



**WASTE REDUCTION AND RECOVERY PROGRAM
2009-2010 ANNUAL REPORT**

October, 2010

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APPENDICES

Appendix A: Audited Financial Statement of the Environment Fund 2009-2010

Front cover photo – containers backhauled out of Wha Ti on Buffalo Airways

All photos courtesy of Environment and Natural Resources unless otherwise indicated.

1.0 AUDITED FINANCIAL STATEMENT OF THE ENVIRONMENT FUND

The Environment Fund (Fund) is a special purpose fund as defined in subsection 1(1) of the *Financial Administration Act*. The Fund was set up under the authority of the *Waste Reduction and Recovery Act*. All surcharges from the Beverage Container Program and the Single-use Retail Bag Program are paid into the Environment Fund. The assets of the Fund can only be used to pay for waste reduction and recovery programs and initiatives.

In 2009-2010, the Environment Fund’s revenue was \$4,777,829 while the expenditures were \$5,048,718. The balance in the Fund on March 31st, 2010 was \$1,431,350. An audited financial statement of the Environment Fund is included in Appendix A.

2.0 BEVERAGE CONTAINER PROGRAM

2.1 Operational Update

2.1.1 Milk Added to the Beverage Container Program

On February 15, 2010, the *Beverage Container Regulations* (Regulations) were amended to include milk and milk substitute. Prior to the implementation of the program, a pilot project was conducted in Behchoko that ran from July 2009 until February 2010. The pilot project enabled Environment and Natural Resources (ENR) to evaluate and identify problems and concerns (and develop solutions) that would arise once milk containers were added to the existing program.



Now, all ready-to-serve beverage containers are part of the Beverage Container Program (BCP) with the exception of:

- Infant formula;
- Milk and milk products in containers smaller than 30 mL;
- Containers sold empty; and,
- Open containers filled with a drink when sold.

The addition of milk and milk substitute containers in the BCP has been successful. Generally the public has responded well to the “Wash and Squash” campaign and most of the containers returned to depots have been rinsed.

From February 15 to March 31, 2010, approximately 215,000 milk containers were distributed and 45,000 milk containers were recovered. Although this is only a 21% recovery rate, ENR anticipates that milk container recovery rate will increase overtime once the public is used to the program. For example, between April 1st and September 30th 2010, milk container recovery rose to 47%.



2.1.2 Beverage Container Program Review

This November 1st, 2010 will mark the five-year anniversary of the Beverage Container Program. The program continues to enjoy a high level of public and political support with almost 125 million containers being returned to depots across the NWT.

As part of a long term plan to improve existing Waste Reduction and Recovery Programs and Initiatives, ENR will undertake a review of the BCP this winter. The review process will pay particular attention to ways to make the program more efficient and easier to deliver, including the reduction of the number of container categories and the simplification of the reporting and payment process. Operating costs and container surcharges will be examined, to ensure that the program will be self sustaining and economically viable in the long term for depots and processing centres while being affordable for the public.

2.1.3 Inuvik Depot and Processing Centre

The Inuvik depot and processing centre, operating by Wrangling River Supplies Ltd., burnt down on July 13, 2010. As a result, all contents in the building including the equipment and records were destroyed in the fire. Temporary depot services were provided shortly after the fire at the original location. A permanent location for a depot and processing centre is now being set up at the Northwest Transport building on Airport road. In the mean time, the majority of the containers are sent to Hay River for processing. The full cost of equipment replacement and temporary processing of the Inuvik Region's containers are not known at this time since containers are only now being received and reconciled in Hay River. Final costs will be included in the 2010-2011 annual report.

2.2 Depots and Processing Centres

As of March 31, 2010, there were 27 locally operated beverage container depots, three temporary satellite depots, and three processing centres in the NWT. The satellite depots are provided by the program in cooperation with a regional processing centre or contractor. See Figure 1 for a map of depots located in the NWT and Table 1 for a list of depots.

During the fiscal year, five depot licenses were cancelled (Lutselk'e, Deline, Norman Wells, Paulatuk, and Sachs Harbour) and six new depot licenses were issued (Lutselk'e, Fort Liard, Wrigley, Colville Lake, Deline, and Norman Wells).

Depots are operated by individuals, businesses, schools, non-profit groups and community development corporations. Depots receive financial assistance, in the form of yearly grants, to help offset costs related to operational expenses. Depots are also eligible to apply for interest-free loans to help cover start-up costs, and Depot Development Grants to assist in renovations or other improvements to depot facilities.



Figure 1: Beverage Container Program Depots and Processing Centres

Table 1: Beverage Container Depots

COMMUNITY	LICENCEE	DATE LICENSED	STATUS (AS OF MARCH 31, 2010)
NORTH SLAVE REGION			
Behchoko	FC Services	Nov-05	Local Operator
Dettah	---	---	Use Yellowknife Depot
Gameti	Mabel Gon	Dec-05	Local Operator
Wekweti	Tlich Community Government	Dec-05	Local Operator
Wha Ti	Alex's Confectionery	Feb-06	Local Operator
Yellowknife	The Bottle Shop	Nov-05	Local Operator
SOUTH SLAVE REGION			
Enterprise	Armella Mercredi	Feb-06	Local Operator
Providence	Deh Gah Secondary School	Feb-06	Local Operator
Fort Resolution	Frank Lafferty	Jun-06	Local Operator
Fort Smith	RTL Recycling	Nov-05	Local Operator
Hay River	Tri R Recycling	Nov-05	Local Operator
Kakisa	---	---	Use Enterprise or Hay River Depot
Lutselk'e	Lutselk'e Dene School	Dec-09	Local Operator
DEH CHO REGION			
Fort Liard	Fort Liard Fuel Centre	Jun-09	Local Operator
Fort Simpson	Rowes Recycling	Nov-05	Local Operator
Jean Marie River	---	---	Temporary Satellite Depot
Nahanni Butte	Nahanni Butte General Store	Jun-07	Local Operator
Trout Lake	Sambaa K'e Development Corporation	Nov-05	Local Operator
Wrigley	Pehdzeh Ki Contractors Ltd.	Jul-09	Local Operator
SAHTU REGION			
Colville Lake	Colville Lake School	Dec-09	Local Operator
Deline	Ehtseo Ayha School	Dec-09	Local Operator
Fort Good Hope	Chief T'Selehye School	Dec-05	Local Operator
Norman Wells	Matco	Apr-09	Local Operator
Tulita	Tulita Dene Band	Jun-07	Local Operator
INUVIK REGION			
Aklavik	Billy Archie Contracting	Mar-09	Local Operator
Fort McPherson	Telit Gwichin Recycling Depot	Feb-07	Local Operator
Inuvik	Wrangling River Supply	Nov-05	Local Operator
Paulatuk	---	---	Temporary Satellite Depot
Sachs Harbour	---	---	Temporary Satellite Depot
Tsiigehtchic	M&J Services	Mar-09	Local Operator
Tuktoyaktuk	Tuktoyaktuk Community Corporation	Jan-06	Local Operator
Ulukhaktok	Rose Marie Kuptana	Jul-09	Local Operator



