



Annual Report



**Multi-Material
Stewardship Manitoba**

2010

2010

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What is Multi-Material Stewardship Manitoba?

Multi-Material Stewardship Manitoba is a non-profit industry-funded organization, established in accordance with the Packaging and Printed Paper Stewardship Regulation (Man. Reg. 195/2008) pursuant to *The Waste Reduction and Prevention Act* for the purpose of developing, implementing and operating waste diversion programs for designated packaging and printed paper in the Province of Manitoba.

Our goal is to promote the reduction, reuse and recycling of those materials managed under our programs. The industry stewards

are responsible for 80% of the net costs of efficient recycling programs. The organization is governed by a Board of Directors that represent:

- Grocery sector
- Consumer products sector
- Alcoholic and non-alcoholic beverages
- Retailers
- Printed paper
- Newspapers

Message from the Chair of the Board

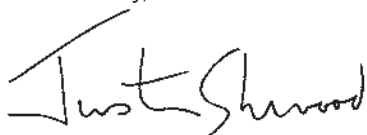
Justin Sherwood

On behalf of the Founding Members of the MMSM Board, we are proud to present our first Annual Report. Multi-Material Stewardship Manitoba began operations on April 1, 2010, almost five years after the first discussions and negotiations with the Manitoba Government began. The Regulation 95/2008 was passed in December 2008 which precipitated an intense period of Program Plan development and consultation. After the Plan was approved by the Minister of Conservation further work was conducted by an excellent team working together with the Board to implement the Program.

We take great pride in the accomplishments which this report highlights of our first nine months in operation. One of the goals in the first year was to ensure there was no slippage from the results of the previous MPSC (Manitoba Product Stewardship Corporation) Program. We are proud to report a 2% increase in recovery over the previous year. At the same time we would like to thank the MPSC for the foundational work it has done through the creation of the original residential Blue Box and depot system.

An industry led non-profit organization, MMSM represents the stewards of packaging and printed paper supplied to residential households in Manitoba. Board members have worked diligently on the audit, governance, and communications committees to ensure that the Program received the oversight and direction needed. The contracted staff have executed the Program Plan successfully. We look forward to continued success; efforts now underway to increase recovery and decrease costs will bear fruit in the next years to come.

Sincerely,



Justin Sherwood
Chair, MMSM



BOARD OF DIRECTORS (2010)

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Canadian Beverage Association

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Vice Chair
Canadian Federation of Independent Grocers

Catherine Abel
Food and Consumer Products of Canada

Jean-Philippe Boutin
Yellow Pages Group

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Phil Elias
Lucerne Dairy (Dairy Group)

Courtney Hirota
Canadian Restaurant and Food Services Association

Allen Langdon
Canadian Council of Grocery Distributors

Ingrid Loewen
Manitoba Liquor Control Commission

Lanny McInnes
Retail Council of Canada

BOARD OFFICERS

Neil Antymis
Treasurer – Canadian Beverage Association

EXECUTIVE DIRECTOR

Karen Melnychuk



On average, Manitobans recycled 62.09 kg/person based on 2006 Census population of 1,170,300.

This is an increase of 1.42 kg/person or 2% from the previous MPSC Annual Report.

Program

Highlights

MUNICIPAL SERVICES

MMSM's Municipal Services Program was introduced 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
- through municipal funding and recycling markets R&D, help reduce the uncertainty inherent to recycling markets
- ensure that the cost of handling designated materials is reflected in the steward fees.

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 complement recycling and waste reduction

MATERIAL RECOVERY RESULTS

The following table illustrates the material recovery results as reported by participating municipalities, January to December 2010, with January to March 2010 volumes provided by MPSC.

Material Description	Total Kilograms (KGS)
Aluminum Cans	1,133,705
Aseptic Containers (juice boxes)	289,296
Boxboard (cereal boxes)	6,269,678
Gable Top Cartons (milk cartons)	1,019,890
Glass Containers	6,079,552
#4, 5 and 7 Plastics	2,187,480
Magazines	3,342,027
Newsprint and Flyers	34,683,471
Plastic Bottles ¹	2,639,975
Rigid Plastic Containers ²	1,848,202
Steel Cans	3,065,320
Telephone Directories	429,337
Sub-total	62,987,934
Old Corrugated Cardboard ³	9,678,617
Total	72,666,551

Table notes:

1. Many materials are collected, processed and sold co-mingled. This creates a challenge to determining precise by material weights. For example, all rigid plastics (#2, #4, #5 and #7) are sometimes marketed together. In other cases, #2 plastics are marketed separately from the others.
2. Recovery numbers reported by MMSM include only those materials which are recycled through registered local recycling programs in participating municipalities. Manitoba also has several charity-based organizations and individuals that collect recyclable materials for sale directly to brokers. MMSM has reason to believe that some beverage containers are brought to Saskatchewan for a deposit refund even though no deposit has been paid on these containers.
3. MMSM has capped the amount of corrugated cardboard (OCC) recovery that it funds based on estimated volumes generated in the residential collection channel. The intention is not to pay for OCC generated in the commercial sector. The OCC shown in the table includes all OCC collected and reported by participating municipal recycling programs.
4. Materials recovered from Post Secondary Education Institutions were not available at the time of publication so are not captured in the total recovery results.

MMSM's Municipal Services Program is an incentive-driven program which requires that municipalities 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 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 3 year rolling average of the net costs of participating municipalities within specific population categories.

2010 MMSM Population Category	Payment Rate/tonne
0 - 1,000	\$213
1,001 - 5,000	\$162
5,001 - 15,000	\$138
City of Brandon	\$132
City of Winnipeg	\$108

MMSM provided \$6,833,781 in funding to municipalities from April 1, 2010 to December 31, 2010.

The table below demonstrates the total tonnes recycled by participating municipalities. Populations are based on the 2006 Census.

