



**BEVERAGE CONTAINER
MANAGEMENT BOARD
2023 – 2025 BUSINESS
PLAN**



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Introduction

With a dual focus of serving Albertans and protecting the environment, our province has one of the most successful beverage container recycling systems in North America. Our deposit-refund system's efficiency, accessibility and convenience have resulted in high collection and recycling rates as well as strong participation by Albertans. The collection rate for 2021 was 84.1%, equating to over 2.1 billion beverage containers returned to depots, marking a notable return to near pre-pandemic levels that were consistently exceeding the Government of Alberta's 85% goal for the system. With 34.0% of system materials composed of plastic, we are pleased to report that over 700 million plastic beverage containers were returned to depots for a plastic collection rate of 81.2%.

The system's success can also be attributed to its collaborative nature and continual focus on adapting to national and global improvements related to sustainability and growing the circular economy.

The Beverage Container Management Board (BCMB) has led the beverage container recycling system in Alberta since 1997, working closely with industry stakeholders. Our regulatory role has evolved since our inception 25 years ago, much like the system itself, but the principles of our oversight have remained the same. We collaborate with our industry stakeholders; we consult regularly with those we regulate; we manage the deposit-refund system with significant trust in our partners and the excellent work they do; and we ensure identified outcomes for beverage container recycling are being met and verified.

After a difficult couple of years due to the COVID-19 pandemic, our collection rate is climbing back up to near pre-pandemic levels thanks to the willingness of our industry to grow and adapt. While we have certainly felt the impacts of the pandemic, our structure has allowed us to continue to carry out the crucial work we do to:

- protect the environment;
- contribute to the economy;
- provide social benefits to communities; and
- ensure the public has access to a convenient and safe network of depots.

There are exciting things ahead for Alberta's beverage container recycling industry and we need to be prepared to grasp every opportunity to grow and excel.

With Alberta moving to an Extended Producer Responsibility (EPR) framework that does not include beverage containers at this time, the beverage container recycling system will continue to meet high standards and adapt to new best practices as they are adopted under other regulatory models. This will be essential to ensuring our industry remains aligned and competitive with the EPR framework and is prepared to continue to meet and exceed outcomes set by the Government of Alberta.

Our successful system has always been highly regarded across Canada and has many of the key elements of EPR, including registration of producers (manufacturers) and their products, producer reporting, and measurement and verification of beverage container recycling. The BCMB also evaluates public access to the system through depot placement criteria and third-party assessment. It remains critical to continue to achieve and possibly exceed both provincial and federal standards as environmental protection, in terms of production and recycling of goods, shifts from a linear to a circular economy approach. This means not just working with our industry partners in Alberta but connecting with and learning from stakeholders across the country and in other parts of the world.

Some of this work can be achieved through initiatives such as the registration and recycling scorecard project and by better understanding access requirements for Albertans through the depot mapping and siting work the BCMB is leading. Both are key projects that are currently underway and continue to be priorities for the BCMB in this business planning cycle.

Accountability Statement

The BCMB Business Plan for the period January 1, 2023, through December 31, 2025, was prepared in accordance with the requirements of the Beverage Container Recycling Regulation, which was enacted under the *Environmental Protection and Enhancement Act* and the organization's by-laws. The BCMB's existing and proposed policies and procedures, as of November 2022, and the Board's accountability obligations, responsibilities and relationships, have all been considered in the preparation of this Business Plan.

Given our role as a Delegated Administrative Organization, the BCMB Business Plan also purposefully aligns with the Government of Alberta and Ministry of Environment and Parks (now Alberta Environment and Protected Areas) 2022-2025 Business Plans and priorities. We collaborate closely with Environment and Protected Areas staff to understand any strategic and policy directions as they might impact our industry and our organization.

The BCMB is committed to achieving the outcomes and targets laid out in its Business Plan and will continue to work with the Ministry of Environment and Protected Areas to achieve its desired outcome that "environment and ecosystem health and integrity support Albertans' well-being."¹

Approved by the Board of Directors: November 23, 2022

Beverage Container Management Board



Per: Andrew Stephens
Chair

¹[Alberta Environment and Parks 2022-2025 Business Plan, p. 43.](#)

Vision & Mandate

The BCMB is a not-for-profit association incorporated under the *Societies Act* of Alberta. We are charged with the responsibility of regulating and delivering Alberta's beverage container recycling system. The BCMB is a Delegated Administrative Organization (DAO) created through legislation to aid the Ministry of Environment and Protected Areas in achieving its goals and objectives, but we function as an arms-length, self-funded, legal entity in carrying out our services and mandate.

The BCMB's membership and Board of Directors include nominees from Alberta beverage producers, depots, the public (municipalities and interested citizens) and a non-voting nominee from the Government of Alberta. Our organization operates in accordance with a number of [by-laws](#).

The BCMB's 2023-2025 Business Plan focuses on strengthening our regulatory role and reputation by ensuring our core business functions and systems are directed at regulation rather than industry operations. The plan demonstrates alignment with the mandate, outcomes and key objectives of Alberta Environment and Protected Areas. With that alignment in mind, the specific focus we place on our outcomes, key strategies and performance metrics guides our planning and decisions about key projects and initiatives that will help us achieve our desired outcomes. This work is done in collaboration with the BCMB's stakeholders, as a unified approach to decision making is crucial to the industry's success.

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.

Our Value Statements

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

1. We value **health and safety**. We ensure measures are in place so that customers and staff feel safe and know their health is important to our industry.
2. We value our **regulatory role**. We strive to be leaders in the oversight of beverage container recycling and are proficient at protecting the system's reputation. We work continuously with our stakeholders to improve customer experience and satisfaction.
3. We value a **system that encourages a circular economy** where producers are responsible for their products from development to end of life.
4. We value **meaningful and measurable targets** for our industry. The development and use of targets that allow us to measure progress in beverage container recycling and environmental protection make the industry accountable and provide incentive for continuous improvement.

5. We value **strong alignment among system stakeholders**. A collaborative industry with joint decision making and open communication that works from a common framework will be better prepared to succeed.
6. We value **diversity and inclusion**. We explore ways in which our industry and the people who work in it can reflect the differences and qualities of the Albertans we serve. We recognize that diversity and inclusion drive innovation, and we are proud to support and foster creativity in our stakeholders to reflect their unique experiences.
7. We value **innovation and technology** that enhances the efficiency and effectiveness of our system. Our industry is responsive to and seeks opportunities to improve system communication, information, and security.
8. We value **higher collection and recycling rates**. Our efforts focus on the highest possible return of containers, while minimizing the impact of the system on the environment.
9. We value **greater awareness and public participation**. We educate retailers on the necessity of advertising the deposit, inform consumers about the environmental, economic, and social benefits of recycling beverage containers, and encourage participation regardless of where beverages are consumed.