People lining up to return beverage containers in Ulukhaktok

2.3 Distributors

As of March 31, 2010 there were 41 beverage container distributors registered with Environment and Natural Resources. Of these 41 distributors, seven were registered this fiscal year. Distributors are required to report sales to ENR on a monthly basis. Table 2 shows a list of distributors as of March 31, 2010.

Table 2: Beverage Container Distributors

COMPANY	REGISTRATION NUMBER	DATE OF REGISTRATION
Core-Mark International Inc.	DR100	Oct-05
Wallace & Carey Inc.	DR101	Oct-05
Federated Cooperative Ltd.	DR103	Oct-05
Canada Safeway Ltd.	DR104	Oct-05
Territorial Beverages	DR105	Oct-05
Petersen & Auger	DR106	Oct-05
Wal-Mart Canada Corp.	DR107	Oct-05
Shoppers Drugmart Inc.	DR108	Oct-05
Westfair Foods Ltd.	DR109	Oct-05
NWT Liquor Commission	DR110	Oct-05
Stanton Group Ltd.	DR111	Oct-05
Sobeys Western Region	DR112	Oct-05
North West Company	DR113	Oct-05
Wrangling River Supplies Ltd.	DR114	Oct-05
Tundra Transfer Ltd.	DR115	Oct-05
Tim Hortons TDL Group Corp.	DR116	Oct-05
Northwest Water Company	DR117	Oct-05
Northern Food Services	DR118	Oct-05
Sysco Food Services	DR119	Oct-05
McKesson Canada	DR120	Nov-05
Bridge Brand Food Services	DR121	Nov-05
Prism Distributions	DR122	Nov-05
Frontier Coachlines NWT Ltd.	DR123	Nov-05
Hudson's Bay Company	DR124	Feb-06
Martin Brower of Canada Co.	DR125	Mar-06
P.Q.S. Enterprises Ltd.	DR126	Feb-06
Montage Corporation	DR127	Jun-06
Canadian Tire Corporation	DR128	Mar-07
National Focus Distribution Logistics Inc	DR129	Mar-07
SunOpta	DR130	Feb-08
J&T Holdings	DR131	Mar-08
Fort Simpson Beverages Ltd.	DR132	Jun-08
Whitefish Group Ltd.	DR133	Jan-09
5730 NWT LTD.	DR134	Jan-09
MonaVie Enterprises Canada	DR135	Nov-09
True North Nutrition	DR136	Nov-09
Horizon Distributors	DR137	Feb-10
Tree of Life Canada Inc.	DR138	Feb-10
Saputo Dairy Products G.P.	DR139	Feb-10
Canadian Choice Wholesalers (CCW)	DR140	Mar-10
Yellowknife Beverages, Tle' Nax T'awei Limited	DR141	Mar-10

2.4 Beverage Containers Distributed and Returned

2.4.1 Beverage Container Recovery Rate

From April 1st, 2009 to March 31st, 2010 approximately 28.7 million beverage containers were distributed and approximately 26.7 million beverage containers were returned in the NWT. Figure 2 shows the containers returned by material type for 2009-2010. Overall, the number of containers distributed decreased significantly from the previous year while the number of containers returned increased slightly. The recovery rate for 2009-2010 was 93% which is an 8% increase from the previous year. Table 3 shows the number of beverage containers distributed and returned in the NWT in 2009-2010.

Although a high recovery rate is a goal that all recycling programs strive to achieve, a 93% is unrealistically high and is a cause for concern for ENR. Generally, in a mature and successful deposit refund recycling program where more than one type of containers are accepted, overall recovery rates do not generally exceed 85-87%. As a result of the high recovery rate observed in the NWT and the trend that ENR has observed over the past several years with certain types of containers, a review of several aspects of the program was initiated.

