Beverage Container Management Board

2020-2022 Business Plan

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Contents:

Introduction

The Beverage Container Management Board (BCMB) is a Delegated Administrative Organization (DAO) created through legislation to aid the Ministry of Environment and Parks in achieving its goals and objectives. The Ministry provides authority to DAOs to carry out specified functions described in legislation, regulation or memorandum of understanding. These organizations function as arms-length, self-funded, legal entities established to carry out services/mandates that were traditionally delivered by the Alberta Government.

The BCMB is a not-for-profit association incorporated under the Societies Act of Alberta. The organization's membership and Board of Directors includes four representatives of Alberta beverage manufacturers, four representatives of Alberta depots, four representatives from the public (environmental organizations, municipalities and interested citizens) and one non-voting representative from the Government of Alberta. The BCMB is charged with the responsibility of regulating and delivering Alberta's beverage container system. Since its inception on December 1, 1997, the BCMB has worked to ensure that Albertans have access to a convenient, innovative and cost-effective system for recycling and reusing used beverage containers.

The BCMB operates in accordance with the following by-laws that were approved by the Board of Directors:

- Collection Service Provider By-law (June 20, 2018);
- Collection System Agent By-law (February 1, 2019);
- Depot By-law (February 1, 2019);
- Fee By-law (February 1, 2019);
- Handling Commission By-law (February 1, 2019);
- Manufacturer and Retailer By-law (February 1, 2019); and
- Societies Act Bylaw (June 19, 2019).

Accountability Statement

The BCMB Business Plan for the period January 1, 2020 through December 31, 2022 was prepared in accordance with the requirements of the Beverage Container Recycling Regulation, as amended, which was enacted under the *Environmental Protection and Enhancement Act* and the organization's bylaws. The BCMB's existing and proposed policies and procedures, as of November 2019, and the Board's accountability obligations, responsibilities and relationships have all been considered in the preparation of this Business Plan. As well, the Government of Alberta's and Ministry of Environment and Parks' 2019-2023 Business Plans and priorities were considered.

The BCMB is committed to achieving the planned results laid out in its Business Plan and will continue to work with the Ministry of Environment and Parks towards achieving "*environment and ecosystem health and integrity, sustainable economic development and public well-being.*"[1]
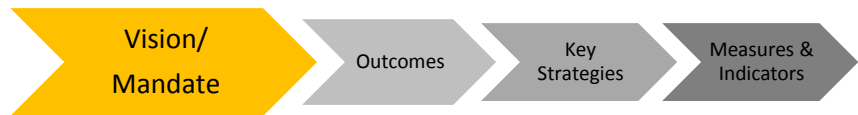
Approved by the Board of Directors:

Beverage Container Management Board

Per: Andrew Stephens
      Chair

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[1] *Alberta Environment and Parks 2019-2023 Business Plan, p. 67.*

Vision and Mandate

The 2020-2022 BCMB Business Plan focuses on enhancing and strengthening core business functions. The plan continues to demonstrate alignment from mandate to end reporting, ensuring our efforts are supported by the Board and stakeholders and places specific focus on outcomes, key strategies, and performance measures and indicators.

Vision/ Mandate → Outcomes → Key Strategies → Measures & Indicators

Our Vision

To be the leader in stewarding beverage containers to minimize their impact on the environment.

Our Mandate

To regulate and enhance a leading beverage container system that protects Alberta's environment.

Value Statements

The BCMB's Vision and Mandate are clarified through the following eight value statements:

a. ***We value*** higher return rates. Our efforts will focus on the highest possible return of containers, while minimizing the impact of the system on the environment.

b. ***We value*** accessible, quality, convenient and safe service from depots. Customers should have a barrier free experience when supporting the environment by returning their beverage containers to a depot.

c. ***We value*** secure, cost effective container collection, processing and recycling. We will effectively regulate and steward the system from registration of beverage containers through to end of life.

d. ***We value*** greater awareness and public participation. We will educate retailers on the necessity of advertising the deposit, inform consumers on the environmental, economic and social benefits of recycling beverage containers, and encourage participation regardless of where beverages are consumed.

e. ***We value*** strong alignment among system stakeholders. A collaborative industry with open communication that works from a common framework will be better prepared to succeed.

f. ***We value*** innovation and technology driven efficiency. Our industry will remain responsive to opportunities to advance the effectiveness of our system.

g. ***We value*** consistent, fair and firm enforcement of meaningful standards for manufacturers, retailers, depots, Collection Service Providers and the Collection System Agent. Our practices will foster adherence to these standards.

h. ***We value*** financial transparency. As the regulator of the beverage container system in Alberta, we will be responsible stewards of the monies managed by the system on behalf of Albertans. All of our stakeholders will be appropriately informed of the financial transactions involved in the Regulation.

Outcomes

The BCMB's vision and mandate are achieved through five interconnected and desired outcomes for Alberta's beverage container system as seen in the diagram below *(Page 8 explains each outcome in detail).*

In collaboration with the Alberta Beverage Container Recycling Corporation (ABCRC) and the Alberta Bottle Depot Association (ABDA), the BCMB is focused on environmental protection, system transparency and accountability, and quality service to the public. Collectively, we have agreed to pursue these outcomes and work together to grow and improve Alberta's beverage container system.

Description of Five Desired Outcomes

Environmental Protection

The BCMB recognizes the importance of protecting and enhancing Alberta's environment through sustainable practices. We will reduce the impact of beverage containers on the environment by minimizing the number of beverage containers discarded as litter, diverting beverage containers from the waste stream, enabling the reuse of containers, and protecting and ensuring the use of recycled container materials.