The BCMB's strategic direction for 2023-2025 will continue to be based on four priorities:

1. **Our regulatory reputation**. Ensuring we are trusted, valued and accountable as the system regulator is integral to making decisions.
2. **Innovation and technology**. Ensuring we have efficient and effective processes helps enhance customer experience and satisfaction.
3. **Setting targets with measures**. Ensuring we have meaningful and harmonized performance measures and indicators, with particular emphasis on the recycling rate, contributes to our industry's success and its alignment with other jurisdictions.
4. **Collaboration and joint decision making**. Ensuring we are flexible, responsive and adaptive strengthens the system's performance and enhances our ability to be collaborative and unified with our industry partners in making decisions.

Outcomes

The BCMB's mandate "to regulate and enhance a leading beverage container system that protects Alberta's environment" is the foundation of our business planning and the desired outcomes we set and measure.

As a DAO, the BCMB places specific emphasis on helping Alberta Environment and Protected Areas and the Government of Alberta achieve their stewardship goals through efforts to: increase the collection and recycling rates for beverage containers while working to enhance principles of a circular economy; provide consistent and reliable access to Albertans for beverage container recycling and refund of deposits; reduce or remove regulatory 'red tape' wherever possible; prevent and detect fraud in the industry; and deliver a system that is driven by achievable but aggressive outcome measures and fair and consistent compliance mechanisms.

With 221 depots in 159 communities in Alberta, a highly efficient and organized Collection System Agent (CSA) for single-use containers, Collection Service Providers (CSPs) for refillable containers, and over 1200 producers (manufacturers) registering and reporting on more than 220,000 different products for sale in Alberta, we are positioned well to carry out these efforts.

Alberta Environment and Parks' 2022-2025 Business Plan states that it "represents the interests of Albertans in delivering balanced, common-sense and results-based stewardship of Alberta's environment while enabling sustainable resource development for social and economic well-being."² In line with this, the BCMB's 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 initiatives to enhance the public's knowledge about recycling. We require producers to register all ready-to-serve and sealed beverages sold in Alberta to ensure they are accounted for and recyclable, and we provide Albertans with convenient access to depots where they can return their used beverage containers for a refund and keep them out of landfills.

From an economic standpoint, beverage containers are a resource and have created their own economy in Alberta through the beverage container recycling system. Over 98% of all returned beverage containers are sold to the CSA by depots, which creates excellent economies of scale, allowing us to secure better commodity values and work towards providing recycled content for newly made products.

The deposit on each container provides the incentive for Albertans to return beverage containers to a depot for a refund of the deposit paid on that container. In turn, the recycling of the containers provides employment for Albertans and revenue for depot owners who employ over 2200 Albertans, and for recycling companies that purchase the material from the CSA/CSPs.

Just as important are the social benefits achieved through a deposit-refund system. Many of the 221 depots permitted in Alberta run donation programs and support bottle drives in their communities, and some offer employment opportunities to people with disabilities. As well, Albertans often donate the deposit value of their beverage containers to community and charitable organizations.

² [Alberta Environment and Parks 2022-2025 Business Plan, p. 41.](#)

The BCMB understands the importance of balancing efforts to steward beverage containers in our communities with sustainable practices. More specifically, outcome one in Environment and Parks' 2022-2025 Business Plan is that "environment and ecosystem health and integrity support Albertans' well-being". Key objective 1.2 is to "support Alberta's environmental resource stewardship through proactive public and stakeholder engagement and targeted strategies and frameworks including...efficient regulated waste and recycling programs plus supporting a natural gas strategy."³

The BCMB fully supports the Government of Alberta's efforts to grow the circular economy for plastics through the province's Natural Gas Vision and Strategy. Alberta has one of the most successful beverage container recycling systems in the world, with one of the highest collection and recycling rates for plastic beverage containers in Canada and the lowest average costs per container. Over 700 million plastic containers were returned to depots in 2021 with a current collection rate of 81.2% and a recycling rate of over 80%, with less than 20% of materials being sub-standard or contaminants.⁴

Alberta's success in plastic beverage container recycling is due to the ability to identify what is coming into the system before it is sold to the public (through the container registration process), the economies of scale achieved by all beverage container plastics being collected and recycled through a single source, and the organized and efficient sorting of plastic containers at depots and the CSA which contributes significantly to the clean plastic commodity desired in the recycling market. It's also important to note that most plastic containers are recycled in Western Canada.






However, our collaborative work extends beyond just plastics recycling. The BCMB is also working with key stakeholder groups like the CSA (Alberta Beverage Container Recycling Corporation (ABCRC)) and CSPs (Alberta Beer Container Corporation (ABCC)) to develop a Registration and Recycling Scorecard to assess how the system is currently performing, to adopt consistent and standardized definitions of recycling and to develop recycling verification methods and measures. Developing a better understanding of recycling measures and performance, not just in Alberta but in other jurisdictions as well, will help ensure our industry is structured in a way that aligns with changes occurring globally in recycling and environmental sustainability.

Desired Outcomes & Key Strategies

With our vision and mandate guiding us, the BCMB has five interconnected and desired outcomes for Alberta's beverage container recycling system and key strategies to help us achieve those outcomes. Our outcomes are focused on: reducing environmental impact; risk management; effective governance/management systems; continuous improvement in the service offered throughout the system (to stakeholders and Albertans); and system innovation and adaptation.

³ [Alberta Environment and Parks 2022-2025 Business Plan, p. 43.](#)

⁴ [ABCRC 2021 Sustainability Report, p.15.](#)

Outcome	Key Strategy	
<i>All outcomes and key strategies align with Outcome 1 of Alberta Environment and Parks' 2022-2025 Business Plan: Environment and ecosystem health and integrity support Albertans' well-being.⁵</i>		
ENVIRONMENTAL PROTECTION  Reduce Impact	Minimize Impact	Minimize the environmental impact of beverage containers through reuse and recycling.
	Sustainability	Improve the sustainability of the beverage container system and work towards a circular economy for beverage container recycling.
	Reduce Footprint	Reduce the environmental footprint of the system.
FISCAL STEWARDSHIP  Risk Management	Accountability	Introduce accountability measures to minimize system risk.
	Reporting	Report clearly (using meaningful and measurable targets) on the achievement of our mandate and government expectations.
	Transparency	Maintain full transparency regarding operations and finances.
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 and inclusive.
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

⁵ [Alberta Environment and Parks 2022-2025 Business Plan, p. 43.](#)

2023-2025 Key Projects/Initiatives

The BCMB is anticipating continuing shifts in recycling methodology and regulation as Alberta and the rest of the world work toward a circular economy and as the province implements EPR. To fulfill our regulatory role to ensure that requirements for the collection and recycling of beverage containers are being met or exceeded, and to help us achieve our desired outcomes and strategies, the BCMB is continuing its work on three key projects aimed at:

- efficient and secure information technology systems for our industry;
- the development of clear and measurable recycling definitions and best practices; and
- depot siting criteria that will ensure convenient and accessible depot locations that will allow all Albertans to return their beverage containers for a refund and recycling.

