1.0   ACCOUNTABLILITY STATEMENT

The Beverage Container Management Board's (BCMB) Business Plan for the period January 1, 2006 to December 31, 2008 was prepared in accordance with the requirements of the organization's bylaws. All of the BCMB's existing and proposed policies and procedures as of January, 2006, and all of the Association's accountability obligations and relationships have been considered in preparing the BCMB's 2006 – 2008 Business Plan.

Approved by the Board of Directors,
Beverage Container Management Board

2.0   Legislative Mandate

The Beverage Container Management Board was incorporated under the *Societies Act* on October 9, 1997.

The Beverage Container Management Board was established as a management board under the *Beverage Container Recycling Regulation* pursuant to Section 168 of the *Environmental Protection and Enhancement Act* on December 1, 1997.

By Order in Council 355/2001 dated 21 August 2001, the *Beverage Container Recycling Regulation* was extended for five years to expire October 31, 2006.

The BCMB operates in accordance with the above, as well as the following by-laws set by the Board:

a)   *Beverage Container Management Board Administrative By-law.*

a)   *Beverage Container Management Board Fee By-law.*

b)   *Beverage Container Management Board Administrative Compliance By-law.*

3.0 Vision, Mission and Structure

VISION	MISSION
Be the leader in stewarding beverage containers to minimize the impact on the environment.	*Establish and administer a leading beverage container management system that is innovative, accessible, and cost effective.*

The Alberta Government has delegated the administration of the Beverage Container Recycling Regulation, as well as the maximization of the recycling of regulated beverage containers through a cost-effective system, to the Beverage Container Management Board (BCMB).

The BCMB, a partnership of representatives from the beverage manufacturers, the container depot industry, environmental organizations, municipalities, the public and the Alberta Government, is responsible for supervising the system of collection and recycling of beverage containers in the province within policy parameters established by the Minister of Alberta Environment.

The twelve member Board of Directors, composed of four members each from the beverage manufacturing sector, the depot sector and the public sector, has the following responsibilities:

a) setting criteria for the system;
b) conducting inspections;
c) registering beverage containers;
d) issuing operating permits for container depots;
e) approving the collection system agents, and;
a) maintaining a system of appeals.

Depot operators and beverage manufacturers fund the administrative costs of the BCMB through a levy based upon the returns of beverage containers.

Since its inception on December 1, 1997, the BCMB has worked to ensure that Albertans have access to an easy to use and cost-effective system of recycling for all used beverage containers.

In 2004, more than 1,327,000,000 containers, representing more than 80% of those sold, were either reused or recycled into other valuable products.

4.0 Business Plan Overview

The following is an overview of the Business Plan that the Beverage Container Management Board will follow for the next three years.

GOAL A

To continually improve the success of the beverage container recovery system in the most cost effective way.

Strategies

– develop and implement depot criteria policies to ensure a balance between service and efficiency

– develop and implement compliance initiatives for the stakeholders

– develop an evaluation framework for collection system improvements

– develop a framework for researching innovation and best-practices for beverage container management

develop an evaluation framework for consumer satisfaction

Measures

– cost per container returned

– barrels of oil saved

– avoided greenhouse gas emissions

GOAL B

To reduce the environmental impact of beverage containers in Alberta.

Strategies

– promote accessible, efficient, accurate and clean depots

– collaborate with municipalities on reduction

– develop new approaches for reducing environmental impacts of operations

– develop meaningful measures to highlight success

- develop, in partnership with stakeholders, focused public awareness/education programs

- conduct best practice assessments of other jurisdictions

Measures

- number of containers returned

- cubic metres of landfill space saved

- diversion per capita

GOAL C

To administer the Beverage Container Recycling Regulation in an increasingly effective, efficient and collaborative manner.

