





How the Beverage Container Program works

A refundable deposit and a handling fee are added on to the cost of all ready-to-serve drinks, except milk and milk products. Ready-to-serve means that no preparation is required.

The consumer can get their refundable deposit back by taking the empty beverage container to the nearest depot. The depot then ships the beverage containers to regional processing centres in Inuvik, Yellowknife and Hay River. Depots get paid a handling fee for every container they take in to cover operating costs and to cover the refunds provided to consumers.

And finally, the processing centre readies the empty containers for transport and sells them to recycling markets. The processing centres also receive a handling fee to cover their operating costs.

Consumers receive a refund of either \$.10 or \$.25 per container, depending on what type and size it is. The following table outlines the type of container and fees for each:

Contents	Volume	Material	Refundable Deposit	Handling Fee	Total
Beverages other than wine or spirits	Less than 1 litre	Materials other than glass	\$0.10	\$0.05	\$0.15
Beverages other than wine or spirits	Less than 1 litre	Glass	\$0.10	\$0.10	\$0.20
Beverages other than wine or spirits	1 litre or more	Glass or other material	\$0.10	\$0.10	\$0.20
Wine or spirits	Any size	Glass or other material	\$0.25	\$0.10	\$0.35

The Beverage Container Program is designed so that the program pays for itself, therefore, people who purchase ready-to-serve beverages, pay for the cost of the program.

Did you know?

Just how much **space did we save in our NWT landfills** in 5 months? Instead of throwing away their containers, the people of the NWT recycled enough beverage containers to **fill 2 NHL hockey rinks** from the ice to just over the top of the boards! That's how much space **6.8 million** beverage containers take!



Recycling works in the NWT

The Beverage Container Program is intended for all people of the NWT. It depends on the participation of community members and distributors to be a success.

The first five months of the program proved that the people of the Northwest Territories care about keeping their communities clean and about doing something good for the environment.

Community depots

to depots throughout the NWT. Depots are operated by community stores, schools, non-profit groups, band development corporations, individuals and other businesses. There are also 3 regional processing centres in Inuvik, Hay River and Yellowknife.

ENR continues working towards establishing a depot in each community. In the interim, arrangements have been made for the communities that do not have licenced depots so that all residents are able to return their beverage containers for recycling. Please see Table 1: Community Depot Operators – Fiscal Year 2005/2006 for a complete list.

Distributors

Under the program, businesses importing and distributing beverage containers in the NWT must register with ENR and make regular reports and payments. This applies to retailers that import their own beverage containers for sale in the NWT.

As of March 31, 2006, there were 25 distributors registered in the NWT. Please see Table 2: Distributors -Fiscal Year 2005/2006 for a complete list.





Waste Reduction and Recovery Advisory Committee

A Waste Reduction and Recovery Advisory
Committee, made up of retailers, distributors, the
transportation industry, environmental organizations
and community residents, has been established to advise
Environment and Natural Resources on establishing
and operating programs to ensure improved reduction
and recovery of waste in the NWT.

The advice of the Committee reflects individual expertise in topics or a collective position on an initiative.

Please see *Table 3: Waste Reduction and Recovery Advisory Committee Members – Fiscal Year 2005/2006*for a complete listing of participants.

... businesses importing and distributing beverage containers in the NWT must register with ENR and make regular reports and payments.

Did you know?

One Boeing 737-200 jet, like the kind flown by **Canadian North**, is made using 24,268 kilos (53,500 lbs.) of aluminum. In just 5 months, the people of the NWT **recycled enough aluminum cans to build 2 jets** (50,483 kg/111,265 lbs). We'll soon have recycled enough for a whole fleet!



Photo courtesy of Canadian North Airlines.



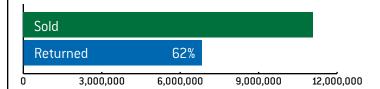
Handy fridge cards help NWT recyclers figure just how much cash is in their trash.



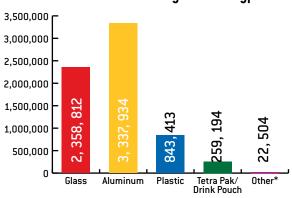
The NWT is catching on to cashing in

Since the program began on November 1, 2005, the people of the Northwest Territories have made recycling a habit.

