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MMSM's goal is to promote the reduction, reuse and recycling of the material managed in its program. Our members, the industry stewards, are responsible for up to 80% of the net cost of efficient and effective recycling programs in Manitoba. Municipal residential recycling costs continue to increase and, as the program operator, we must ensure that all obligated stewards contribute to funding MMSM's overall program costs.

MMSM works with management and Canadian Stewardship Services Alliance (CSSA), our service provider, to ensure that fees are fair and transparent, and that the information used to set fees is clearly explained. For the 2017 steward fee setting, MMSM rolled out a new four-step fee methodology that was developed for stewards by stewards. Work continues to improve fairness and accuracy of fees in the recently launched material cost differentiation project. This project will analyze specific material costs critical to the fee setting process.

Working with CSSA and the packaging and printed paper programs in British Columbia, Saskatchewan and Ontario, a comprehensive review of MMSM's rules and policies was conducted. The programs took the opportunity to harmonize policies and align rules where possible and practical. During the consultation process, stewards were given the opportunity to provide input to the proposed revisions and new policies. The feedback we received indicated that we have additional work and research to do before we can completely implement some of the new policies.

End markets for recycled material affected recycling programs across the country in 2017. Historically, paper and some plastics were shipped to China for recycling. China gave notice that they were reducing the amount of allowable residue in the bales they buy. The effect of this change has been felt across the globe and Manitoba was no exception. Processing cleaner material comes with additional labour and processing costs. Manitobans can do their part by ensuring they put the right packaging in their recycling bins. Please see MMSM's website for lists of acceptable material and some helpful tips to help reduce contamination.

MMSM publishes the recovery rate for the recently completed reporting year, in this case 2016. MMSM's recovery performance continues to be strong and in line with other provincial PPP programs. We are proud that Manitobans recovered over 82,000 tonnes of recyclable material during the 2016 reporting year. The calculated recovery rate for 2016 using generated tonnes is 61.9%. This is a decline from 2015 and is largely due to updated waste audit data and updated population data from the 2016 Census. We will be conducting additional studies to understand why the generated tonnes used in the recovery rate methodology increased, while steward supplied tonnes declined slightly from the previous year.

I would like to thank the MMSM Board of Directors, management, staff, CSSA and stewards for their contributions to MMSM in 2017. I would also like to thank Manitoba municipalities for their ongoing efforts to improve recycling efficiency and effectiveness in Manitoba.

MMSM is committed to working collaboratively with all stakeholders to improve recycling for all Manitobans and we are confident in our continued success.

Neil Antymis *Board Chair, MMSM*



MESSAGE FROM THE CHAIR OF THE BOARD

MMSM completed its eighth year of operations in 2017 and continues to provide Manitoba municipalities with the funding and support required to run successful recycling programs. Total tonnes recovered remained steady from previous years with over 82,000 tonnes of material diverted from landfills in 2016.

Program performance is measured in several ways. For our stewards who provide funding for the residential recycling programs across the province, this is accomplished by ensuring that a fair and transparent fee methodology is used. Ensuring a level playing field is another indicator of program performance by making sure obligated stewards are registered and have reported their material in a timely manner. And, of course, MMSM measures performance by analyzing material recovery levels and costs per tonne and comparing them with the budget, historical trends, and with other jurisdictions. Overall, MMSM is pleased with what we have achieved and how we have performed in our short history.

Program performance for our municipal partners is measured by expanding their local services. MMSM worked with several municipalities in 2017 to review their local recycling programs. Some municipalities expanded service, while others opened new depots which increased accessibility and resident participation leading to increased material recovery levels and diversion from landfill.

Consumer awareness of MMSM and the programs we manage continues to improve through various promotional and educational programs. We expanded our Simplyrecycleschools.ca website to include several lesson plans and we regularly add new content to our consumer website. Traffic to our website has increased considerably and we are encouraged by the growing engagement.

The programs for reducing the number of single-use plastic bags has continued to be an important priority. MMSM has increased the number of initiatives and events held, and is pleased to report that we have several new partners and collection locations. Three of the largest post-secondary institutions in Manitoba now have Bag it Forward bins. These partnerships make it more convenient for consumers to dispose of plastic bags properly, which is critical for improving recovery and recycling. The improved recovery results of these programs have filled a need in the community, which means fewer bags are going to the landfill empty.

Manitobans have reason to celebrate with over 82,000 tonnes of material being recovered or diverted from landfills. Due to different reporting deadlines, MMSM's recovery rate is always for the previous year. The calculated recovery rate for 2016 is 61.9%. This is less than the previous year and mainly due to an update in waste audit data and population data from the 2016 Census. We will be reviewing and conducting studies to determine the causes of the percentage decrease. We know other provincial stewardship programs calculate their recovery rate using the actual amount of material supplied by their members and MMSM anticipates moving to this methodology as well.

MMSM will continue to work with our partners to increase program performance overall. By improving recovery levels, increasing consumer awareness and participation, and providing the most current and relevant recycling information available. All the while working with our municipal partners to increase efficiency and reduce costs.

I want to thank the MMSM Board and staff, along with the CSSA team, for their dedication and support as we continue to focus on improving the performance of the program. Finally, I encourage all Manitobans to do their best to recycle even more and "Recycle Something New!"

Karen Melnychuk

Executive Director, MMSM

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MESSAGE FROM THE EXECUTIVE DIRECTOR

WORKING TOGETHER
WITH MANITOBA MUNICIPALITIES

ON
AVERAGE,
MANITOBANS
RECYCLED
70.7 KG
PER PERSON
IN 2017

MMSM's Municipal Services Program was introduced on April 1, 2010.

THE OVERALL OBJECTIVES OF THE MUNICIPAL SERVICES PROGRAM ARE TO:

- · Promote the reduction, reuse and recycling of designated packaging and printed paper in Manitoba.
- Provide stable, long-term funding for municipal recycling programs.
- Ensure that the cost of handling designated materials is reflected in the steward fees.
- Provide research and development to help reduce the inherent uncertainty in recycling markets.

The Municipal Services Program allows participating municipalities and local governments, including First Nations, to design their recycling program to meet the specific needs of their community. Recycling programs can be delivered by municipal employees or contracted to private suppliers. Each municipality is responsible for establishing, promoting and maintaining their own recycling services.

THE MUNICIPAL SERVICES PROGRAM PROVIDES MUNICIPAL PARTICIPANTS WITH:

- Funding for recycling programs through municipal recycling services payments.
- Tools and assistance for promoting local recycling programs.
- Opportunities for information sharing.
- Other programs designed to improve recycling and waste reduction activities.
- Technical assistance for improving local recycling programs.

MMSM's Municipal Services Program is an incentive-driven program, which requires municipalities to share the cost of providing recycling services to their communities. Municipal recycling services payments are paid for each metric tonne of eligible material recovered from the residential waste stream. The payment rate is set each year to offset up to 80% of the cost of an effective and efficient collection and processing recycling program. Materials recovered are transported to recycling facilities where they are sorted and sold to end users.

Individual municipal recycling program costs will vary depending on services offered and program efficiencies. Costs above the established payment level are the sole responsibility of the municipality. Payment rates are based on a three-year rolling average of the net costs of participating municipalities within specific population categories.

85,259.3 tonnes
OF PACKAGING AND PRINTED PAPER
COLLECTED IN 2017



2017 MMSM POPULATION CATEGORY	PAYMENT RATE/TONNE
0 – 5,000	\$286.35
5,001 – 15,000	\$219.89
City of Brandon	\$234.13
City of Winnipeg	\$165.07

MMSM allocated \$15,188,446 in funding to municipalities for the period January 1, 2017, to December 31, 2017.