Fiscal Stewardship

The BCMB accepts the challenge as a leading regulator to be fiscally responsible. Through sound risk management, clear reporting, and full transparency and accountability, we will seek to minimize risk and cost to the system and engage partners through sound communication.

Governance Excellence

The BCMB is committed to effective regulatory oversight of all aspects of the life cycle of beverage containers in Alberta, from registration of new containers through to end of life. Through a management system framework, we will strive for a standard of excellence and ensure performance measures deliver outcomes consistent with this standard by all stakeholders.

Customer Excellence

The BCMB understands the importance that continuous improvement has relative to customer satisfaction and the achievement of our other goals. We will have clear expectations of, and hold ourselves accountable to, high levels of quality assurance for all stakeholders involved, in all areas of service delivery.

System Efficiency and Effectiveness

The BCMB is dedicated to finding ways of increasing system efficiency and effectiveness and reducing costs. The system will be enhanced through the encouragement and facilitation of innovation and adaptation among its stakeholders and through research technology available to support this goal.

Key Strategies

Our desired outcomes will be realized with purposeful attention to the key strategies set out for each outcome.

Outcome	Key Strategy	
ENVIRONMENTAL PROTECTION Reduce Impact	**Minimize Impact**	Minimize the environmental impact of beverage containers through reuse and recycling
	Sustainability	Improve sustainability of beverage container system
	Reduce Footprint	Reduce environmental footprint of the system
FISCAL STEWARDSHIP Risk Management	**Accountability**	Introduce accountability measures to minimize system risk
	Reporting	Report clearly on the achievement of our mandate and government expectations
	Transparency	Maintain full transparency regarding operations and financing
GOVERNANCE EXCELLENCE Management Systems	**Compliance**	Achieve a high degree of compliance with operating and reporting requirements
	Integration & Alignment	Ensure a high level of integration and alignment with By-laws, policies, and operations
	Communication	Deliver timely, clear and effective communication
	System Integrity	Ensure stakeholder trust through system integrity
CUSTOMER EXCELLENCE Continuous Improvement	**Satisfies**	Deliver a system that satisfies stakeholder expectations
	Quality	Ensure quality service to the public
	Awareness	Achieve widespread awareness of the importance of the system
	Accessible	Deliver a beverage container management system that is accessible
SYSTEM EFFICIENCY & EFFECTIVENESS Innovation & Adaptation	**Innovation**	Encourage innovation and continuous improvement
	Responsiveness	Demonstrate responsiveness to changing needs
	Technology	Capitalize on technological advancement
	Cost Effective	Operate a system that is cost effective

Alberta Environment and Parks' 2019-2023 Business Plan emphasizes *"the interests of Albertans in delivering a balanced, common-sense and results-based approach to the stewardship of Alberta's environment while enabling sustainable resource development that supports social and economic well-being."*[2] As a DAO, the BCMB places specific emphasis on helping Alberta Environment and Parks and the Government of Alberta achieve their stewardship goals through efforts to increase the return rate for beverage containers and to include as many containers as possible in the beverage container recycling system. Our vision is *to be the leader in stewarding beverage containers to minimize their impact on the environment.* To achieve this, we use industry collaboration and awareness programs to enhance the public's knowledge about recycling and to provide Albertans with convenient access to depots where they can return their used beverage containers for a refund. Additionally, beverage containers are a resource and have created their own economy in Alberta through the beverage container recycling system.

The BCMB understands the importance of balancing efforts to steward beverage containers in every community in Alberta with sustainable practices. Outcome Two in Environment and Parks' 2019-2023 Business Plan states that, "e*nhanced economic development opportunities will also be supported through . . . the reduction of unnecessary regulatory and process burdens while still protecting environmental and social needs.."*[3] To this end, BCMB's desired outcomes and key strategies direct us to: encourage innovation and continuous improvement; demonstrate responsiveness to changing needs; operate a system that is cost effective; and satisfy stakeholder expectations.

The BCMB's 2020-2022 Business Plan continues to focus on core business functions and operational goals. The BCMB will continue to strategically focus on accessibility for Albertans, transparency of information and process, mitigate risk related to fraud, and monitor compliance practices.

The three-year Business Plan considers long, mid and short-term activities. Long-term activities are designed to meet mandate and regulatory functions of the BCMB, whereas mid-term and short-term strategies and projects are executed to respond to a need or opportunity in the industry, to create and/or evaluate effectiveness or efficiency, to generate awareness or to develop meaningful standards for the purposes of program development.

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[2] *Alberta Environment and Parks 2019-2023 Business Plan, p. 67.*

[3] *Alberta Environment and Parks 2019-2023 Business Plan, p. 70.*

Core Business Functions

The BCMB has several core business functions designed to focus the day to day efforts of the Board, Management and staff on advancing the mandate of the organization.

a. Optimize beverage container recovery and recycling by diverting material from landfills to reduce the environmental impacts of ready-to-serve beverage containers and to provide manufacturers with a source of clean, recyclable materials or reusable containers.

b. Approve and register beverage containers for sale and/or distribution within the province of Alberta.

c. Monitor the effectiveness and efficiency of depot operations to achieve safe, convenient and accessible service for the public.

d. Collaborate with the Collection System Agent[4] and the ABDA on system communications, including: marketing, advertising, promotion, and innovation. This includes promoting the industry through the "Depot, It's Worth It" brand.

e. Ensure compliance of the CSA, Collection Service Providers (CSPs), manufacturers, their agents, retailers and depots as it pertains to the manner and frequency of container collections, payments, recycling and follow through on non-compliance.

f. Set the amounts and process by which a depot or retailer gets paid by the CSA/CSP(s) for container collection and handling (handling commissions).

g. Ensure accurate refunds are paid to customers at depots to enhance public confidence in the system.

h. Administer the Quality Monitoring System (QMS) for the purposes of measuring performance related to service and issue resolution, enhancing communications and transparency between stakeholder groups, and increasing efficiency and effectiveness in the industry.

i. Conduct public and stakeholder surveys to measure the public's experiences at depots, to determine why they do or do not recycle and to better understand the experience of, and issues for, our stakeholders in this industry.

j. Utilize management systems as a means of achieving a standard of excellence in all areas of BCMB's jurisdiction.

