bCmb

2024 – 2026
BUSINESS PLAN

AN ACKNOWLEDGMENT

In the spirit of reconciliation, the BCMB recognizes that our office is located on Treaty 6 land, the traditional territory of the Cree, Saulteaux, Blackfoot, Métis, Dene, and Nakota Sioux people. Our responsibility as the regulator for Alberta's beverage container recycling industry means our work involves oversight of depots in 160 communities across Alberta. Thus, our work is carried out on not only Treaty 6 traditional territory but also the traditional lands of Treaties 7 and 8 – the Blackfoot Confederacy (Kainai, Piikani and Siksika), Stoney Nakoda, and the Tsuu T'ina Nation and the Métis People of Alberta. This includes the Métis Settlements and the Six Regions of the Métis Nation of Alberta within the historical Northwest Metis Homeland.

We honour those who have come before us and with this small act of reconciliation, we also acknowledge and celebrate the significant connection Indigenous people have to the land.

INTRODUCTION

The Beverage Container Management Board (BCMB) exists to regulate the beverage container recycling system in Alberta. We are driven to ensure the system is cost effective and efficient, and that the highest possible collection and recycling rates are achieved. This means we must also ensure that every Albertan can return their containers for recycling and a refund of the deposit they pay on all beverages they purchase.

Alberta's system is dynamic and high performing. In 2022, more than 2.5 billion containers were sold in the province and 2.1 billion of those were returned to depots. That equates to a collection rate of 83%, which remains one of the highest in Canada.

The success of Alberta's beverage container recycling system can be attributed to the industry's continued willingness to innovate, explore, and improve, as well as the collaboration among all partners. It can also be attributed to the industry's reach. There are 221 depots in 160 communities across Alberta, 140 of those in rural communities.

A regulator should be fair, unbiased and a trusted source of information. Those goals form the foundation for the work the BCMB does and every policy decision we make. We play an administrative, adjudicative and oversite role in our province's beverage container recycling system which is crucial to its success. Bringing all parties to the table and ensuring collaboration and open communication allows us to serve the public's interests and protect the environment at the same time.

While overseeing industry compliance and measuring and validating recycling are important aspects of our regulatory role, the work of the BCMB focuses on educating and informing to build capacity. Our business planning and all work directed at achieving our desired outcomes are centred on protecting the environment. We do this by continually looking for ways to improve Alberta's beverage container recycling system, harmonizing our efforts with our partners and other jurisdictions, purposefully measuring our success, and sharing that success and our learnings wherever we can.

All of that is reflected in the BCMB's 2024-2026 Business Plan which provides:

- an overview of our regulatory role and mandate, and how we align our work with the Government of Alberta's goals for environmental protection;
- an outline of our current key projects and initiatives;
- a description of each of our five desired outcomes and associated key strategies, as well as performance metrics for those strategies; and
- our Financial Plan and Statement of Operations.

ACCOUNTABILITY STATEMENT

The BCMB Business Plan for the period January 1, 2024, through December 31, 2026, 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 2023, and the Board's accountability obligations, responsibilities and relationships have all been considered in the preparation of this Business Plan.

In keeping with our role as a Delegated Administrative Organization, the BCMB Business Plan also purposefully aligns with the Government of Alberta and Ministry of Environment and Protected Areas' 2023-2026 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 with the understanding that "environment and ecosystem health and integrity are vital to Albertans' well-being."[1]

Approved by the Board of Directors
Beverage Container Management Board
November 22, 2023

Andrew Stephens
Chair

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[1] *Alberta Environment and Parks 2023-2026 Business Plan, p. 47.*

Regulatory Structure and Mandate

BCMB MANDATE
*TO REGULATE AND ENHANCE A LEADING BEVERAGE CONTAINER SYSTEM
THAT PROTECTS ALBERTA'S ENVIRONMENT*

REGULATORY STRUCTURE

- Established 26 years ago through the Beverage Container Recycling Regulation, which was enacted under the *Environmental Protection and Enhancement Act*.
- Not-for-profit association incorporated under the *Societies Act of Alberta*.
- Operate with a 13-person stakeholder board with equal representation from manufacturers, depots, and the public, as well as a non-voting representative from the Government of Alberta.
- A Delegated Administrative Organization (DAO) created through legislation to aid the Ministry of Environment and Protected Areas in achieving its goals and objectives. That means we purposefully align with the Government of Alberta and the Ministry's strategic direction and priorities, but we function as an arms-length, self-funded, legal entity in carrying out our services and mandate.
- A Memorandum of Understanding between the BCMB and the Government of Alberta to outline each of their roles and responsibilities.

