996,700	\$12,075,900	15.9%
Promotion & education	\$650,000	\$650,000	0%
Program management	\$1,797,363	\$1,652,152	8.8%
Regulatory	\$100,000	\$50,000	100%
Total fee obligation	\$16,544,063	\$14,428,052	14.7%
Program Management as % of total fee obligation	10.9%	11.5%	-5.1%
Surplus drawdown	-\$1,000,000		
Total fee obligation	\$15,544,063	\$14,428,052	7.7%
YoY fee change % before surplus draw down		14.7%	



2016 Budget – Notable Information

- Increase in obligation of \$2.1M, or 14.7% YoY
 - \$1M drawdown of surplus to offset increase – resulting in \$1.1M or 7.7% YoY increase
- Increase in overall budget because:
 - Decrease in supplied tonnes reported in 2015 by 5% YoY
 - Increase in program management costs – result of fee increase by Green Manitoba Eco Solutions
 - Program plan renewal consultation expenses





MMSM

**Multi-Material
Stewardship Manitoba**

2016 Fee Schedule



Category	Material	2016 fee rates before surplus drawdown	2016 fee rates after surplus drawdown	2015 fee rates	YOY Change against 2015 fees, % (before drawdown)	YOY Change against 2015 fees, % (after drawdown)	YOY Change against 2015 fees, ₱/kg (after drawdown)
PRINTED PAPER							
Printed Paper	Newsprint	7.82 ₱/kg	7.36 ₱/kg	5.66 ₱/kg	38%	30%	1.70 ₱/kg
	Magazines and Catalogues	17.85 ₱/kg	16.73 ₱/kg	14.11 ₱/kg	27%	19%	2.62 ₱/kg
	Telephone Books	17.85 ₱/kg	16.73 ₱/kg	14.11 ₱/kg	27%	19%	2.62 ₱/kg
	Other Printed Paper	17.85 ₱/kg	16.73 ₱/kg	14.11 ₱/kg	27%	19%	2.62 ₱/kg
PACKAGING							
Paper Based Packaging	Old Corrugated Containers	14.98 ₱/kg	14.10 ₱/kg	12.97 ₱/kg	15%	9%	1.13 ₱/kg
	Polycoat & Laminates	40.39 ₱/kg	37.86 ₱/kg	39.09 ₱/kg	3%	-3%	-1.23 ₱/kg
	Old Boxboard	14.98 ₱/kg	14.10 ₱/kg	12.97 ₱/kg	15%	9%	1.13 ₱/kg
Plastic Packaging	PET bottles	17.78 ₱/kg	16.80 ₱/kg	14.46 ₱/kg	23%	16%	2.34 ₱/kg
	HDPE bottles	20.29 ₱/kg	19.21 ₱/kg	17.09 ₱/kg	19%	12%	2.12 ₱/kg
	Plastic Film	43.73 ₱/kg	41.18 ₱/kg	34.77 ₱/kg	26%	18%	6.41 ₱/kg
	Other Plastics	43.73 ₱/kg	41.18 ₱/kg	34.77 ₱/kg	26%	18%	6.41 ₱/kg
Steel Packaging	Steel Food & Beverage Cans	14.58 ₱/kg	13.85 ₱/kg	13.66 ₱/kg	7%	1%	0.19 ₱/kg
	Steel Aerosols	14.58 ₱/kg	13.85 ₱/kg	13.66 ₱/kg	7%	1%	0.19 ₱/kg
	Other Steel Containers	14.58 ₱/kg	13.85 ₱/kg	13.66 ₱/kg	7%	1%	0.19 ₱/kg
Aluminum Packaging	Aluminum Food & Beverage Cans	-8.00 ₱/kg	-8.98 ₱/kg	-7.13 ₱/kg	-12%	-26%	-1.85 ₱/kg
	Other Aluminum Packaging	27.04 ₱/kg	26.09 ₱/kg	10.14 ₱/kg	167%	157%	15.95 ₱/kg
Glass Packaging	Glass	7.58 ₱/kg	7.14 ₱/kg	6.65 ₱/kg	14%	7%	0.49 ₱/kg