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[4] *The CSA – the Alberta Beverage Container Recycling Corporation (ABCRC) – is currently the Collection System Agent for all non-refillable beverage containers in Alberta. Refillable containers are managed by Collection Service Providers (CSPs).*

Strategic Activities

Strategic activities are generally short to medium in term and may be a continuation of projects from the previous business plan or related to BCMB staff operations that demonstrated success. The activities support our key strategies and have an information, communication, and reporting focus.

a. Continue to collaborate on joint communications and initiatives with other recycling, environmental and regulatory organizations.

   Customer Excellence: *awareness*

b. Gather and analyze system information reporting on issues within the industry and provide clear records on individual and collective performance to improve effectiveness and efficiency.

   Fiscal Stewardship: *transparency;* Governance Excellence: *communication;* System Efficiency and Effectiveness: *innovation*

c. Enhance transparency and communication with stakeholders and the public by providing up-to-date and relevant information on our website, maintaining a publicly accessible database of all registered beverage containers, and offering opportunities for stakeholder groups to provide feedback on the performance of their industry partners.

   Governance Excellence: *system integrity;* Customer Excellence: *satisfies, awareness*

d. Through board and industry committees, events and communication tools, work to collaborate on innovation, best practices, risk mitigation and issue resolution in a timely and effective manner.

   Governance Excellence: *communication, system integrity*, *compliance;* Customer Excellence: *satisfies, awareness*

e. Maintain an online registration process and database that is intuitive and accessible to manufacturers and depots for the registration and identification of beverage containers.

   Governance Excellence: *system integrity;* Customer Excellence: *satisfies, accessible;* System Efficiency and Effectiveness: *cost effective*

f. Review and update internal policies and operating procedures to more effectively monitor industry improvements and new compliance mechanisms to ensure achievable standards and clarity of expectations for the beverage container system in Alberta.

Governance Excellence: *compliance, integration and alignment, communication, system integrity*

2020 - 2022 Projects

In addition to our core business functions and strategic activities, the BCMB may engage in projects designed to enhance our efforts to achieve the desired outcomes of the BCMB. In 2020, the BCMB will:

1. Continue the development of a mobile application for the Quality Monitoring System;
2. Continue a facilitated Registrations Stakeholder Review to potentially include more beverage products in our system;
3. Continue research into the viability of the small depot network;
4. Upgrade the BCMB's Content Record Management (CRM) System.

Quality Monitoring System (QMS) Mobile Application Development

Together with key stakeholder groups, the BCMB is continuing the development of a mobile application for the quick and efficient use of the QMS. The QMS is the industry issues management tracking and resolution system. Mobile use by industry stakeholder groups has significantly increased, as has the need for immediate and convenient access to reporting and resolving operational issues. The mobile application becomes essential for those operating a depot where internet access is only available through mobile data.

Timeline: 15 months (January 2019 to March 2020)

Governance Excellence: *system integrity;* Customer Excellence: *satisfies, accessible;* System Efficiency and Effectiveness: *responsiveness*

Registrations Stakeholder Review

With its key stakeholder groups, the BCMB will continue a facilitated Registrations Stakeholder Review of the types of containers included in the Alberta beverage container recycling system. The project's goal is to develop clear expectations for all stakeholders on what containers should be registered and eligible for a refund at a depot.

Timeline: 12 months (May 2019 to June 2020)

Environmental Protection: *reduce footprint;* Governance Excellence: *system integrity;* Customer Excellence: *satisfies;* System Efficiency and Effectiveness: *innovation, responsiveness*

Small Depot Viability

In collaboration with its industry partners, the BCMB will identify small depot viability issues for small volume depots and consider solutions for maintaining the optimum number of depots in Alberta through BCMB policy, by-law and operating principles. 2020 will see a review of the criteria for siting metro and rural depots to determine if changes in industry trends and needs warrant a revision to the criteria.

Timeline: unknown (March 2018 to unknown)

Environmental Protection: *sustainability;* Fiscal Stewardship: *accountability;* Governance Excellence: *system integrity;* Customer Excellence: *quality, accessible*

Content Record Management System Upgrade

The BCMB will be undertaking an in-depth review of its CRM, followed by a software upgrade and possible expansion, including a data migration to the upgraded CRM. The upgrades will allow the BCMB to centralize its data management, reporting, and communication in order to improve efficiency and transparency.

Timeline: 15 months (January 2020 to March 2021)

Fiscal Stewardship: *accountability;* System Efficiency and Effectiveness: *innovation, responsiveness, technology*

Financial Plan

Statement of Operations

The budget for the 2020 – 2022 Financial Plan is outlined in Tables 1 – 3.