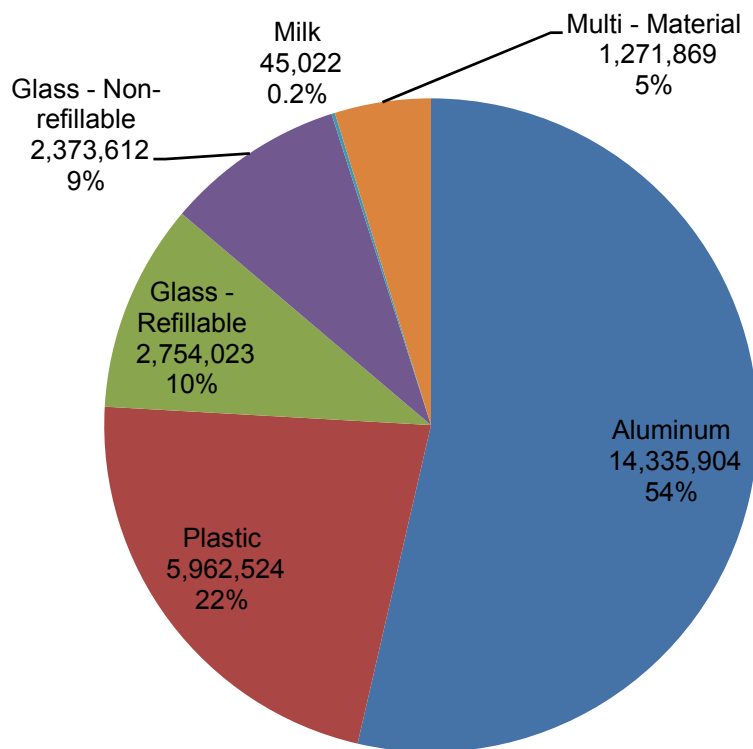


Figure 2: Containers Returned by Material Type 2009-2010

Table 3: Beverage Container Recovery Rate 2009-2010

CONTAINER MATERIAL AND/OR TYPE		CONTAINERS DISTRIBUTED	CONTAINERS RETURNED	
NON-ALCOHOL BEVERAGES	< 1.0 Litre	Glass	358,462	420,959
		Aluminum	8,588,208	8,702,041
		Plastic	5,122,321	4,759,992
		Tetra Pak/Drink Pouch	1,728,318	988,353
		Gable Top	29,480	14,660
		Bi-Metal	21,462	9,142
	≥ 1.0 Litre	Glass	3,243	55,650
		Aluminum	0	0
		Plastic	832,439	596,863
		Tetra Pak/Drink Pouch	335,623	209,783
		Gable Top	118,728	46,984
		Bi-Metal	8,053	2,864
		Bag-in-a-Box	0	83
	Milk ≤ 1.0 Litre		160,829	15,145
Milk > 1.0 Litre		53,821	29,877	
ALCOHOL BEVERAGES	< 1.0 Litre	Glass - Refillable Bottle	2,677,450	2,754,023
		Glass - Non Refillable Bottle	1,048,064	1,292,372
		Aluminum	6,410,020	5,633,864
		Other Material	9,048	2,622
	≥ 1.0 Litre	Glass - Other Than Wine or Spirits	912	2,611
		Other Material - Other Than Wine or Spirits	39,329	1,026
	Any Size	Any Material - Wine or Spirits	1,141,642	1,204,040
Total		28,687,452	26,742,954	

The beverage container recovery rate for 2009-2010 was 93%.

2.4.2 Glass

Most glass containers, especially non-refillable ones, have had recovery rates close to or greater than 100%. In the first two years of operation, ENR attributed these recovery rates to salvaging (especially of old containers from the landfill) and human errors (reporting and operation) due to a new program. However, the recovery rate for glass containers continued to rise and so in 2008, ENR looked in ways to promote more accountability in the recovery of glass containers. ENR visited each processing centres to see how glass was being counted, verified and processed. In addition, in February 2009, the Hay River processing centre and in August 2009, the Yellowknife and Inuvik processing centres were all required to weigh glass containers (except for refillable beer) prior to processing. ENR developed a formula that measures the average weight of each type of glass containers. This number was used to compare with the actual number of containers that were reportedly returned at each of the processing centres.

Although our investigation is not yet complete (ENR plans to collect data until at least until the end March 31, 2011), preliminary data indicates that there is a trend in the number of glass containers reported and glass container returned, based on weight. Audits of depots and processing centres will take place as required. ENR will continue to monitor glass container recovery rates to verify that containers are being reported and processed correctly.

2.4.3 Sales and Recovery Trends

Overall, beverage sales have decreased in the NWT as with many other jurisdictions across Canada. An analysis was completed with the NWT's top six beverage container distributors (i.e. distributors who distribute more than one million beverage containers per year). Together, these distributors account for over 90% of the NWT's sales. The analysis reported a sales drop between 5% and 15% for this fiscal year compare to the last. These top six distributors reported an average sales decrease of 9%.

Meanwhile, the recovery rate increased in the NWT as it did in neighbouring jurisdictions (e.g. British Columbia and Alberta).

2.4.4 Beverage Container Type Trends

The container categories that were developed when the program first started require updating due to industry trends in beverage container manufacturing and design. When the program first began, many spirits were contained in glass containers but within the last several years, more and more of these containers are

being made of plastic. Furthermore, many non-refillable alcohol containers less than one litre are now being made of plastic rather than glass.

As part of the program review this winter, ENR will be working with the NWT Liquor Commission and non-alcohol distributors to ensure that container category reflect the reality of the industry.

2.5 Transportation

Transportation and freight costs continue to be a significant expense for the Beverage Container Program. These costs include transporting containers from depots to processing centres, transporting refillable beer bottles and multi-material containers to Edmonton, and sending materials/equipment (e.g. bags, boxes, cash registers, etc.) to depots and processing centres. In the 2009-2010 fiscal year, the program spent approximately \$225,000 on transportation costs.

Starting in the spring 2010, the program will no longer have access to free backhaul with the Northern Transportation Company Ltd. (NTCL). Therefore, it is anticipated that our yearly transportation costs will go up by approximately 50% in the next fiscal year.



NTCL barge in the Ulukhaktok

2.6 Enforcement

There were no convictions for offences under the Waste Reduction and Recovery Act during 2009-2010.

3.0 SINGLE-USE RETAIL BAG PROGRAM

3.1 Background

During the consultation on the expansion of the Waste Reduction and Recovery Program, the littering of bags was identified as an issue of concern. Given the population of the NWT, bags do not constitute a large volume of the waste stream. This makes the development of a recycling program too expensive and too labour intensive an option for reasonable consideration in the NWT.

Experience from other jurisdictions suggests that the use of bags can be reduced through economic disincentives, such as charging fees for these bags. Therefore, on January 15, 2010, the NWT became the first Canadian territorial/provincial jurisdiction to implement regulations targeting single use bags with the implementation of Phase 1 of the Single-use Retail Bag Program (SRBP). The program includes all single-use retail bags (e.g. plastic, paper, biodegradable, etc.). Phase 1 of the SRBP targets the grocery sector, which is responsible for approximately half of the total single-use retail bags (SRBs) distributed. Figure 3 is a diagram showing how the SRBP works.