I. Technology Review & Update

Work will continue on the BCMB's comprehensive information technology review and strategy. This involves significant updating and streamlining of all IT systems to comply with information security standards and align with systems used by key stakeholders like the CSA (ABCRC) and the BCMB's Data Collection Agent. In jointly considering technology and innovation with our stakeholders, our goals are to improve confidence in and acceptance of the system; improve communication, information, and security; and increase the efficiency and effectiveness of processes.

Phase 1 of the review, which was completed in 2021, focused on cybersecurity and addressing outdated technologies as it relates to our core business elements.

Phase 2 involves the modernization of the BCMB's main registration database and portal, and its transition to a cloud-based system. This will help provide key stakeholders with transparent access to information and allow the BCMB to centralize our data management, reporting and communication tools. A more intuitive and efficient process will be created for manufacturers to register themselves and their beverage containers with the BCMB and the CSA. Additional enhancements are being considered to better engage industry stakeholders, including a depot portal and the transition of the quality monitoring system onto the same platform.

Included in the scope of this project is the transition of alcoholic product registrations from Alberta Gaming, Liquor and Cannabis (AGLC) to the BCMB. The development of a process for verifying alcoholic product registrations before they are integrated with BCMB's registration database will be introduced in 2023. This enhancement will protect the integrity of beverage container material streams and create an even playing field in which all producers are accountable for the products they produce through to end-of-life.

Timeline: 24 months – strategy approved September 2020 (Phase 1 completed in 2021); Phase 2 started Q3 2022 with implementation expected by Q4 2023)

Fiscal Stewardship: **accountability, reporting, transparency**; Governance Excellence: **integration alignment, system integrity**; Customer Excellence: **ensure quality service**; System Efficiency and Effectiveness: **innovation, responsiveness, technology, cost effective**



2. Registration and Recycling Scorecard

With its stakeholder groups, the BCMB is working to adopt modern definitions of recycling that all beverage container registrations (for all material streams) can be measured against, to develop ongoing recycling verification protocols, and to develop a recycling scorecard to assess how the system is currently performing. Best practices are being reviewed for recycling and for ways in which to provide education, awareness, and ultimately accountability to producers, the public and the BCMB's stakeholders, including the Government of Alberta.

The Registration and Recycling Scorecard project will carry significant weight in providing the BCMB and our industry with the knowledge and capacity to effectively set standards for Alberta and to assist with aligning our standards and processes with other provinces where possible. As no recycling targets currently exist in regulation, this work will provide our industry with the information we need to explore targets as an industry.

Timeline: 30 months (Q1 2021 – Q3 2023)

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



3. Depot Mapping and Siting Criteria

To ensure the depot system continues to serve Albertans adequately and to administer a cost-effective system, the BCMB has undertaken a project to analyze and make recommendations on depot siting criteria. Utilizing a third-party expert, the BCMB and industry stakeholders are reviewing current depot network placement, demographic patterns, spatial data, along with cost and service level data with a goal of modernizing depot permitting criteria in the future.

The project's goals are to: 1) ensure Albertans have convenient and accessible locations to return their beverage containers and to receive a refund of the deposit; 2) capture for recycling, through the depot system, a minimum of 85% of all beverage containers sold in Alberta; and 3) retain the integrity of the system by ensuring it is cost effective and efficient.

Initial third-party analysis and recommendations have been provided, and the BCMB's Data Collection Agent is conducting additional analysis of the recommendations before consultation with the beverage container recycling industry and the public begins.

Timeline: 24 months (Q2 2021 – Q2 2023)

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



Outcome I – Environmental Protection



The BCMB recognizes the importance of protecting and enhancing Alberta’s environment through sustainable practices and working to build a circular economy. We 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 and recycling of containers, and protecting and ensuring the use of recycled container materials.

Key Strategies

Minimize Impact	Minimize the environmental impact of beverage containers through reuse and recycling.
Sustainability	Improve the sustainability of the beverage container system and work towards a circular economy for beverage container recycling.
Reduce Footprint	Reduce the environmental footprint of the system.

Actions

1. Continue to focus industry efforts on once again meeting or exceeding the Government of Alberta’s 85% collection rate goal for the system (after a drop in the rate due to COVID-19).
2. Complete the Recycling Scorecard project, which will allow for an effective assessment of the beverage container recycling system’s performance. This will include identifying and managing low-performing material streams and those products registered that are deemed non-recyclable.
3. Establish new definitions for recycling that align with current best practices and other leading jurisdictions and that include better reporting on recycling rates as well as the collection and reuse rates for refillable containers.
4. Implement the new recycling rate performance indicator that will track the percentage of residual loss compared to containers collected (measured net of residuals lost during processing of materials).

Performance Metrics

Minimize Impact

Performance Indicators	% of all containers returned in 2021	2021 Actual	2020 Actual	2019 Actual	2018 Actual	2017 Actual
Overall collection rate	100% ⁶	84.1%	82.2%	85.3%	86.0%	85.5%
<i>Collection rate: Number of containers returned through depots compared to sales reported by producers for the same period.</i>						
Cans & Non-Refillable Glass	57.8%	88.0%	85.8% ⁷	89.6%	90.2%	89.8%
Refillable Glass (Beer)	1.7%	105.8% ⁸	102.1%	100.4%	98.6%	99.2%
Plastics	32.8%	81.2%	78.5%	81.6%	82.5%	81.9%
Polycoats	7.7%	69.2%	69.3%	71.1%	72.3%	71.3%

Collection Rate: The collection rate is the percentage of beverage containers returned by Albertans, collected by depots and purchased from depots by the CSA or CSPs, compared to the number of beverage containers sold by producers in Alberta.

The CSA (ABCRC) collects all non-refillable beverage containers, which equates to approximately 98% of all containers returned to Alberta depots. Refillable glass containers (beer bottles) are collected by the largest CSP, the Alberta Beer Container Corporation. Beer bottles can be refilled and reused up to 15 times.