This is an increase of \$1,450,266 over 2016.

POPULATION HAS ACCESS TO **A RESIDENTIAL** RECYCLING **PROGRAM**

The following table illustrates the total tonnes recycled by participating municipalities within described regions.

REGION	POPULATION IN PARTICIPATING MUNICIPALITIES	TOTAL KG RECYCLED	AVERAGE KG RECYCLED PER CAPITA
Central West	23,811	1,132,006	47.5
East	93,231	4,749,477	50.9
Interlake	64,612	3,951,181	61.2
North	33,098	2,245,355	67.8
North West	31,412	1,686,324	53.7
South Central	95,634	5,167,944	54.0
South West	94,229	6,208,190	65.9
Winnipeg and Area	770,465	59,320,544	77.0
SUBTOTAL	1,206,492	84,461,020	70.0
Post-Secondary Education Institutions		798,233	
TOTAL	1,206,492	85,259,254	70.7

Table Notes

- 1. Recovery numbers reported by MMSM include only those materials that are recycled through registered local recycling programs in participating municipalities and are also reported by municipalities. Manitoba has several charity-based organizations and individuals who collect recyclable materials for sale directly to brokers. MMSM has reason to be aware that some beverage containers are taken to Saskatchewan for a deposit refund even though no deposit has been paid on these containers. This is a practice MMSM does not support.
- 2. Materials recovered from Post-Secondary Education Institutions (PSEIs) are based on the 2016/2017 school year and/or calendar year. PSEIs are required to submit an annual report to MMSM to receive funding.
- 3. Population numbers are provided from the 2016 Census.



66 MMSM is a fantastic resource for municipalities looking to expand recycling services to both their visitors and residents. The staff are extremely helpful and always ready and willing to assist.

MUNICIPAL & OTHER PARTNERS

MUNICIPAL & OTHER PARTNERS	Region	Population	2016 Total kg Reported	2016 kg Per Capita	2017 Total kg Reported	2017 kg Per Capita	Percent Change Total Reported
Alexander, R.M.	East	3,333	199,990	60.0	202,430	60.7	1%
Altona, Town	South Central	4,212	358,526	85.1	339,028	80.5	-5%
Arborg, Town	Interlake	1,232	68,571	55.7	62,928	51.1	-8%
Argyle, R.M.	South Central	1,025	12,623	12.3	13,508	13.2	7%
Armstrong, R.M.	Interlake	1,792	307,283	171.5	246,080	137.3	-20%
Beausejour, Town	East	3,219	381,850	118.6	376,420	116.9	-1%
Bifrost-Riverton, Municipality	Interlake	3,378	235,649	69.8	216,258	64.0	-8%
Boissevain-Morton, Municipality	South West	2,353	240,617	102.3	252,316	107.2	5%
Brandon, City	South West	48,859	3,937,100	80.6	3,746,960	76.7	-5%
Brenda-Waskada Municipality	South West	674	20,196	30.0	20,683	30.7	2%
Brokenhead, R.M.	East	5,122	278,032	54.3	292,937	57.2	5%
Carberry, Town	South West	1,738	191,725	110.3	184,525	106.2	-4%
Carman, Town	South Central	3,164	409,152	129.3	379,132	119.8	-7%
Cartier, R.M.	Winnipeg and Are		175,810	52.2	168,820	50.1	-4%
Cartwright-Roblin Municipality	South Central	1,308	29,132	22.3	40,499	31.0	39%
Clanwilliam-Erickson, Municipality	Central West	870	10,730	12.3	10,316	11.9	-4%
Coldwell, R.M.	Interlake	1,254	85,646	68.3	70,791	56.5	-17%
Cornwallis, R.M.	South West	4,520	186,060	41.2	164,890	36.5	-11%
Dauphin, City	North West	8,457	500,054	59.1	641,221	75.8	28%
Dauphin, R.M.	North West	2,388	168,089	70.4	73,750	30.9	-56%
De Salaberry, R.M.	East	3,580	160,690	44.9	145,544	40.7	-9%
Deloraine-Winchester, R.M.	South West	1,489	65,009	43.7	72,006	48.4	11%
Duck Mountain Provincial Park	North West	100	2,310	23.1	3,514	35.1	52%
Dufferin, R.M.	South Central	2,435	18,161	7.5	16,828	6.9	-7%
Dunnottar, Village	Interlake	763	77,380	101.4	75,970	99.6	-2%
East St. Paul, R.M.	Winnipeg and Are		849,480	90.6	813,170	86.8	-4%
Ellice-Archie, R.M.	Central West	887	24,644	27.8	28,521	32.2	16%
Elton, R.M.	South West	1,273	52,990	41.6	55,470	43.6	5%
Emerson-Franklin, Municipality	East	2,537	117,428	46.3	110,168	43.4	-6%
Ethelbert, Municipality	North West	607	44,048	72.6	49,361	81.3	12%
Falcon Lake/Westhawk (WPP)	East	272	104,360	383.7	128,640	472.9	23%
Fisher, R.M.	Interlake	1,708	154,240	90.3	53,962	31.6	-65%
Flin Flon, City	North	4,982	395,350	79.4	414,083	83.1	5%
Gilbert Plains Municipality	North West	1,470	56,677	38.6	63,760	43.4	12%
Gillam, Town	North	1,265	58,852	46.5	52,703	41.7	-10%
Gimli, R.M.	Interlake		428,220	69.3	491,660	79.5	15%
	South West	6,181					
Glenboro-South Cypress, Municipality		1,565	100,925	64.5	121,866	77.9	21% 9%
Glenella-Lansdowne, Municipality	Central West	1,181	10,164	8.6	11,083	9.4	
Grahamdale, R.M.	Interlake	1,359	17,864	13.1	25,944	19.1	45%
Grand Beach-Sustainable Development		1.492	33,361	556.0	35,610	593.5	7%
Grandview Municipality	North West	1,482	83,310	56.2	100,750	68.0	21%
Grassland, Municipality	South West	1,561	73,110	46.8	67,885	43.5	-7%
Grey, R.M.	South Central	2,648	149,610	56.5	145,446	54.9	-3%
Hamiota Municipality	Central West	1,225	92,796	75.8	90,782	74.1	-2%
Hanover, R.M.	East	15,733	872,592	55.5	591,260	37.6	-32%
Harrison Park, Municipality	Central West	1,622	31,686	19.5	33,740	20.8	6%
Headingley, R.M.	Winnipeg and Are		258,680	72.3	244,620	68.3	-5%
Hecla Grindstone Provincial Park	Interlake	156	54,890	351.9	55,022	352.7	0%
Kelsey, R.M.	North	2,424	159,919	66.0	160,030	66.0	0%
Killarney-Turtle Mountain	South West	3,429	238,241	69.5	216,109	63.0	-9%