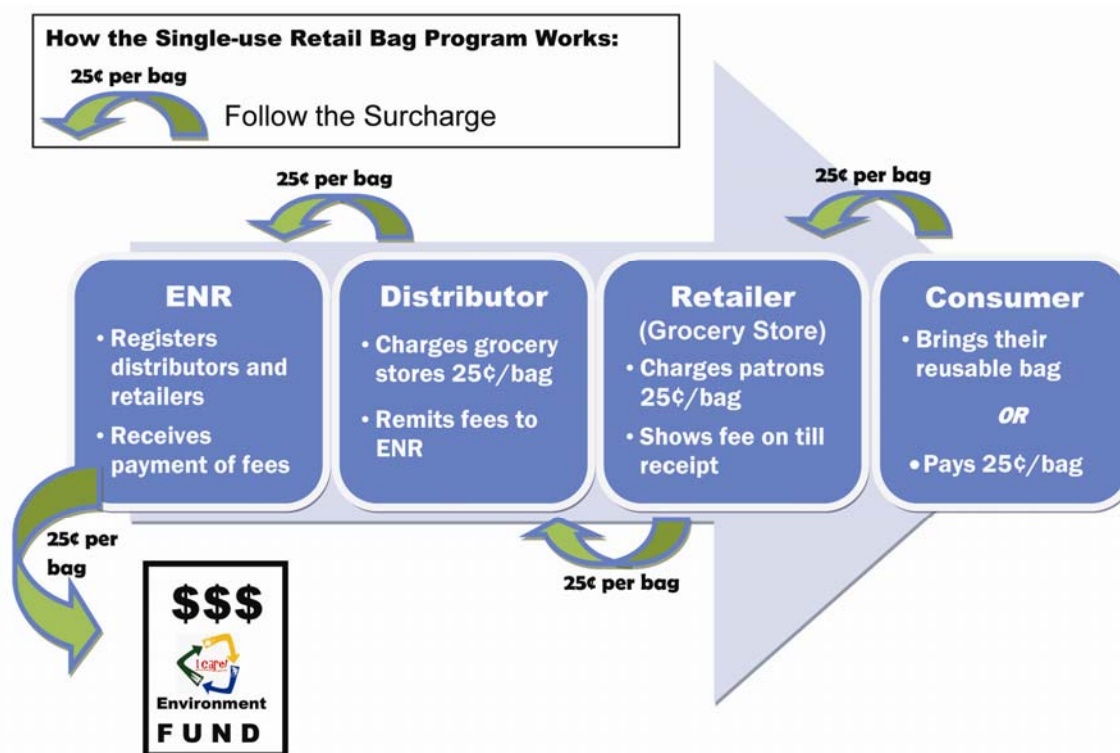


Figure 3: How the Single-use Retail Bag Works

- Consumers pay a 25¢ surcharge for each SRB they get from a grocery store. The fee should appear on the customer's receipt.
- The grocery store pays the distributor 25¢ for each SRB they receive from the distributor.
- The distributor pays the Environment Fund 25¢ for each bag provided to NWT grocery stores.
- Money from the Environment Fund is used to pay for program expenses and any surplus is used to pay for other waste reduction and recovery programs and initiatives.

3.2 Distributors

There were ten single-use retail bag distributors that distributed SRBs to NWT grocery stores in the 2009-2010 fiscal year. Distributors must submit reports and bag fees to ENR on a quarterly basis. Table 4 shows a list of SRB distributors as of March 31, 2010.

Table 4: Single-use Retail Bag Distributors

DISTRIBUTOR	REGISTRATION NUMBER	DATE OF REGISTRATION
Northbest Distributors Ltd.	SRBP DR001	January 15, 2010
G-P Distributing Inc.	SRBP DR002	January 15, 2010
Loblaws Companies Ltd.	SRBP DR003	January 21, 2010
The North West Company LP	SRBP DR004	January 21, 2010
Federated Co-operatives Limited	SRBP DR005	January 21, 2010
Northern Foodservices	SRBP DR006	January 21, 2010
Unisource Canada, Inc.	SRBP DR007	February 3, 2010
Macdonalds Consolidated	SRBP DR008	February 3, 2010
Stanton Group Ltd.	SRBP DR009	February 23, 2010
Sobeys Capital Inc.	SRBP DR010	March 2, 2010

3.3 Retailers

There were 49 grocery stores registered in the program as of March 31, 2010. Table 5 shows a list of retailers as of March 31, 2010.

Table 5: Single-use Retail Bag Retailers

RETAILER	LOACTION	REGISTRATION NUMBER	DATE OF REGISTRATION
Yellowknife Direct Charge Co-op Ltd.	Yellowknife	SRBP RR001	January 15, 2010
Nico's Market	Yellowknife	SRBP RR002	January 15, 2010
Ikahuk Co-op Ltd.	Sachs Harbour	SRBP RR003	January 15, 2010
Great Bear Co-op Association Ltd.	Deline	SRBP RR004	January 15, 2010
P.W. Kaesers Stores Ltd.	Fort Smith	SRBP RR005	January 15, 2010
Kapami Co-op Association Ltd.	Colville Lake	SRBP RR006	January 15, 2010
Rampart Rentals Ltd.	Norman Wells	SRBP RR007	January 15, 2010
Fort of the Forks	Fort Simpson	SRBP RR008	January 15, 2010
MidTown Market	Inuvik	SRBP RR009	January 25, 2010
The Corner Store	Inuvik	SRBP RR009	January 25, 2010
Super A Foods	Hay River	SRBP RR010	January 15, 2010
Alex's Confectionery	Whati	SRBP RR011	February 8, 2010
Pehdzeh Ki Store	Wrigley	SRBP RR012	January 15, 2010
Stanton Distributing Ltd	Inuvik	SRBP RR013	January 25, 2010
Stanton Tuk	Tuktoyaktuk	SRBP RR013	January 25, 2010
Stanton Aklavik	Aklavik	SRBP RR013	January 25, 2010
Tetlit Service Co-op Ltd.	Fort McPherson	SRBP RR014	February 8, 2010
T & J Grocery Ltd	Fort Simpson	SRBP RR015	January 15, 2010
Nahanni Butte General Store Ltd.	Nahanni Butte	SRBP RR016	February 8, 2010
Holman Eskimo Co-op Ltd.	Ulukhaktok	SRBP RR017	February 8, 2010
Northern Store	Aklavik	SRBP RR018	January 25, 2010
Northern Store	Tsiigehtchic	SRBP RR018	January 25, 2010
Northern Store	Deline	SRBP RR018	January 25, 2010
Northern Store	Fort Good Hope	SRBP RR018	January 25, 2010
Northern Store	Fort Liard	SRBP RR018	January 25, 2010
Northern Store	Fort McPherson	SRBP RR018	January 25, 2010
Northern Store	Tulita	SRBP RR018	January 25, 2010
Northern Store	Fort Providence	SRBP RR018	January 25, 2010
Northern Store	Behchoko	SRBP RR018	January 25, 2010
Northern Store	Fort Resolution	SRBP RR018	January 25, 2010
Northern Store	Fort Simpson	SRBP RR018	January 25, 2010
Northern Store	Fort Smith	SRBP RR018	January 25, 2010
NorthMart	Hay River	SRBP RR018	January 25, 2010
Northern Store	Ulukhaktok	SRBP RR018	January 25, 2010
NorthMart	Inuvik	SRBP RR018	January 25, 2010
Northern Store	Norman Wells	SRBP RR018	January 25, 2010
Northern Store	Paulatuk	SRBP RR018	January 25, 2010
Northern Store	Tuktoyaktuk	SRBP RR018	January 25, 2010
Ehdah Cho Store	Hay River	SRBP RR019	February 8, 2010
Rae Lakes General Store Ltd.	Gamèti	SRBP RR020	February 11, 2010
Liard Valley General Store and Motel Ltd.	Fort Liard	SRBP RR021	February 15, 2010
Hozila Naedik'e Ltd.	Wekweèti	SRBP RR022	February 23, 2010
Aurora Marketing (NWT) Ltd.	Fort Providence	SRBP RR023	February 18, 2010
Extra Foods Downtown	Yellowknife	SRBP RR024	February 24, 2010
Extra Foods Old Airport Road	Yellowknife	SRBP RR024	February 24, 2010
Fort Good Hope Co-op Ltd.	Fort Good Hope	SRBP RR025	March 5, 2010
Northern Fancy Meats	Yellowknife	SRBP RR027	March 30, 2010
Kim's Confectionary Ltd.	Yellowknife	SRBP RR028	March 30, 2010