In 2023, the BCMB will begin discussions with stakeholders on including all refillable products (ie., water, milk) in the beverage container recycling system. Sales, collection and recycling verification for these refillable products is not currently reported on or evaluated.

The overall collection rate for 2021 was 84.1%, up from 82.2% in 2020 when it fell due to the pandemic, an increase in single-use beverage container purchases and the temporary closure of some depots in March and April 2020. Sales volumes were also up 5.2% in 2021 compared to 2020. It's expected that the collection rate will continue to rise to pre-pandemic levels and once again surpass the 85% goal set by the Government of Alberta. For the 12-month period ending September 2022, the collection rate was 83.6%, with sales volumes remaining steady with those of 2021.

⁶ For the 12-month period ending December 2021, the total system volume equated to 2.133 billion containers returned.

⁷ As of 2020, the BCMB is reporting collection rates for refillable glass containers separately from cans and non-refillable glass containers.

⁸ Refillable glass returns sometimes exceed 100% due to the fiscal year cycle and the lag between what is reported for sale and what is collected by a depot.

Reduce Footprint

Performance Indicators		2021 Actual	2020 Actual	2019 Actual
Transportation of products from depots to ABCRC⁹				
Kilometres driven		3,304,942	3,182,358	3,028,005
Number of loads		34,020	32,541	32,623
Transportation of products from ABCRC to end destination (kilometres driven)				
Material Type¹⁰	Destination			
Cans & Non-Refillable Glass	United States; Alberta	2,825,871	2,728,346	2,877,951
Plastics	Alberta; British Columbia	348,067	346,979	351,994
Polycoats	North America	560,027	578,197	536,960
Material Recycled (metric tonnes diverted from landfill)				
Cans & Non-Refillable Glass		64,061	64,244	65,500
Plastics		20,887	19,754	19,961
Polycoats		5138	2,555	5,179
Recycling Rate¹¹				
Percentage of residual loss compared to containers collected (measured net of residuals lost during processing of materials)				

The BCMB established four new environmental performance indicators in 2021 as we move to harmonize our indicators with those of the Government of Alberta, neighboring provinces and other leading jurisdictions, and place a stronger focus on metrics meeting industry best practices. Reporting on three of the four new indicators began in the BCMB's 2021 Annual Report (with ABCRC being the source of the metrics). Reporting on the new recycling rate indicator will begin once the Registration and Recycling Scorecard Project is complete and when data can be obtained and measured.

Transportation of products from depots to ABCRC and from ABCRC to end destination:

As the beverage container recycling system's Collection System Agent, ABCRC has an operating agreement with the BCMB for the collection of containers from Alberta's 221 depots. They manage an extensive and flexible transportation and logistics system to carry beverage containers as efficiently as possible through the recycling supply chain. Back-haul carriers (trucks that are returning to the Calgary and St. Albert CSA plants and would otherwise be empty) are leveraged as much as possible to reduce the environmental footprint, and several of the carriers contracted by ABCRC are members of the SmartWay Transport Partnership (SmartWay) run in Canada by Natural Resources Canada. SmartWay

⁹ Mileage was adjusted to account for depot relocation and travel distance.

¹⁰ The transportation of refillable glass containers is not included in the environmental performance indicators.

¹¹ Reporting on the new Recycling Rate indicator will begin upon completion of the Registration and Recycling Scorecard Project.

helps businesses move goods efficiently and competitively while reducing fuel costs and emissions by helping carriers and shippers to benchmark their operations, track fuel consumption and improve their overall performance.¹²

Tracking kilometres driven and the number of loads transported from depots gives the ABCRC valuable data with which to make decisions and adjustments in operation where possible to increase efficiencies and reduce emissions.

Material recycled: Assessing the number of metric tonnes of beverage containers diverted from landfills each year is an excellent indicator of waste diversion and whether beverage containers are being recycled or reused.

Recycling Rate: The BCMB has adopted another new performance indicator that quantifies the percentage of residual loss compared to containers collected (measured net of residuals lost during processing of materials). We will begin reporting on the recycling rate upon completion of the Registration and Recycling Scorecard Project and when data can be obtained and measured.

¹² [ABCRC 2021 Sustainability Report, p. 12.](#)

Outcome 2 – Fiscal Stewardship



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

Key Strategies

Accountability	Introduce accountability measures to minimize system risk.
Reporting	Report clearly (using meaningful and measurable targets) on the achievement of our mandate and government expectations.
Transparency	Maintain full transparency regarding operations and finances.

Actions

1. Develop and approve an annual operating budget and three-year business plan.
2. Ensure that an external audit of the BCMB's financials is conducted annually and that financial statements and policies are approved by the Board quarterly.
3. Conduct a quarterly risk review and maintain a risk register.
4. In keeping with CSA and CSP Operating Agreements, continue to monitor compliance and adherence to financial operating standards (manufacturer reporting and remitting, Handling Commission Review processes and payments), ensuring any required improvements are made.
5. Expand the Operating Reserve Fund to allow for the ability to better adjust to unplanned/unbudgeted costs (ie. Handling Commission Reviews, hearings).

Performance Metrics

Accountability

Descriptor Only

The BCMB is accountable to its stakeholders. To this end, senior management works 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 Protected Areas each year. 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 by the Board on an annual basis.

Reporting and Transparency

Performance Indicators	Actual 2021	Actual 2020	Actual 2019	Actual 2018	Actual 2017
Net system cost: total of all costs and offsetting revenues in dollars per container					
	\$0.0236	\$0.0294	\$0.0294	\$0.0263	\$0.0280
Net system cost by container type					
Cans and Glass	\$0.0187	\$0.0228	\$0.0170	\$0.0140	\$0.0154
Plastics	\$0.0285	\$0.0393	\$0.0464	\$0.0452	\$0.0465
Polycoats	\$0.0406	\$0.0396	\$0.0502	\$0.0445	\$0.0438

Net Cost: The system is funded in three ways:

1. Container Recycling Fees (CRF) set by producers and paid by consumers at the point of purchase (which may be zero).
2. Unredeemed deposits forfeited by consumers who paid it at point of purchase and abandoned the container (never returned to a depot).
3. 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 collection rate increases, funding provided by unredeemed deposits decreases.

Reporting and Transparency

Performance Measures	Last Actual 2021	Target 2023	Target 2024	Target 2025
Collection System Agent Compliance				
Payment Compliance: The percent of all payments made to depots within the industry standard	99.9%	100%	100%	100%
Collection Compliance: The number of reported loads not picked up from depots within the industry standard	1	2	2	1
CSA Operating Compliance:¹³ The inspection score based on agreed performance standards	95.1%	92%	93%	94%
Collection Service Provider (CSP) Compliance¹⁴				
CSP Operating Compliance: The evaluation score based on agreed performance standards	87.5%	93%	95%	95%
Depot Compliance				
UCA Filing Compliance: The % of depots that filed required financial documents to the Data Collection Agent	99.6%	100%	100%	100%
Manufacturer Compliance				
Sales Verification: The % of all container sales remitted to CSA and verified by producers for prior year	99.4%	100%	100%	100%

CSA Compliance

Payment Compliance: All depots are required by 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 to depots by the CSA is nine days.