Containers Sold vs. Returned



Containers Returned by Material Type



*Includes gable tops, bi-metal, bag-in-a-box and alcohol containers made of materials other than glass

Rates of Return: November to March

Container Material and/or Type		Distributor Sales November to March	Containers Returned November to March	Rate of Return	
		Glass	212,861	98,099	
	ø	Aluminum	3,514,740	2,029,946	
	Litr	Plastic	1,589,779	709,712	
GES	< 1.0 Litre	Tetra Pak/Drink Pouch	885,459	200,402	
NON-ALCOHOL BEVERAGES	v	Gable Top	9,028	5,021	
3EVI		Bi-Metal	13,041	3,016	
OL F		Glass	16,151	6,076	
		Aluminum	10,853	26,637	
I-AL	tre	Plastic	305,378	133,701	
N N	> 1.0 Litre	Tetra Pak/Drink Pouch	138,774	58,792	
	\ . i	Gable Top	32,714	9,664	
		Bi-Metal	9,957	1,531	
		Bag-in-a-Box	63	733	
	Ð	Glass - Refillable Bottle	1,190,641	1,553,708	
3ES	1.0 Litre	Glass - Non Refillable Bottle	545,683	398,002	
ERA		Aluminum	1,810,189	1,281,351	
3EVE	v	Other Material	364,666	2,217	
OL E	1.0 itre	Glass - Other Than Wine or Spirits	0	1,130	
ALCOHOL BEVERAGES	> 1.0 Litre	Other Material - Other Than Wine or Spirits	0	322	
AL	Any Size	Any Material - Wine or Spirits	430,281	301,797	
		Total	11,080,258	6,821,857	62%



The life cycle of NWT beverage containers

Recycling makes sense. The steps involved in supplying recovered material to be recycled into new products uses less energy and conserves more of our natural resources than supplying new materials to industry. This helps to reduce emissions of greenhouse gases.

Beverage containers recovered in the NWT are recycled or reused whenever possible. The regional processing centres in Inuvik, Hay River and Yellowknife are responsible for finding markets for recycling and shipping the containers south. In fact, 84% of all beverage containers recovered in the NWT are reused or recycled – good news for the environment!

Aluminum

Aluminum containers are crushed and packed into bales at the processing centres and then transported to recycling markets in Alberta and British Columbia. Aluminum containers make up about 49% of the containers collected.

When aluminium cans are recycled, they become new aluminium cans and other products. It takes 95 percent less energy to recycle aluminium cans than it does to mine aluminium and make new cans. Recycling just one can saves enough electricity to light a 100-watt bulb for 3½ hours.



Almost half (49%) of the total containers recycled in the NWT in 2005/06 were aluminum cans.

Plastic

Plastic containers are crushed and packed into bales at the processing centres and transported to recycling markets in Alberta and British Columbia. Plastic containers make up about 12% of the containers collected in the NWT.

Plastic containers are recycled into products such as new plastic containers, fleece clothing and highgrade carpet.



After crushing and baling, plastic containers await a full trailer load before being sent south for recycling.

Recycling just one can saves enough electricity to light a 100-watt bulb for $3 \frac{1}{2}$ hours.



The life cycle of NWT beverage containers ...continued

Bi-metal cans

Recycled bi-metal cans such as vegetable juice cans make up less than 1% of containers collected in the NWT. These containers are made into car parts, metal bars and chicken wire.



Bi-metal cans, such as tomato juice cans, make up less than 1% of the total beverage containers recycled in the NWT. They are stored in these special recycling bags until they are processed and sent south for recycling.

Did you know?

In the NWT **84%** of all beverage containers recovered are reused or recycled – that's good news for the environment!

Beer Bottles

Beer bottles can be sanitized and refilled again. Domestic refillable beer and cooler glass bottles are returned to breweries in Alberta for reuse. Refillable glass bottles make up about 23% of the containers collected.



Before the Beverage Container Program came into effect, only beer, wine and spirit bottles could be returned for a refund in the NWT.

Consumers receive a refund of either \$.10 or \$.25 per container, depending on what type and size it is.

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Other containers

Non-refillable glass, such as liquor and juice bottles make up about 12% of the containers collected in the NWT. Glass is crushed and used as backfill in new construction in Yellowknife and Hay River.

Although glass has little market value, it has found a home as backfill in new construction in Yellowknife and Hay River.

Glass is crushed and used as backfill in new construction in Yellowknife and Hay River.

Multi-material containers such as Tetra-Paks, juice boxes and gable top containers make up about 4% of the containers collected in the NWT. To be recycled they must go through a process called hydrapulping to separate the different components of the containers. Some products made from these containers include cardboard, napkins, and plastic wood.