MUNICIPAL & OTHER PARTNERS	Region	Population	2016 Total kg Reported	2016 kg Per Capita	2017 Total kg Reported	2017 kg Per Capita	Percent Change Total Reported
La Broquerie, R.M.	East	6,076	188,817	31.1	131,815	21.7	-30%
Lac du Bonnet, R.M.	East	3,121	188,345	60.3	196,274	62.9	4%
Lac du Bonnet, Town	East	1,089	100,713	92.5	109,393	100.5	9%
Lakeshore, R.M.	North West	1,363	74,023	54.3	60,769	44.6	-18%
Leaf Rapids, Town	North	582	2,041	3.5	2,787	4.8	37%
Lorne, Municipality	South Central	3,041	164,931	54.2	171,602	56.4	4%
Louise, Municipality	South Central	1,918	170,910	89.1	168,940	88.1	-1%
Macdonald, R.M.	Winnipeg and Are	ea 7,162	427,490	59.7	468,960	65.5	10%
Matheson Island	North	101	5,900	58.4	3,020	29.9	-49%
McCreary, Municipality	Central West	892	74,883	83.9	73,077	81.9	-2%
Melita, Town	South West	1,042	74,046	71.1	67,919	65.2	-8%
Minitonas-Bowsman, Municipality	North West	1,653	61,488	37.2	57,143	34.6	-7%
Minnedosa, Town	Central West	2,449	228,220	93.2	207,440	84.7	-9%
Montcalm, R.M.	South Central	1,260	61,804	49.1	64,686	51.3	5%
Morden, City	South Central	8,668	573,600	66.2	558,298	64.4	-3%
Morris, R.M.	South Central	3,047	142,149	46.7	130,383	42.8	-8%
Morris, Town	South Central	1,885	89,676	47.6	146,720	77.8	64%
Mossey River, R.M.	North West	1,145	56,592	49.4	55,360	48.3	-2%
Mountain, R.M.	North West	978	23,012	23.5	27,735	28.4	21%
Neepawa, Town	Central West	4,609	358,440	77.8	275,090	59.7	-23%
Niverville, Town	East	4,610	401,656	87.1	314,955	68.3	-22%
Norfolk Treherne, Municipality	South Central	1,751	113,260	64.7	105,536	60.3	-7%
North Cypress-Langford, Municipality	South West	2,745	83,285	30.3	137,425	50.1	65%
North Norfolk, Municipality	South Central	3,853	174,366	45.3	171,671	44.6	-2%
Oakland-Wawanesa, Municipality	South West	1,690	73,680	43.6	101,520	60.1	38%
Oakview, R.M.	Central West	1,626	43,918	27.0	44,564	27.4	1%
Opaskwayak Cree Nation	North	3,034	166,872	55.0	166,988	55.0	0%
Paint Lake-Sustainable Development	North	275	28,970	105.3	22,678	82.5	-22%
Peguis First Nation	Interlake	2,704	12,460	4.6	71,690	26.5	475%
Pembina, Municipality	South West	2,347	162,680	69.3	151,833	64.7	-7%
Pinawa, L.G.D.	East	1,504	112,269	74.6	108,351	72.0	-3%
Pine Dock, Town	North	47	2,700	57.4	2,991	63.6	11%
Piney, R.M.	East	1,726	104,592	60.6	88,977	51.6	-15%
Pipestone, R.M.	South West	1,458	45,053	30.9	55,267	37.9	23%
Portage la Prairie, City	South Central	13,304	852,284	64.1	874,482	65.7	3%
Portage la Prairie, R.M.	South Central	6,975	260,725	37.4	247,719	35.5	-5%
Powerview-Pine Falls, Town	East	1,316	50,274	38.2	48,805	37.1	-3%
Prairie Lakes, R.M.	South West	1,453	15,245	10.5	17,603	12.1	15%
Prairie View Municipality	Central West	2,088	92,386	44.2	104,098	49.9	13%
Reynolds, R.M.	East	1,338	119,155	89.1	120,248	89.9	1%
Rhineland, Municipality	South Central	5,945	193,614	32.6	146,675	24.7	-24%
Riding Mountain National Park	Central West	300	5,340	17.8	5,548	18.5	-24 <i>%</i> 4%
Ritchot, R.M.	Winnipeg and Are		436,950	65.4	450,080	67.4	3%
Riverdale, Municipality	South West	2,133	436,930 85,940	40.3	113,685	53.3	32%
Roblin, Municipality	North West	3,214	129,298	40.3	117,173	36.5	-9%
· ·				29.8		28.3	-9% -5%
Rockwood, R.M. Roland, R.M.	Interlake South Central	7,823	232,940	32.3	221,080 37,752	33.4	-5% 4%
		1,129	36,438				
Rosedale, R.M.	Central West	1,672 976	30,130	18.0	37,210 78,720	22.3	23%
Rossburn Municipality	South West		77,250	79.1	78,720	80.7	2%
Rosser, R.M.	Winnipeg and Are	ea 1,372	52,930	38.6	49,790	36.3	-6%

MUNICIPAL & OTHER PARTNERS	Region P	opulation	2016 Total kg Reported	2016 kg Per Capita	2017 Total kg Reported	2017 kg Per Capita	Percent Change Total Reported
Russell-Binscarth, Municipality	Central West	2,442	149,596	61.3	131,026	53.7	-12%
Selkirk, City	Interlake	10,278	974,500	94.8	905,830	88.1	-7%
Sifton, R.M.	South West	1,256	24,364	19.4	27,134	21.6	11%
Snow Lake, Town	North	899	16,665	18.5	20,200	22.5	21%
Souris-Glenwood, Municipality	South West	2,562	169,395	66.1	178,960	69.9	6%
Springfield, R.M.	Winnipeg and Area	15,342	735,240	47.9	740,000	48.2	1%
St. Andrews, R.M.	Interlake	11,913	696,740	58.5	712,850	59.8	2%
St. Clements, R.M.	East	10,876	285,330	26.2	314,160	28.9	10%
St. François-Xavier, R.M.	Winnipeg and Area	1,411	70,320	49.8	60,570	42.9	-14%
St. Laurent, R.M.	Interlake	1,338	72,110	53.9	78,530	58.7	9%
St. Pierre-Jolys, Village	East	1,170	49,457	42.3	54,579	46.6	10%
Stanley, R.M.	South Central	9,038	23,328	2.6	42,594	4.7	83%
Ste. Anne, R.M.	East	5,003	122,137	24.4	106,488	21.3	-13%
Ste. Anne, Town	East	2,114	135,550	64.1	120,930	57.2	-11%
Ste. Rose, Municipality	North West	1,712	93,094	54.4	107,055	62.5	15%
Steinbach, City	East	15,829	1,295,863	81.9	906,234	57.3	-30%
Stonewall, Town	Interlake	4,809	365,980	76.1	351,890	73.2	-4%
Stuartburn, R.M.	East	1,648	70,104	42.5	42,926	26.0	-39%
Swan Lake First Nation	South Central	347	4,410	12.7	6,300	18.2	43%
Swan River, Town	North West	4,014	280,850	70.0	276,328	68.8	-2%
Swan Valley West, Municipality	North West	2,829	51,516	18.2	52,405	18.5	2%
Tache, R.M.	Winnipeg and Area	11,568	607,280	52.5	607,460	52.5	0%
Teulon, Town	Interlake	1,201	111,990	93.2	112,230	93.4	0%
The Pas, Town	North	5,369	368,509	68.6	368,766	68.7	0%
Thompson, City	North	13,678	967,770	70.8	1,030,298	75.3	6%
Thompson, R.M.	South Central	1,422	38,230	26.9	36,490	25.7	-5%
Two Borders, Municipality	South West	1,175	19,915	16.9	17,351	14.8	-13%
Victoria Beach, R.M.	East	398	82,174	206.5	76,121	191.3	-7%
Victoria, R.M.	South Central	1,514	71,776	47.4	67,745	44.7	-6%
Virden, Town	South West	3,322	197,869	59.6	232,409	70.0	17%
Wabowden-Setting Lake	North	442	809	1.8	811	1.8	0%
Wallace-Woodworth, R.M.	South West	2,948	67,921	23.0	80,589	27.3	19%
West Interlake, R.M.	Interlake	2,162	74,349	34.4	72,117	33.4	-3%
West St. Paul, R.M.	Winnipeg and Area		423,600	78.9	437,530	81.5	3%
WestLake-Gladstone, Municipality	South Central	3,154	98,284	31.2	91,370	29.0	-7%
Whitehead, R.M.	South West	1,661	50,024	30.1	45,065	27.1	-10%
Whitemouth, R.M.	East	1,557	125,066	80.3	126,212	81.1	1%
Winkler, City	South Central	12,591	1,138,304	90.4	1,164,540	92.5	2%
Winnipeg Beach, Town	Interlake	1,145	62,940	55.0	64,300	56.2	2%
Winnipeg, City	Winnipeg and Area		55,634,654	78.9	55,279,544	78.4	-1%
Woodlands, R.M.	Interlake	3,416	57,970	17.0	62,050	18.2	7%
Yellowhead, R.M.	Central West	1,948	96,520	49.5	79,511	40.8	-18%
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CONTINUOUS IMPROVEMENT