3.4 Single-use Retail Bags Distributed

A total of 302,500 single-use retail bags were distributed to NWT grocery stores between January 15 and March 31, 2010. This amounts to remittances totalling \$75,625 to the Environment Fund for that period.

3.5 Expansion to Include all Retailers

Grocery stores are responsible for approximately half of the total SRBs distributed, but other groups within the retail sector (e.g. convenience stores, pharmacies, clothing stores, etc.) continue to be a significant source of bags. Therefore, on February 1st, 2011 (subject to Cabinet approval), Phase II of the Single-use Retail Bag Program will come into effect. This means that all NWT retailers will be part of the program and will have to charge 25¢ for each SRB given to consumers.

In the amended *Single-use Retail Bag Regulations*, a “retail store” is defined as an establishment that sells goods to customers, but does not include:

- a) a store operated by a society incorporated under the *Societies Act* or a charity registered under the *Income Tax Act* (Canada); or
- b) a restaurant or similar business which generates revenue from the sale and service of meals to customers for immediate consumption and which may incidentally sell a limited number of goods to customers;

Information gathered from new retailers indicates that at least 30 new distributors serving up to 254 new retailers are likely to be included in Phase II of the program.

Starting in early January 2011, a public communication and information campaign will be released to announce the program. NWT households will receive two compact reusable bags in the mail as part of the program roll-out.

4.0 WASTE PAPER PRODUCTS INITIATIVE

In 2009, ENR announced a three-year initiative that provides funding to municipalities, businesses, organizations, and individuals to develop innovative and alternative ways to reuse waste paper products in the NWT. The initiative, called the Waste Paper Products Initiative, is aimed at reducing and diverting waste paper products from NWT landfills. Waste paper products make up 28-50% of the total municipal waste stream. They include, but are not limited to, white paper, brown paper, coloured paper, boxboard, corrugated cardboard, magazines, catalogues, newspapers, etc. In Yellowknife, it is estimated that waste paper products make up 37% of the total waste stream.

4.1 City of Yellowknife Composting Pilot Project

One of the projects that received funding in 2009 from ENR is the City of Yellowknife's (City) Centralized Composting Pilot Project. The pilot project started in September 2009 and involves the collection of organics from 20 businesses. Waste paper, including shredded white paper and boxboard, are added to the organics as a carbon amendment to ensure that decomposer organisms have an adequate amount of nitrogen and carbon.

Since September 2009, approximately 200 tonnes of organics, 36 tonnes of shredded white paper, and 22 tonnes of boxboard have been diverted from the Yellowknife landfill. Organics collection for the pilot phase of this project will end in December 2010. The City plans to continue with the current centralized composting program and is looking at options for possible future expansion.



Bale of shredded paper to be used as a carbon amendment.
Photo courtesy of Shannon Ripley, Ecology North

The turned windrow composting method being used at the Yellowknife centralized compost facility requires two summer seasons to produce finished compost. Given that active composting of organic materials at the compost facility began during the summer of 2010, the first batch of finished compost should be ready in September 2011 and will consist of approximately 85 to 110 tonnes of compost. This batch includes organics and carbon amendments collected between September 2009 and July 2010. If organic collection rates remain constant, 70 tonnes of organics and 20 tonnes of carbon amendments will be collected between August 2010 and December 2010 as part of the pilot project. This will be transformed into 35 to 45 tonnes of compost that will be ready for sale in September 2012.



Turning a windrow

Photos courtesy of Shannon Ripley, Ecology North



Composting windrow reaching 67°C

Finished compost will undergo quality testing according to the Canadian Council of Ministers of the Environment (CCME) Guidelines for Compost Quality. Almost all centralized municipal composting operations in Canada that use source-separated organics, such as in the case of Yellowknife, are able to produce Class A compost. The City plans to sell the compost to residents and businesses, and use the compost for landscaping projects around the city. Any compost that is not sold or used in this way could be sold to companies undertaking reclamation activities at Giant and Con mines.

The turned windrow method of composting that has been used in the Yellowknife pilot project has been carried out at a scale and using equipment that make it a practical example of a composting method that could be used by any other community in the NWT - regardless of size. Coordinators of the Yellowknife centralized composting pilot project would be very happy to share plans, techniques, results and reports with anyone who is interested in setting up a composting program in their own community. A tour of the Yellowknife centralized compost facility, located next to the Solid Waste Facility, can be arranged by calling Ecology North at (867) 873-6019.

4.2 City of Yellowknife Paper Pellets

Another project that received funding from the Waste Paper Products Initiative was a feasibility study that looked into the viability of pelletizing waste paper to be used as a heating fuel in pellet burning boilers. The City of Yellowknife (City) received funding for this initiative in July 2009. The purpose of this project is to learn how to turn locally produced waste paper into a value added product to be used to displace imported heating fuels such as wood pellets and heating oil. If paper pelletizing is deemed viable it will create a financial incentive to collect as much of the 3,300 tonnes of paper waste presently going to the landfill as well as the commercial cardboard that is currently being sent south.