Multi-material containers such as Tetra-Paks, juice boxes and gable top containers must go through a process called hydrapulping to separate the different components of the containers in the recycling process. These containers are made into cardboard, napkins, and plastic wood.



The benefits of recycling go beyond our landfills

The Beverage Container Program makes economic sense. Schools, teams and community groups are collecting and returning beverage containers as part of their fundraising efforts. The program also offers business and employment opportunities in our NWT communities.

In addition, the program helps preserve the unspoiled beauty of the NWT. More beverage containers recovered means less garbage filling up our landfills, less litter, less energy wasted and fewer greenhouse gases generated.

The Waste Reduction and Recovery Act also allows other materials to be recovered in the future as the success of the Beverage Container Program is proven. The Department of Environment and Natural Resources has committed to undertake public consultations by the fall of 2007 to identify additional waste types for recovery. These waste types may include electronic waste, tires, milk containers, cardboard, and batteries.



Our young people are making a difference in their communities. Shown here, members of the Tuk Youth Group open their doors each Sunday to Tuktoyaktuk recyclers. (Operated by the Tuktoyaktuk Community Corporation.)



More beverage containers recovered means less garbage filling up our landfills, less litter, less energy wasted and fewer greenhouse gases generated.



Aluminum cans are sent to a regional processing centre, like this one in Yellowknife, where they are crushed into briquettes. Each briquette weighs 12.25 kg (27 lbs.) and contains about 800 cans. They are sent south for recycling and then are made into new cans and other products.

A new generation of recyclers

Youth play a big role in the success of the Beverage Container Program. They are making a difference in their communities by returning beverage containers at their community depots – and that's good news for the environment.

The 'NWT Recycles' school contest for the program was popular with NWT students, garnering 378 entries in all grades levels. Aimed at raising awareness of the importance of recycling, the contest included colouring pages, cartooning, inventing recycling machines and radio and television PSAs.

Prizes included a backpack filled with recyclingoriented items such as a re-usable water bottle, a recycled t-shirt made from pop bottles, and environmental books or a water powered clock and cash prizes.



Contact

If you want more information, or have comments about the *Waste Reduction and Recovery Act*, the Beverage Container Regulations or the Beverage Container Program, contact:

Environmental Protection 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

Web: www.enr.gov.nt.ca/eps/environ.htm

Did you know?

From November to March the NWT recycled enough aluminum to make over **300 16 foot Lund fishing boats!**



Mabel Gon, Depot Operator in Gameti, receives beverage containers from Danielle Morin.



Aluminium cans awaiting shipment.



Appendices Table 1: Community Depot Operators — Fiscal Year 2005/06

COMMUNITY	LICENCEE	START DATE	STATUS
NORTH SLAVE REGION			
Behchoko	FC Services	Nov 15/05	Operated by licencee
Gameti	Mabel Gon	Dec 1/05	Operated by licencee
Wekweti	Tli Cho Community Government	Dec 14/05	Operated by licencee
Wha Ti	Alex's Confectionery	Feb 2/06	Operated by licencee
Yellowknife	The Bottle Shop	Nov 1/05	Operated by licencee
SOUTH SLAVE REGION			
Enterprise	Armella Mercredi	Feb 6/06	Operated by licencee
Providence	Deh Gah Secondary School	Feb 23/06	Operated by licencee
Fort Resolution	Gabriel Lafferty	Nov 15/05	Operated by licencee
Fort Smith	RTL Recycling	Nov 1/05	Operated by licencee
Hay River	Tri R Recycling	Nov 1/05	Operated by licencee
Kakisa	, 0	Dec 6/06	ENR providing temporary service
Lutselk'e	Lutselk'e Dene Band	Feb/4/06	Operated by licencee
DEH CHO REGION			
Fort Liard	Acho Dene Youth Centre	Dec 12/05	ENR providing temporary service
Fort Simpson	Rowes Recycling	Nov 1/05	Operated by licencee
Jean Marie River		Dec 9/05	ENR providing temporary service
Nahanni Butte	Nahanni Butte First Nation	Jan 7/06	Operated by licencee
Trout Lake	Sambaa K'e Development Corporation	Nov 15/05	Operated by licencee
Wrigley		Jan 17/06	ENR providing temporary service
SAHTU REGION			
Colville Lake		Feb 16/06	ENR providing temporary service
Deline	Cathy McKenzio Taylor	Dec 7/05	Operated by licencee
Fort Good Hope	Chief T'Selehye School	Dec 7/05	Operated by licencee
Norman Wells	Joel Wells	Jan 8/06	Operated by licencee
Tulita		Dec 9/05	ENR providing temporary service
INUVIK REGION			
Aklavik	Billy Archie Contracting	Feb 6/06	Operated by licencee
Fort McPherson	Fort McPherson Tent & Canvas	Jan 16/06	Operated by licencee
Ulukhaktok	Joanne Ekpakohak	Jan 18/06	ENR providing temporary service
Inuvik	Wrangling River Supply	Nov 1/05	Operated by licencee
Paulatuk	Brian Kudlak	Jan 12/06	Operated by licencee
Sachs Harbour	David Haogak	Jan 6/06	Operated by licencee
Tsiigehtchic	Don Horrocks	Feb 22/06	ENR providing temporary service
Tuktoyaktuk	Tuktoyaktuk Community Corporation	Jan 15/06	Operated by licencee