2020 – 2022 Expenditures (Table 1)

Operating Expenditures	2019 Forecast	2020 Budget	2021 Budget	2022 Budget
Salaries and benefits	$1,406,573	$1,595,909	$1,655,021	$1,716,401
Training and development	38,631	60,000	45,000	60,000
Board of Directors' honoraria and expenses	107,229	94,840	109,752	94,385
Professional fees	825,828	955,380	764,780	804,180
Communications	78,545	158,890	158,507	163,262
Travel	67,085	73,793	73,793	73,793
Office	174,287	178,320	176,703	180,103
Insurance and licences	17,405	18,816	19,757	20,745
Meetings	75,712	63,680	80,680	63,680
Depreciation	48,335	39,105	37,210	15,047
Information system maintenance	60,018	133,000	133,000	133,000
Total Operating Expenditures	**$2,899,649**	**$3,371,733**	**$3,254,202**	**$3,324,596**
Project Expenditures	2019 Forecast	2020 Budget	2021 Budget	2022 Budget
Total Project Expenditures	**$120,629**	**$340,000**	**-**	**$100,000**

2020 – 2022 Revenues (Table 2)

Revenue	2019 Forecast	2020 Budget	2021 Budget	2022 Budget
Container fees[5]	$2,561,000	$3,136,240	$3,112,056	$3,089,099
Permit fees	42,400	44,500	46,200	53,400
Compliance fees	27,510	38,000	38,000	38,000
Product registration fees	123,548	128,996	133,996	138,996
Interest and other	68,235	63,347	63,347	63,347
Total Revenue	**$2,822,693**	**$3,411,083**	**$3,393,599**	**$3,382,842**

2020 – 2022 Excess of Revenues over Expenditures (Table 3)

Excess of revenues over expenditures (expenditures over revenues) for the period	2019 Forecast	2020 Budget	2021 Budget	2022 Budget
	$(197,584)	$(300,651)	$139,397	$(41,754)

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[5] *Assumes container fees at .0016 per container in each of the three years.*

Performance Reporting

The overarching, desired outcome of beverage container recycling is the minimization of waste and the utilization of beverage containers as a resource through their reuse and recycling. This aligns directly with Alberta Environment and Parks' desired outcomes[6] of environment and ecosystem health and integrity, sustainable economic development and public well-being.

Albertans are proud of their beverage container system and the benefits it provides to the environment. The performance of the system has broadly been measured using a single key performance indicator – the return rate. While the return rate provides all stakeholders, at all levels, with a useful metric on the state of the system, it only tells part of the story. In addition to the environmental benefits of the system, Albertans also enjoy economic and social benefits. Other performance indicators (PIs) and performance measures (PMs) are used by the BCMB for internal management (auditing and improvement), external comparisons (benchmarking) and transparency (public reporting).

Performance measures track our progress toward achieving results that reflect the influence the BCMB has on Albertans' recycling behaviors, awareness, knowledge, and attitudes. These measures can be attributed to the influence of our operation and our role as the system regulator. Relevant targets have been set for performance measures.

Performance indicators track our progress in achieving ultimate outcomes like environmental, social, and economic sustainability. Performance indicators are highly influenced by numerous external factors, so performance targets are not set. However, results for five years (where available) are reported to provide a comparison and snapshot of progress on those indicators.

To increase consistency in performance reporting and to better align with Government of Alberta reporting standards, our 2020-2022 Business Plan has been updated significantly from the 2019-2021 Business Plan. What were previously referred to as goals, objectives and strategies are now outcomes and key strategies in keeping with Government of Alberta business plan standards. We have identified both PIs and PMs, as defined above, and included the methodology for each measure. The last actual three years or targets have been provided for PMs and where available, five years of actuals have been reported for all PIs. This also aligns with the performance reporting used in our 2018 Annual Report (and that will be used in all annual reports moving forward).

The BCMB is continuing its work to develop new measures of progress related to our five outcomes and associated key strategies that aid in the accomplishment of our mandate and that works to move the system towards our vision. This Business Plan strategically identifies core functions (long term), strategic activities (mid-term), and projects (short term) as actions that progress us toward achieving those outcomes and key strategies. For each action, a charter has been created that includes among other things, links to outcomes and key strategies, scope, expectations, risks, and assessment practices that gathers data related to performance measurement.

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[6] *Alberta Environment and Parks 2019-2023 Business Plan*

Outcome 1 – Environmental Protection

KEY STRATEGY: Minimize Impact

Performance Indicators	% of all containers returned in 2018	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018
Overall return rate	100%[7]	83.3%	85.0%	86.2%	85.5%	86.0%
Return rate: *Number of containers returned through depots compared to sales reported by manufacturers for the same period.[8]*						
Cans & Glass (includes refillable)	58.7%			91.8%	90.3%	90.6%
Plastics	32.9%			81.0%	81.9%	82.5%
Polycoats	8.4%			72.3%	71.3%	72.3%

Return Rate: For the past several years the efforts of the industry to improve awareness and recovery of used beverage containers has been focused on the poorer performing materials and depot location/access. The return rate is forecasted based on historical returns as compared to sales and adjusted for the expansion in the network of depots over the course of the next three years.