MMSM is committed to working with municipalities and community groups on waste management opportunities, identifying their requirements and providing appropriate solutions to increase their effectiveness and efficiency. MMSM staff provided technical assistance on recycling to government and non-government agencies across Manitoba. This included working one-on-one with municipalities and processors to identify opportunities to increase consumer participation, as well as reduce costs and contamination. MMSM provided support for participating recycling programs by identifying best practices and opportunities to improve recycling programs.

MMSM RECYCLING GUIDE

In 2017, MMSM continued to assist municipalities by offering educational materials for their community members. The MMSM recycling guide is customized for each municipality and helps improve the quality of material collected. To date, 57 communities have taken advantage of this great resource.

EVENTS AND TRADE SHOWS

Every year, MMSM attends several events and trade shows, including the Association of Manitoba Municipalities (AMM) Trade Show, the Municipal Officials Seminar and Trade Show and the Manitoba Association of Regional Recyclers (MARR) Forum. MMSM staff spoke with numerous municipalities about their recycling programs and gave away reusable bags and promotional items.

SINGLE-FAMILY DWELLING PROJECT (SFD)

Following the roll-out of the Single-Family Dwelling (SFD) Bin Pilot project, MMSM and the Canadian Beverage Container Recycling Association (CBCRA) teamed up to provide 10,000 SFD recycling bins to the Point Douglas community in Winnipeg. The program goal was to increase the recovery of residential recyclable materials as well as beverage containers. Each home was provided with a small recycling bin and educational pieces that included information on accepted and unaccepted materials in the blue bin.

MUNICIPAL UPDATES

As part of a municipality's funding agreement with MMSM, they must consult with MMSM prior to any changes being made to their recycling program. This ensures that the changes will improve the efficiency and effectiveness of the program while controlling costs. These consultation services include reviewing existing programs in an effort to minimize costs, analysis of potential improvements including capital purchases, contractual changes to collection and processing, and providing tools and assistance for promoting local recycling programs.







THE CITY OF DAUPHIN AND PARKLAND REGIONAL MUNICIPALITIES

The City of Dauphin and the Parkland Regional Municipalities underwent numerous changes to their recycling programs beginning in 2016. Under the recommendation from MMSM, a request for proposal (RFP) was released to ensure the group would receive the most competitive pricing and options for services required.

MMSM assisted and provided support by reviewing the initial bids, analyzing all submissions and providing a recommendation. The recommendation was based on building a program that would increase material recovery, as well as select the most efficient overall program option.

It was determined that automated cart collection was the most effective method of collection for the region. Carts are favored due to the ability to reduce overall labour costs and Workers Compensation Board (WCB) claims and improve the timeliness of overall collection and potential litter issues. Although immediate capital cost for changing to automated collection may rise, so will the total amounts of materials collected. Once the carts are paid for, the total cost per tonne generally decreases for a program. Cart based collection has also proven to increase overall participation and therefore increase the amount of materials collected.

When making any changes to a recycling program, it is important to engage with, and communicate the changes to, the residents. MMSM worked with area staff to develop customized recycling guides with information specific to their programs. Ongoing education is recommended to prevent contamination or the wrong materials being placed in the carts.

Since the launch of this new program, The City of Dauphin has increased recycling by 28%! In addition, the Parkland Regional Municipalities have also increased their recovery of recyclables by 4.2%.

The City of Dauphin has made many changes to its solid waste program, including completely revising curbside garbage, recycling and yard waste collection. Multi-Material Stewardship Manitoba has been with us every step of the way and their help, thoughts and advice have been invaluable.

Brad D. Collett, BComm(Hons), MAcc, CPA, CA Chief Administrative Officer City of Dauphin

MUNICIPALITY OF RIVERDALE

The Municipality of Riverdale made the change from manual collection to automated cart collection. The other option considered by the Municipality of Riverdale was to stay with their previous collection method of collecting with clear bags. MMSM played a key role in the RFP process by providing expertise and technical support throughout the analysis process, as well as during the cart implementation. The community distributed the MMSM Recycling Guide to help educate their residents on recycling and best practices.

The Municipality of Riverdale had great success in transitioning to cart collection. In 2017, recycling increased in the community by 33%.



TOWN OF MORRIS

After much consideration, the Town of Morris changed from manual blue box collection to an automated cart system in 2017. The cart system was the best option for this community because it allowed them to move from weekly collection to bi-weekly collection, which had a positive impact on overall costs. Bi-weekly collection helps in reducing fuel costs as well as reducing the amount of carbon emissions.

Along with implementing the new cart system, they also added organics collection to further divert materials from landfill. In addition to the change in service, the town has encouraged and supported resident education of recycling with the MMSM Recycling Guide, along with posts on various social media platforms.

MMSM provided ongoing support with guidance on their RFP, review and analysis of each submission, along with a final recommendation. MMSM also provided support during the implementation of the new program.

Overall, the Town of Morris has increased their recyclable tonnes by 63% in 2017!

RURAL MUNICIPALITY OF BROKENHEAD

The Rural Municipality of Brokenhead worked in consultation with MMSM through the RFP process, as they wanted to make changes to their existing recycling program to include residential curbside collection, while controlling costs. Previously, the Rural Municipality of Brokenhead ran a single recycling depot.

This change created more accessibility for their residential recycling program. Now all 650 households within the R.M. can easily participate by having their recyclables collected at the curb.

The total amount of materials captured by adding curbside collection to their program helped increase their overall tonnage by 5.36%.

MMSM has been a great help to the RM of Brokenhead with the recycling management for our municipality. We have received proper support and insightful advice with new ideas when we had to make changes to our recycling processes.

They have always been available to help us when needed and it is great to know that our municipality can receive assistance to improve our recycling management for the future.

Jen Bush

Public Works Assistant Rural Municipality of Brokenhead



PROMOTION & EDUCATION

Every year, MMSM invests a portion of its budget into educating Manitobans to raise consumer awareness and encourage recycling of packaging and printed paper. Research has shown that when you fail to communicate with your community members, contamination rates rise. This demonstrates the importance of various awareness, promotional and educational initiatives.

MMSM launched year two of the 'Recycle Something New' campaign in April. The campaign reached Manitobans in every corner of the province with advertising, sponsorships and programming. Targeting homeowners, the creative focused on six different material types, asking consumers to 'Recycle Something New.' Media for the campaign included online, out-of-home, print, radio, social media and television.