	Population in participating communities	Total kilograms recycled	Average kilogram recycled per person
Central West (CW)	24,084	1,469,032	61.00
Eastern (E)	74,764	5,532,030	73.99
Interlake (I)	57,631	2,966,154	51.47
North (N)	32,520	1,057,257	32.51
North West (NW)	30,333	2,040,283	67.26
South Central (SC)	74,430	5,702,350	76.61
South West (SW)	80,029	5,660,657	70.73
Winnipeg (WPG)	687,657	48,238,787	70.15
Total	1,061,448	72,666,551	68.46

Municipality	Region	Population	Total Tonnes Recycled	Tonnages Recycled/ Capita
Alexander, RM	E	2,978	175.25	0.059
Altona, Town	SC	3,709	323.14	0.087
Arborg, town	I	1,021	55.21	0.054
Argyle, RM	SC	1,073	8.70	0.008
Armstrong, R.M.	I	1,919	122.40	0.064
Arthur, R.M.	SW	440	22.49	0.051
Beausejour, Town	E	2,823	361.78	0.128
Benito, village	NW	370	31.52	0.085
Bifrost, R.M.	I	2,972	160.70	0.054
Binscarth, Village	CW	395	17.96	0.045
Birtle, RM	CW	666	26.73	0.040
Birtle, Town	CW	662	26.57	0.040
Blanshard, RM	CW	586	13.79	0.024
Boissevain, town	SW	1,497	115.33	0.077
Bowsman, village	NW	315	24.11	0.077
Brandon, City	SW	41,511	3,355.21	0.081
Brenda, RM	SW	549	9.62	0.018
Brokenhead, R.M.	E	3,940	212.43	0.054
Buffalo Point First Nation	E	141	21.85	0.155
Cameron, R.M.	SW	433	21.38	0.049
Carberry, Town	SW	1,502	133.81	0.089
Carman, town	SC	2,880	336.21	0.117
Cartier, R.M.	WPG	3,162	179.94	0.057
Cartwright, village	SC	282	10.60	0.038
Clanwilliam, R.M.	CW	494	20.16	0.041
Coldwell, R.M.	I	1,339	94.44	0.071
Cornwallis, RM	SW	4,058	136.64	0.034
Crystal City, village	SC	400	72.84	0.182
Dauphin, City	NW	7,906	703.36	0.089
Dauphin, RM	NW	2,273	315.27	0.139
De Salaberry, R.M.	E	3,349	175.90	0.053
Deloraine, Town	SW	977	97.91	0.100
Duck Mountain Provincial Park	NW	999	1.76	0.002
Dufferin, R.M.	SC	2,199	14.92	0.007
Dunnottar, Village	I	692	24.30	0.035
East St. Paul, R.M.	WPG	8,733	797.92	0.091
Edward, R.M.	SW	621	3.77	0.006
Elkhorn, Village	SW	461	66.31	0.144
Ellice, R.M.	CW	423	3.78	0.009
Elton, RM	SW	1,285	40.39	0.031
Emerson, town	SC	689	35.19	0.051
Erickson, town	CW	456	18.61	0.041
Eriksdale, R.M.	I	911	64.25	0.071
Ethelbert, RM	NW	383	11.28	0.029
Ethelbert, Village	NW	312	34.50	0.111
Falcon Lake/ Westhawk (WPP)	E	300	79.68	0.266
Fisher, RM	I	1,944	116.87	0.060

Municipality	Region	Population	Total Tonnes Recycled	Tonnages Recycled/ Capita
Flin Flon, city	N	5,594	206.64	0.037
Franklin, R.M.	E	1,768	90.46	0.051
Gilbert Plains, RM	NW	834	8.09	0.010
Gilbert Plains, town	NW	760	78.16	0.103
Gillam, town	N	1,209	52.26	0.043
Gimli, R.M.	I	5,797	400.50	0.069
Gladstone, town	SC	802	61.40	0.077
Glenboro, village	SW	633	70.58	0.111
Glenwood, R.M.	SW	640	51.35	0.080
Grandview, RM	NW	736	48.09	0.065
Grandview, town	NW	839	54.82	0.065
Gretna, Town	SC	574	54.37	0.095
Grey, R.M.	SC	2,004	84.23	0.042
Hamiota, RM	CW	437	32.79	0.075
Hamiota, Town	CW	823	61.75	0.075
Hanover, R.M.	E	11,871	864.72	0.073
Harrison, R.M.	CW	812	46.32	0.057
Hartney, town	SW	400	19.75	0.049
Headingley, RM	WPG	2,726	190.10	0.070
Hecla Grindstone Prov Park	I	400	44.00	0.110
Kelsey, R.M.	N	2,453	24.05	0.010
Killarney - Turtle Mountain	SW	3,299	311.68	0.094
La Broquerie, R.M.	E	3,659	210.02	0.057
Lac du Bonnet, RM	E	2,812	197.79	0.070
Lac du Bonnet, Town	E	1,009	82.73	0.082
Lakeview, R.M.	SC	342	9.64	0.028
Langford, RM	CW	787	27.63	0.035
Lansdowne, R.M.	CW	750	6.88	0.009
Lawrence, R.M.	NW	501	21.99	0.044
Leaf Rapids, Town	N	539	4.88	0.009
Lorne, R.M.	SC	2,003	60.32	0.030
Louise, R.M.	SC	819	36.42	0.044
MacDonald, R.M.	WPG	5,653	363.39	0.064
MacGregor, Town	SW	921	42.35	0.046
Manitou, town	SC	718	37.24	0.052
MB Conservation Grand Beach	E	500	35.96	0.072
MB Conservation Moose Lake	E	90	6.16	0.068
MB Conservation Paint Lake	N	275	12.31	0.045
McCreary, RM	CW	476	12.61	0.026
McCreary, village	CW	487	12.90	0.026
Melita, Town	SW	1,051	53.73	0.051
Miniota, RM	CW	904	39.72	0.044
Minitonas, town	NW	497	45.36	0.091
Minnedosa, town	CW	2,474	240.96	0.097
Montcalm, RM	SC	1,317	70.35	0.053
Morden, Town	SC	6,571	909.95	0.138