2016 Fee Schedule – Notable Information

- The overall fee rate increased by 12.9%
- The materials with the most noticeable variances included:
 - Newsprint and printed paper
 - Plastics
 - Aluminum Food & Beverage Cans
 - Other Aluminum Packaging





MMSM

**Multi-Material
Stewardship Manitoba**

2016 Look Ahead



Upcoming Activities in 2016

- New voluntary steward policy – harmonized with other programs
- New report adjustment policy – 2 year adjustment time limit to mitigate impact on wider steward community
- Program Plan renewal – 2016 consultations
- Manitoba MRF upgrade



Questions and Feedback

Please send questions or provide feedback
before November 20th to:

KMelnychuk@stewardshipmanitoba.org





Thinking
beyond
the box

Stewardship Ontario

STEWARDSHIP ONTARIO

David Pearce

- 2014 – A Year in Review
- 2015 Status Report
- 2014 Recycling and Accessibility Performance
- Financial Program Performance
- 2016 Budget
- Fee Schedule
- Look Ahead

2014 - A Year in Review

- Stewardship Ontario achieved a **recycling rate of 64.9%**, well above the 60% government mandated recycling target
- Arbitration set stewards' 2014 obligation at \$115M
 - SO drew on \$9.7M of reserves and raised \$7.7M levy from stewards to address the shortfall

2015 Status Report

- Municipal Industry Program Committee (MIPC) could not reach agreement on the 2015 obligation
- WDO Board set the 2015 obligation at \$114.6M
- Established a Cost Containment Panel charged with making recommendations on:
 - How cost containment principles should be applied to determine annual steward obligation
 - Future of In-Kind Program for newspaper publishers
- Panel submitted its report at the end of September



Thinking
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the box

Stewardship Ontario

2014 Recycling and Accessibility Performance

2014 Recycling and Accessibility Performance



Province	Ontario 2014	Ontario 2013	YoY Variance %
Recycled Tonnes	884,504	900,135	-1.7%
Generated Tonnes	1,361,930	1,368,160	-0.5%
Recycling Rate	64.9%	65.8%	-1.3%
Provincial Recycling Target	60.0%	60.0%	-
Population Serviced by PPP Program	13,358,776	13,178,310	1.4%
Recycled kg per Capita	66.2	68.3	-3.1%
Accessibility Performance			
# Households Serviced	5,365,378	5,222,058	2.7%
% Households with Access to PPP Program	97%	97%	-
P&E Cost per Capita	\$0.52	\$0.59	-11.4%
Consumer awareness	97%	97%	-

*Please note that the population and per capita values for 2013 and 2014 have been updated to reflect the most recent Census data.