The BCMB also operates in accordance with a number of by-laws, policies, and operating and service agreements with industry stakeholders. These governing documents are amended as necessary to ensure our work reflects and aligns with current recycling needs and policies provincially, nationally, and globally.

ALIGNMENT WITH THE GOVERNMENT OF ALBERTA

As a DAO, the BCMB places specific emphasis on helping the Government of Alberta and specifically, Alberta Environment and Protected Areas, achieve their stewardship goals by aligning with their mandate, desired outcomes, and key objectives.

Alberta Environment and Protected Areas' 2023-2026 Business Plan states that it "works to protect and enhance the environment and ecosystems throughout the province to secure a sustainable future with Alberta as a leader in environmental conservation and protection supporting economic prosperity and quality of life for Albertans."[2]

Alberta is well known as a leader and innovator in beverage container recycling, and our industry is a **key contributor to environmental conservation and protection.** We consistently achieve some of the

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[2] *Alberta Environment and Protected Areas 2023-2026 Business Plan, p. 45.*

highest collection rates for beverage containers in Canada. That also translates into strong recycling rates and significant economic and social benefits.

From an **economic standpoint**, 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 collection and recycling of the containers provide employment for over 2,500 Albertans and revenue for the industry and recycling companies that purchase the material from the CSA/CSPs.

The **social benefits** of a deposit-refund system extend from individuals to businesses and communities. Many of the 221 depots permitted in Alberta offer employment opportunities to people with disabilities, run donation programs, support bottle drives in their communities, and offer collection/pick-up services that make recycling convenient for businesses and other organizations. Some Albertans rely on their refunds as a means of financial support while others donate the deposit value of their beverage containers to community and charitable organizations which use that money to fund key programs for Albertans.

One of Alberta Environment and Protected Areas' key objectives is to "maintain and strengthen environmental resource stewardship and conservation through proactive engagement and partnerships with municipalities, non-profit organizations, and Indigenous communities to support targeted strategies and frameworks including…efficient regulated waste facilities and recycling programs."[3]

The BCMB remains focused on environmental resource stewardship, and we do not carry out that work in isolation. We **listen to and collaborate with industry partners** to enhance our efforts to meet and adopt best practices, ensuring consistency with provincial and national standards. We continually evaluate our regulatory role and the performance of the beverage container recycling system against modern and evolving stewardship standards and practices. While the BCMB plays an important regulatory role, we also work to ensure the right structure and flexibility exist to promote innovation in the industry.

The BCMB also fully supports the Government of Alberta's efforts to grow the circular economy for plastics through the province's Natural Gas Vision and Strategy. The strategy's goal is for Alberta to be the western North America centre of excellence for plastics diversion and recycling by 2030. Alberta has one of the highest collection and recycling rates for plastic beverage containers in Canada and the lowest average costs per container. Over 703 million plastic containers were returned to depots in 2022 with a current collection rate of 79.4% and a recyclability rate of 99.3%.[4] Our industry is also working on how best to incorporate plastic recycling feedstock back into the system.

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[3]*Alberta Environment and Protected Areas 2023-2026 Business Plan, p. 47.*

[4] *Alberta Beverage Container Recycling Corporation 2022 Sustainability Report, pp. 18 & 20.*

ROLES AND RESPONSIBILITIES

The BCMB is responsible for regulating Alberta's beverage container recycling system and leads the development of policies and programs that enable the recycling of beverage containers in Alberta. Our vision, mandate and value statements guide the work we do and our role as a regulatory organization. They also set the foundation for our business planning and the desired outcomes we set and measure.

More specifically, our roles and responsibilities include:

- permitting the collection system (depots);
- approving the Collection System Agent (ABCRC);
- Operating a registry for all beverage containers sold in the province;
- approving the method of recycling;
- administering compliance of regulated parties through inspections, audits, reporting and evaluation, and administrative hearings for suspension or cancellation of operating permits;
- setting handling commissions.

2024-2026 KEY INITIATIVES & PROJECTS

To fulfill our regulatory role of ensuring 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 beginning or continuing its work on a number of key initiatives and projects:

- **Collection and recycling rate targets:** continue to explore innovative and harmonized targets for Alberta's beverage container recycling system and ways to increase collection and recycling rates, including an assessment of where 'missing' or unreturned containers are ending up.
- **Enhancing our regulatory reputation:** educating stakeholders and the public on the BCMB's roles and responsibilities, including our role as a knowledgeable and trusted source of information (nationally and internationally) for beverage container recycling regulation.
- **Enhancing our collaboration with the Government of Alberta and industry partners:** explore opportunities to further collaborate and develop meaningful relationships aimed at transparency and efficiency, including clear expectations, clearly defined regulatory tools, and best practice industry operational resolution approaches.