Municipality	Region	Population	Total Tonnes Recycled	Tonnages Recycled/ Capita
Morris, town	SC	1,643	85.44	0.052
Morton, R.M.	SW	718	55.33	0.077
Mossey River, RM	NW	614	13.75	0.022
Mountain, R.M.	NW	1,336	26.18	0.020
Neepawa, town	CW	3,298	416.13	0.126
Niverville, town	E	2,464	412.79	0.168
North Cypress, RM	SW	1,902	77.87	0.041
North Norfolk, R.M.	SC	2,742	126.11	0.046
Notre Dame de Lourdes, Village	SC	589	68.33	0.116
Oak Lake, town	SW	363	5.19	0.014
Oakland, R.M.	SW	1,033	23.22	0.022
Ochre River, R.M.	NW	929	54.97	0.059
Opaskwayak Cree Nation	N	2,578	25.10	0.010
Park, R.M.	CW	1,291	52.67	0.041
Pembina, R.M.	SC	1,712	88.79	0.052
Pilot Mound, Town	SC	630	56.28	0.089
Pinawa, L.G.D.	E	1,450	133.72	0.092
Piney, R.M.	E	1,755	86.46	0.049
Pipestone, RM	SW	1,419	100.62	0.071
Plum Coulee, Town	SC	770	35.52	0.046
Portage la Prairie, City	SC	12,728	1,290.28	0.101
Portage La Prairie, R.M.	SC	6,793	420.80	0.062
Powerview - Pine Falls	E	1,294	48.17	0.037
Rapid City, town	CW	416	23.84	0.057
Reynolds, R.M.	E	1,410	110.52	0.078
Rhineland, RM	SC	4,125	81.56	0.020
Riding Mountain National Park	CW	300	12.25	0.041
Ritchot, R.M.	WPG	5,051	322.82	0.064
Rivers, town	SW	1,193	50.71	0.043
Riverside, RM	SW	809	4.07	0.005
Riverton, village	I	537	29.02	0.054
Roblin, R.M.	SC	964	15.90	0.016
Roblin, town	NW	1,672	100.34	0.060
Rockwood, R.M.	I	7,692	103.14	0.013
Roland, RM	SC	1,002	67.85	0.068
Rosedale, RM	CW	1,658	35.40	0.021
Rosburn, R.M.	CW	514	19.65	0.038
Rosburn, town	CW	546	20.88	0.038
Rosser, R.M.	WPG	1,364	67.21	0.049
Russell, RM	CW	661	30.06	0.045
Russell, Town	CW	1,428	64.94	0.045
Selkirk, city	I	9,515	977.22	0.103
Shoal Lake, R.M.	CW	555	61.87	0.111
Shoal Lake, Town	CW	680	75.80	0.111
Sifton, RM	SW	796	11.37	0.014
Snow Lake, town	N	837	12.66	0.015
Somerset, village	SC	432	43.84	0.101

Municipality	Region	Population	Total Tonnes Recycled	Tonnages Recycled/ Capita
Souris, town	SW	1,772	142.22	0.080
South Cypress, R.M.	SW	834	3.71	0.004
South Norfolk, R.M.	SC	1,170	12.51	0.011
Springfield, R.M.	WPG	12,990	481.27	0.037
St. Andrews, R.M.	I	11,359	445.76	0.039
St. Claude, village	SC	588	72.75	0.124
St. Clements, R.M.	E	9,706	109.93	0.011
St. François-Xavier, RM	WPG	1,087	63.01	0.058
St. Laurent, R.M.	I	1,454	8.02	0.006
St. Lazare, village	CW	265	2.37	0.009
St. Pierre-Jolys, village	E	839	45.24	0.054
Ste. Anne, R.M.	E	4,509	33.16	0.007
Ste. Anne, town	E	1,534	223.82	0.146
Ste. Rose du Lac, Town	NW	995	80.83	0.081
Ste. Rose, RM	NW	791	25.56	0.032
Steinbach, City	E	11,066	1,537.66	0.139
Stonewall, town	I	4,376	174.04	0.040
Strathclair, RM	CW	840	44.05	0.052
Strathcona, R.M.	SW	727	6.15	0.008
Stuartburn, R.M.	E	1,629	86.78	0.053
Swan River, R.M.	NW	2,784	41.07	0.015
Swan River, Town	NW	3,859	274.77	0.071
Tache, R.M.	WPG	9,083	504.13	0.056
Teulon, town	I	1,124	45.12	0.040
The Pas, town	N	5,589	55.42	0.010
Thompson, City	N	13,446	663.92	0.049
Thompson, R.M.	SC	1,259	33.66	0.027
Treherne, Town	SC	646	57.32	0.089
Victoria Beach, RM	E	388	73.02	0.188
Victoria, R.M.	SC	1,149	67.14	0.058
Virden, town	SW	3,010	351.07	0.117
Wallace, R.M.	SW	1,501	175.03	0.117
Waskada, Village	SW	199	3.49	0.018
Wawanesa, village	SW	535	39.95	0.075
West St. Paul, R.M.	WPG	4,357	331.92	0.076
Whitehead, RM	SW	1,402	27.02	0.019
Whitemouth, R.M.	E	1,480	116.00	0.078
Whitewater, R.M.	SW	648	13.83	0.021
Winkler, City	SC	9,106	952.71	0.105
Winnipeg Beach, town	I	1,017	55.12	0.054
Winnipeg, city (Curbside)	WPG	633,451	44,425.51	0.070
Winnipeg, city (Depot)	WPG	-	511.58	-
Winnipegosis, village	NW	628	44.51	0.071
Woodlands, R.M.	I	3,562	46.04	0.013
Woodworth, RM	SW	890	17.49	0.020

MMSM conducted residential waste composition studies in 2009. Observations from these studies show that many consumers are re-using single use plastic bags as waste receptacles and as a result purchasing less of other plastic bags:

- **BRANDON – 49% of single use plastic bags are reused as a waste receptacle**
- **WINNIPEG – 47% of single use plastic bags are reused as a waste receptacle**



ENHANCED PROGRAMS

Plastic Bag Reduction Results

In response to the new Manitoba regulatory requirements on single-use plastic bags, plastic bag stewards have organized themselves under the banner of MMSM to adopt a 5-year strategy to achieve the 50% reduction target established by government.