COMMUNICA

DIGITAL MEDIA

In 2017, MMSM's web traffic increased by over 40%. The 'What Can I Recycle' page remains the most popular page on the website showing that consumers want to learn more about what is accepted in the blue bin. Visitors came to the site through organic search, website referrals and paid advertising.

Improvements were made to both SimplyRecycle.ca and StewardshipManitoba.org to enhance usability and functionality. They included updated content, mobile responsiveness and updated contact forms.

MMSM continues to connect with Manitoba residents online using Facebook and Twitter. In 2017, likes and followers increased and engagement with followers improved with various activities to increase dialogue.





The Washroom WatchList contest was a fun and interactive promotion with QX 104 FM and 94-3 The Drive FM. Entrants were asked to identify recyclable items in different announcer's bathrooms. The goal was to get users to think about recycling in other areas of the home. Everyone who completed the online quiz was entered to win a recycling prize package and a gift card.



RESEARCH

MMSM continues to measure public awareness and consumer habits through annual consumer research.

A telephone and online survey was led by eNRG Research and reached hundreds of Manitoba homes. Results of the 2017 study found that awareness of the MMSM program rose to 43%. This is an increase of 29% in the last five years.

Here are some other key highlights:

- 95% indicated that they participate weekly in a household recycling program.
- About 71% of study participants who were aware of MMSM, recalled seeing advertising sponsored by MMSM.
- Overall, 93% of respondents thought it was important for organizations like MMSM to advertise.

The information obtained from the survey was used to measure campaign performance and also helped guide the development of a brand new campaign for 2018/2019.



EDUCATION

MMSM staff presenting awards at the 2017 Manitoba School Science Symposium

SCHOOL PROGRAMS & SPONSORSHIPS

MMSM works hard every year to grow its educational programming through sponsorships

Partnerships, sponsorships and events included:

- Brandon Waste Reduction Week
- Manitoba School Science Symposium (MSSS)
- Take Pride Winnipeg! Eco Fashion Fest
- Take Pride Winnipeg! Team Up to Clean Up
- Target Zero Eco Tours at The Forks
- We Day Manitoba

WORKING



MMSM staff presented at a two-day seminar hosted by the Education for Sustainable Development-Leadership Council (ESD-LC). The goal of the seminar was to support and enhance the work of educators in creating a culture of education for sustainability, which is integrated into all aspects of the K-12 system. The MMSM workshop explored residential recycling and how teachers can empower students to become better stewards of the environment. The session also discussed all of the resources and special programs offered by MMSM and the Tale of Recycling website.

MMSM staff also presented to the Faculty of Education at the University of Manitoba, providing them with information on the resources available once they are teaching in the classroom.



A TALE OF RECYCLING WEBSITE LESSON PLAN HUB

MMSM worked hard to promote the A Tale of Recycling website to schools across the province. The website explores the outcomes of recyclables in Manitoba and what happens to them after they are placed in the recycling bin or the garbage can. It can be led by teachers or their students as they navigate through the journey.

New in 2017 was the Lesson Plan Hub developed to work with the website. Four lesson plans were developed and added to compliment the site. Teachers can now create an entire unit on residential recycling. Both the website and lesson plan hub allow MMSM to be in the classroom without having to allocate staff resources.

Take Pride Winnipeg!'s Eco Fashion Fest



POST-SECONDARY EDUCATION INSTITUTIONS

MMSM provided funding and support to several Post-Secondary Education Institutions (PSEI) throughout the province. The funding is used to assist institutions with their recycling programs. Funding can be used to conduct waste audits, offset labour costs, promote the facility's recycling program and purchase recycling bins.

The University of Brandon hired a temporary student assistant to work on reducing the amount of contamination in the facilities recycling bins. It was noted that the blue bins and the garbage cans looked almost identical, causing confusion with students.

Throughout the year, many of the existing bins were swapped out to more clearly recognizable blue bins and an additional 100 blue bins were distributed around campus. The changes resulted in a drop in solid waste and an increase in recycling in the 2016/2017 school year.

The University of Manitoba waste collection and diversion system saw an increase of 8.2%. The program has seen year-over-year growth and since implementing a co-mingled program in 2014/2015, they have increased their diversion rate by 43%. The University continued to focus on promotion and education and is committed to increasing the diversion of recyclable materials.

Materials recovered for the 2016/2017 school and/or calendar year total approximately 725.5 tonnes.

2016/2017 YEAR	kg
University of Manitoba (2 campuses)	469,800
University of Winnipeg	90,530
Red River College (2 campuses)	94,471
College Universitaire de Saint Boniface	33,280
Assiniboine Community College	0
Brandon University	34,900
University College of the North	2,532
TOTAL	725,513

MMSM continues to strengthen its relationships with First Nations and northern remote communities in Manitoba by providing technical assistance on waste management issues and helping communities increase the effectiveness and efficiency of their recycling programs.

FIRST NATIONS & REMOTE

MANITOBA FIRST NATIONS SUSTAINABLE WASTE MANAGEMENT & RECYCLING WORKSHOP

MMSM was a partner in the Manitoba First Nations Sustainable Waste Management & Recycling Workshop. The goal of the workshop was to identify, develop, and deliver tools and training opportunities to assist First Nation and remote communities in implementing more sustainable waste management practices. The two-day workshop took place on January 17 and 18 at the South Beach Casino in the Brokenhead Ojibway First Nation with 34 Manitoba First Nation communities attending.

Some of the specific objectives of the workshop included:

- To have participants share best practices on how to organize and manage waste streams, facilities, and recyclable/re-usable materials.
- To have participants meet representatives of Manitoba's Producer Responsibility Organizations (PRO) and learn about each program in a "hands-on" experiential manner.
- To have participants tour a site(s) to see best practices in the process for collecting, storing, and transporting various materials.
- To have participants understand the registration process for each PRO program.
- To provide participants with an opportunity to learn about other funding programs
 available to support their recycling/sustainable waste management efforts.
- To promote the Waste and Recycling Toolkit for First Nations and remote communities.

MMSM staff delivered a presentation explaining the MMSM program and shared information on how communities can register and take advantage of available funding and support.

SOLID WASTE ACTION TEAM TOOLKIT (SWAT)

Working with CBCRA, Indigenous and Northern Affairs Canada (INAC), and the Green Action Centre, MMSM partnered on the Solid Waste Action Team Toolkit (SWAT). The focus of the toolkit is to help Northern and First Nations communities implement sustainable waste management programs in their communities. It's an easy, step-by-step guide that answers the same questions every community has about recycling but specific to their location. A draft of the toolkit began in 2016 with a full release in 2017.



Blue boxes

delivered to

households in Cranberry Portage

Throughout the year, MMSM staff provided support to several First Nations including Berens River, Buffalo Point and Bloodvein First Nation, assisting them in the development of a sustainable recycling program. Staff also visited Camperville, Duck Bay and Pine Creek First Nation working with Indigenous and Northern Relations Manitoba.

COMMUNITIES

NORTHERN & FIRST NATIONS COMMUNITY CLEAN-UP

For the seventh consecutive year, MMSM collaborated with CBCRA to implement the Northern and First Nations Community Clean-up Program. Northern and First Nations communities from all over Manitoba were invited to participate. In 2017, there were nine registered communities collecting 293.7 kg of recyclable material and 973 kg of garbage. Local volunteers worked together to clean up the streets in their neighborhoods.