Key Project Updates:

1. Technology Review & Update

The BCMB's comprehensive information technology project has involved updating and streamlining 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. Though the project will be complete in 2024, the BCMB's commitment to progressive IT and information control strategies means we will continue to place a high priority on improvement and innovation in our systems.

Cybersecurity and outdated technologies related to core business elements have been addressed (Phase 1) while the modernization of the BCMB's main registration database and portal, and its transition to a cloud-based system is almost complete (Phase 2). A new Stakeholder Information

Management System (SIMS) was launched for non-alcohol manufacturers in October 2023. The final steps for Phase 2 will involve providing depot permit holders with access to an online portal to access essential information and the transition of alcohol container registrations from Alberta Gaming, Liquor and Cannabis (AGLC) to the BCMB in early 2024. A Phase 3 of the project is being scoped out in 2024 which will continue to prioritize strategic initiatives and to further consolidate data and stakeholder information around BCMB operations. Having one system and process for all manufacturers to register their containers 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: Phase 1 completed in 2021; Phase 2 expected completion in Q1 2024; Phase 3 planned to begin in Q1 2024.

2. Registrations and Recycling Committee

With its stakeholder groups, the BCMB is exploring recycling definitions (to help determine what materials would be approved for the Common Collection System and therefore, sold in Alberta), verification and reporting of recycling of beverage containers, the purpose and methodology behind an industry recycling scorecard, stakeholder role clarity, and collection and recycling targets.

The Registration and Recycling 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.

Having clear definitions and expectations will also help guide and encourage improvement and innovation amongst manufacturers for the products they produce and are accountable for through to end-of-life.

Timeline: Phase 1 (studies with Eunomia, development of Scorecard) completed in 2022; Phase 2 (adoption and validation of definitions, exploration of targets, verification of recycling, utilization of Scorecard) is ongoing.

3. Depot Siting Review

To ensure the depot system continues to meet the needs of Albertans and that the system remains cost effective and efficient, the BCMB, in consultation with industry stakeholders, has undertaken a project to analyze and develop recommendations on depot siting criteria. The role of municipalities in the depot siting process is also being considered.

The project goals are to ensure the depot siting criteria support the achievement of high collection rates for all beverage containers sold in Alberta, enable customer access, promote a positive customer experience for Albertans and promote cost efficiency to ensure long-term depot and system sustainability.

Timeline: Phase 1 (creation of depot mapping tool) completed in Q1, 2023; Phase 2 (assessment of current criteria and exploration of recommendations) planned completion in Q4 2023; Phase 3

(creation of BCMB Board Committee to review and consider recommendations) planned to begin Q1 2024.

OUTCOMES

The BCMB's 2024-2026 Business Plan demonstrates alignment with the mandate, outcomes and key objectives of Alberta Environment and Protected Areas. With that alignment in mind, our desired outcomes, key strategies and performance metrics guide our planning and decision making.

OUTCOME	KEY STRATEGY	
Environmental Protection	**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	**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	**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	**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**	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.

Outcome 1- 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.

2024-2026 Actions
1. Continue to focus industry efforts on increasing collection and recycling rates.
2. Explore the addition of refillable water jugs to Alberta's beverage container recycling system.
3. Complete the Registration and Recycling Project, which will allow for an effective assessment of the beverage container recycling system's performance.
   a. Identify and manage low-performing material streams and those products registered that are deemed non-recyclable.
   b. 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.
   c. 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

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 (primarily beer bottles) are collected by the largest CSP, the Alberta Beer Container Corporation. Beer bottles can be refilled and reused up to 15 times.

Beverage sales continue to steadily rise in Alberta, increasing 0.7% in 2022 to 2.5 billion sold. The collection rate for 2022 was 83%, down from 84.1% in 2021. As of July 2023, Alberta's collection rate is 84.8%.