The year 2007 was chosen as the baseline for measuring progress towards the target. This is consistent with other provincial single-use plastic bag reduction initiatives.

The data gathered in the *MMSM Grocery/Retail Shopping Bag Survey – Manitoba 2010* provides a reasonable snapshot of plastic bag reduction activities undertaken by industry participants across the province.

MMSM and representatives of the five major industry groups participating in this survey have agreed to adopt the methodology developed as part of the Alberta Plastic Bag Reduction Strategy as a reasonable approach for establishing the 2007 baseline data for Manitoba.

Single Use (Petroleum-based)

Plastic Bags Supplied/Sold	2007	2008	2009
Combined Total # of Units	345,720,795	320,526,881	262,663,381
Reduction from 2008	n/a	25,193,914 (7%)	57,863,500 (17%)
Reduction from 2007	n/a	25,193,914 (7%)	83,057,414 (24%)

It is important to note that while the survey scope and methodology has been rigorously developed, there are limitations to the accuracy and completeness of the data.

Manitoba’s regulatory requirements and Guidelines on plastic bags only came into force in November 2008. Further, the Manitoba Plastic Bag Reduction Plan was developed in 2010. In effect, this means that retailers/grocers were not required to track or report single-use plastic bag data before 2010. A few of the participating associations/groups had already initiated plastic bag use tracking and reporting measures.

MMSM Bag-Up Manitoba – Plastic Bag Roundup Challenge

Multi-Material Stewardship Manitoba partnered with Take Pride Winnipeg! and challenged schools throughout the province to collect single use plastic bags during the month of October 2010. The 2010 Bag-Up Manitoba Plastic Bag Round-Up Challenge was a great success. The overwhelming response from schools across the province is evidence that students care – they care for their community, their province and their environment.

Results:

- Total number of schools participating in the city of Winnipeg: **92**
- Total number of schools participating outside the city of Winnipeg: **41**
- Total number of bags collected: **475,924**

Schools were divided into categories based on location and student population to determine which schools would be awarded a bench made out of recycled plastic bags. All participating schools received Frisbees made out of recycled single use plastic bags.

The winners:

William S. Patterson School (Clandeboye)	19,282 bags
Bernie Wolfe Community School (Winnipeg)	17,311 bags
Victor H.L. Wyatt School (Winnipeg)	15,070 bags
Chapman School (Winnipeg)	14,840 bags
Lord Nelson School (Winnipeg)	11,000 bags
Elwick Community School (Winnipeg)	10,023 bags
Brennan School (Newton)	9,719 bags
West St. Paul School (Winnipeg)	9,133 bags
Winnipeg Mennonite Elementary (Winnipeg)	9,076 bags
Daerwood School (Selkirk)	7,568 bags
La Verendrye School (Portage La Prairie)	7,567 bags
Ecole Ste. Anne Immersion (Ste. Anne)	6,913 bags
River Elm School (Winnipeg)	6,266 bags
Westview School (Winnipeg)	5,622 bags

Many teachers shared inspiring stories of how hard their students and schools worked to collect single use plastic bags. Below are comments from teachers about the Bag-Up Manitoba Challenge.

“Well, what a month! Our total is 9,719. Beyond anything I dreamed of. When we first started my prediction was maybe around the 3,000 mark. I suppose I underestimated the determination of our students and their families and friends from many different places. I will say this now, we’re the little school with the big heart. But more importantly, our students learned that recycling is a better alternative than throwing out. Thanks for a great way for teaching this! It was fun!”

Linda Maendel, Brennan School, Newton

“We just completed our collection and we have over 3500 bags!! One of the boys in our classroom (grade 5/6) suggested having a bake sale and asking for five bags per cookie/slice, and that really did the trick. They were really pumped about the whole thing and some of the kids made short video clips to promote the collection and recycling of the bags. We had a blast! (almost forgot...one of my boys made a “recycling man” outfit out of boxes to be our mascot.)”

Brigitte Madder, Ecole Garden Grove School, Winnipeg

“We are last year’s runner up winners and I am happy to say that our win must have motivated families to change their ways. We have only collected 2024 bags this year, a mere 20% from last year’s total. The most common comment I heard was, “We don’t use plastic bags anymore.”

Annette Danis, Ecole Riverview School



(L to R): Brennan School, Newton, Manitoba; William S. Patterson School, Clandeboye, Manitoba; Karen Melnychuk at William S. Patterson School; 200,000 single use plastic bags.

BEVERAGE CONTAINER ENHANCED RECOVERY PROGRAM

In the WRAP Guideline 2008-01 dated November 2008 that accompanied the Regulation, all beverage containers excluding milk were subjected to a 75% recovery rate target.

As part of the fee setting process prior to implementation, MMSM established an enhanced fee for beverage containers to be used to address the requirements of the Guideline. These funds were designated for improving the recovery rate for beverage.

A Memorandum of Understanding (MOU) was signed in 2010 between MMSM and the Canadian Beverage Container Recycling Association (CBCRA). CBCRA is a not-for-profit corporation that was put in place by various beverage stewards to develop and implement a beverage container recovery program with the objective of meeting the 75% beverage container recovery rate target.



MMSM understands that the 75% beverage container recovery rate target is not achievable through municipal curbside recycling programs, and as such will not proceed with its Enhanced Beverage Container Recovery program as the objectives of the program are being fulfilled by CBCRA's beverage container recovery program. Enhanced fees already collected during this first period will be used to support the recovery of beverage containers. MMSM and CBCRA have committed to work cooperatively to facilitate the efficient and effective management of the parties' respective recovery programs.