Thinking
beyond
the box

Stewardship Ontario

2014 Financial Performance

2014 Financial Performance

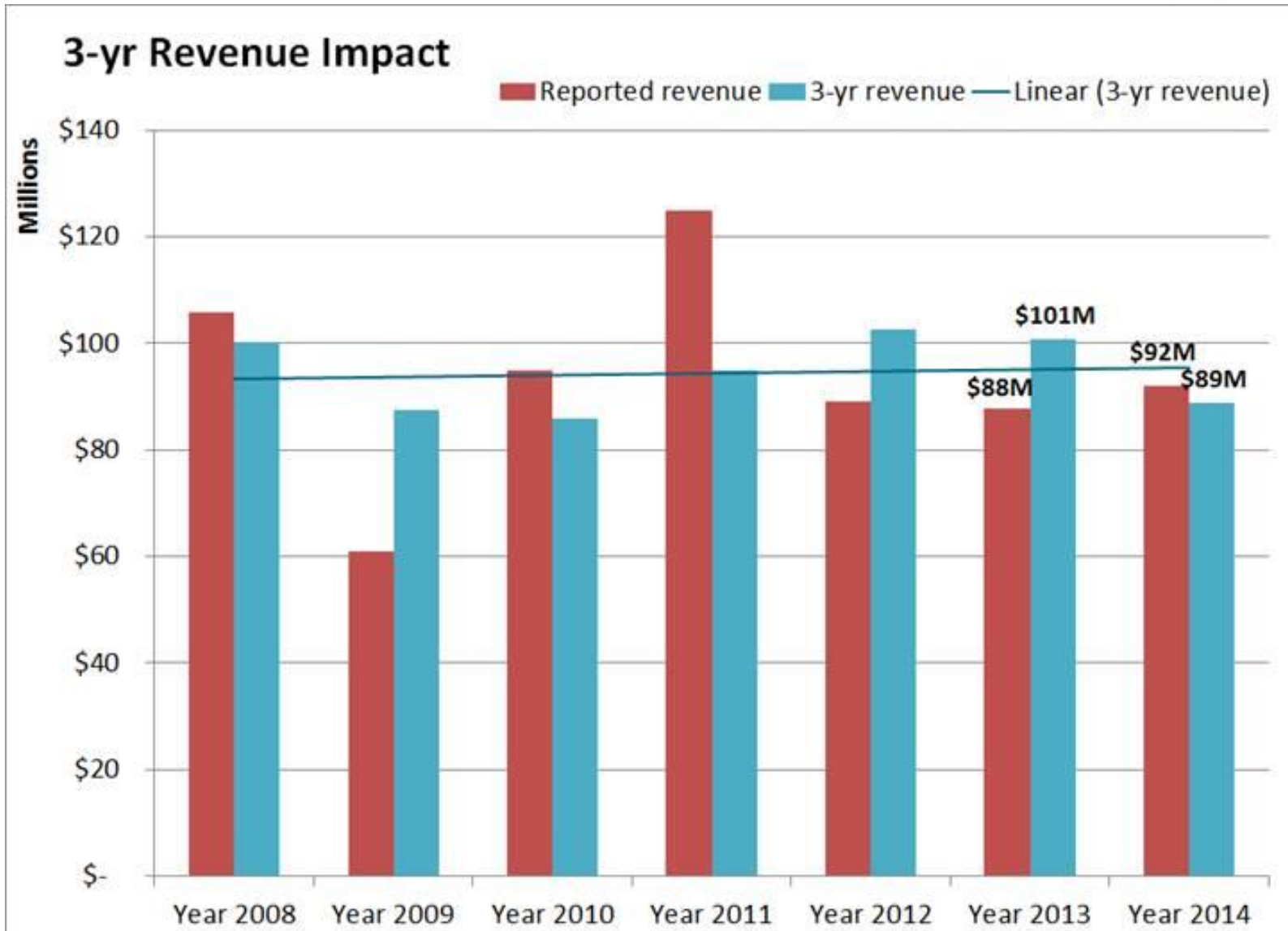
Province	Ontario 2014	Ontario 2013	YoY Variance %
Cost Performance			
Recycled Tonnes	884,504	900,135	-1.7%
Net Cost*	\$252,936,907	\$246,718,476	2.5%
Net Cost per Tonne	\$286	\$274	4.3%
Net Cost per Capita	\$19	\$19	1.3%
Recycled kg per capita	66.2	68.3	-3.1%

*Net cost includes supply chain costs, commodity revenues, P&E, regulatory, market development and program management costs.

2011 dropped from 3-year calculation



Stewardship Ontario





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beyond
the box

Stewardship Ontario

2016 Budget

2016 Budget

	ON 2016 Obligation (Reported Net Cost)	ON 2015 Obligation (Reported Net Cost)	YOY Variance
Steward obligation	50.0%	50.0%	
Share of supply chain costs	\$128,083,573	\$114,117,621	12.2%
Promotion & education	\$200,000	\$200,000	0.0%
Research & market development	\$350,000	\$275,000	\$27.3%
Program management	\$4,214,003	\$4,182,897	0.7%
Regulatory	\$800,000	\$978,000	-18.9%
Total fee obligation	\$133,647,576	\$119,753,518	11.6%
PM as % of total fee obligation	3.2%	3.5%	-9.9%