The project was divided into seven steps:

1. Regulatory review;
2. Review paper pellet manufacturing approach and identify example applications of paper pellets in use, including boiler installation characteristics;
3. Develop representative waste paper composition mix based on data provided on recycling program and quantities of paper types shipped to market;
4. Source component heat values and other characteristics to develop desktop a draft composite specification for the paper mix;
5. Work with boiler manufacturers where possible to review the draft composite specification, with a view to determining suitable boiler applications capable of handling the likely paper pellets;
6. Determine whether City's existing boiler can burn paper pellets based on the draft composite specification; and,
7. Develop order of magnitude cost estimate for paper pellet manufacturing process, including preprocessing requirements.

The City completed the first four items of the feasibility study but because burning paper pellets is a fairly new concept, they could not find a boiler manufacturer that would approve the burning of paper pellet. The City would need to invest resources to work with a boiler manufacturer to get the appropriate approval to be able to burn paper pellets. Therefore, due to resource limitation, the City did not complete the project and portion of the funds were returned to ENR.

5.0 ICARENWT WEBSITE

In February 2010, ENR launched a new website designed to provide the public, distributors, retailers, and operators with information on all GNWT's Waste Reduction and Recovery Programs and Initiatives. Check it out at www.icarenwt.ca!

I Care! Depot Login

Home About Us News Educational Resources 4Rs Links Contact Us

Beverage Container Program
Single-use Retail Bag Program
Waste Paper Products Initiative

NOW RECYCLABLE!
You can now recycle these bottles:

25¢ 10¢

2L or 4L Milk Jug 2L Milk or Milk Substitute Carton UHT Box Creamer Bottle 1L or less Milk or Milk Substitute Carton Yogurt Drink Bottle Condensed or Evaporated Milk Can

Latest News (See All)
[Fire at the Inuvik Beverage Container Depot and Processing Centre](#)
October 7, 2010
Following the recent fire at the Inuvik beverage container depot and processing centre, collection services are being provided at the Northwest Transport Building on Airport Road two days a week - Friday and Saturday 11:00 - 17:30.
[Full Article...](#)

Quick Links

- [Find Your Depot](#)
- [NEW! Milk Money](#)
- [Beverage Container Program FAQ](#)
- [What's Refundable?](#)
- [Waste Paper Products Initiative Application](#)

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PO Box 1320, Yellowknife, NT X1A 2L9
Phone: (867) 873-7654 • Fax: (867) 873-0221 • nwtrecycle@gov.nt.ca

Northwest Territories

6.0 WASTE REDUCTION AND RECOVERY PROGRAM EXPANSION

In January 2008, ENR conducted a public information campaign on expanding the Waste Reduction and Recovery Program. A Discussion Paper titled, “*To All NWT Residents – Help Decide What New Waste Products to Recycle Across the NWT*” was distributed to Aboriginal groups, Members of the Legislative Assembly, municipal and community governments, licensed beverage container depot operators, affected territorial and federal government departments, ENR regional offices, environmental organizations, and other interest groups. The discussion paper suggested electronics, tires, lead acid batteries, fuel drums, plastic grocery bags, milk containers, and paper and cardboard as potential wastes for consideration.

As part of a five-year plan to expand the Waste Reduction and Recovery Program, ENR committed to implementing programs/initiatives to deal with single-use retail bags, milk, paper products and electronic waste. The Single-use Retail Bag Program was implemented on January 15, 2010 with the expansion expected to be implemented in February 2011. The addition of milk to the Beverage Container Program was implemented on February 15, 2010. The Waste Paper Products Initiative began in 2008-2009 and will run until 2010-2011. The last program that ENR has committed to expanding is electronic waste. Background and feasibility on electronic waste will be completed early next fiscal year with the consultation expected in the following year.

7.0 WASTE REDUCTION AND RECOVERY ADVISORY COMMITTEE

The Waste Reduction and Recovery Advisory Committee (WRRAC) was established under the authority of the *Waste Reduction and Recovery Act*. The purpose of the Committee is to advise the Minister and ENR on the establishment and operation of programs to ensure improved reduction and recovery of waste in the NWT. Advice may reflect individual expertise in topics or a collective position on an initiative.

There were two meetings of the WRRAC (held May 27, 2009 and March 11, 2010) in the fiscal year 2009-2010. Table 6 is a list of the WRRAC members as of March 31, 2010.

Table 6: Waste Reduction and Recovery Advisory Committee Members

NAME	COMPANY/ORGANIZATION	COMMUNITY
Raymond Massey (Chair)	Community Resident	Inuvik
Joe Agrey	NWT Motor Transport Association	Yellowknife
Ron Courtoreille	Community Resident	Hay River
Kevin O'Reilly	Community Resident	Yellowknife
Greg Rowe	Hay River Liquor Retailers & Tri R Recycling	Hay River
Bruce Underhay	City of Yellowknife	Yellowknife
Bob Weaver	Territorial Beverages	Yellowknife
Kevin Kennedy	NWT Association of Communities	Yellowknife
Duane Wilson	Arctic Co-ops	Winnipeg

8.0 CONTACT INFORMATION

If you would like more information, or have comments about the Act, Regulations, the Beverage Container Program or the Single-use Retail Bag Program, contact:

Environment Division
 Department of Environment and Natural Resources
 Government of the Northwest Territories
 P.O. Box 1320
 Yellowknife, NT X1A 2L9
 Phone: (867) 873-7654
 Fax: (867) 873-0221
 Email: nwtrecycle@gov.nt.ca
 Website: www.icarenwt.ca

APPENDIX 1
Audited Financial Statement of the Environment Fund 2009-2010

Environment Fund

Financial Statements

March 31, 2010

Environment Fund

Financial Statements

March 31, 2010

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Management Responsibility Statement

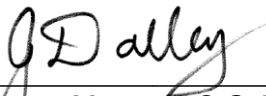
Management is responsible for the reliability, integrity and objectivity of the data in the accompanying financial statement, which has been prepared in accordance with Canadian generally accepted accounting principles. Where appropriate, the financial statements include estimates and judgments based on careful consideration of the information available to management.

In discharging its responsibility for financial reporting, management maintains and relies on internal control systems and practices, which are designed to provide reasonable assurance that the transactions are authorized, the assets are safeguarded and proper records are maintained. These control systems and practices ensure the orderly conduct of business, the accuracy of the accounting records, reliability of financial information and compliance to legislation governing the Environment Fund.