KEY STRATEGY: Reduce Footprint

Performance Indicators	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018
Distance per container	1.76 meters	1.74 meters	1.41 meters	1.35 meters	1.45 meters
Landfill space saved			469,086 tonnes	465,593 tonnes	451,453 tonnes

Distance per container: a comparison of the distance a container travels to end up in the landfill and the distance it travels to get recycled offers a broad metric that incorporates several aspects of sustainability. Localized access to recycling services (or improved access or convenience) will reduce the distance required to recycle as will the use of local markets for salvage of materials. Conversely, if a landfill gets farther from the waste generator then that will also improve the performance of recycling with the goal of having the distance a negative value. For example: making it more difficult to landfill containers, either through greater distance or lack of accessibility, and making it more convenient to recycle containers should increase the recycling rate. For now, the measure is limited to the average distance a container travels from the depot to the processing plant (1.45 meters in 2018) or the total distance for all loads from depots divided by the number of containers that made the trip. This number has increased in part due to the declining return rate within Edmonton and Calgary.

Landfill space saved: Used beverage containers are not typical of the municipal solid waste (MSW) stream

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[7] *For the 12-month period ending September 2019, the total system volume equated to 2.006 billion containers returned.*

[8] *Actuals for 2014 and 2015 have been omitted from this report based on regrouping of the container categories in 2017.*

when it comes to the space they occupy in a landfill. Materials such as plastic and aluminum have densities far less than the average MSW. This means that when a tonne of material that is lighter and fluffier than the rest of the waste stream is removed from that mix of waste it can make room for more than the equivalent weight of the rest of the material needing to be landfilled. This metric considers all materials included in the system compared to the typical density of MSW.

Outcome 2 – Fiscal Stewardship

KEY STRATEGY: Accountability

Descriptor Only

Accountability: The BCMB is accountable to its stakeholders. To this end, senior management worked with the Board to develop and approve an annual operating budget and three-year business plan that is submitted to the Ministry of Environment and Parks on an annual basis. The Board undertakes a full review of all value statements, outcomes, and key strategies every second year. The BCMB undergoes an external audit each year and the Board reviews and approves financial statements and applicable policies quarterly. Accountability measures also include the responsibility of the BCMB to identify and mitigate risk for the beverage container system in Alberta. As part of this accountability, BCMB senior management undertake quarterly risk reviews and maintain a risk register that is reviewed and updated by the Board on an annual basis.

KEY STRATEGY: Reporting and Transparency

Performance Indicators[9]	Actual 2015	Actual 2016	Actual 2017	Actual 2018
Net system cost: total of all costs and offsetting revenues in dollars per container				
	$0.0267	$0.0315	$0.0280	$0.0263
Net system cost by container type				
Cans and Glass	$0.0276	$0.0207	$0.0154	$0.0140
Plastics	$0.0438	$0.0468	$0.0465	$0.0452
Polycoats	$0.0276	$0.0339	$0.0438	$0.0445

Net Cost: The system is funded in three ways: Container Recycling Fees (CRF) paid by consumers at the point of purchase (which may be zero), the unredeemed deposits forfeited by consumers who paid it at point of purchase and abandoned the container, and the salvage value of the materials recovered and recycled. The true net cost is the CRF as the other revenues are derived from the system's activities. Several factors are beyond the control of the system such as the exchange rate and scrap value of materials, both of which can be volatile. This metric also considers that as the return rate increases, funding provided by unredeemed deposits decreases. This means that the consumer must pay a higher CRF to protect the environment where the container is consumed.

KEY STRATEGY: Reporting and Transparency

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[9] *Actuals for 2014 are not included as the BCMB regrouped the container categories in 2017 due to the focus by industry for the past several years on poorer performing materials.*

Performance Measures	Last Actual 2018	Target 2020	Target 2021	Target 2022
Collection System Agent Compliance:				
Payment Compliance: The percent of all payments made to depots within the industry standard	99.7%	100%	100%	100%
Collection Compliance: The number of reported loads **not** picked up from depots within the industry standard	14	10	8	6
Operating Compliance: The inspection score based on agreed performance standards (Calgary/Edmonton)	81% (Calgary) 85% (Edmonton)	83% (Calgary) 85% (Edmonton)	85% (Calgary) 87% (Edmonton)	87% (Calgary) 90% (Edmonton)

CSA Compliance: The depot is required by the Regulation to refund the deposit value of containers when returned by the public. The CSA is also required to operate according to standards set by the industry for collection from and payment to depots, which includes the refund of the deposit and a handling commission paid to each depot for each container collected. The standard set by the industry for payment is nine days.

The CSA has continued to improve their performance in recent years, achieving 99.7% in payment compliance for 2018 with 105 late payments on more than 33,000 loads. Payment non-compliance during this period was largely due to challenges created by the CSA's implementation of new software (a program called "NAV"). The 2020 target expects the issues related to NAV and payments to be resolved and aims for perfect payment compliance.

The standard set by the industry for collection is determined based on the volume of the depot, the scheduling of appointments, and the adherence to that schedule. The number of reported loads not picked up from depots increased from 12 in 2017 to 14 in 2018. Collection non-compliance as of October 2019 is 9 and we estimate a final non-compliance rate of 11 by the end of 2019. The target set for 2020 expects that the trend toward improvement in carrier communication and reliability continues.

An operating agreement signed by the CSA commits the CSA to performance standards regarding service to depots and operations. The BCMB regularly inspects both Calgary and Edmonton CSA plants for adherence to these standards. This is a collaborative process that is intended to reduce risk and serves as a feedback mechanism to the CSA to enhance efficiencies. A similar operating agreement for a large CSP was signed in February 2019.