The community of Cranberry Portage was selected as the winner of the 2017 Clean-up. Each household in the community received a recycling bin along with a recycling guide as their prize. In addition, the town of The Pas donated a used recycling trailer to the community.

A celebratory barbecue was held on September 23, with over 175 community members, clean-up volunteers and students in attendance. They were joined by representatives from MMSM and CBCRA to celebrate the accomplishment.



Cranberry Portage, winners of the 2017 Northern and First Nations Community Clean-up Program

In addition to the grand prize, participation prizes were given to each participating community to raffle off to their volunteers.

The Northern and First Nations Community Clean-up continues to keep recyclables out of the landfill and keep neighborhoods clear of litter. It has strengthened relationships with participating communities and increased knowledge and awareness of recycling.



PLASTIC BAG REDUCTION PROGRAM

MMSM and the plastic bag stewards have taken a multi-pronged 3R approach to achieving the target set forth in the Plastic Bag Guideline. Waste audit results in 2017 showed that close to 67% of Winnipeggers are reusing the plastic bags already in their home. This is an increase of 5% over 2016. The reuse rate in multi-family units was 72.5%.

The following are examples of the 3R approach and how it has been effective:

PLASTIC BAG REDUCTION

Stewards have reduced the number of single-use plastic bags supplied into the market through:

- Enhancement of opportunities to acquire reusable bags in retail stores.
- Focused in-store messaging about the benefits of reusable bags.
- Continued and increased promotion of plastic bag best practices to further reduce the number of bags provided at retail.
- The use of a fee for plastic bags, where retailers choose to do so, as an incentive for consumers to use reusable bags.

PLASTIC BAG REUSE

Plastic bags are commonly purchased and used to dispose of kitchen, bath, or animal wastes. Consumers are encouraged to reuse bags in their home or workplace rather than purchasing new plastic bags to dispose of waste. Additionally, consumers are encouraged to reuse plastic bags for other domestic uses rather than disposing of them after a single-use.

PLASTIC BAG RECYCLING

Plastic bag collection programs have been developed which include the collection of empty plastic bags at retail store locations. The intent of the collection programs is to increase the number of drop-off locations to ensure that Manitobans have reasonably convenient access to plastic bag drop-off locations. The Bag it Forward partnership with Winnipeg Harvest has provided additional collection locations as well as the Bag Up Manitoba Challenge for Manitoba schools.

Over the past year, a few municipalities began accepting plastic bags in their residential programs. The communities have found a processor with an end market for the plastic bags and are willing to accept them.

Working with their collector and processor, these municipalities began accepting plastic bags in their programs in 2017:

Ethelbert, Municipality Gilk
Lakeshore, R.M. Mc
Pipestone, R.M. Rus
Ste. Rose, Municipality Viro

Gilbert Plains Municipality McCreary, Municipality Russell-Binscarth, Municipality

Mossey River, R.M.
Sifton, R.M.

Wallace-Woodworth, R.M.

300,000,000

Projected Number
of Plastic Bags Without

Plastic Bags Distributed

Single-use Plastic Bags

Reused Plastic Bags

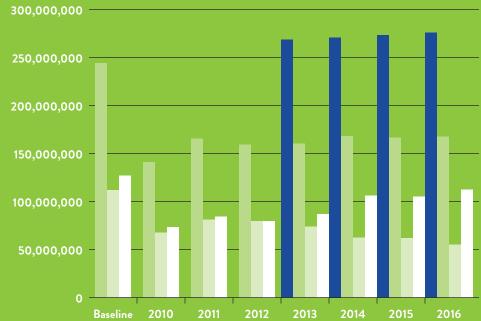


Table Notes

- 1. When population growth is considered, plastic bag usage has been reduced by 39%.
- If the plastic bag reduction plan had not been implemented, bag usage would have grown to approximately 275,800,000.
- 3. Approximately 167,000,000 bags were distributed in Manitoba.
- 4. On average in Manitoba, 108,000,000 or 65% of plastic bags are reused prior to disposal.
- 5. Approximately 22% of bags or 58,000,000 bags are actually single-use.

RESEARCH

methods to reuse and recycle the plastic bags already in their homes. The results of MMSM's consumer research survey showed that 71% of respondents are using plastic bags. Instances of consumers reusing plastic bags at home remained steady with 87% mentioning they are reusing their plastic bags in some capacity. Other survey results showed that there was a significant increase in the number of respondents that recycle their bags to a retailer, to a charity, or through a school program.



PUBLIC RELATIONS & ADVERTISING

MMSM worked diligently to develop new opportunities to educate and engage citizens. The plastic bag campaign taught consumers about the benefits of reducing their usage of plastic bags, reusing the ones already in their home, and of opportunities to recycle their bags throughout the province.

The spring and fall media campaigns encouraged consumers to find a responsible way to dispose of their plastic bags or to skip the bag altogether. Activities included: earned and paid media, educational programs, social marketing, and information on the MMSM website. Media for the campaign included online, print, television and transit.

PARTNERSHIPS

REUSABLE BAGS

MMSM has continued its partnership with Welcome Wagon as part of the organization's continued educational efforts. To date, over 20,000 reusable bags and recycling education pamphlets have been delivered to Manitoba homes. In addition, MMSM distributed over 1,200 reusable bags to various organizations and events throughout the year.

WINNIPEG GOLDEYES BASEBALL GAME SPONSORSHIP

MMSM's sponsorship of the Winnipeg Goldeyes baseball game on August 16 promoted the Bag it Forward program with fans donating their gently used plastic bags. During the pre-game activities, MMSM set up a booth at the ballpark, collected bags from fans and answered recycling questions. Any fan that donated a plastic bag was entered to win a prize.

In total, over 900 plastic bags were collected throughout the evening. MMSM also supplied a custom recycling insert into every Goldeyes program. The insert focused on the options consumers have when recycling their plastic bags along with general recycling information.

BAG IT FORWARD PLASTIC BAG RECYCLING PROGRAM

Winnipeg Harvest uses more than one million plastic bags every year to create emergency food kits for families in need. The Bag it Forward program was created in response to that need and encourages consumers across Manitoba to drop off gently used plastic bags at a local food bank. MMSM provided 350 plastic bag recycling bins to Winnipeg Harvest and its partners, and arranged for bags that are not suitable for reuse to be properly recycled, diverting them from landfills.

It has been two years since the program launched and since then, the public has been very supportive. Since the launch, Winnipeg Harvest has received over 104,000 plastic bags donated by consumers. This number does not reflect the bags collected by partner agencies that are reusing them onsite.

Several new partners recently joined the program, giving consumers even more opportunities to donate their gently used plastic bags. Red River College, the University of Manitoba and The University of Winnipeg, as well as several elementary schools in Winnipeg now all have permanent bins on site to collect bags.

To celebrate the second anniversary of the program, MMSM and Winnipeg Harvest held an event on April 18 and invited several of the program's new partners. The Minister of Sustainable Development, Cathy Cox, spoke at the event, as did MMSM's Executive Director and students from the University of Winnipeg

and Ecole Van Belleghem.









ONLINE /SOCIAL MEDIA

MMSM continues to see a significant amount of traffic on the plastic bag recycling pages and a lot of interest online in the various programs we promote. We have also been active on our social media pages promoting the reduction, reuse and recycling of plastic bags.

SCHOOL PROGRAMS

PLASTIC BAG GRAB CHALLENGE

MMSM was a local partner of the Plastic Bag Grab Challenge, a program run by Walmart Canada and the Recycling Council of Ontario. The program asked elementary schools from across Canada to collect as many plastic bags as they could for recycling from May 29 to June 2. The schools in each province and territory that collected the most plastic bags for recycling were eligible to win cash prizes that could be used for their school's environmental initiatives.