Thinking
beyond
the box

Stewardship Ontario

2016 Fee Schedule

2016 Fee Schedule



Stewardship Ontario

2016 BB Fees Summary

Category	Material	Fee rates 2016 (cents/ kg)	Fee rates 2015 (cents/ kg)	Variance
PRINTED PAPER				
Printed Paper	Newsprint - CNA/OCNA	0.44 c/kg	0.38 c/kg	15.8%
	Newsprint - Non-CNA/OCNA	5.24 c/kg	4.72 c/kg	11.0%
	Magazines and Catalogues	7.16 c/kg	7.74 c/kg	-7.5%
	Telephone Books	8.71 c/kg	7.54 c/kg	15.5%
	Other Printed Paper	17.68 c/kg	16.00 c/kg	10.5%
PACKAGING				
Paper Based Packaging	Corrugated Cardboard	9.28 c/kg	8.46 c/kg	9.7%
	Boxboard	9.28 c/kg	8.46 c/kg	9.7%
	Gable Top Cartons	24.93 c/kg	21.29 c/kg	17.1%
	Paper Laminates	24.93 c/kg	21.29 c/kg	17.1%
	Aseptic Containers	24.93 c/kg	21.29 c/kg	17.1%
Plastic Packaging	PET Bottles	17.50 c/kg	15.19 c/kg	15.2%
	HDPE Bottles	13.81 c/kg	13.12 c/kg	5.3%
	Plastic Film	33.32 c/kg	28.10 c/kg	18.6%
	Plastic Laminates	33.32 c/kg	28.10 c/kg	18.6%
	Polystyrene	33.32 c/kg	28.10 c/kg	18.6%
	Other Plastics	33.32 c/kg	28.10 c/kg	18.6%
Steel Packaging	Steel Food & Beverage Cans	6.21 c/kg	5.77 c/kg	7.6%
	Steel Aerosols	6.21 c/kg	5.77 c/kg	7.6%
	Steel Paint Cans	6.21 c/kg	5.77 c/kg	7.6%
Aluminum Packaging	Aluminum Food & Beverage Cans	4.11 c/kg	3.98 c/kg	3.3%
	Other Aluminum Packaging	11.08 c/kg	8.55 c/kg	29.6%
Glass Packaging	Clear Glass	3.78 c/kg	3.37 c/kg	12.2%
	Coloured Glass	5.63 c/kg	3.65 c/kg	54.2%
Total (excl. in-kind)		11.98 c/kg	10.41 c/kg	15.1%
<i>In-Kind</i>		\$ 6,857,061	\$ 6,879,384	-0.3%

Refer to page 35 in
your pre-read for
the 2016 Fee
Schedule

2016 Fee Schedule Overview

- Of the 23 materials, 22 have fee rate increases
- Average fee rate increase of 15% over last year primarily because:
 - Drop in the three-year rolling revenue
 - Decrease in steward-reported tonnes
- The total amount **by weight** reported by stewards decreased by 2.5% year over year, but costs are increasing as more material **by volume** is being managed by the program
- Over the last 5 years, steward-reported quantities (**by weight**) have declined an average of 3.1% each year

Notable changes in fee rates



Stewardship Ontario

- CNA/OCNA newsprint fee rate increased by 15.8% because:
 - Decrease in steward-reported tonnes (fewer tonnes against which to spread the cost)
- Low-grade plastics rates increased by 18.6% because:
 - Decrease in steward-reported tonnes (fewer tonnes against which to spread the cost)
- Magazine and catalogues rates decreased by 7.5% because:
 - Recovered tonnes decreased by 12% resulting in less cost
 - Steward-reported tonnes increased by 16% increasing tonnes against which to spread the cost
 - Partial aggregation to ensure they do not pay more than cost to manage material
- Coloured Glass rates increased by 54.2% because:
 - Recovery rate decreased by 15%
 - Steward reported tonnes decreased by 9%

Look Ahead

- New waste legislation is expected to be introduced this fall. We will work with stewards to help them understand the impacts of new legislation on Stewardship Ontario and ensure their interests are represented in transition planning.
- As soon as more information on the new legislation is known, Stewardship Ontario will be in touch with stewards.



Stewardship Ontario

Questions?



**Canadian Stewardship
Services Alliance**

Q&A



More Questions?

- CSSA's National Steward Services team are always on hand to answer any questions or queries you may have. You can reach them on 1-888-980-9549 or stewards@cssalliance.ca.
- If you have any general comments or questions, you can call 416-921-9661 or email info@cssalliance.ca.
- The CSSA and program teams would like to thank you for your support and contribution to stewardship programs over the past year, and we all look forward to working with you over the coming year.