Appendices

Table 2: Beverage Container Distributors — Fiscal Year 2005/06

Bridge Brand Food Services Northern Food Services Territorial Beverages

Canada Safeway Ltd. North West Company Wallace & Carey Inc.

Core-Mark International Inc. Northwest Water Company Wal-Mart Canada Corp.

Federative Cooperative Ltd. Petersen Auger Westfair Foods Ltd.

Frontier Coachlines NWT Ltd. Prism Distributions Wrangling River Supplies Ltd.

Hudson's Bay Company Shoppers Drugmart Inc. Tim Hortons TDL Group Corp.

Martin Brower of Canada Co. Sobeys Western Region Tundra Transfer Ltd.

McKesson Canada Stanton Group Ltd.

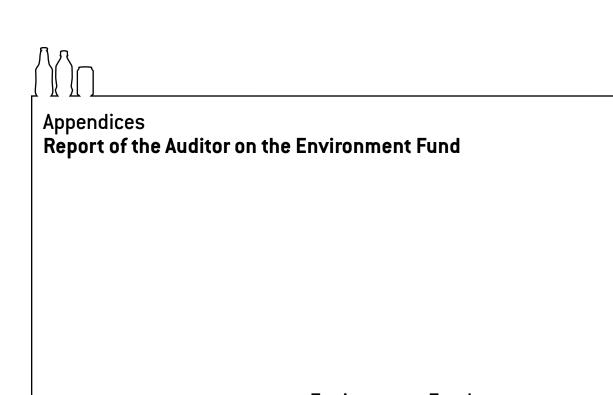
NWT Liquor Commission Sysco Food Services

Table 3: Waste Reduction and Recovery Advisory Committee Members – Fiscal Year 2005/06

First Name	Company/Organization	Community
Raymond Massey, Chairperson	Community Resident	Inuvik
Joe Agrey	NWT Motor Transport Association	Yellowknife
Ron Courtoreille	Community Resident	Hay River
Kristine Drader	Community Resident	Norman Wells
Kevin O'Reilly	NWT Association of Communities	Yellowknife
Greg Rowe	Hay River Liquor Retailers & Tri R Recycling	Hay River
Bruce Underhay	City of Yellowknife	Yellowknife
Jack Walker	Peterson & Auger	Yellowknife
Ben Walker	YK Direct Charge Co-op	Yellowknife
Bob Weaver	Territorial Beverages	Yellowknife

Convictions of Offences Under the Act

There were no charges or convictions under the *Waste Reduction and Recovery Act* during the reporting period of November 1, 2005 to March 31, 2006.



Environment Fund Financial Statements for the period ended March 31, 2006



Management's Responsibility for Financial Reporting

To the Minister responsible for the Department of Environment & Natural Resources

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.

R. P. Bailey Deputy Minister

Department of Environment and Natural Resources

Nancy Magrum CGA

Director, Shared Services, Finance & Administration

Department of Environment and Natural Resources and Department of Industry,

Tourism and Investment

September 28, 2006





AUDITOR'S REPORT

To the Minister of Environment and Natural Resources

We have audited the Statement of Financial Position of the Environmental Fund as at March 31, 2006 and the Statements of Operations and Surplus and Cash Flow for the initial five-month period then ended. These financial statements are the responsibility of the Department of Environment and Natural Resources for the Northwest Territories. Our responsibility is to express an opinion on these financial statements based in our audit.

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.