MODEL COMMUNITY

In September of 2010 MMSM in partnership with CBCRA developed and implemented a model community program. Portage la Prairie was selected as the test community. The objective was to test and demonstrate the potential to increase the recovery of beverage containers as well as other materials in the Blue Box system.

The pilot goals were to increase the recovery rate of beverage containers in the Blue Box system; to educate the public on the opportunities and benefits of beverage container recycling; to increase the awareness of multi-material stewardship in Manitoba; and to measure any change in the recovery rate of non-beverage containers in the Blue Box. The duration of this program was four weeks. Surveys were conducted prior to and then following the project.

Some of the highlights comparing pre- and post-campaign findings from this initiative included:

- An increase was noted in the category sometimes recycle in a public bin and sometimes hold on to the recyclable item from 5% to 11%
- In lower income households beverage container recycling behaviours grew from 86% to 96%
- An 8-point increase among 18 to 34 year olds saying they recycled all or most of their disposable beverage containers; from 73% to 81%
- Increase from 54% to 70% among 18 to 34 year olds saying they are likely to recycle items when away from home
- Radio advertising was cited as being the most effective vehicle for recycling messaging in Portage la Prairie

Services **Steward**

Regulation 195/2008 under the WRAP Act obligates stewards to do a number of things. Stewards must provide a waste reduction and prevention program to manage the designated wastes within a province-wide convenient collection system; stewards must cover 80% of the cost of collecting, processing, and transferring the material to market; establish promotion and education programs and cover the cost of government to oversee the program.

The Rules for Stewards are part of the legal framework that the program operates within. MMSM has established rules for stewards which include registration; rules for data reporting (i.e. dates for reporting); compliance and payment schedules. An on-line data reporting and management system has been developed. Obligated companies who do not follow the program rules are considered not in compliance.

MMSM is responsible to collect Steward fees on all Packaging and Printed Paper. This, MMSM's first year is a 9 month year with the Program going to a full calendar obligation year in 2011.

- 816 Stewards registered with MMSM
- 555 Reports Received
- 210 Voluntary Stewards

Packaging and Printed Paper Reported by Stewards in 2010

Subcategory	Base Fee	Total Tonnes	Total Tonnes Pro-Rated
Newsprint	2.07 ¢/kg	25,981	19,486
Other Printed Materials	3.79 ¢/kg	9,032	6,774
Corrugated and Boxboard Packaging	12.93 ¢/kg	26,421	19,816
Other Paper Packaging	24.21 ¢/kg	4,388	3,291
PET bottles	19.51 ¢/kg	4,656	3,492
HDPE bottles and jugs	12.83 ¢/kg	3,043	2,283
Other Plastic Packaging	31.60 ¢/kg	12,924	9,693
Steel and Other Metal Packaging	9.89 ¢/kg	5,208	3,906
Aluminum cans – food and beverage	-0.58 ¢/kg	1,932	1,489
Foil and other aluminum packaging	9.87 ¢/kg	329	246
Glass Packaging	6.28 ¢/kg	13,638	10,229
Total		107,552	80,664

MMSM's Steward Services continues to identify and pursue obligated stewards.



PROMOTION AND EDUCATION

MMSM surveyed consumers in March 2010 to establish and gather baseline data and information on recycling rates and consumer awareness. Creative concepts were developed based on the information collected which were then tested by focus groups. A consumer website, [SimplyRecycle.ca](http://www.simplyrecycle.ca) was developed and highlighted in all promotional and educational material.





School

Programs

MMSM partnered with Green Action Centre to expand their Environmental Speakers Bureau presentations outside the City of Winnipeg. A bilingual presenter now delivers presentations and provides resources in English and French. In addition, Manitoba specific, curriculum-based recycling education materials are available to teachers across the province through the web and on disk. As of December 31, 2010, 103 ESB presentations have been held with 51 of these specific to recycling and which reached 2,667 students.

Several initiatives are planned for the remainder of the 2010/2011 school year, including a professional development workshop for teachers in rural communities and a province wide writing contest on why it is important to Simply Recycle Everywhere.

Funding of Post Secondary Education Institutes

MMSM provided funding and support to several Post Secondary Education Institutes throughout the province. Assistance was provided in producing promotion and educational materials. Materials recovered at these institutions have not been included in the total recovery results for 2010.

- University of Manitoba
- University of Winnipeg
- Red River College
- College Universitaire de Saint Boniface
- Assiniboine Community College
- Brandon University
- Canadian Mennonite University
- University College of the North



FIRST NATIONS

In consultation with local councils, Indian and Northern Affairs Canada (INAC), Aboriginal and Northern Affairs (ANA), MMSM and CBCRA piloted a recycling program in the neighbouring communities of Chemawawin and Easterville. Beverage container recycling bins provided free of charge by CBCRA have been placed throughout the two communities.

MMSM and CBCRA have developed a Northern Strategy to promote and expand recycling programs in First Nation, Remote and Northern Manitoba communities. This community-based approach will allow communities to receive funding while gradually phasing in recycling programs.