Outcome 3 - Governance Excellence

KEY STRATEGY: Compliance

Performance Indicators	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018
Depot Compliance:[10]					
Refund Compliance: The % of audits conducted that were refunded within industry standard			87%	88%	79%
The % of audits conducted that were refunded within the industry standard of excellence			77%	79%	70%
Quality Compliance: Shipments of containers from depots within industry standard			90%	91%	87%
Inspection Compliance: The % of depots scoring above the industry standard based on industry approved criteria			87%	80%	76%
Average actual depot inspection score of the poorest performing depots (bottom 25%)			74%	87%	90%

Refund Compliance: Anonymous audits are conducted on depots to ensure consumers are receiving the correct refund value for the containers they return. To meet industry standard, a depot must provide a refund to the auditor within +/-$0.50 of the actual (pre-counted) amount. To achieve the industry standard of excellence, a depot must refund an auditor within +/-$0.25 of the actual refund amount.

In 2018 the BCMB completed 219 audits, a slight increase from the 198 audits completed in 2017. The BCMB was anticipating a sustained increase in the number of audits performed in 2019 and in repeat audits for lower-performing depots. However, unanticipated difficulty in securing and retaining auditors, as well as challenges related to the purchase of containers resulted in fewer refund compliance audits being performed than planned. To address the issue for 2020, the creation of a memorandum of understanding with ABCRC for the acquisition of containers has been developed and a new recruitment and retention plan is in place for auditors.

Quality Compliance: The CSA audits approximately 30,000 or about 2% of the more than 1.5 million megabags shipped annually from depots. The results of these audits are reported to the BCMB to work with the depots when elevated variances occur. The performance indicator reflects the number of audits that are reported as outside of industry standard compared to whole loads shipped over the same period. Future reporting on quality may include an assessment of the impact from a financial perspective.

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[10] *Depot compliance metrics have been updated to align with reporting in the 2018 Annual Report and adjustments to more clearly identify PMs and PIs. A new inspection process was implemented in 2017 that ties scoring directly to bylaw compliance and has raised the industry standard from 80% to 95%. The 2016 Actuals are provided for context prior to the implementation of the new depot metrics.*

Inspection Compliance: To ensure a high degree of compliance to standards, depot inspections are conducted regularly throughout the province. Typically, more than 200 inspections are conducted each year with a targeted focus (or repeat inspections) on the poorest 25% of performers based on previous inspections. The desired outcome of these inspections is to have all depots achieving the standards in by-law, to see continuous improvement (where appropriate), and to respond to customer feedback requiring accessible and safe service points. Historically, scoring has been based on several metrics with an industry standard score of 80% or higher. 2019 saw the introduction of a new approach to scoring that focuses on deficiencies rather than percentages. Accordingly, the 2019 Annual Report and 2021-2023 Business Plan will see new Performance Indicators introduced.

Performance Measures	Last Actual 2018	Target 2020	Target 2021	Target 2022
Depot Compliance				
UCA Filing Compliance: The % of depots that filed required financial documents to the Data Collection Agent	99%	100%	100%	100%
Manufacturer Compliance				
Sales Verification: The % of all container sales remitted to CSA and verified by manufacturers for prior year	98.7%	100%	100%	100%

UCA Filing Compliance: Depots are paid a handling commission for each container handled and shipped properly to the manufacturer or their agent. These handling commissions are set by a utility-like process that depends on depots reporting their costs annually using a form called the Uniform Code of Accounts (UCA). The Board has set criteria for the remittance of this information, much like the process for reporting taxes. Depots are required to report annually and within six months of their fiscal yearend. The information is collected by an independent third-party who analyzes and processes the information for purposes of setting handling commissions. With enhanced focus on depot UCA filing compliance over the past few years, compliance in 2019 is at 100%. The BCMB will work with depots to maintain this over the next three years.

Sales Verification: In the same way depots are required to submit a UCA annually to verify their costs, manufacturers are required to verify their total sales for the prior year within six months of year end. This ensures an accurate accounting of sales across sales periods and sales jurisdictions and is an important accountability step for the CSA. It also informs different calculations such as the Container Recycling Fee and the return rate by material stream. Current performance is excellent, with a CSA reported compliance rate of almost 99%. The BCMB will work with the CSA to maintain this compliance rate over the next three years.

KEY STRATEGY: Integration, Alignment & Communication

Performance Measure	Last Actual 2018	Target 2020	Target 2021	Target 2022
Review, mapping and alignment of bylaws, policies and SOPs	By-laws, policies, compliance structure complete	Review and enhancements		

Bylaw Alignment: In November 2018, the BCMB approved a new bylaw structure, amalgamating 13 bylaws into seven and introducing compliance frameworks for depots, manufacturers, and retailers. These bylaws became effective on February 1, 2019. The BCMB will continue to report on outcomes of compliance frameworks.

Outcome 4 – Customer Excellence

KEY STRATEGY: Satisfies/Quality

Performance Indicators	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018
Public Satisfaction:					
Participation	91%	89%	89%	88%	88%
Average travel time to a depot	51% < 10 mins. 34% = 11-20 mins.	49% < 10 mins. 35% = 11-20 mins.	49% < 10 mins. 35% = 11-20 mins.	52% <10 mins. 35% = 11-20 mins.	52% < 10 mins. 35% = 11-20 mins.
Customer Satisfaction:					
Overall satisfaction rated as very satisfied[11]			82%	86%	82%
Average time spent in a depot[12]			8.7 mins.	9.2 mins.	10.1 mins.
Depot Satisfaction: The BCMB conducts an annual survey of depot operators both online and in person.					
Depot overall satisfaction with the CSA	95% moderately to highly satisfied	84% moderately to highly satisfied	91% (50% highly satisfied)[13]	98% (52% highly satisfied)	87% (43% highly satisfied)

Public Satisfaction: The BCMB assesses public satisfaction through a biannual survey conducted by Ipsos Reid. The survey targets approximately 1000 Albertans and provides data based on a representative sample of Albertans aged 18 and older. The survey was conducted in January 2018 with 1,006 online interviews being completed and will be conducted again in January 2020.