The CSA achieved near-perfect payment compliance in 2021 at 99.9%, with eight late payments on 34,162 loads.

¹³ Results reflect overall CSA inspection compliance for both the Calgary and St. Albert plants.

¹⁴ The performance measure for CSP Compliance is based on monthly evaluations. One point is assigned for each achieved standard and zero for those not achieved. Total achievements for each month are divided by the total number of standards (8). Amounts for all months of the year are then totaled and the averaged.

Collection Compliance: The standard set by the industry for CSA collection of containers from depots is determined based on the volume of the depot, the scheduling of appointments, and the adherence to that schedule. The CSA has done exceptionally well in this area the last few years. There was only one scheduled load that was not picked up from a depot in 2021 without prior communication from the CSA. The target for collection compliance is to have no more than two loads not picked up from any given depot.

Operating Compliance: Operating agreements signed by the CSA commit them to performance standards regarding service to depots and overall operational compliance. The BCMB regularly inspects both Calgary and St. Albert 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 enhance efficiencies. The CSA's inspection score was 95.1% in 2021, well above the target of 87.5%.

CSP Compliance

Operating Compliance: Operating agreements signed by CSPs commit them to performance standards regarding service to depots and overall operational compliance. This performance measure is based on monthly evaluations of agreed-upon standards. An annual average is used to reflect the CSP's compliance score.

Compliance was 87.5% in 2021, down from 92% in 2020, largely due to late payments resulting from a new system implementation by the CSP for beer bottles. The system issues have since been resolved, and the CSP is working with the BCMB to bring compliance back up to the target set.

Depot Compliance

UCA Filing Compliance: Depots are paid a handling commission for each container handled and shipped properly to the CSA or back to the manufacturer directly through an appointed CSP. These handling commissions are set by a utility-like rate-setting 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 year-end. The information is collected by an independent third-party (a data collection agent) that analyzes and processes the information for the purposes of setting handling commissions and evaluating system performance.

Depot UCA filing compliance has improved continually over the past few years, with compliance in 2021 at 99.6%.

Manufacturer Compliance

Sales Verification: In the same way depots are required to submit a UCA annually to verify their costs, producers are required to verify their total sales in Alberta for the prior year within six months of their yearend. This ensures accurate accounting of sales in the province and reflects producer accountability for their products in terms of collection and recycling rates. It also informs different calculations such as the Container Recycling Fee (set by ABCRC) and the collection rate by material stream.

The CSA is responsible to report producer sales verification annually. Compliance is achieved when 90% of system volume is accounted for through producer sales verification processes. In 2021, 99.4% of sales volume was achieved and verified, although only 78.6% was achieved by the reporting compliance deadline.

The initial lower sales verification reporting rate may have been due to year-end audits not being complete because of staffing levels being impacted by COVID-19.

Additionally, the BCMB will begin tracking and reporting on individual producer compliance. As of six months post-fiscal year end, 34% of producers were non-compliant. As of October 2022, 9% or 34 of 356 producers remain non-compliant in reporting sales verification.

Outcome 3 - Governance Excellence



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

Key Strategies

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.

Actions

1. Emphasize the BCMB's regulatory role and functions and shift any industry operations to the appropriate stakeholders (ABCRC, ABDA, ABCC, depots) to ensure our work is strictly focused on regulation and protecting the reputation and success of the current system.
2. Continue implementation of the new retail inspection program that started in 2021 with an increase in the number of compliance audits, focusing attention on underperforming retail locations and providing educational tools (i.e. educational videos) to retailers on deposit advertising and registration requirements for producers.
3. Conduct refund compliance audits and depot inspections, working with depots to ensure industry standards for each area are being met and any issues or deficiencies are addressed.
4. Implement depot mapping and siting criteria to help address depot viability issues and maintain the optimum number of depots in Alberta to ensure the most accessible and convenient system possible. The criteria will be laid out in BCMB policies, by-laws, and operating principles.
5. Develop a Recycling Scorecard as a means of rating the beverage container recycling system's performance and develop and adopt recycling definitions that are harmonized with other jurisdictions and global best practices.
6. Continue implementation of a comprehensive information technology strategy that streamlines and secures the BCMB's systems and aligns with systems used by key stakeholders.
7. Maintain a database of all registered beverage containers and producers selling beverages in Alberta.

Performance Metrics Compliance

Performance Indicators	2021 Actual	2020 Actual	2019 Actual	2018 Actual	2020 Actual
Depot Compliance					
Refund Compliance:¹⁵ The % of audits conducted that were refunded within industry standard	94%	84%	91%	79%	88%
Quality Compliance: Shipments of containers from depots within industry standard	95%	95%	91%	87%	91%
Operational Compliance:¹⁶ The % of depots inspected that are compliant with BCMB by-laws and policies	77%	70%	70%		
The % of depots with deficiencies that were corrected prior to entering the Compliance Framework ¹⁷	64%	69%	56%		
Retail Compliance					
Retail Compliance:^{NEW} The % of retail locations inspected that are compliant with BCMB by-laws and policies	24%				

Refund Compliance: Anonymous audits are conducted on depots to measure the accuracy of the refund provided by depots to the public. A move to a percentage-based compliance threshold instead of a dollar-based threshold was implemented in 2022.

Refund compliance within the industry standard was 94% in 2021, up significantly from 84% in 2020 due to a renewed focus on compliance by the BCMB team which resulted in greater overall compliance from depots.

Quality Control Compliance: The CSA audits shipping containers from depots. Audits ensure the proper number of containers are being reported by depots and that bags contain only approved containers. The results of these audits are reported to the BCMB so it can 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 (a whole load refers to a full shipment from a depot, regardless of how many bags are in the shipment). Poor

¹⁵ The previous and additional indicator of percentage of audits conducted that were refunded within the industry standard of excellence is no longer being used as the BCMB simply needs to track if depots are compliant or not in issuing refunds to customers.

¹⁶ A new inspection process with new operational compliance standards was implemented in 2019.

¹⁷ The Compliance Framework includes the following four levels: Level 1 – warning letter is issued; Levels 2 & 3 – fees are assessed; Level 4 – goes directly to Compliance Director for a decision.

performance in relation to quality control enters a depot into the BCMB's quality control compliance framework.