In our opinion these financial statements present fairly, in all material respects, the financial position of the Environment Fund as at March 31, 2006, and the results of its operations and cash flows for the initial five month period then ended in accordance with accounting policies established for the Environment Fund by the Department of Environment and Natural Resources.

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 Waste Reduction and Recover Act and regulations.

T. Bob Shahi, FCGA, CIA Director, Audit Bureau

September 28, 2006



Statement of Financial Position March 31, 2006

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А	SS	ΕТ	S

Current

Cash in Bank (Note 3)\$ 434,546Accounts Receivable467,330Prepaid Expenses3,438

\$ 905,314

LIABILITIES

Current

Accounts Payable \$ 129,506

SURPLUS (Note 5) 775,808

\$ 905,314

Statement of Operations and Surplus For the Initial Five Months Ending March 31, 2006

Revenue	
Beverage container program surcharges	<u>\$ 1,878,356</u>
Expenses	
Beverage container program Refundable deposit Depot handling fee Processing fee Salaries and benefits Freight charges Office expense Storage Contract services – satellite depots Travel and training	684,774 175,229 171,380 58,085 43,956 6,077 6,474 6,400 1,581 1,153,956
Excess revenue from operations	724,400
Other Revenue	
Northwest Territories Liquor Commission (Note 4)	51,408
Excess revenue	775,808
Surplus at the beginning of the period	0
Surplus at the end of the period (Note 5)	<u>\$ 775,808</u>

The accompanying notes form an integral part of these financial statements

Statement of Cash Flows For the Initial Five Months Ended March 31, 2006

Cash flows from operating activities	
Cash received from bottle container program surcharges Cash paid for operating expenses of the bottle container program	\$ 1,411,026 (1,027,888)
	383,138
Cash flows from other activities	
Northwest Territories Liquor Commission transfer of surplus funds from its bottle deposit program (Note 4)	51,408
Net cash increase	434,546
Cash at the beginning of the period	0
Cash at the end of the period	<u>\$ 434,546</u>

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements March 31, 2006

Note 1 AUTHORITY, PURPOSE AND OPERATION

The Waste Reduction and Recovery Act, enacted in July 2005, established the Environment Fund for waste reduction and recovery programs.

a) Environment Fund

All fees and surcharges collected from programs established under the authority of the Waste Reduction and Recovery Act must be paid into the Environment Fund. 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; or
- other costs associated with programs, initiatives or activities in respect of the reduction or recovery of waste.

b) Environment Fund Programs

The Beverage Container Program, which came into effect November 1, 2005, is currently the only established program 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.

Notes to the Financial Statements March 31, 2006

Note 2 SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and the accounting policies established by the Department of Environment & Natural Resources for the Environment Fund.

- a) Revenue is recognized when distributors invoice the retailers for the beverage containers that will be circulated in the Northwest Territories.
- b) Refundable deposits, handling and processing fees are recognized when consumers return those beverage containers to a depot for refund.
- c) No provision has been made in these financial statements for beverage containers that remain in circulation (i.e. containers for which revenue has been recognized that are held in inventory by retailers for resale, held by consumers or were discarded by consumers) because their numbers cannot be reasonably estimated.
- d) 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.

Note 3 CASH IN BANK

The Environment 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.

Note 4 OTHER REVENUE

The amount represents the transfer of surplus funds from the Northwest Territories Liquor Commission bottle deposit program, which ceased operation when the Beverage Container Program took effect on November 1, 2005.

Notes to the Financial Statements March 31, 2006

Note 5 START-UP FUNDING

The Department of Environment and Natural Resources received approval for \$1,143,000 in start-up funding from the Financial Management Board to cover the costs of implementing the Beverage Container Program. These costs, which were incurred before the Beverage Container Program came into force, are not reflected in these financial statements. The Department expended the start-up funds as follows:

- a) Spent \$972,253 on activities to establish community depots and processing centres and depots, including the purchase of equipment and training of staff at those depots and processing centres.
 - Equipment worth \$475,935 purchased by the Department of Environment and Natural Resources with the start-up funding is the property of the Government of the Northwest Territories. The equipment is leased to the processing centres and depots and the related lease revenues are credited to the Consolidated Revenue Fund.
- b) Provided \$225,000 in loans to processing centres and depots from the Consolidated Revenue Fund. The loan agreements are between the Department of Environment and Natural Resources and the respective processing centres and depots. The loan repayments are credited to the Consolidated Revenue Fund.



November 2006