Customer Satisfaction: The BCMB assesses depot customer satisfaction through an annual Depot Exit Interviews. Customers are surveyed as they are leaving a depot after returning beverages containers. In 2017, the surveys captured 1,180 Albertans in the Edmonton and area. In 2018, the surveys captured 1,212 Albertans in the Calgary and Lethbridge areas. The BCMB will continue to survey depot customers around the province.

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[11]*2014 and 2015 Actuals are not included as the BCMB changed its reporting on this metric in 2016 from an average of eight elements reported in the biannual IPSOS Reid survey to overall satisfaction rated as very satisfied in the annual Depot Exit Interview Surveys.*

[12]*This measure was new beginning in 2016.*

[13] *Percentage highly satisfied broken out as of 2016.*

The 2018 Depot Exit Interviews found overall customer satisfaction remains high at 82%. It was at the same level in 2016 when the survey was done in the same part of the province (south). The 2017 result from the northern part of the province was higher at 86%. Based on the data gathered since 2011 we know the strongest correlation to customer satisfaction at a depot is related to their confidence in the accuracy of the refund they received. We also know that if the customer spends more than 10 minutes at a depot, the perception of that experience is poorer than if it is less than 10 minutes.

Depot Satisfaction: The annual Depot Satisfaction Survey measures the performance of the CSA, the primary CSP for refillable beer (services provided by Brewers Distributor Limited), the regulator (BCMB) and the ABDA. The survey is conducted annually to evaluate industry partners on a fiscal year cycle and provides all stakeholders with an appropriate timeline for action plans.

KEY STRATEGY - Awareness

Performance Indicators	Actual 2014	Actual 2015	Actual 2016	Actual 2017[14]	Actual 2018
Public Awareness:					
Individuals aware of the deposit/refund program	97%	97%	97%	98%	98%
Individuals who believe that recycling beverage containers has a significant impact on the environment [15]			72%	67%	67%
Individuals aware of the deposit amount[16]			50%	52%	52%
Customer Awareness:					
Individuals aware of the Industry Brand[17]			68%	61%	63%

Public Awareness: Captured through the biannual Ipsos Reid survey, 98% of Albertans are aware that they can return beverage containers to a depot for a refund; however, only 52% are aware of the actual refund amount for containers based on their size (10 cents for containers 1 L and under and 25 cents for containers over 1 L). The BCMB hopes to maintain a 98% awareness of the deposit-refund program in Alberta. Through marketing initiatives, education, a joint public website (ABCRC, BCMB, and ABDA) and other communications activities, the industry continues to target regular increases in awareness surrounding deposit values and the environmental benefits of recycling beverage containers.

According to the 2018 Ipsos Reid survey, 67% of Albertans believe that beverage container recycling has a significant impact on the environment and 97% of Albertans are aware of some benefit to the environment through recycling beverage containers. Those surveyed ranked the environmental importance of recycling beverage containers as second only to ensuring toxins are not poured down the drain to protect our water systems.

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[14] *2017 actuals are updated from the 2018-2020 Business Plan as the Ipsos survey was conducted after the business plan was finalized.*

[15] *2014 and 2015 Actuals are not provided as the BCMB began reporting on this metric in 2016.*

[16] *Ibid*

[17] *Ibid*

Although only 49% of Albertans are aware that the beverage container industry is regulated, 80% indicated that regulation is important or very important to them.

The next Ipsos Reid survey will be conducted in early 2020.

Customer Awareness: In 2015, the CSA, the entity in the Alberta system in charge of marketing initiatives, employed a new marketing strategy focused solely on branding the "Depot, It's Worth It" logo. The increase in branding awareness from 61% in 2017 to 63% in 2018 is encouraging and the BCMB will continue to promote the "Depot, It's Worth It" brand and logo.

KEY STRATEGY - Accessible

Performance Measures	Last Actual 2018	Target 2020	Target 2021	Target 2022
Number of Universal depots in Alberta[18]	221	225		
Number of permits in development	5	0	0	0

Accessibility to Depots: A primary objective of the BCMB is to ensure an accessible beverage container system through the maintenance of current infrastructure and through targeted expansion. New locations are developed based on anticipated population growth in areas of growth and in time with that growth. New permits also target technological advancement and best practices to further enhance customer satisfaction.

Outcome 5: System Efficiency & Effectiveness

KEY STRATEGY - Innovation[19]

Performance Indicators	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018
Investment in technology: return on investment >1 demonstrated					
Automated Sorting Technology			✓	✓	✓
Point of Return Software			✓	✓	✓
In-Depot Compaction			✓	✓	✓
Beverage Container Registration Database				✓	✓
Collection System Agent Enterprise Resource Software				✓	✓

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[18] *The target for 2020 is based on the depots currently in development and includes one rural closure in 2019. Targets for 2021 and 2022 are unknown in light of the current review of the criteria for siting metro and rural depots and will be developed once the project is completed.*

[19] *A previous measure of seedbed activity in the beverage container recycling system is no longer being used as the BCMB has determined we have insufficient information to accurately report.*

Investment in Technology: Automated sorting equipment technology is designed to replace manual labor at the depot, improving the efficiency and accuracy of sorting containers. Pilots of the technology found that over time, the return from manual labor cost savings exceeded the investment costs of acquiring and maintaining the equipment. The return from manual labor cost savings through use of automated sorting equipment increases when there is a higher hourly wage paid to staff as well as with a larger number of containers sorted annually at the depot.