Performance Indicators	% of all containers returned in 2022	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
Overall collection rate[5]		83.0%	84.1%	82.2%	85.3%	86.0%
Cans[6]	50.8%	87.2%	88.0%	85.5%	89.1%	89.12%
Non-Refillable Glass	6.1%	87.7%	87.7%	87.9%	92.6%	97.2%
Refillable Glass (Beer)	1.8%	97.3%	105.8%[7]	102.1%	100.4%	98.6%
Plastics	33.3%	79.4%	81.2%	78.5%	81.6%	82.5%
Polycoats Combined[8] *(Details below)*	8.0%	69.5%	69.2%	69.3%	71.1%	72.3%
Tetra-Pak	4.4%	70.7%	70.4%	68.2%	86.1%	78.1%
Gable Top	3.1%	74.5%	74.1%	75.9%	81.4%	77.8%
Drink Pouches	0.5%	43.7%	42.4%	47.5%	49.5%	51.7%
Bag-in-a-Box	0.04%	46.4%	48.6%	40.7%	42.1%	39.2%

Reduce Footprint

The BCMB began reporting on three of four new performance indicators in 2021 (with ABCRC being the source of the metrics). Reporting on the recycling rate indicator will begin upon completion of the Registration and Recycling Project and when data can be obtained and measured.

Transportation of Products from Depots to ABCRC and Transportation of Products 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.[9]

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[5] *For the 12-month period ending December 2022, the total system volume equated to 2.11 billion containers collected (returned to depots).*

[6] *As of 2022, the BCMB is reporting collection rates for cans (aluminum) and non-refillable glass containers separately as they are different material streams.*

[7] *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.*

[8] *As of 2023, the BCMB is reporting collection rates for the various types of polycoats in addition to the overall rate.*

[9] *Alberta Beverage Container Recycling Corporation 2022 Sustainability Report, p. 17.*

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 recycling rate will quantify the percentage of residual loss compared to containers collected (measured net of residuals lost during the processing of materials).

Performance Indicators		2022 Actual	2021 Actual	2020 Actual	2019 Actual
Transportation of products from depots to ABCRC[10]					
Kilometres driven		3,199,858	3,304,942	3,182,358	3,028,005
Number of loads		33,872	34,020	32,541	32,623
Transportation of products from ABCRC to end destination (kilometres driven)[11]					
Material Type[12]	**Destination**				
Cans	United States	2,626,643	2,659,247	2,558,163	2,694,985
Non-Refillable Glass	Alberta	163,523	166,624	170,183	182,966
Plastics	Alberta; British Columbia	319,521	348,067	346,979	351,994
Polycoats[13]	North America	646,520	560,027	578,197	536,960
Material Recycled (metric tonnes diverted from landfill)					
Cans		14,561	14,955	14,354	13,376
Non-Refillable Glass		47,108	49,106	49,890	52,124
Plastics		20,708	20,887	19,754	19,961
Polycoats		5,073	5138	2,555	5,179
Recycling Rate[14]					
Percentage of residual loss compared to containers collected (measured net of residuals lost during processing of materials)					

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[10] *Mileage was adjusted to account for depot relocation and travel distance.*

[11] *The transportation of refillable glass containers is not included in the environmental performance indicators.*

[12] *The transportation of refillable glass containers is not included in the environmental performance indicators.*

[13] *In 2022, some gable top (polycoat) was shipped to overseas destinations from the port of Montreal, incurring CO_2 emissions of approximately 24,498 kg.*

[14] *Reporting on the new Recycling Rate indicator will begin upon completion of the Registration and Recycling Project.*

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.

2024–2026 Actions

1. Develop and approve an annual operating budget and three-year business plan to meet the requirements of the Beverage Container Recycling Regulation and to provide Alberta Environment and Protected Areas, our key stakeholders and the public with information on our regulatory role and operations, our desired outcomes and how those will be achieved and measured.
2. Produce an annual report highlighting the achievement of the BCMB's mandate and government expectations as well as progress on our desired outcomes.
3. 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.
4. Conduct a quarterly risk review and maintain a risk register.
5. In keeping with CSA and CSP Operating Agreements, continue to monitor compliance and adherence to financial operating standards (ie., manufacturer reporting and remitting, Handling Commission Review processes and payments), ensuring any required improvements are made.

PERFORMANCE METRICS

Accountability

The BCMB is accountable to its stakeholders and is responsible for identifying/mitigating risk for the beverage container recycling system in Alberta. To this end, senior management and/or the Board:

- develop and approve an annual operating budget and three-year business plan that is submitted to the Ministry of Environment and Protected Areas;
- regularly review all value statements, outcomes and key strategies;
- undergo an annual external audit;
- review and approve financial statements and applicable policies quarterly; and
- undertake quarterly risk reviews and maintain a risk register that is reviewed by the Board annually.

Reporting and Transparency

Net System 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.

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.

The overall net system cost dropped again in 2022 to $0.0181 from $0.0236 in 2021.