The shipment of containers from depots within the industry standard remained at 95% in 2021.

Operational Compliance: The new operational compliance process introduced in 2019 focuses on individual deficiencies rather than percentage-based scores. Depots that are found to have deficiencies are given a timeline for correction that takes the nature of the deficiency into account. Deficiencies are usually minor in nature (i.e., an employee not wearing a depot-branded uniform or a receipt without the date on it). As with the previous inspection process, the BCMB focuses on the lowest-performing depots.

The depot self-inspection program was trialed in 2020 and reviewed for efficiency and effectiveness in 2021. The BCMB also consulted with depots and made the decision to replace the program with a risk-based inspection process. Higher-performing depots will be visited less frequently by BCMB Compliance Officers, and lower-performing depots will receive more visits. Each depot is now provided with an annual evaluation highlighting areas of high performance and areas where improvement is required.

The percentage of depots fully compliant with BCMB by-laws and policies increased to 77% in 2021 from 70% in 2020. This number includes only depots with zero deficiencies. Often depots have one or two minor deficiencies that are corrected prior to entering the compliance framework. The percentage of depots with deficiencies that were corrected prior to entering the quality control compliance framework dropped from 69% in 2020 to 64% in 2021.

Retail Compliance: The BCMB introduced a new retail compliance program in 2021. Like the refund compliance program for depots, audits of retail locations are conducted by the same third-party auditor group and are conducted across the province.

Though compliance levels are low initially, the BCMB recognizes that compliance is often gained through education. The BCMB is continuing to develop educational tools and initiatives to proactively increase compliance in these areas, and positive results are already being seen through these efforts.

The first year of reporting showed only 26.3% of retailers were compliant with all standards. The two main areas of non-compliance include deposit advertising (at 38.9% compliance) and container registration (at 73.9% compliance)¹⁸.

Integration, Alignment & Communication

Descriptor Only

While the BCMB no longer has a specific performance measure for integration, alignment and communication, we continue to ensure our by-laws, policies and operations are aligned with our role as the system regulator. We also strive for timely, clear and effective communication with industry stakeholders and the public.

¹⁸ Deposit advertising and container registration compliance was previously noted in the 2021 Annual Report; the percentages differ in comparison to this report as the calculation method has been altered and finalized moving forward.

Work began in 2021 on a depot siting and access requirements project the BCMB is jointly conducting with industry partners to evaluate current siting criteria and better understand depot viability and public access. Consultation with industry partners on the final report and recommendations will occur in late 2022 and into 2023.

Work also began in 2022 on a comprehensive information technology strategy to align BCMB's system with other industry systems and to enhance the user experience. Phase 1 (enhancing the security environment and addressing outdated technology related to core business elements) has been completed. Phase 2 is underway and involves the modernization of the BCMB's main database and portal. This will help provide key stakeholders with transparent access to information and allow the BCMB to centralize our data management, reporting and communication tools. It will also streamline and make the beverage container registration process more intuitive and informative.

Outcome 4 – Customer Excellence



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

Key Strategies

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 and inclusive.

Actions

1. Collaborate on joint communications and initiatives with other recycling, environmental and regulatory organizations.
2. Provide current and relevant information to stakeholders and the public on the BCMB's website and contribute, as appropriate, to the information provided to the public on the industry website (Alberta Depot).
3. Conduct a biennial survey of public participation and satisfaction with the beverage container recycling industry in Alberta. The most recent survey was conducted in March 2022. The next one will take place in early 2024.
4. Conduct an annual depot exit interview on depot customer satisfaction.

Performance Metrics

Satisfies/Quality

Performance Indicators	Actual 2021	Actual 2020	Actual 2019	Actual 2018	Actual 2017
Public Satisfaction					
Participation ¹⁹	87%	92%	92%	88%	88%
Average travel time to a depot ²⁰	48% < 10 mins. 35% = 11-20 mins.	51% < 10 mins. 35% = 11-20 mins.	51% < 10 mins. 35% = 11-20 mins.	52% < 10 mins. 35% = 11-20 mins.	52% < 10 mins. 35% = 11-20 mins.
Customer Satisfaction²¹					
Overall satisfaction rated as very satisfied	87%		78.5%	82%	86%
Average time spent in a depot	8.0 mins.		13.7 mins. ²²	10.1 mins.	9.2 mins.
Depot Satisfaction²³					
Depot overall satisfaction with the CSA		96% (60% highly satisfied)	98% (64% highly satisfied)	87% (43% highly satisfied)	98% (52% highly satisfied)

Public Satisfaction: The BCMB assesses public satisfaction through a biennial survey conducted by Ipsos. The survey targets approximately 1,000 Albertans and provides data based on a representative sample of Albertans aged 18 and older. The most recent survey was conducted online in March 2022, with 1,000 online interviews completed.

The number of Albertans returning containers for a refund (participation) dropped to 87% from 92% in the previous survey (conducted in February 2020 before the COVID-19 pandemic began). It is likely the main reasons for the decrease are depot closures and public health restrictions related to the pandemic, as well as individuals choosing to not return their containers to a depot during the pandemic.

Customer Satisfaction: The BCMB assesses depot customer satisfaction through annual Depot Exit Interviews. Customers are surveyed as they are leaving a depot after returning beverage containers. Due to COVID-19, the 2020 Depot Exit Interviews were not held and in 2021 and 2022 they were

¹⁹ Participation refers to the percentage of respondents to the biennial Ipsos survey who state that they return beverage containers to depots. The 2021 actual is based on the most recent survey conducted in March 2022 (which applied to Albertans' 2021 recycling activities).

²⁰ The remaining percentages (17% for 2021) are reflective of rural Alberta where travel times vary according to depot locations.

²¹ Customer satisfaction is assessed through annual Depot Exit Interviews. Due to COVID-19, the interviews were not conducted in 2020.

²² Although individual rural depots have been included in past studies, a widescale effort was made in 2019 to gain data and insight from rural locations. The focus on both urban and rural locations and the fact that smaller depots in rural areas usually have less staff serving customers with larger loads compared to metro depots may be reflected in longer wait times.

²³ This performance indicator is no longer being used.

completed online. Customers were given a card with a QR code and asked to complete the survey for a digital gift card.

Based on the data gathered since 2011, we know the strongest correlation to customer satisfaction at a depot is related to confidence in the accuracy of the refund received. We also know that if the customer spends less than 10 minutes at a depot, the perception of that experience is better than if they spend more than 10 minutes at a depot.