MMSM participated in several workshops organized by INAC:

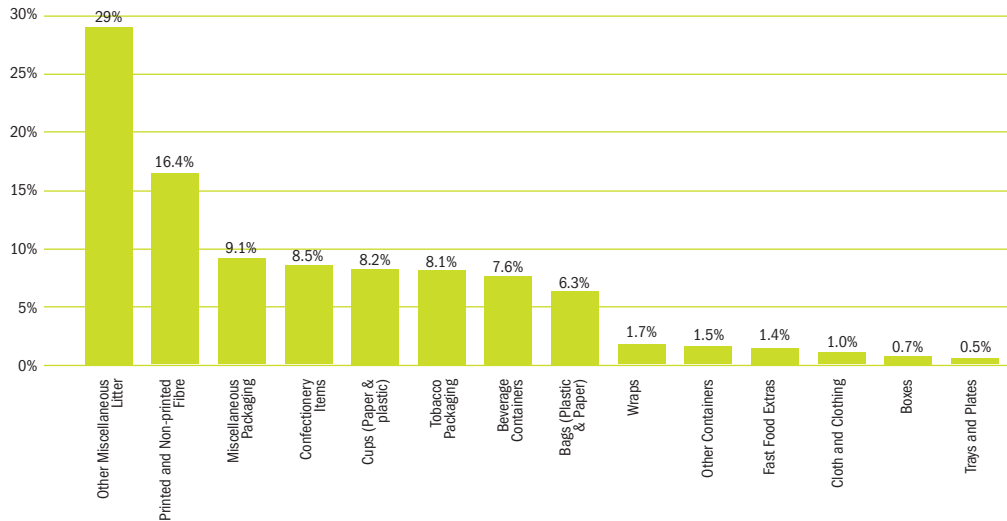
- Brokenhead Tribal Council
- Island Lakes Tribal Council
- Dakota Ojibway Tribal Council
- Southeast Tribal Council
- Fisher River First Nation

Three First Nations Communities have registered to participate in MMSM's municipal services program.

LITTER AUDITS

MMSM conducted litter audits in Winnipeg and Brandon in 2010. Key findings can be found in the charts below:

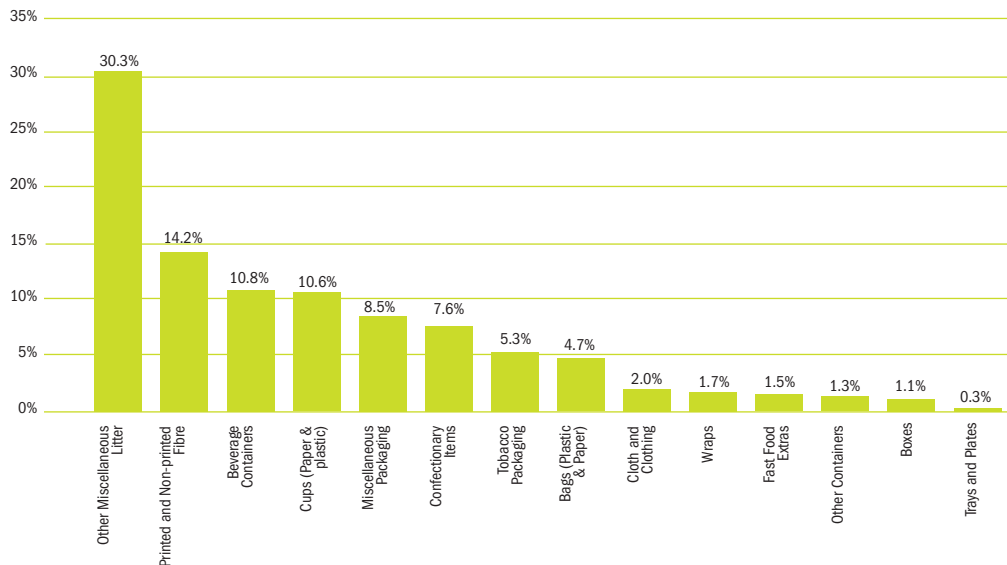
Winnipeg – 14 Major Categories of Large Litter



*Other miscellaneous litter: Misc. paper, misc. plastic, misc. cardboard, misc. paperboard, misc. glass, vehicle & road debris, tire & rubber debris, construction debris, home articles.

- Plastic litter made up 30% of large litter in Winnipeg. Plastic retail bags made up approximately 1.5% of the plastic litter, ranking 13th in this category. Of note, the same number of littered paper retail bags were found as plastic retail bags.
- Beverage containers (beer, soft drink, wine, liquor, sport drinks, milk, juice and other) made up 7.6% of the large litter in Winnipeg.

Brandon – 14 Major Categories of Large Litter



*Other miscellaneous litter: Misc. paper, misc. plastic, misc. cardboard, misc. paperboard, misc. glass, vehicle & road debris, tire & rubber debris, construction debris, home articles.

- Plastic litter made up 33% of large litter in Brandon. Plastic retail bags made up approximately 0.02% of the plastic litter, ranking 17th in this category.
- Beverage containers (beer, soft drink, wine, liquor, sport drinks, milk, juice and other) made up 10.8% of the large litter in Brandon.



Continuous Improvement Program

MMSM is committed to working with municipalities and community groups on waste management issues, identifying their requirements and providing appropriate solutions to increase their effectiveness and efficiency. Additionally, MMSM staff provide technical assistance about recycling to government and non-govern-

ment agencies across Manitoba. MMSM provides support for participating recycling programs by identifying best practices and opportunities to improve recycling programs. MMSM provides municipalities with information on end-buyers of recycled material.

2010

MANAGEMENT DISCUSSION AND ANALYSIS

The past year was a significant period for Multi-Material Stewardship Manitoba, which commenced recycling operations on April 1, 2010, for all packaging and printed paper entering the residential waste stream. MMSM had to finalize and have its program plans implemented prior to this date, including the following: potential stewards consulted and notified. Material fees assessed and communicated to stakeholders. MMSM built on the program delivery aspects of the residential collection program established by the previous program, Manitoba Product Stewardship Corp (MPSC).

MMSM's key objectives are to:

- Promote Reduction, Reuse and Recycling
- Provide stable, long term funding
- Ensure that the cost of handling designated materials is reflected in the steward fees

Research has shown that 85 % of Manitobans already recycle. They simply are not recycling all that they can. Part of our job is to ensure that we look to find ways to turn today's waste into tomorrow's consumer products.

The priority in Year One was to ensure no slippage from the previous year in the total amount of material diverted from landfills. MMSM is pleased that during its first year, the total amount of material diverted from landfill increased by 2% from the previous year.