Performance Indicators	Actual 2022	Actual 2021	Actual 2020	Actual 2019	Actual 2018
Net system cost: total of all costs and offsetting revenues in dollars per container					
	$0.0181	$0.0236	$0.0294	$0.0294	$0.0263
Net system cost by container type					
Cans	$0.0176	$0.0115	$0.0156	$0.0046	-$0.0009
Non-Refillable Glass	$0.0486	$0.0806	$0.0793	$0.1035	$0.0992
Plastics	$0.0139	$0.0285	$0.0393	$0.0464	$0.0452
Polycoats	$0.0161	$0.0406	$0.0396	$0.0502	$0.0445

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 2022 at 99.9%, with three late payments on 33,975 loads.

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.

As of August 2023, 11 scheduled loads were not picked up from a depot without prior communication from the CSA.

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 inspection score was 92.2% in 2022, above the target of 91%.

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.

CSP operating compliance was 84.4% in 2022, down from 87.5% in 2021 and below the 93% target. A new CSP operating agreement was implemented November 30, 2022, with the aim of improved performance for 2023, particularly related to payment and transportation.

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 producer 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 remained high in the past few years, with compliance in 2022 at 97.3%.

Producer 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 year-end. 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, 99.9% of sales volume was achieved and verified by producers (the most recent year for which data is available). The BCMB has also begun tracking and reporting on individual producer compliance. Six months post-fiscal year-end, 34% of producers were non-compliant. As of December 2022, 9% or 32 of 356 producers were non-compliant in reporting sales verification.

Performance Measures	Target 2022	Last Actual 2022	Target 2024	Target 2025	Target 2026
Collection System Agent Compliance					
Payment Compliance: The percent of all payments made to depots within the industry standard	100%	99.9%	100%	100%	100%
Collection Compliance: The number of reported loads **not** picked up from depots within the industry standard	2	4	2	2	2
CSA Operating Compliance: The inspection score based on agreed-upon performance standards	91%	92.2%	95%	95%	95%
Collection Service Provider (CSP) Compliance					
CSP Operating Compliance[15]: The evaluation score based on agreed-upon performance standards	93%	84.4%	95%	95%	95%
Depot Compliance					
UCA Filing Compliance: The % of depots that filed required financial documents to the Data Collection Agent	100%	97.3%	100%	100%	100%
Producer Compliance					
Sales Verification[16]: The % of all container sales remitted to CSA and verified by producers for prior year	100%	99.9%	100%	100%	100%

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[15] *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 average taken.*

[16] *Sales verification compliance represents the year prior due to BCMB reporting cycles and producer year ends.*

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 our by-laws, policies and operations are focused on system compliance, efficiency and integrity.

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.

2024-2026 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. 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.
3. 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.
4. 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.
5. As part of the information technology modernization project, fully implement the new Stakeholder Management Information System (SIMS) which includes a new depot portal and container registration database.
6. Complete the transition of alcohol manufacturer and container registrations from Alberta Gaming, Liquor and Cannabis to the BCMB (over 800 liquor agencies register 1500-1800 containers each month for more than 10,000 alcohol manufacturers).

PERFORMANCE METRICS

Compliance

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 97.4% in 2022, up from 94% in 2021. The increase is most likely due to the move to the percentage-based assessment which more accurately reflects compliance.

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 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 was 94% in 2022.

Operational Compliance

The BCMB's depot inspection program is a risk-based process. Higher-performing depots are visited less frequently by BCMB Compliance Officers, and lower-performing depots receive more visits. Each depot is provided with an annual evaluation highlighting areas of high performance and areas where improvement is required. Deficiencies are usually minor in nature and depots are given a timeline for correction that takes the nature of the deficiency into account.

The percentage of depots fully compliant with BCMB by-laws and policies increased significantly in 2022 to 89%. This number includes only depots with zero deficiencies. Should a depot have a deficiency, it is common for it to be a minor infraction that is corrected prior to entering the compliance framework.

The percentage of depots with deficiencies that were corrected prior to entering the quality control compliance framework increased significantly to 91% in 2022 from 64% in 2021.

Retail Compliance

The BCMB introduced a new retail compliance program in 2021 that focuses on deposit advertising and container registration. 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. The BCMB is continuing to develop educational tools and initiatives to proactively increase compliance in these areas, and positive results are being seen through these efforts.

In 2022, 34% of retailers were compliant with all standards (compared to 24% in 2021, the first year of reporting). Compliance for deposit advertising was 43.2%, up from 38.9% in 2021, and compliance for container registration was 66.7%, down from 73.9% compliance in 2021.

Integration, Alignment & Communication

While the BCMB does not use a specific performance metric 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.