Overall satisfaction with depots remained unchanged in 2022 at 87%. The average wait time at a depot rose slightly to 8.4 minutes from 8 minutes in 2021, with 72% of customers waiting 10 minutes or less compared to 74% in 2021. In 2022, 82% of customers indicated they were satisfied with the wait time, while 84% were satisfied with the wait time in 2021.²⁴

Depot Satisfaction: This performance indicator is no longer being used as stakeholder performance is assessed by adherence to operating agreements and through regular communication between the system stakeholders.

Awareness

Performance Indicators	Actual 2021	Actual 2020	Actual 2019	Actual 2018	Actual 2017
Public Awareness					
Individuals aware of the deposit/refund program	96%	98%	98%	98%	98%
Individuals who believe that recycling beverage containers has a significant impact on the environment	66%	60%	60%	67%	67%
Individuals aware of the deposit amount	47%	52%	52%	52%	52%
Customer Awareness					
Individuals aware of the industry brand ²⁵			59%	63%	61%

Public Awareness: Captured through the biennial Ipsos survey, 96% of Albertans are aware that they can return beverage containers to a depot for a refund; however, only 47% are aware of the actual refund amount for containers based on their size (10 cents for containers 1L and under and 25 cents for containers over 1L). While the BCMB does not set targets for public awareness, awareness of the deposit-refund program is an important performance indicator for industry, and we have an expectation

²⁴ [2022 Depot Exit Interview Survey](#)

²⁵ This indicator is tracked through the annual Depot Exit Interviews. The 2020 interviews did not take place and the 2021 survey was conducted online. However, an error in the question related to recognition of the industry brand made the results invalid (the BCMB logo was used in error; should have been the depot/industry logo).

that it will be maintained at around 98% through annual marketing initiatives by the CSA²⁶, 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.

The 2022 Ipsos survey found that 66% of Albertans believe that beverage container recycling has a significant impact on the environment (an increase from 60% in the previous survey) and 84% are aware of some benefit to the environment through recycling beverage containers (up from 81%).

The percentage of Albertans aware that the beverage container industry is regulated dropped slightly to 50% from 52%, while 80% indicated that regulation is important or very important to them (down from 85%).²⁷

Customer Awareness: The CSA continued its marketing initiatives for the beverage container recycling industry in 2022, highlighting the messages that taking beverage containers to a depot is easier than ever and that Albertans are helping to achieve environmental goals that are beneficial to everyone.²⁸

The importance of an industry marketing strategy is emphasized by the Ipsos findings related to the likelihood of returning beverage containers to a depot after knowing the correct refund amounts. For containers one litre or less (10 cents), 44% are more likely to return them (up from 38% in the previous survey) and for containers over one litre (25 cents), 51% are more likely to return them (up from 47% previously).

Accessible

Performance Measures	Last Actual 2021	Target 2023	Target 2024	Target 2025
Number of Universal depots in Alberta ²⁹	221	223	223	223
Number of permits in development	1	TBD ³⁰	TBD	TBD

Accessibility to Depots: A primary objective of the BCMB is to ensure an accessible beverage container system. As of October 2022, there are 221 depots in Alberta and one under development in Calgary that is scheduled to open in late 2023. The Alix Bottle Depot closed in October 2021 and depots in Castor and Coronation closed in December 2021, reducing the number of depots in the province to 221.

²⁶ [Alberta Beverage Container Recycling Corporation 2021 Sustainability Report, p. 22.](#)

²⁷ [Beverage Container Recycling – 2022 Survey of Albertans, May 2022](#)

²⁸ [Alberta Beverage Container Recycling Corporation 2021 Sustainability Report, p. 22.](#)

²⁹ A moratorium has been placed on Requests for Applications (RFAs) for new depots until the depot mapping and siting project is complete. There is currently only one depot under development in Calgary, which is slated to open in late 2023, and the BCMB anticipates the new depot in Castor will open in 2023 as well.

³⁰ Future targets will be based on any changes to siting criteria resulting from the depot mapping and siting project.

The BCMB did not issue any Requests for Applications (RFAs) for new depots in 2021 due to the depot mapping and siting criteria project. However, the BCMB's Board of Directors approved an RFA for Castor, which was issued in June 2022, to replace a depot that was closed due to a permit cancellation. The successful applicant was awarded conditional depot permit approval in the fall of 2022; allowing the applicant to proceed with development plans. A depot operating permit will be issued by the BCMB once confirmed that development has been completed and conditions met.

Outcome 5: System Efficiency & Effectiveness



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

Key Strategies

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.

Actions

1. Examine all system data to help determine meaningful, measurable targets to improve overall system efficiency and effectiveness.
2. Encourage the development and use of technology in depots and at the CSA to enhance logistics, service and processing levels, and to increase the opportunity to communicate efficiently.
3. Modernize the existing database and portal to focus on ease of use, supportability and scalability. The registration database will be a key component of the IT upgrade.
4. Continue working with AGLC and liquor agents/producers to transition registration of alcoholic products to the BCMB and explore the possibility of self-registration by alcoholic beverage producers.
5. Promote and encourage industry use of the Quality Monitoring System app.
6. Where necessary, apply changes to Handling Commissions based on the Annual Review.

Performance Metrics

Innovation & Technology

Performance Measures	Last Actual 2021	Target 2023	Target 2024	Target 2025
Depots utilizing Electronic R-bill Reporting	64%	75%	75%	75%
Percentage of reporting that uses eR-bill	81%	87%	90%	90%
Depots utilizing Quality Monitoring System (QMS)	91%	97%	99%	99%
Depots utilizing Point of Return software ^{NEW}	79%	83%	85%	85%

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 2021, 64% of depots reported using eR-bills (up from 60% in 2020), which represented 81% of all R-bill reporting (up from 80% in 2020). As

of September 2022, 64.3% of depots reported using eR-bills, which represents 82.7% of all R-bill reporting.

Quality Monitoring System (QMS): The QMS is an online database used to report, track and resolve operational issues in the industry. The BCMB oversees the QMS system, but industry stakeholders (depots, the ABDA, the CSA and CSPs) are the primary users of the QMS which can also be accessed using a mobile app. 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 utilizing the QMS in 2021 was 91%, down slightly from 93% in 2020, most likely due to the temporary suspension of the requirement to submit closure tickets (due to COVID-19). As of October 2022, 87.3% are utilizing the QMS.

Point of Return (POR) software: 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. As per BCMB by-law, depots handling six million or more containers annually must use a POR system, and all of them currently do. In 2021, 79% of the total depot network had POR systems (177 of 223 depots). As of October 2022, 77.8% of depots had POR systems (172 of 221 depots).

The industry also uses other innovative technology. **Automated sorting equipment**, which is designed to replace manual labor at the depot, can improve the efficiency and accuracy of sorting containers.

