

# MMSW Projected Program Performance and 2015 Budget and Fees

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# Overview

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# Program Implementation Status



# Overview and Program Update

- Launch of program three months away – January 1, 2015
- 370 member stewards
  - Supplying 50,000 tonnes
- 310 municipalities have signed funding agreements with MMSW
  - Estimated collection of 40,000 tonnes

# Projected Recycling and Accessibility Performance

Metric	MMSW 2015 (estimated)
<b>Recycling Performance</b>	
Recycled Tonnes	30,000
Supplied Tonnes	50,489
Recycling Rate	60%*
Population Serviced by PPP Program	748,982
Recycled kg per capita	40.1
<b>Accessibility Performance</b>	
# Households Serviced	TBD
% Households with Access to PPP Program	TBD
P&E Cost per capita	\$0.07
% Consumer awareness	97%

- \*Note that MMSW has set a 60% voluntary recycling rate.

# Calculating the Non-Member Adjustment

- In the absence of a fully compliant steward community, but with 310 municipalities signed up for industry funding, MMSW will apply a voluntary recycling rate of 60% to ensure members only pay for their tonnes, and not free riders
- This will ensure that all 310 municipalities are provided with funding, discounted by 25% of their reported tonnes, until significantly more businesses join the program
- This factor will be reviewed quarterly and may be adjusted as more businesses join MMSW's program
- SK MOE is responsible for compliance – MMSW will work to provide any assistance needed to help MOE bring non-compliant businesses into the program

# Low Volume Stewards

- Low volume stewards – those that supply between one and five tonnes of packaging and paper – can choose to register with MMSW and pay flat fees. These flat fees cover estimated costs of managing the waste packaging and paper generated by low volume stewards, while relieving the administrative burden of providing detailed tonnage reporting.
- MMSW has identified two categories of flat fees for low-volume stewards:
  - A fee of \$350/year for those who produce between 1.0 and 2.5 tonnes of waste packaging and paper; and
  - A fee of \$750/year for those who produce between 2.5 and 5.0 tonnes of waste packaging and paper.

# MMSW's Proposed Small Business Policy

## Proposed small business policy:

- MMSW's proposed Small Business policy includes a reporting exemption for organizations or companies that meet ANY of the following exemption criteria:
  - Less than 1 tonne of waste packaging and paper produced; OR
  - Less than \$750,000 in revenues; OR
  - Business operates as a single point of retail sale and are not supplied or operated as part of a franchise, a chain or under a banner.
- Businesses that meet any of these criteria will be required to register with MMSW, sign an annual declaration indicating they fall within the above thresholds, and pay a \$150 membership fee
- It is important to note that the reporting exemption would not apply to businesses that are supplied by or operated as a part of a franchise, a chain or under a banner.



# Small Business Policy – Consultation

- MOE conducting a consultation on MMSW's small business policy with Saskatchewan businesses
- Once process complete (expected to be mid-November) and a small business policy is set, the government is expected to begin enforcement activities against non-compliant businesses

# MMSW Projected Financial Performance

Assuming a 60% recycling rate:

	MMSW 2015
<b>Cost Performance</b>	
Recycled Tonnes	30,000
Net Cost*	\$7,824,311
Net Cost per Tonne	\$260.8
Net Cost per Capita	\$10.4
Recycled kg per capita	40.1

- \*Net cost includes estimated funding to participating municipalities, P&E and program management costs.

# 2015 Look Ahead



**Multi-Material**  
Stewardship Western



# 2015 Look Ahead

- Program launch January 1, 2015
- Supporting municipalities with P&E to educate residents about services, and raise awareness of business involvement in financing recycling services
- On-going assistance to MOE to bring more businesses into compliance
- Working with municipalities to prepare to provide services in 2015 (to those not yet signed up with MMSW)

# 2015 Budget



**Multi-Material**  
Stewardship Western



# 2015 Budget

	MMSW 2015 Obligation
<i>Steward obligation</i>	75.0%
Share of supply chain costs	\$4,869,652
Promotion & education	\$50,000
Program management	\$1,487,608
Program management (as % of total fee obligation less one-time start-up costs)	23.2%
Program start up	\$600,000
Working capital accumulation	\$721,875
<b>Total fee obligation</b>	<b>\$7,729,135</b>

# Budget Highlights

- Obligation reflects decision to apply a 60% voluntary recycling rate by applying a 25% discount to those municipalities that have signed-up with MMSW
- Budget include small amount of P&E to reach out to residents around launch time – municipalities are responsible for ongoing P&E
- \$600,000 program start-up costs reflect first of a two-year recovery of the estimated \$1.2 million start-up costs
- A one-time amount of \$721.875 to build up a reserve to allow for sufficient working capital

# 2015 Fee Schedule



**Multi-Material**  
Stewardship Western





Category	Material	2015 Fee Rates
<b>PRINTED PAPER</b>		
Printed Paper	Newsprint	7.15 ¢/kg
	Magazines and Catalogues	7.15 ¢/kg
	Telephone books	
	Other Printed Paper	
<b>PACKAGING</b>		
Paper Based Packaging	Corrugated Cardboard	12.92 ¢/kg
	Boxboard	
Composite Paper Packaging	Gable Top Cartons	22.47 ¢/kg
	Paper Laminates	
	Aseptic Containers	
High Grade Plastics Packaging	PET Bottles	17.54 ¢/kg
	HDPE Bottles	
Low Grade Plastics Packaging	Plastic Film	24.62 ¢/kg
	Polystyrene	
	Other Plastics	
Plastic Laminates	Plastic Laminates	33.76 ¢/kg
Steel Packaging	Steel	15.76 ¢/kg
Aluminum Packaging	Aluminum Food & Milk Containers	24.32 ¢/kg
	Other Aluminum Packaging	
Glass Packaging	Clear Glass	13.80 ¢/kg
	<u>Coloured Glass</u>	

# Calculating 2015 Fees

- Used Manitoba and Ontario data and adjusted for regional and program differences (beverage deposit system etc.)
- Material categories – three plastic packaging and two paper packaging – each priced in accordance with anticipated recyclability

# Questions