The Packaging and Printed Paper Program (PPP) is an extended producer responsibility model – the stewards – brand owners or first importers of regulated products or packaging, are responsible for the costs of diversion. The amount of material in the marketplace that is available for collection and recycling at the end-of-life is calculated on the basis of sales into the marketplace.

One of our key performance measures is to plan and ensure that revenue matches expenses.

There are risks and uncertainties related to ensuring all stewards are captured. Prior to April 1, 2010, our Steward Services team began contacting and notifying potential stewards. This work resulted in the registration of over 800 stewards – a substantial increase from the MPSC program which only dealt with beverage stewards. Efforts are ongoing to identify “stragglers”, as all stewards who supply packaging into the province that may end up in the residential waste stream are required to discharge their obligations under the Regulation (with the exception of those stewards who fall below the de-minimus). Late registrants are obligated to the beginning of the program, April 1, 2010.

To date, MMSM has collected \$9,668,064 in steward and enhanced fees as compared to the first year budget of \$10,149,260 for 2010 obligations.

It is anticipated that the program will cost \$12.5M in 2011. A balance of accessibility, recovered tonnes, and program cost are critical to ensuring a sustainable and well-managed program.

The fee setting model has been adapted from the model used in Ontario. This model will continue to be updated for Manitoba. One of the key program principles is no cross-subsidization between materials.

The MMSM program is an integrated model – promotion and education, technical support to municipalities, steward services, waste and litter audits, and the Continuous Improvement Fund; all are designed to work together to recover the most tonnes of material at the lowest possible cost. Program efficiency and effectiveness are key internal drivers as part of this integrated approach.

The Continuous Improvement Program (CIP) is one program that has been developed to drive effectiveness and efficiency. CIP funds were used to conduct assessments of a few material recycling facilities (MRFs) to identify the potential for better processes, to improve recovery, and to increase revenue from recovered material.

One of the primary objectives is to divert materials from landfills to “3R” alternatives, and to have these related costs borne by the producers and consumers of the waste. Our strategy is to provide an effective collection infrastructure that is accessible to all Manitobans. The Blue Box is the most convenient and cost effective mechanism for delivering this service for printed paper and packaging. Currently over 91% of households in the province have access to recycling, either through curbside pickup or depots.

Municipal participation is voluntary and the entire model is based on a shared responsibility approach with industry stewards paying 80% of the net costs; municipalities pay 20% of the net costs but have almost complete control of the service level. Participating municipalities can self-manage or sub-contract their recycling programs and can choose to market their own material or have their contractor do this.

Net cost formula:

$$\begin{array}{r} \text{gross municipal program cost} \\ - \text{revenue from the sale of material} \\ + \text{municipal admin and Promotion and Education} \\ \hline = \text{net program cost} \end{array}$$

Cost control and cost management will be a major focus for MMSM in 2011 and beyond. MMSM is beginning to build a reserve fund to provide sustainable operating cash flow for the business.

An enhanced fee was collected on single-use plastic bags and beverage containers in 2010 to address the stand alone targets placed on them in the Guideline accompanying the Regulation passed by the Manitoba Government. MMSM has and will continue to track these enhanced fees separately from regular PPP fees. For the nine months of operations in 2010, these funds amounted to \$183,981 and \$381,279 respectfully. At the end of 2010, \$118,109 remained in the plastic bag fund and \$374,349 in the beverage fund. As CBCRA has taken on the responsibility for beverage container recovery and meeting the government mandated target of 75%, MMSM will discontinue the enhanced fee on beverage containers in 2011. The remaining funds in the beverage fund will be used for beverage specific initiatives, quite likely in collaboration with CBCRA.

The MMSM recovery program includes 13 materials. Consideration will be given to expanding the list of eligible materials as technologies and markets are developed for other materials.



MULTI-MATERIAL STEWARDSHIP MANITOBA INC.
Incorporated under the laws of Manitoba

Financial

Statements

December 31, 2010

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, 2010 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 principles, 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 in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

BASIS FOR QUALIFIED OPINION

Due to the self-registration of participants in the stewardship program, the completeness of revenues is not susceptible to satisfactory audit verification. Accordingly our verification of these revenues was limited to the amounts recorded in the records of the organization. We were unable to determine whether any adjustments for unrecorded revenues might be necessary to steward fees, excess (deficiency) of revenue over expenses for the year, accounts receivable and net assets.

QUALIFIED OPINION

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **Multi-Material Stewardship Manitoba Inc.** as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Canada,
May 18, 2011

Ernst + Young LLP
Chartered Accountants

MULTI-MATERIAL STEWARDSHIP MANITOBA INC.

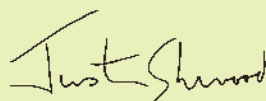
BALANCE SHEET

As at December 31

	2010 \$	2009 \$
ASSETS [note 5]		
Current		
Cash	4,538,922	1,125
Accounts receivable	285,339	12,500
Prepaid expenses and deposits	20,631	—
Total current assets	4,844,892	13,625
Capital assets [note 4]	4,154	—
	4,849,046	13,625
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	4,313,705	212,039
Industry advance contributions	—	205,000
Total current liabilities	4,313,705	417,039
Net assets		
Unrestricted	535,341	(403,414)
Total net assets	535,341	(403,414)
	4,849,046	13,625

See accompanying notes

On behalf of the Board:


Director


Director

MULTI-MATERIAL STEWARDSHIP MANITOBA INC.
STATEMENT OF OPERATIONS

Year ended December 31

	2010	2009
	\$	\$
REVENUE		
Steward fees	9,668,064	—
Other revenue	1,752	937
	9,669,816	937
EXPENSES		
Municipal programs		
Municipal support payments	6,833,781	—
	6,833,781	—
Program implementation	268,015	108,223
Program development	—	227,959
Program delivery	626,100	—
Stewards services	320,851	—
School funding	180,000	—
Promotion and education	201,532	25,340
Continuous improvement process	51,265	—
Administrative and corporate expenses	164,432	17,910
	1,812,195	379,432
Enhanced programs		
Beverage recovery	18,717	—
Plastic bags	66,368	—
	85,085	—
	8,731,061	379,432
Excess (deficiency) of revenue over expenses for the year	938,755	(378,495)

See accompanying notes

MULTI-MATERIAL STEWARDSHIP MANITOBA INC.

STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31.

	2010 \$	2009 \$
Balance, beginning of year	(403,414)	(24,919)
Excess (deficiency) of revenue over expenses for the year	938,755	(378,495)
Balance, end of year	535,341	(403,414)

See accompanying notes

MULTI-MATERIAL STEWARDSHIP MANITOBA INC.
STATEMENT OF CASH FLOWS

Year ended December 31

	2010	2009
	\$	\$
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	938,755	(378,495)
Add item not involving cash		
Amortization of capital assets	462	—
	939,217	(378,495)
Changes in non-cash working capital balances related to operations		
Accounts receivable	(272,839)	—
Prepaid expenses and deposits	(20,631)	—
Accounts payable and accrued liabilities	4,101,666	171,232
Cash provided by (used in) operating activities	4,747,413	(207,263)
INVESTING ACTIVITIES		
Purchase of capital assets	(4,616)	—
Cash used in investing activities	(4,616)	—
FINANCING ACTIVITIES		
Industry advance contributions received (repaid)	(205,000)	15,000
Cash provided by (used in) financing activities	(205,000)	15,000
Net increase (decrease) in cash during the year	4,537,797	(192,263)
Cash, beginning of year	1,125	193,388
Cash, end of year	4,538,922	1,125

See accompanying notes

MULTI-MATERIAL STEWARDSHIP MANITOBA INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2010

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*. 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

The following is a summary of significant accounting policies of MMSM:

[a] Basis of accounting

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

[b] Revenue recognition

Steward fees are recognized as revenue as stewards register with MMSM and report tonnages.

[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.

[d] Capital assets and amortization

Capital assets are recorded at original cost less accumulated amortization.

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

[e] Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

[f] Financial instruments and risk management

The Canadian Institute of Chartered Accountants ["CICA"] *Handbook Section 3861, "Financial Instruments – Disclosures and Presentation"*, requires that all financial instruments be classified into one of the following five categories: held-for-trading, held-to-maturity investments, available-for-sale financial assets, loans and receivables, and other financial liabilities.

MULTI-MATERIAL STEWARDSHIP MANITOBA INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2010

MMSM's assets and liabilities are measured as follows:

- Cash as held-for-trading and is carried at fair value.
- Accounts receivable are classified as loans and receivables and are initially measured at fair value and subsequently carried at amortized cost.
- Accounts payable and accrued liabilities are classified as other financial liabilities and are initially measured at fair value and subsequently carried at amortized cost.

The carrying values of cash, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the relative short periods to maturity of these items or because they are receivable or payable on demand.

Management has established policies and procedures to manage risks related to financial instruments, with the objective of minimizing any adverse effects on financial performance. Unless otherwise noted, it is management's opinion that MMSM is not exposed to significant interest rate, currency or credit risks arising from its financial instruments. A brief description of management's assessments of these risks is as follows:

[i] General objectives, policies and processes:

The Board of Directors and management are responsible for the determination of MMSM's risk management objectives and policies and designing operating processes that ensure the effective implementation of the objectives and policies. In general, MMSM measures and monitors risk through preparation and review of regular reports by management.

[ii] Credit risk:

Financial instruments potentially exposed to credit risk include cash and accounts receivable. Management considers its exposure to credit risk over cash to be remote as MMSM does not hold any financial instruments outside of cash in its bank account held for trading. Accounts receivable are not significantly concentrated and are monitored regularly for collections. The carrying amount of accounts receivable represents the maximum credit risk exposure.

3. CAPITAL MANAGEMENT

Capital consists of the net assets, which are managed in accordance with policies established by the Board of Directors. MMSM's objective when managing its capital is to safeguard its ability to continue as a going concern. There are no externally imposed capital requirements.

4. CAPITAL ASSETS

Capital assets consist of the following:

	Cost	2010 Accumulated amortization	Net book value	2009 Net book value
	\$	\$	\$	\$
Furniture and equipment	4,616	462	4,154	—

MULTI-MATERIAL STEWARDSHIP MANITOBA INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2010

5. CREDIT FACILITY

MMSM has a \$900,000 revolving facility convertible to a reducing term facility on April 30, 2011 which was not utilized during the year [2009 - nil]. Interest is payable at bank prime plus 0.85%. MMSM has provided a general security agreement on all personal property of MMSM as collateral for the credit facility.

6. COMMITMENTS

[a] A program management services agreement is in place with StewardEdge Inc. to provide various administrative and communication tasks to MMSM until March 2012 at a monthly amount of \$99,587. During the year, StewardEdge Inc. provided staffing, information technology, communication, program establishment and administrative services to MMSM for total remuneration of \$946,951.

[b] MMSM has entered into an operating lease for its premises for a total commitment of \$333,700. Future minimum annual lease payments over the next five years are as follows:

	\$
2011	71,500
2012	71,500
2013	71,500
2014	71,500
2015	47,700
	333,700

7. FUTURE CHANGES IN ACCOUNTING POLICIES

In November 2010, the Accounting Standards Board of the CICA issued Part III of the CICA Handbook that sets out the accounting standards for not-for-profit organizations that are effective for fiscal years beginning on or after January 1, 2012, with an option to early-adopt. MMSM is currently evaluating the impact of these standards.



Multi-Material Stewardship Manitoba

Suite 200 — 283 Bannatyne Avenue
Winnipeg, Manitoba R3B 3B2
Phone: 204.953.2010 • Fax: 204.953.2013

www.stewardshipmanitoba.org

2010