The auditor provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. The auditor also considers whether the transactions that come to their notice during the course of the audit are, in all significant respects, in accordance with specified legislation.



Gary Bohnet, Deputy Minister,
Department of Environment and Natural Resources



For Nancy Magrum, C.G.A., Director Shared Services,
Department of Environment and Natural Resources

Auditors' Report

To the Minister of Environment and Natural Resources of the Government of the Northwest Territories

We have audited the statement of financial position of Environment Fund as at March 31, 2010 and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as noted in the following paragraphs, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Environment Fund relies on reports prepared by distributors, processing centres and depots for the recording of beverage container program revenues, depot handling fees, processing fees and refundable deposits. The reports provided by distributors, processing centres and depots are not audited, and consequently, our review of these accounts was limited to the amounts reported on the filed claims. As a result we are unable to determine, if adjustments would be required to revenues, expenditures, accounts receivable, accounts payable or net assets.

Wages and benefits paid to all employees of the Environment Fund are administered by the Government of the Northwest Territories, and are audited as part of the Government of the Northwest Territories. Our audit scope was limited as we did not audit the components of wages and benefits expenditures. Accordingly, we are not able to determine whether any adjustments might be necessary to wages and benefits expenditures, liabilities and net assets.

In our opinion, except for the effect of adjustments, if any, which may have determined to be necessary had we been able to audit distributors, processing centres and depot reports and wages and benefits as described in the preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2010 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

We further report that, in our opinion, proper books of account have been kept by the Department of Environment and Natural Resources, the financial statements are in agreement therewith and the transactions that have come under our notice have, in all significant respects, been in accordance with the *Financial Administration Act*.

**Yellowknife, Canada
August 6, 2010**


Chartered Accountants

Environment Fund

Statement of Operations

For the year ended March 31,	2010	2009
Revenue		
Beverage container and single use retail bag program	\$ 4,777,829	\$ 4,992,580
Expenditures - beverage container program		
Advertising and promotion	3,046	1,942
Contract services - satellite depots	62,397	98,612
Freight	224,936	214,914
Insurance	14,000	15,000
Office	536	1,462
Refundable deposit fee	2,932,286	2,809,650
Depot handling fee	657,421	689,731
Processing centre handling fee	588,444	573,942
Grants and contributions	140,508	74,890
Storage	58,085	60,511
Equipment, supplies and maintenance	19,581	46,257
Travel and training	39,723	29,051
Professional fees	18,769	13,825
Wages and benefits	288,986	246,625
	5,048,718	4,876,412
Excess (deficiency) of revenue from operations	(270,889)	116,168
Interest income	9,254	45,245
Excess (deficiency) of revenue over expenditures	\$ (261,635)	\$ 161,413

Environment Fund

Statement of Changes in Net Assets

	Unrestricted	Equipment replacement reserve	Undeemed container reserve	Total 2010	Total 2009
Balance, beginning of year	\$ 747,709	\$ 190,376	\$ 754,900	\$ 1,692,985	\$ 1,531,572
Excess (deficiency) of revenue over expenditures	(261,635)	-	-	(261,635)	161,413
Transfers (Note 2c(i))	(47,594)	47,594	-	-	-
Additions to undeemed container reserve (Note 2c(ii))	(716,001)	-	716,001	-	-
Removals from undeemed container reserve (Note 2c(ii))	754,900	-	(754,900)	-	-
Balance, end of year	\$ 477,379	\$ 237,970	\$ 716,001	\$ 1,431,350	\$ 1,692,985

Environment Fund

Statement of Financial Position

March 31, 2010 2009

Assets

Current

Accounts receivable	\$ 495,514	\$ 504,577
Due from treasury (note 4)	1,451,910	1,519,368
Current portion of loan receivable (note 5)	7,317	5,083

1,954,741 2,029,028

Loan receivable (note 5) 1,100 3,417

\$ 1,955,841 \$ 2,032,445

Liabilities

Current

Accounts payable and accrued liabilities	\$ 524,491	\$ 332,092
Salaries payable	-	7,368

524,491 339,460

Fund balances

Net assets 1,431,350 1,692,985

\$ 1,955,841 \$ 2,032,445

Approved by the board:

_____ Deputy Minister

_____ Director

Environment Fund

Notes to the Financial Statements

March 31, 2010

1. Nature of operations

Environment Fund ("the Fund") contains all fees and surcharges collected from programs established under the authority of the *Waste Recovery and Reduction Act* of the Northwest Territories. The *Waste Recovery and Reduction Act*, enacted in July 2005, established the Environment Fund for waste reduction and recovery.

The assets of the Environment Fund may be used to pay for:

- the establishment, operation and evaluation of programs in respect of the reduction or recovery of waste
- education programs related to the reduction or recovery of waste
- research and development activities related to the reduction or recovery of waste
- the appropriate disposal of a designated or prohibited material as waste
- expenses associated with the work of the advisory committee established by the Minister to provide advice and assistance relating to the establishment of programs and operation of programs in respect of the reduction and recovery of waste
- other costs associated with programs, initiatives, or activities in respect of the reduction or recovery of waste

Environment Fund Programs

The Beverage Container Program, which came into effect November 1, 2005, is one of two established programs operating within the Environment Fund. Administration of this program rests with the Chief Environmental Protection Officer appointed under the *Environmental Protection Act*.

The Single Use Retail Bag Program, which came into effect January 15, 2010, is currently the second of two established programs operating within the Environment Fund. Administration of this program rests with the Chief Environmental Protection Officer appointed under the *Environmental Protection Act*.

The Department of Environment and Natural Resources advised it will be examining other waste reduction and recovery programs that could, in the future, become part of the Environment Fund.

These financial statements are prepared in accordance with accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Environment Fund

Notes to the Financial Statements

March 31, 2010

2. Significant accounting policies

The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) Revenue and expense recognition

Revenue is recognized when distributors invoice the retailers for the beverage containers that will be circulated in the Northwest Territories.

Refundable deposits, handling and processing fees are recognized when consumers return those beverage containers to a depot for refund.

(b) Capital assets

Capital equipment, consisting of mobile equipment and machinery, exceeding \$50,000 are recorded at cost and amortized on a straight-line basis over the estimated useful life of the equipment. Capital equipment items less than \$50,000 are recorded as expenditures when purchased. All capital assets owned by the Fund have been fully depreciated.