In total, students across Canada collected 2,339,717 bags for recycling! That is equal to 18.7 tonnes of plastic that was recycled domestically. The local winners were Elm Creek School (Elm Creek), Rorketon School (Rorketon) and Winnipegosis Elementary (Winnipegosis).

BAG UP MANITOBA PLASTIC BAG ROUNDUP CHALLENGE

MMSM collaborated with Take Pride Winnipeg! for the eighth year to offer a school-based program throughout the province. The Bag Up Manitoba program challenges students to collect plastic shopping bags and bring them to schools for recycling. The 2017 challenge ended with over 1.2 million plastic bags being collected and recycled by 166 schools across the province. The bags were baled and shipped to Trex to be recycled into composite decking material and other products.

Every school that participated in the program received a bird feeder box made from recycled plastic bags and wood fibers. Fourteen lucky schools also won a school bench made out of the same material. The benches were all awarded this year via a random draw. This encourages all schools to participate and emphasizes the message of waste reduction.



MATERIAL RECOVERY RATES 2316



Stewards report on their sales from the previous year. This data, combined with the municipal recycling reports for the same period, is used in the fee-setting process for the upcoming year (2017 sales data will be used for 2019 fee setting). Based on the best available data for the most current full-year reporting from stewards and municipalities, the table below illustrates the recovery rates for the material covered in the MMSM program for 2016. The 2017 recovery rates will be available and made public during the consultation process with stewards and other stakeholders in fall 2018.

2016 GENERATION AND RECOVERY

CATEGORY	MATERIAL	QUANTITY GENERATED (TONNES)	QUANTITY RECOVERED (TONNES)	RECOVERY RATE (%)
PRINTED PAPER				
	Newsprint Magazines and Catalogues	28,449 5,037	24,975 4,627	87.8% 91.9%
	Telephone Books Other Printed Paper	534 7,665	495 3,646	92.6% 47.6%
PRINTED PAPER TOTAL	Other Frinted Paper	41,685	33,743	80.9%
PACKAGING				
Paper Based Packaging	Old Corrugated Containers Polycoat & Laminates Old Boxboard	11,314 6,154 14,632	8,197 2,803 9,222	72.5% 45.5% 63.0%
Paper Packaging Total		32,100	20,222	63.0%
Plastic Packaging	PET Bottles HDPE Bottles Plastic Film Other Plastics	7,498 4,457 4,703 17,595	4,960 2,886 319 3,930	66.1% 64.7% 6.8% 22.3%
Plastics Total		34,253	12,095	35.3%
Steel Packaging	Steel Food & Beverage Cans Steel Aerosols Other Steel Containers	4,160 350 188	2,339 150 19	56.2% 42.7% 10.0%
Steel Total		4,698	2,508	53.4%
Aluminum Packaging	Aluminum Food & Beverage Cans Other Aluminum Packaging	2,635 937	1,628 102	61.8% 10.9%
Aluminum Total		3,572	1,730	48.4%
Glass	Glass	16,374	11,849	72.4%
Glass Total		16,374	11,849	72.4%
PACKAGING TOTAL		90,997	48,404	53.2%
TOTALS		132,682	82,147	61.9%

Table Notes

- Generation tonnages are based on household waste generation in Manitoba and are comprised of waste audits conducted in Winkler, Brandon, Winnipeg and RM of Springfield for 2014, 2015 and 2016.
- 2. Recovered tonnes are based on datasets that consist of both actual reported data from the Municipal Online Reporting System (MORS) and curbside studies done in 2014, 2015 and 2016 in the province.



MMSM has been a useful program for recycling in Manitoba. Staff are always helpful and accommodating of our municipal needs and work closely with us to ensure cost effectiveness and to keep the program and recycling of materials operational.

> Karen Leclerc Assistant CAO R.M of St. Laurent

The businesses that supply packaging and printed paper into the residential marketplace, also known as stewards, are obligated under Regulation 195/2008 of the Waste Reduction and Prevention (WRAP) Act to do a number of things:

- Provide a waste reduction and prevention program to manage the designated wastes within a province-wide, convenient collection system.
- Cover up to 80% of the net costs of an effective and efficient municipal recycling program.
- · Establish promotion and education programs to raise awareness of recycling services available to Manitoba residents.

MMSM's program for recycling packaging and printed paper includes the following designated product packaging: plastic, glass, paper, metal and printed paper.

In 2017, there were:



STEWARD COMPLIANCE

The MMSM Program is funded entirely by stewards who pay fees based on the volume of packaging and printed paper they supply to residents.

Stewards are responsible under the Regulation to assume responsibility, and declare that the designated packaging and printed paper material they supply for consumption in Manitoba complies with the legal requirements of the WRAP Act. If a steward of the designated material does not comply with the regulation, they are prohibited from supplying the designated material for consumption in Manitoba.

MMSM is dedicated to ensuring a level playing field for stewards. To that end, MMSM works to expand the number of stewards participating in the program, bringing non-compliant businesses into compliance.

MMSM has developed a set of rules to make participation in the program fair for all stewards and ensure that the program is always striving to achieve the best results in terms of both diverting and recycling waste.

These rules include:

- · Designation of stewards
- Fees for obligated packaging and printed materials
- Penalties for late reporting and late payment
- Definition of designated materials
- · Reporting and payment requirements of stewards
- Dispute resolution process for stewards
- Allowance for a company to pay fees on behalf of an otherwise obligated steward

A copy of the rules can be found on MMSM's website at stewardshipmanitoba.org

REPORTING AND PAYING FEES

Stewards measure and report annually to MMSM the total quantity of designated packaging and printed paper supplied for use in the province. MMSM reviews the data reporting requirements annually in accordance with the rules.

Stewards who are in good standing with MMSM will be deemed to be in compliance with the WRAP Act. The MMSM compliance process starts with the identification of stewards who are not in compliance, followed by initiation of actions necessary to ensure compliance.

MMSM actively ensures that all stewards remain in compliance with the Regulation and actively seeks out non-compliant businesses to bring them into the program. MMSM also has the authority to audit steward data. Stewards must maintain records for a period of at least five years in support of all data submitted to MMSM.

MMSM has implemented a non-compliance notification process, including written notification when fees are due. If stewards and products are identified that have not registered or reported under the Packaging and Printed Paper (PPP) Program, a notification is sent. If the steward's registration and data submission process is not complete at the end of 120 days, MMSM may request the Manitoba Government to take enforcement action as stipulated under the WRAP Act.

FINANCIAL STATEMENTS

DECEMBER 31, 2017



Multi-Material
Stewardship Manitoba
INDUSTRY FUNDING RECYCLING

INDEPENDENT AUDITORS' REPORT

To the Members of

Multi-Material Stewardship Manitoba Inc.

We have audited the accompanying financial statements of **Multi-Material Stewardship Manitoba Inc.**, which comprise the balance sheet as at December 31, 2017, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Multi-Material Stewardship**Manitoba Inc. as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting standards for not-for-profit organizations.