A joint industry committee is nearing the completion of its review of depot siting criteria to determine if the criteria meet the needs of the public and industry and to better understand public access and convenience.

Work continues on the comprehensive information technology strategy that will align BCMB's system with other industry systems and enhance the user experience continues. This includes the modernization of the BCMB's main database and portal.

Performance Indicators	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
Depot Compliance					
Refund Compliance: The % of audits conducted that were refunded within industry standard	97%	94%	84%	91%	79%
Quality Compliance: Shipments of containers from depots within industry standard	94%	95%	95%	91%	87%
Operational Compliance: The % of depots inspected that are compliant with BCMB by-laws and policies	89%	77%	70%	70%	
The % of depots with deficiencies that were corrected prior to entering the Compliance Framework[17]	91%	64%	69%	56%	
Retail Compliance					
Retail Compliance: [NEW] The % of retail locations inspected that are compliant with BCMB by-laws and policies	34%	24%			

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[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.*

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.

2024-2026 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 through 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 annual depot exit interviews on depot customer satisfaction.

PERFORMANCE METRICS

Satisfies and Quality

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 in 2021, 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. In 2021 and 2022 they were 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%. Nearly 75% of customers say they spent 10 minutes or less at the depot during their recent visit, including 33% who visited for less than five minutes. 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.[18]

Performance Indicators	Actual 2022	Actual 2021	Actual 2020	Actual 2019	Actual 2018
Public Satisfaction					
Participation[19]	87%	87%	92%	92%	88%
Average travel time to a depot[20]	48% < 10 mins. 35% = 11-20 mins.	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.
Customer Satisfaction[21]					
Overall satisfaction rated as very satisfied	87%	87%		78.5%	82%
Average time spent in a depot	8.4 mins.	8.0 mins.		13.7 mins.[22]	10.1 mins.

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[18] *2022 Depot Exit Interview Survey*

[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 2022 and 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.*

Awareness

Public Awareness

Public awareness is captured through the biennial Ipsos survey. While the BCMB does not set targets for public awareness, awareness of the deposit-refund program is an important performance indicator for the industry. We have an expectation that it will be maintained at around 98% through annual marketing initiatives by the CSA[23], education, a joint public website (ABCRC, BCMB, and ABDA) and other communications activities that continue to target regular increases in awareness surrounding deposit values and the environmental benefits of recycling beverage containers.

Deposit-refund awareness: 96% of Albertans are aware that they can return beverage containers to a depot for a refund. 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%).[24]

Environmental impact: 66% of Albertans believe that beverage container recycling has a significant impact on the environment (an increase from 60% in the previous survey conducted in February 2020). 84% are aware of some benefit to the environment through recycling beverage containers (up from 81%).

Deposit amount awareness: 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).

Customer Awareness

The CSA continued its marketing initiatives for the beverage container recycling industry in 2022, focusing on containers with low return rates such as bag-in-a-box, tetra brik, gable top, coloured plastic and drink pouches.[25]

Awareness of the depot network brand ('Depot, It's Worth It' logo) was up significantly in 2022 at 77% compared to 59% in 2019. 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).

Performance Indicators	Actual 2022	Actual 2021	Actual 2020	Actual 2019	Actual 2018
Public Awareness					
Individuals aware of the deposit/refund program	96%	96%	98%	98%	98%

[23] *Alberta Beverage Container Recycling Corporation 2022 Sustainability Report, p. 23*

[24] *Beverage Container Recycling – 2022 Survey of Albertans, May 2022*

[25] *Alberta Beverage Container Recycling Corporation 2022 Sustainability Report, p. 23*

Individuals who believe that recycling beverage containers has a significant impact on the environment	66%	66%	60%	60%	67%
Individuals aware of the deposit amount	47%	47%	52%	52%	52%
Customer Awareness					
Individuals aware of the industry brand[26]	77%			59%	63%

Accessible

Accessibility to Depots

A primary objective of the BCMB is to ensure an accessible beverage container system. That is the focus of the depot siting review project. Until the project is complete, the BCMB has stopped issuing Requests for Applications (RFAs) for new depots.

There is currently one new depot under development in Calgary that is scheduled to open in late 2024. Future targets will be based on any changes to siting criteria resulting from the depot siting review project.