Point of Return (POR) software is distributed and supported by several independent vendors and all have generally demonstrated improved efficiency in several areas of depot operations and in improved customer satisfaction. It is mandatory that depots handling 6 million or more containers annually use a POR system.

The online BCMB Beverage Container Registration database lists over 160,000 products that are registered in Alberta and includes information regarding the brand, flavor, size, material and UPC. The BCMB continues to populate the database with images for all registered products in Alberta. There are currently over 13,000 images in the system. An unregistered beverage container product list has been added to the database as well. These unregistered beverage containers are brought to depots by customers and identified to the BCMB by depots through the Quality Monitoring System (QMS). The BCMB uses this information to work with manufacturers selling these products in Alberta to register their containers. This new feature assists depots in identifying containers and products that will not be registered in Alberta and should not be accepted at a depot, as well as those that will be registered in the future (but are not currently).

The CSA is upgrading their current enterprise resource software. This will create greater efficiency within the industry while offering enhanced reporting and integration with industry technology initiatives such as electronic R-Bill reporting and the QMS.

KEY STRATEGY - Technology

Performance Measures	Last Actual 2018	Target 2020	Target 2021	Target 2022
Depots utilizing Electronic R-bill Reporting	55%	60%	65%	70%
Percentage of Reporting that uses eR-bill	69%	75%	80%	85%
Depots utilizing Quality Monitoring System (QMS)	81.5%	85%	87%	89%

Electronic R-bill Reporting (eR-bill): Utilizing electronic methods to compute and report shipments of containers from depots significantly reduces the number of errors on R-bills and the time required to process shipments at both ends. To encourage innovation and continuous improvement, the BCMB is working towards increasing eR-bill reporting at the depot level. In 2018, 55% of depots reported using eR-bills, which represented 69% of all R-bill reporting. As of September 2019, 58.4% of depots reported using eR-bills, which represents 78.65% of all eR-bill reporting.

Quality Monitoring System (QMS): The QMS is an online database used to report, track and resolve operational issues in the industry. Depots, the BCMB, the ABDA, the CSA and the CSP are required to use the QMS. It was first introduced to the network in 2014. Depot utilization of the QMS covers those depots

that have either submitted a ticket to address a concern and/or those depots that have responded to a ticket submitted to them by another industry partner. The QMS captures hundreds of tickets per month. The data is benchmarked, and trends are identified to address issues or successes in the industry.

The number of depots submitting or responding to a ticket through the QMS in 2018 increased to 81.5% from 79% in 2017. Although increased comfort with and use of the QMS is indicative of a successful program, a decrease in submitted tickets may also be indicative of success, as the decreases may reflect fewer issues in the industry. An increase in overall use may be a result of new topics and/or issues being introduced into the QMS. As of September 2019, the number of depots utilizing the QMS has increased to 86% (190 depots of 221 total depots).

KEY STRATEGY – Cost Effectiveness

Performance Indicators	Actual 2010	Actual 2012	Actual 2014	Actual 2016	Actual 2018
Net cost for the recycling consumer in cents per containers[20]	1.1	2.06	1.26	1.80	2.40
Ranking of comparable deposit jurisdictions	1	1	1	1	1

Recycling Consumer: Consumers can be categorized into two groups: those who recycle their beverage containers and those who do not. Both groups pay the deposit and fee associated with the purchase of the container, but the consumer who does not recycle also funds the system in their contribution of the deposit. The system further benefits from the salvage value of the material recovered from the recycling consumer. This number is affected by several factors including the salvage value of the material and the exchange rate of the country of destination of that material. This cost is paid in the form of a Container Recycling Fee that is added at point of purchase and can range from 0 cents to more than 10 cents depending on the material stream.

In 2016, the recycling consumer paid on average 2.4 cents for each container to fund the system.[21] The 2018 *Who Pays What* report was published in October 2018 and is based on 2016 data. The next report in 2020 will use 2018 data.

Ranking: Comparable deposit programs exist in British Columbia, Saskatchewan, New Brunswick, Northwest Territories and Nova Scotia. CM Consulting compared the net cost of our system against other Provinces. Alberta ranked first in cost per container paid by the recycling consumer, having the lowest system costs among comparable systems. Alberta ranked fifth out of six jurisdictions when comparing the cost to the 'wasting consumer' (who does not recycle) in the same report.

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[20] *All net cost values are based on data from two years previous (i.e., 2018 value is based on data from 2016).*

[21] *Who Pays What: An Analysis of Beverage Container Collection and Costs in Canada, 2018, CM Consulting.*

Performance Indicator	Actual 2010	Actual 2013	Actual 2015	Actual 2016	Actual 2018
Labour seconds per container at depots[22]	5.25	5.13	4.91	4.77	4.34

Labour Efficiency: Labour is a significant cost to the system. One of the ways that the system has become more efficient is through the handling of large numbers of containers. As technology is introduced and best practices are applied, the system has benefitted from reduced overall labour. By reporting on the number of seconds per container (total number of labour hours, reported on depot Uniform Code of Accounts, divided by total number of containers that labour handled), progress towards efficiency can be tracked by isolating it from the cost of that labour which has increased over the same period. The most dramatic improvements have been realized recently with the introduction of technological aids to labour within the depot processes.

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[22] *Results are based on the year the data was collected, not the year the report is published. The next report is being published in 2019 and will provide data for the year ending 2018.*