Winnipeg, Canada May 16, 2018

Chartered Professional Accountants

Ernst + young LLP

Incorporated under the laws of Manitoba

BALANCE SHEET

As at December 31

	2017 \$	2016 \$
ASSETS		
CURRENT Cash and cash equivalents Accounts receivable Prepaid expenses and deposits	10,150,356 1,280,643 29,795	8,658,908 1,568,795 14,837
TOTAL CURRENT ASSETS Capital assets, net [note 3]	11,460,794 2,576 11,463,370	10,242,540 4,642 10,247,182
LIABILITIES AND NET ASSETS		
CURRENT Accounts payable and accrued liabilities TOTAL CURRENT LIABILITIES	6,983,252 6,983,252	5,825,122 5,825,122
Commitments [note 4]		
NET ASSETS Unrestricted	4,480,118	4,422,060
	11,463,370	10,247,182

See accompanying notes.

On behalf of the Board:

Neil Antymis

Director

Heather Mitchell

Director

STATEMENT OF OPERATIONS

Year ended December 31

	2017 \$	2016 \$
REVENUE		
Steward fees	17,822,267	15,391,698
Other revenue	373,194	328,776
	18,195,461	15,720,474
EXPENSES		
Municipal programs		
Municipal support payments	15,188,446	13,738,180
Program delivery/stewards services	1,381,247	1,399,659
School funding	214,664	235,662
Promotion and education	403,147	351,184
Continuous improvement process	145,059	68,603
Administrative and corporate	686,967	246,126
Government fees	_	91,613
	2,831,084	2,392,847
Enhanced programs		
Beverage recovery	12,875	23,845
Plastic bags	104,998	110,447
	117,873	134,292
	18,137,403	16,265,319
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	58,058	(544,845)

See accompanying notes.



STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31

	2017 \$	2016 \$
NET ASSETS, BEGINNING OF YEAR	4,422,060	4,966,905
Excess (deficiency) of revenue over expenses for the year	58,058	(544,845)
NET ASSETS, END OF YEAR	4,480,118	4,422,060

See accompanying notes.

STATEMENT OF CASH FLOWS

Year ended December 31

	2017 \$	2016 \$
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	58,058	(544,845)
Add item not involving cash	2044	2.040
Amortization of capital assets	2,066	2,019
	60,124	(542,826)
Changes in non-cash working capital balances related to operations Accounts receivable Prepaid expenses and deposits Accounts payable and accrued liabilities	288,152 (14,958) 1,158,130	(399,049) 410 914,615
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,491,448	(26,850)
INVESTING ACTIVITIES		
Purchase of capital assets	-	(2,782)
CASH USED IN INVESTING ACTIVITIES	_	(2,782)
NET INCREASE (DECREASE) IN CASH DURING THE YEAR	1,491,448	(29,632)
Cash and cash equivalents, beginning of year	8,658,908	8,688,540
CASH AND CASH EQUIVALENTS, END OF YEAR	10,150,356	8,658,908

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

1. BUSINESS ORGANIZATION AND OPERATIONS

Multi-Material Stewardship Manitoba Inc. ["MMSM"] is a not-for-profit industry-funded corporation, established in accordance with the Packaging and Printed Paper Stewardship Regulation [Man. Reg. 195/2008] pursuant to *The Waste Reduction and Prevention Act* [the "WRAP Act"]. MMSM was formally incorporated as a non-share capital corporation in December 2006 under *The Corporations Act* of Manitoba for the purpose of developing, implementing and operating waste diversion programs for designated packaging and printed paper in the Province of Manitoba. The stewardship program commenced operations on April 1, 2010 and is exempt from income taxes under Section 149 of the *Income Tax Act* (Canada).



2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, "Accounting Standards for Not-For-Profit Organizations" which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting polices described below.

[a] Revenue recognition

Steward fees are calculated based on the quantity of designated packaging and printed paper each steward supplies into Manitoba. Stewards register with MMSM and report the tonnage of all product supplied in Manitoba as required under the WRAP Act. Steward fees are recorded as revenue based on the prior year's tonnage reported by stewards. Steward reported tonnages for prior years' obligations and revenues resulting from compliance and enforcement activities are recognized when the amount can be reasonably estimated and collection is reasonably assured.

[b] Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term investments, with a short-term to maturity of three months or less from the date of purchase unless they are held for investment rather than liquidity purposes in which case they are classified as investments.

[c] Recycling support payment to municipalities

Recycling support payments to municipalities are paid to registered Manitoba municipalities based on the tonnage of eligible materials delivered to an approved recycling facility as reported by the municipalities to MMSM. The current year's expense is recorded based on prior year's eligible tonnage.

[d] Capital assets and amortization

Capital assets are recorded at original cost.

Amortization of furniture and equipment is recorded on a straight-line basis of 20% over the assets' useful lives.

[e] Allocation of expenses

The costs of personnel and other expenses directly related to functions are allocated to each function. General support and other costs are not allocated.

[f] Financial instruments

Financial instruments, including accounts receivable and accounts payable and accrued liabilities, are initially recorded at their fair value and are subsequently measured at amortized cost, net of provisions for impairment.

[g] Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Stewards are obligated under the WRAP Act to register and pay fees to MMSM. MMSM will never have a complete and full knowledge about the activities of obligated stewards. The amount of revenue recognized is based on the prior year's tonnage reported by stewards. If stewards do not register or if registered stewards do not report complete and accurate tonnages, the amount of revenue may increase or decrease subsequent to year-end when new stewards are identified or reported tonnages are revised.

The amount of revenue recognized in the financial statements represents management's best estimate of prior year's tonnage reported by stewards.

3. CAPITAL ASSETS

Capital assets consist of the following:

	2017			2016
	Cost	Accumulated Amortization \$	Net book value \$	Net book value \$
FURNITURE AND EQUIPMENT	14,946	12,370	2,576	4,642

4. COMMITMENTS

- [a] Effective January 1, 2014, a management services agreement is in place with Canadian Stewardship Services Alliance Inc. ["CSSA"] to provide administrative and support services for all of MMSM's administrative, technical and reporting activities under the program plan to recycle and divert printed paper and packaging in the Province of Manitoba. The fee for 2017 is \$915,612 [2016 \$1,230,067]. The fee paid to CSSA is based on allocation of CSSA's costs and MMSM's direct costs paid by CSSA. The agreement is in place for a term of five years.
- [b] MMSM has entered into an operating lease for its premises for a total commitment of \$55,125. Future minimum annual lease payments until August 31, 2018 are as follows:

\$ 2018 55,125

5. FINANCIAL INSTRUMENTS - RISKS AND UNCERTAINTIES

MMSM is exposed to the following financial risk through transactions in financial instruments.

Credit risk

Financial instruments potentially exposed to credit risk include accounts receivable. Management considers its exposure to credit risk over accounts receivable to be limited as accounts receivable are not significantly concentrated and are monitored regularly for collections. The carrying amount of accounts receivable represents the maximum credit risk exposure.



MMSM LEADERSHIP & STAFF

BOARD OF DIRECTORS 2017

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Sandy Hopkins Vice Chair Independent Member

Heather Mitchell Treasurer Manitoba Liquor and Lotteries Corporation

Francis St. Hilaire Member Independent Member

Rachel Kagan Member Food and Consumer Products of Canada (FCPC)

Yvonne Rowe Member Dairy Group

James Rilett Member Restaurants Canada (CA)

 Julie Dickson Olmstead
 Member
 Canadian Federation of Independent Grocers (CFIG)

John Graham Member Retail Council of Canada (RCC)

Karen Melnychuk Executive Director MMSM

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Heather Mitchell, Treasurer

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Julie Dickson Olmstead

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James Rilett

MMSM STAFF

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Martin Racicot Director Field Services

Sarah Wallace Marketing and Communications Specialist

Lauren Gluck Municipal Reporting Coordinator & Office Administrator

Kristin Houle Field Services Coordinator





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