Performance Measures	Target 2022	Last Actual 2022	Target 2024	Target 2025	Target 2026
Number of universal depots in Alberta[27]	223	221	223	223	223
Number of permits in development	1	1	TBD[28]	TBD	TBD

Performance Indicators[29] NEW	Actual 2022	Actual 2021	Actual 2020	Actual 2019	Actual 2018
Number of universal depots in Alberta (by classification)	Rural: 134 Urban: 36 Metro: 51	Rural: 136 Urban: 35 Metro: 50	Rural: 137 Urban: 36 Metro: 51	Rural: 138 Urban: 35 Metro: 48	Rural: 138 Urban: 35 Metro: 48
Number of communities with a depot	160	161	162	163	163

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[26] *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).*

[27] *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 2024, and a new depot opened in Castor in Q1 2023.*

[28] *Future targets will be based on any changes to siting criteria resulting from the depot mapping and siting project.*

[29] *The number of universal depots in Alberta (by classification) and the number of communities with a depot are new performance indicators that will help assess growth and/or inform depot siting decisions aimed at ensuring access and efficiency in the system.*

Outcome 5 – System Efficiency and Effectiveness

The BCMB is dedicated to finding ways to increase system efficiency and effectiveness and to 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.

2024-2026 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. Complete the development and implementation of the new registrations database and portal.
4. Continue working with AGLC and liquor agents/producers to complete the transition of alcohol container registrations to the BCMB and self-registration for liquor agencies.
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 and Technology

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. In 2022, 64% of depots reported using eR-bills (consistent with 64% in 2021), which represented 94% of all R-bill reporting (up from 81% in 2021 and above the 85% target).

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 2022 was 89%, down slightly from 91% in 2021, most likely due to the temporary suspension of the requirement to submit closure tickets (due to COVID-19).

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 2022, 77% of the total depot network had POR systems (170 of 221 depots), down slightly from 2021 when 79% of depots had POR systems (172 of 223 depots) which is a result of two fewer depots.

The industry also uses other innovative technology.

Automated Sorting Equipment

Automated sorting equipment, which is designed to replace manual labor at the depot, can improve the efficiency and accuracy of sorting containers.

Beverage Container Registration Database

The BCMB launched a new database and registration portal (Stakeholder Information Management System or SIMS) for non-alcohol manufacturers in October 2023. SIMS provides a more intuitive and efficient process for manufacturers to register themselves and their beverage containers. As of December 2022, over 231,000 containers had been registered in Alberta. That number will increase substantially in 2024 when alcohol container registrations transition to the BCMB from Alberta Gaming, Liquor and Cannabis.

Performance Measures	Target 2022	Last Actual 2022	Target 2024	Target 2025	Target 2026
Depots utilizing Electronic R-bill Reporting	70%	64%	75%	75%	75%
Percentage of reporting that uses eR-bill	85%	94%	90%	90%	95%
Depots utilizing Quality Monitoring System (QMS)	95%	89%	95%	95%	95%
Depots utilizing Point of Return software	81%	77%	85%	85%	85%

Cost Effective

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 1 cent to 11 cents in 2022.

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 2023.

The most recent data available (from the 2020 Who Pays What report) indicates the recycling consumer in Alberta paid an average of 2.20 cents for each container to fund the system.[30]

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). Alberta's deposit-refund system once again had the lowest costs per container paid by the recycling consumer among comparable systems.[31]

Performance Indicators	Actual 2020	Actual 2018	Actual 2016	Actual 2014
Net cost for the recycling consumer in cents per container[32]	2.20	2.40	1.80	1.26
Ranking of comparable deposit jurisdictions	1	1	1	1

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 4.17 in 2022, the most recent year for which data is available, down from 4.24 in 2021.

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[30] *Who Pays What: An Analysis of Beverage Container Collection and Costs in Canada, 2020, CM Consulting*

[31] *Ibid*

[32] *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.*

Performance Indicator	Actual 2022	Actual 2021	Actual 2020	Actual 2019	Actual 2018
Labour seconds per container at depots[33]	4.17	4.24	4.36	4.20	4.34

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[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 2023, the Board of Directors approved the 2024–2026 Financial Plan.   The plan contains the following highlights:

1. It is estimated that sales volumes for 2024-2026 will grow modestly at 1% each year, with 0.75% growth in 2026. The operating fee will be $0.0017 per container sold in Alberta.

2. Operational programs continue to operate with a 'business as usual' approach. 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 2025 and 2026.

3. The human resource plan assumes a headcount of 23 full-time employees with a planned decrease to 22 full-time employees in 2026.

4. The 2024-2026 Financial Plan includes the addition of multiple activities that reflect the expansion of BCMB's strategic initiatives and the incorporation of changes impacting operations. While 2024 reflects only a marginal increase from the 2023 budget, there is a substantial increase from the 2023 forecast which was lower than the 2023 budget due to lower professional fees (no Handling Commission Review) and lower staff counts resulting in lower salary and benefits.