Strategies

- facilitate processes and practices which maximize the potential for better communication, understanding and collaboration among the major stakeholders

- promote effective stakeholder and public consultation and stakeholder participation in the establishment of system policies and procedures

- improve the monitoring of services and user satisfaction and respond effectively to system weaknesses and complaints

- monitor and insure fairness, consistency and transparency with respect to all compliance matters

- provide clear expectations and accountability systems to management and staff

- develop succession planning and risk management processes

- implement board improvement opportunities

- receive a clear audit opinion annually

Measures

- number of complaints received and resolved concerning the system

- overall public satisfaction of the system

5.0   Business Plan Detail

Goal A: **To continually improve the success of the beverage container recovery system in the most effective way.**

The mandate of the BCMB is to balance service to the consumer with the overall cost of the system. This balance is developed in large part through the development of depot criteria and operating standards that are reviewed on a regular basis.

Depot criteria and operating standards are being reviewed in 2005 with changes, as required, to be implemented in 2006.

It is important that all stakeholders are aware of the requirements relative to compliance of the system. The BCMB is developing and will communicate the obligations to the stakeholders in the form of three compliance manuals – one for the depots, a second for the collection system agents and a third to the beverage container manufacturers regarding registration requirements.

A methodology for promoting innovation and best practices will be developed through the use of the existing Industry Discussion Group composed of the stakeholders, while work will be done with the Alberta Beverage Container Recycling Corporation relative to measuring customer satisfaction with the system.

Measurements will include the number of containers returned where we will seek continuous improvement and also measure the number of barrels of energy saved as well as greenhouse gas emissions avoided.

Goal B: **To reduce the environmental impact of beverage containers in Alberta.**

There are a number of challenges faced by the stakeholders in maximizing the return of used beverage containers and hence reducing the environmental impact of beverage containers in landfills.

The problems include the customer interface at the depot itself, the need to work more closely with communities, studying other jurisdictions for best practices and developing coordinated awareness and educational programs with stakeholders as well as having meaningful measures of success.

Utilizing data from a benchmarking study commissioned by Alberta Environment in 2005, a proposed program by the Alberta Bottle Depot Association, and the marketing efforts of the Alberta Beverage Container Recycling Corporation and its own Policy to Promote Excellence, the BCMB will seek to overcome the challenges faced by the system.

Measurements will include the number of containers returned, the cubic metres of landfill space saved and the per capita diversion.

Goal C: **To administer the Beverage Container Recycling Regulation in an increasingly effective, efficient and collaborative manner.**

A review of the Beverage Container Recycling Regulation will be undertaken in 2006 and 2007 where input will be sought not only from the current body of stakeholders including depots and manufacturers, but also from the public.

The BCMB will ensure that the documents required as part of the corporate governance framework are prepared, reviewed and reported on annually in conjunction with the BCMB's annual report.

The monitoring of customer complaints as well as customer satisfaction will be reported in a manner to help improve the system for all stakeholders.

The BCMB will fulfill its responsibility to deliver effective and efficient administration and to meet its obligations associated with sound governance through stakeholder consultation and participation, succession planning and the implementation of Board improvement opportunities.

Measurement will be through the number of complaints received and resolved as well as the overall public satisfaction of the system.

6.0 Performance

In 2004, more than 1.65 billion beverage containers were sold in Alberta, an increase of 4.2% over the previous year. Almost 1.33 billion empty containers were returned representing an increase of 2.9% over the previous year.

The details for 2004 are shown below for the various container types.

MATERIAL	TOTAL UNITS SOLD	% TOTAL SALES	TOTAL UNITS RECOVERED	% TOTAL RECOVERED	RETURN RATE (%)
Aluminum Soft Drink	478,279,000	28.92	385,454,619	29.03	80.59
Aluminum Beer	347,855,112	21.03	316,553,556	23.84	91.00
Plastic	320,199,586	19.36	224,338,585	16.90	70.06
Glass	126,180,298	7.63	99,407,841	7.49	78.78
Glass Alberta Beer	170,589,924	10.31	164,232,636	12.37	96.27
Glass Import Beer	48,591,648	2.94	45,602,580	3.43	93.85
Polycoat	156,691,507	9.48	89,137,963	6.71	56.89
Bi-Metal	5,496,188	0.33	3,060,222	0.23	55.68
TOTAL	1,653,883,263	100.00	1,327,788,002	100.00	80.28

Of particular note is the fact that almost 50% of the product sold and almost 53% of the used beverage containers returned in Alberta are aluminum cans.