(c) Reserve funds

Restrictions have been placed on surplus to reserve funds for future operations:

(i) Equipment replacement reserve - an amount equal to 1/10 of the cost of capital equipment, including capital equipment purchased with start-up funds, has been reserved annually for future replacements of capital equipment.

(ii) Undeemed container reserve - an amount equal to 15% of the beverage container surcharges of the current year has been reserved to cover the future redemption of containers in circulation.

(d) Contributed services

The Department of Environment and Natural Resources maintains the accounts of the Environment Fund. The costs associated with administering and maintaining the accounts are not reflected in these financial statements as they are reported on in the consolidated financial statements of the Government of the Northwest Territories (\$34,175 in 2010, \$32,285 in 2009).

(e) Start-up funding

The Department of Environment and Natural Resources received \$1,143,000 in start-up funding from the Government of the Northwest Territories to cover the costs of implementing the Beverage Container Program. The start-up costs, which were incurred before the Beverage Container Program came into force on November 1, 2005, are not reflected in the financial statements as they are reported on in the consolidated financial statements of the Government of the Northwest Territories (\$34,175 in 2010, \$32,285 in 2009)..

Environment Fund

Notes to the Financial Statements

March 31, 2010

2. Significant accounting policies (continued)

(f) Pension contributions

The Department of Environment and Natural Resources and its employees make contributions to the Public Service Superannuation Plan administered by the Government of Canada. These contributions represent the total liability of the Department and are recognized in the accounts on a current basis.

(g) Cash flow statement

As the Fund does not maintain a bank account, but rather receives working capital advances and finances accounts receivable and operating expenses from the Government's Consolidated Revenue Fund (the "CRF"); a statement of cash flows has not been presented.

(h) Capital disclosures

In December 2006, the CICA issued Handbook section 1535 "capital disclosures" which is effective for years beginning on or after October 1, 2007. The section specifies the disclosure of (i) an entity's objectives, policies, and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. This new Section relates to disclosures and did not have an impact on the Centre's financial results.

(i) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

3. Future changes to significant accounting policies

International Financial Reporting Standards

In January 2006, the CICA Accounting Standards Board ("AcSB") approved a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards for publicly accountable entities, and other entities that so-choose, will converge with International Financial Reporting Standards ("IFRS"). In September 2009, the AcSB approved the final accounting standards for private enterprises in Canada. The AcSB concluded that Public Sector NPOs may choose to convert to Public Sector accounting standards ("PSAS"). The Fund, as a publicly accountable NPO receiving the majority of its funding from the Government of the Northwest Territories, will adopt the PSAS for fiscal years beginning on or after January 1, 2012. The Fund has begun to assess the adoption of PSAS; however, the financial reporting impact of the transition has not yet been determined.

Environment Fund

Notes to the Financial Statements

March 31, 2010

4. Due from treasury

The Fund is a special purpose fund as defined in subsection 1(1) of the *Financial Administration Act* that forms part of the Government of the Northwest Territories Consolidated Revenue Fund.

In April 2006, the Fund joined the Government of the Northwest Territories investment pool, which consolidates and invests the cash balances for all participants in money market securities. The monies for these investments flow out of the Consolidated Revenue Fund and do not affect the cash balances of the participants. The investment pool revenues are prorated and distributed to the participants.

5. Loan receivable

The Fund loaned three bottle depot operators funds to be used to pay persons returning empty beverage containers to the depots. One loan is a non-interest bearing loan with an amount currently outstanding of \$3,750 and is repayable in monthly installments of \$375, the loan is due May 1, 2010. The other loan is a non-interest bearing loan with an amount currently outstanding of \$3,000 and is repayable in monthly installments of \$100, the loan is due on February 1, 2012. The final loan is a non-interest bearing loan with an amount currently outstanding of \$1,667 and is repayable in monthly installments of \$333, the loan was due on February 1, 2010 and is currently in arrears. As a result the Fund will recover the amount in arrears via equal monthly holdbacks against the grant owed in the 2011 fiscal year.

	2010	2009
Loans receivable	\$ 8,417	\$ 8,500
Less current portion	7,317	5,083
	\$ 1,100	\$ 3,417
Estimated principal repayments are as follows:		
2011	\$ 7,317	
2012	1,100	
	\$ 8,417	

Environment Fund

Notes to the Financial Statements

March 31, 2010

6. Capital disclosures

The Fund's objectives when managing capital are:

(a) To safeguard the Fund's ability to continue as a going concern, so that it can continue to meet the objectives of the Legislation.

The Fund manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The Fund monitors capital on the basis of working capital.

The working capital is calculated as current assets minus current liabilities as follows:

	2010	2009
Current Assets	\$ 2,029,028	\$ 1,796,515
Current Liabilities	(339,460)	(264,941)
	\$ 1,689,568	\$ 1,531,574

7. Subsequent events

Subsequent to year-end a fire completely destroyed the building and all equipment inside the regional processing centre/depot in Inuvik. The cost of replacing the equipment and building has been estimated by management to be approximately \$165,000 which will be drawn from the Environment Fund as no insurance proceeds will be received. The new processing centre is expected to be substantially completed by October 2010. Until the new depot is completed, used beverage containers collected in the outlying communities and destined for the Inuvik processing centre are temporarily being redirected to the Hay River processing centre with estimated additional costs of \$30,000. Any expenses and revenues will be recognized in the 2010-2011 financial statements.

Environment Fund

Notes to the Financial Statements

March 31, 2010

8. Related party transactions

	2010	2009
NWT Liquor Commission		
Account receivable	\$ 163,932	\$ 181,239
Revenue	<u>2,232,936</u>	<u>2,224,621</u>
	<u>\$ 2,396,868</u>	<u>\$ 2,405,860</u>
Department of Environment and Natural Resources - Expenses	<u>\$ 7,239</u>	<u>\$ 29,127</u>
Department of Finance - Expenses	<u>\$ 15,000</u>	<u>\$ 15,699</u>
Department of Human Resources - Expenses	<u>\$ 246,625</u>	<u>\$ 156,328</u>
Department of Public Works - Expenses	<u>\$ -</u>	<u>\$ 409</u>

The Fund receives human resource management, legal services, and risk management from the Government of the Northwest Territories without charge.

9. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.