5. Projects previously approved by the Board are expected to continue into 2024 with one additional project planned.

    a. A Phase 3 of the Technology Review and Update project was added with a budget of $200,000 ($175,000 related to capital expenditures). This is to continue enhancing the new Stakeholder Management Information System (SIMS) in serving the BCMB's strategic objectives.

    b. The Federal Government has communicated its intent to implement a 90% collection rate target for plastic beverage containers in 2030.   A new project, with an initial budget of $30,000, is being planned in 2024 to assist in the scoping of locating containers not being collected within the province.

    c. Existing projects (Registrations and Recycling Committee and Depot Siting Review) have increased their budgets with a combined $100,000 to continue their work on strategic objectives.

6. Effective January 1, 2023, the Operational Reserve Fund was expanded to include Handling Commission Review and Hearing costs, both of which are difficult to plan and budget for. Costs associated with hearings were utilized in 2023 with a forecasted usage of $150,000 by year end. It is expected that these amounts will be replenished in 2023 using the forecasted surplus. Any future reserve fund costs remain unbudgeted for 2024 to 2026.

7. BCMB is forecasting to have a surplus of $738,700 at the end of 2023 and with a positive

variance against plan of $1,054,600. Contributing to this surplus is a combination of factors including:

a. The increase in interest rates generated $249,000 in additional investment income.

b. Approximately $415,400 was originally budgeted as an expense as the capital component of Phase 2 of the Technology Review and Update was not yet scoped out when finalizing the 2023 budget.

c. Several personnel changes and recruitment delays were experienced throughout 2023.

Statement of Operations

2024 – 2026 Revenues (Table 1)

Revenues	2023 Budget	2023 Forecast	2024 Budget	2025 Budget	2026 Budget
Container fees	$4,382,500	$4,382,500	$4,427,000	$4,470,700	$4,504,200
Interest and other	72,000	321,400	200,000	175,000	145,000
Compliance fees	67,200	35,600	38,000	38,000	38,000
Registration fees	4,200	4,700	7,800	8,300	9,000
Permit fees	7,200	1,800	12,000	30,000	30,000
Total Revenues	**$4,533,100**	**$4,746,000**	**$4,684,800**	**$4,722,000**	**$4,726,200**

2024 – 2026 Operating Expenditures (Table 2)

Operating Expenditures	2023 Forecast	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Salary and benefits	$2,185,100	$2,437,400	$2,676,100	$2,742,200	$2,738,400
Professional fees	872,200	1,447,700	988,200	1,008,500	903,600
Communications	142,300	165,200	231,600	213,400	236,000
Office	129,500	180,900	220,900	228,800	246,600
Information technology	113,900	115,000	155,400	160,100	166,700
Meetings	97,200	112,300	101,900	121,300	106,600
Honoraria & Board Expenses	92,000	78,400	167,600	156,600	156,600
Travel	76,800	77,400	150,100	134,300	148,300
Depreciation	72,200	85,100	150,000	148,000	140,000
Insurance and licenses	55,500	33,600	69,700	72,000	74,200
Training and Development	16,600	43,000	25,000	25,000	25,000
Bad debts	4,000	73,000	5,400	5,400	5,400
Total Operating Expenditures	**$3,857,300**	**$4,849,000**	**$4,941,900**	**$5,015,600**	**$4,947,400**
Reserve Fund Expenditures	**$150,000**	**$-**	**$-**	**$-**	**$-**
Total Expenditures	**$4,007,300**	**$4,849,000**	**$4,941,900**	**$5,015,600**	**$4,947,400**

2024 – 2026 Excess of Revenues over (under) Expenditures (Table 3)

Excess of Revenues over (under) Expenditures	2023 Forecast	2023 Budget	2024 Budget	2025 Budget	2026 Budget
	$738,700	($315,900)	($257,100)	($293,600)	($221,200)

2024 – 2026 Operating Fee (Table 4)

Operating Fee	2023 Forecast	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Estimated volumes	2,577,941,176	2,577,941,176	2,603,762,929	2,629,800,558	2,649,524,062
Estimated operating fee	$0.0017	$0.0017	$0.0017	$0.0017	$0.0017

2024 – 2026 Capital Expenditures (Table 5)

Capital Expenditures	2023 Forecast	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Operational expenditures	$10,200	$15,600	$20,600	$20,600	$20,600
Project expenditures	$1,078,800	$954,000	$175,000	$-	$-