The major problem container types relative to the effect on the return rate include the small PET containers where sales continue to grow at a rate of almost 20% and the polycoat containers. The Alberta Beverage Container Recycling Corporation is targeting these container types through their marketing programs mainly in the educational system.

Overall, annual container return increases averaging about 3.5% (53 million more in 2004 than 2003) are not quite keeping up with sales increases of about 4% (74 million more in 2004 than 2003). This is an area that will be addressed in 2006.

Another way to look at the returns is to study not just the returns, but also to look at the containers that are not returned so as to be able to develop a strategy for increasing the return of used beverage containers. This is done in the following table.

CONTAINERS NOT RECOVERED IN 2004

MATERIAL	TOTAL UNITS SOLD	TOTAL UNITS RECOVERED	TOTAL NOT RECOVERED	% NOT RETURNED
Aluminum Soft Drink	478,279,000	385,454,619	92,824,381	28.46
Aluminum Beer	347,855,112	316,553,556	31,301,556	9.60
Plastic	320,199,586	224,338,585	95,861,001	29.40
Glass	126,180,298	99,407,841	26,772,457	8.21
Glass Alberta Beer	170,589,924	164,232,636	6,357,288	1.95
Glass Import Beer	48,591,648	45,602,580	2,989,068	0.92
Polycoat	156,691,507	89,137,963	67,553,544	20.71
Bi-Metal	5,496,188	3,060,222	2,435,966	0.75
TOTAL	1,653,883,263	1,327,788,002	326,095,261	100.00

Aluminum soft drink, plastics and polycoat containers represent 78.57% or more than 256,000,000 of the containers that were not returned for deposit by consumers in 2004.

It is interesting to note that it is these particular container types that are not restricted relative to location of consumption as are alcoholic beverages which can be consumed only in the home and in licensed premises.

The challenges faced by the industry include the lack of understanding of the benefits of recycling by the public; how to collect containers from multi-tenant dwellings where storage is a problem; how to do more promotion at the local level; and how to expand the school program specifically for collecting polycoat containers.

7.0   Financial

The following pages detail the financial plan for 2006 – 2008.

For 2006, we have forecast for a repeat of the data collection process relating to handling commissions even though we have not finalized the process from the first round of data. In addition, we have forecast expenditures for the Handling Commissions Review Panel and the Arbitration Panel which are the next phases in the handling commission process.

We have also budgeted for the Regulatory Review which we understand will be postponed until 2007 due to the ongoing work being carried out on the handling commission issue. Work will commence in late 2006 for the Regulatory Review with the final report provided to Alberta Environment in late spring of 2007.

Projects budgeted for in 2006 include the upgrade of the Depot Information System ($80,000), and funding for the Alberta Bottle Depot Association for a depot training and safety program ($40,000) which is also being supported by $40,000 from the Alberta Beverage Container Recycling Corporation and $20,000 from the Alberta Bottle Depot Association.

BCMB 2006-2008 BUDGET

REVENUES	2005 Budget	2006 Budget	2007 Budget	2008 Budget
Container Fees	$1,204,474.50	$1,334,959.00	$1,375,007.77	$1,416,258.00
Product Registration Fees	$ 35,000.00	$ 40,000.00	$ 41,200.00	$ 42,436.00
Depot & Application Package Fees	$ 3,000.00	$ 4,000.00	$ 4,120.00	$ 4,243.60
Interest Revenue	$ 1,000.00	$ 5,000.00	$ 5,150.00	$ 5,304.50
Miscellaneous Income/Levies	$ 2,500.00	$ 3,000.00	$ 3,090.00	$ 3,182.70
TOTAL REVENUE	$1,245,974.50	$1,386,959.00	$1,428,567.77	$1,471,424.80