The online **Beverage Container Registration Database** lists all products that are registered in Alberta and includes an unregistered container product list as well as information regarding the brand, flavor, size, material and UPC. As of October 2022, over 220,000 containers had been registered in Alberta. Process improvements are currently being made to the database to increase the integrity of beverage container registrations. Information inputted by producers will be approved by the BCMB before the registration is accepted.

Cost Effective

Performance Indicators	Actual 2020	Actual 2018	Actual 2016	Actual 2014	Actual 2012
Net cost for the recycling consumer in cents per container ³¹	2.20	2.40	1.80	1.26	2.06
Ranking of comparable deposit jurisdictions					

³¹ Until 2018, net cost values were based on data from two years previous (i.e., 2018 value is based on data from 2016). However, the 2020 value is based on 2019 data. Source: CM Consulting.

Net Cost to Recycling Consumer: Consumers can be categorized into two groups - those who return their beverage containers for recycling 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 return their beverage containers also funds the system through 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 the point of purchase and ranged from 0 cents to 11 cents in 2021.

In 2020, the recycling consumer in Alberta paid an average of 2.20 cents for each container to fund the system.³² The *Who Pays What* report is published biennially and reports on the performance of Canada’s beverage container recycling system. The most recent report was published in late 2020 and is based on 2019 data (past reports, published biennially, were based on data from two years previous). The next report is not expected until late 2022.

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).

Cost Effective

Performance Indicator	Actual 2021	Actual 2020	Actual 2019	Actual 2018	Actual 2016
Labour seconds per container at depots ³³	4.24	4.36	4.20	4.34	4.77

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 costs and hours. 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.

Labour seconds per container was 4.24 in 2021 (most recent year for which data is available), down slightly from 4.36 in 2020.

³² *Who Pays What: An Analysis of Beverage Container Collection and Costs in Canada, 2020, CM Consulting.*

³³ *A more accurate calculation rate for labour seconds per container at depots was recommended by the BCMB's Data Collection Agent in 2019 and this indicator is now being reported annually. The most recent actual is 2021 due to the UCA reporting cycle not concluding until late in 2022.*

Financial Plan

In November 2022, the Board of Directors approved the 2023–2025 Financial Plan. Overall, the plan represents a ‘business as usual’ approach with the following changes:

1. The 2022 surplus will be used to expand the existing Operating Reserve Fund for Handling Commission Review and hearing costs, both of which are difficult to plan and budget for. The Operating Reserve Fund will have a value of \$1,935,200 by December 31, 2022.
 - a. Handling Commission Review and hearing cost estimates were included in the 2022 budget but were not fully utilized as the parties did not trigger an HCR and a hearing was adjourned into 2023. These estimates contribute approximately 50% of the \$1,404,100 surplus expected by December 31, 2022.
2. It is estimated that sales volumes for 2023–2025 will grow modestly at 1% each year, with no growth in 2025. The operating fee will be \$0.0017 per container sold in Alberta.
3. Continuation of the retail inspection program will impact compliance fees and bad debt expenditures.
4. Expenditures were reviewed in depth to find efficiencies in the budget to offset inflationary pressures. Most expenditure lines have a 2-3% inflationary increase estimated, per year, for 2024 and 2025.
5. Salaries and benefits are expected to increase beginning in 2023 with the expansion of the registrations team. The human resources plan assumes growth from 18 to 22 full-time employees with one position being temporary for 2023-2024.
6. Continuation of previously approved projects and the addition of an office relocation project are to occur in 2022. No new projects are currently planned for 2024 and 2025.
 - a. The Technology Review and Update (Phase 2) led to the selection of a vendor in September 2022, with work beginning in November 2022. The project is expected to continue into 2023. Estimates on capital expenditures for the project are \$364,000. Additional capital costs may be incurred for an enhancement strategy.
 - b. The BCMB is currently reviewing options for a new office location to accommodate an expanding team and evolving work arrangements. Rent expenses have been estimated based on information available to date. Capital expenditures (which include leasehold improvements, information technology and furniture) for the new office are estimated at \$470,000.

Statement of Operations

2023 - 2025 Revenues (Table 1)

Revenues	2022 Forecast	2023 Budget	2024 Budget	2025 Budget
Container fees ³⁴	\$4,597,500	\$4,382,500	\$4,429,400	\$4,429,400
Compliance fees	113,000	67,200	20,000	20,000
Interest and other	103,900	72,000	65,000	60,000
Permit fees	9,000	7,200	32,000	30,000
Registration fees	6,800	4,200	4,200	4,200
Total Revenues	\$4,830,200	\$4,533,100	\$4,550,600	\$4,543,600

2023 – 2025 Operating Expenditures (Table 2)

Operating Expenditures	2022 Forecast	2023 Budget	2024 Budget	2025 Budget
Salary and benefits	\$1,818,300	\$2,437,400	\$2,502,100	\$2,486,400
Professional fees	888,900	1,447,700	780,600	771,800
Office	136,200	180,900	225,500	227,300
Communications	121,500	165,200	156,800	165,600
Information technology	107,700	115,000	167,400	170,900
Travel	77,300	77,400	79,700	81,600
Honoraria and Board Expenses	76,500	78,400	63,700	64,100
Meetings	60,400	112,300	87,200	115,100
Depreciation	29,400	85,100	107,000	103,000
Bad debts	61,700	73,000	49,000	25,000
Training and Development	24,300	43,000	43,000	43,000
Insurance and licenses	23,900	33,600	35,300	37,000
Total Operating Expenditures	\$3,426,100	\$4,849,000	\$4,297,300	\$4,290,800

³⁴ Assumes container fee at \$0.0017 per container in each of the three budget years.

2023 – 2025 Excess of Revenues over (under) Expenditures (Table 3)

Excess of Revenues over (under) Expenditures	2022 Forecast	2023 Budget	2024 Budget	2025 Budget
	\$1,404,100	(\$315,900)	\$253,300	\$252,800

2023 – 2025 Operating Fee (Table 4)

Operating Fee	2022 Forecast	2023 Budget	2024 Budget	2025 Budget
Estimated volumes	2,554,164,613	2,579,706,259	2,605,503,322	2,605,503,322
Estimated operating fee	\$0.0018	\$0.0017	\$0.0017	\$0.0017

2023 – 2025 Capital Expenditures (Table 5)

Capital Expenditures	2022 Forecast	2023 Budget	2024 Budget	2025 Budget
Operational expenditures	\$19,208	\$15,600	\$18,600	\$18,600
Project expenditures	\$340,000	\$494,000	\$ -	\$ -