EXPENSES

	2005 Budget	2006 Budget	2007 Budget	2008 Budget
Payroll/Benefit Expense	$ 435,000.00	$ 445,000.00	$ 458,350.00	$ 472,100.50
Director's Honoraria	$ 30,000.00	$ 25,000.00	$ 25,750.00	$ 26,522.50
Director's Expenses	$ 30,000.00	$ 25,000.00	$ 25,750.00	$ 26,522.50
Professional Fees				
Legal	$ 90,000.00	$ 70,000.00	$ 72,100.00	$ 74,263.00
Auditors	$ 7,000.00	$ 7,000.00	$ 7,210.00	$ 7,426.30
Other Consultants	$ 15,000.00	$ 25,000.00	$ 25,750.00	$ 26,522.50
Insurance/Licenses	$ 15,000.00	$ 15,000.00	$ 15,450.00	$ 15,913.50
Staff Travel Expenses	$ 50,000.00	$ 40,000.00	$ 41,200.00	$ 42,436.00
Office Rent/Parking	$ 55,000.00	$ 55,000.00	$ 56,650.00	$ 58,349.50
Office Supplies	$ 20,000.00	$ 15,000.00	$ 15,450.00	$ 15,913.50
Repair & Maintenance	$ 5,000.00	$ 5,000.00	$ 5,150.00	$ 5,304.50
Telephone/Fax/Modem/Cell	$ 20,000.00	$ 15,000.00	$ 15,450.00	$ 15,913.50
Courier/Postage	$ 10,000.00	$ 10,000.00	$ 10,300.00	$ 10,609.00
Advertising & Promotion	$ 70,000.00	$ 65,000.00	$ 66,950.00	$ 68,958.50
Web Site Development	$ 10,000.00	$ 5,000.00	$ 5,150.00	$ 5,304.50
Training/Subscriptions/Conferences	$ 10,000.00	$ 10,000.00	$ 10,300.00	$ 10,609.00
Arbitration / Appeals	$ 75,000.00	$ 65,000.00	$ 66,950.00	$ 68,958.50
FOIP/Accountability	$ 2,000.00	$ 2,000.00	$ 2,060.00	$ 2,121.80
Refund Compliance	$ 40,000.00	$ 40,000.00	$ 41,200.00	$ 42,436.00
Miscellaneous Expense	$ 2,000.00	$ 2,000.00	$ 2,060.00	$ 2,121.80
Bank Charges / Interest Exp.	$ 2,000.00	$ 2,000.00	$ 2,060.00	$ 2,121.80
TOTAL EXPENSES	$ 993,000.00	$ 943,000.00	$ 971,290.00	$1,000,428.70

PROJECTS

	2005 Budget	2006 Budget	2007 Budget	2008 Budget
Handling Commissions				
Data Collection Agent	$ 450,000.00	$ 200,000.00	$ 250,000.00	$ 250,000.00
HCRP	$ 60,000.00	$ 250,000.00	$ -	$ -
Arbitration	$ -	$ 180,000.00	$ -	$ -
Specialized Consultants	$ 50,000.00	$ 25,000.00	$ -	$ -
Legal	$ 100,000.00	$ 80,000.00	$ 50,000.00	$ 50,000.00
Depot Criteria Review	$ 60,000.00	$ 30,000.00	$ 30,000.00	
Depot Information System		$ 80,000.00		
ABDA Video Project		$ 40,000.00		
Regulatory Review		$ 40,000.00	$ 40,000.00	
Specialized Projects		$ 25,000.00	$ 100,000.00	$ 100,000.00
TOTAL PROJECTS	$ 720,000.00	$ 950,000.00	$ 470,000.00	$ 400,000.00

| BUDGETED CASH FLOW | $ (467,025.50) | $ (506,041.00) | $ (12,722.23) | $ 70,996.10 |

Depreciation Expense	$ 10,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00
Adjustment/Write-off	$ 500.00	$ 500.00	$ 500.00	$ 500.00
BUDGETED SURPLUS/DEFICIT	$ (477,525.50)	$ (526,541.00)	$ (33,222.23)	$ 50,496.10

BCMB 2006 - 2008 CAPITAL BUDGET

	2005 Budget	2006 Budget	2007 Budget	2008 Budget
Computers	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00
Furniture/Fixtures	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00
Leases	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00
TOTAL CAPITAL BUDGET	$ 30,000.00	$ 30,000.00	$ 30,000.00	$ 30,000.00