

bcmb

# 2025 - 2027 Business Plan



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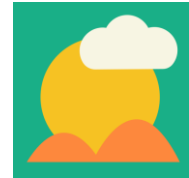
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## An Acknowledgement

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 system 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.

# Who We Are

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 2023, more than 2.5 billion containers were sold in the province and 2.2 billion of those were returned to depots. That equates to a collection rate of 84.9%, 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 privately owned and operated depots in 163 communities across Alberta, 134 of those in rural communities.

A regulator should be a fair, unbiased and 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 oversight 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. Our business planning and all work directed at achieving our desired outcomes are centered 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 2025-2027 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.

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# Accountability Statement

The BCMB Business Plan for the period January 1, 2025, through December 31, 2027, was prepared in accordance with the requirements of the Beverage Container Recycling Regulation (BCRR), which was enacted under the *Environmental Protection and Enhancement Act*. The BCMB's existing and proposed policies and procedures, as of November 2024, 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' 2024-2027 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."

Approved by the Board of Directors

Beverage Container Management Board

November 20, 2024



Loren Falkenberg

Chair

# Regulatory Structure & Mandate

## BCMB MANDATE

**Regulate and enhance a leading beverage container system that protects Alberta's environment.**

## Regulatory Structure

- The BCMB was established 27 years ago through the Beverage Container Recycling Regulation, which was enacted under the *Environmental Protection and Enhancement Act*.
- The BCMB is a not-for-profit association incorporated under the Societies Act of Alberta.
- The organization operates 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.
- The BCMB is a Delegated Administrative Organization (DAO) created through legislation to aid the Ministry of Environment and Protected Areas in achieving its goals and objectives. This means we purposefully align with the Government of Alberta and the Ministry's strategic direction and priorities; however, we function as an arms-length, self-funded, legal entity in carrying out our services and mandate.
- A Memorandum of Understanding exists between the BCMB and the Government of Alberta which outlines roles and responsibilities.

The BCMB operates in accordance with several by-laws, policies and operating and service agreements<sup>1</sup> 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' 2024-2027 Business Plan states that it "works to protect and enhance the environment and ecosystems throughout the province, while supporting economic prosperity,

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<sup>1</sup> [BCMB Governing Documents](#)

quality of life and a sustainable future for Albertans, positioning Alberta as a leader in environmental impact.”<sup>2</sup>

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 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 Collection Service Agent (CSA)/Collection Service Providers (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 support key programs for Albertans.

One of Alberta Environment and Protected Areas’ key objectives is to “strengthen environmental resource stewardship and conservation through working in partnerships with municipalities, non-profit organizations, industry and Indigenous communities to ensure ...Alberta is well-positioned to move to a more circular economy that minimizes waste.”<sup>3</sup>

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. The BCMB is working to grow relationships with municipalities across the province to understand the varying needs of Albertans. We continually evaluate our regulatory role, the performance of the beverage container recycling system, 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. To support a circular economy, the BCMB continues to work to ensure all beverage containers sold in the province have an approved method of recycling and that this can be verified at end-of-life.

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*<sup>4</sup>. 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 747 million plastic containers were returned to depots in 2023 with a current collection rate of 81.2%. Our industry is also working on how best to incorporate plastic recycling feedstock back into the system.

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<sup>2</sup> [Alberta Environment and Protected Areas 2024-2027 Business Plan, p. 49](#)

<sup>3</sup> [Alberta Environment and Protected Areas 2024-2027 Business Plan, p. 51](#)

<sup>4</sup> [Alberta's Natural Gas Vision and Strategy](#)

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## Roles & 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 (CSA) (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; and
- setting handling commissions.

# 2025 - 2027 Key Initiatives & Projects

The BCMB is beginning or continuing its work on a number of key projects in order to ensure regulatory requirements are being met and our desired outcomes and strategies are achieved:

- **Increasing collection and recycling rates:** ensuring Albertans have access to recycling via depot siting, investigating routes to increasing the collection rate, introducing innovation in the collection system, and identifying and setting targets for industry service and performance.
- **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:** exploring 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.

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## Key Projects

### 1. Registrations and Recycling Committee

The BCMB continues to work with stakeholders through the Registrations and Recycling Committee (a Board Committee) to adopt best practice definitions of recycling. This committee determines what materials will be approved for the Common Collection System and sold in Alberta. Additionally, the Committee has been working to measure material stream performance in the current system against those definitions, to produce recycling verification processes and amend by-law.

Discussions at the Registrations and Recycling Committee have led to two Committee recommendations the BCMB Board has supported in principle pending stakeholder consultation:

1. Implementation of industry aspirational collection and recycling targets; and
2. Phasing out materials streams that are not recyclable.

The BCMB, through the Registrations and Recycling Committee, will engage in a stakeholder consultation process regarding these initiatives for consideration and further recommendation to the BCMB Board of Directors.

Having clear definitions, expectations, and industry aspirational targets 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 Q1 2025; Phase 3 (stakeholder consultation) is ongoing Q1 2026.*

## 2. Depot Siting Review

The purpose of the Depot Siting Review Committee is to review the BCMB's depot siting criteria within by-law and policy and determine if they are meeting the needs of all members of the common collection system and the public. The current depot siting criteria has existed since the inception of regulation in 1997. The Committee will review amendments to the criteria, consider options for pilot projects to investigate new innovations, create a regular review process of the criteria going forward, and make recommendation to the Board.

The Committee is guided by the following principles:

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

*Timeline: Phase 1 (creation of BCMB Board Committee to review and consider recommendations) completed Q1 2024, Phase 2 (review recommendations made by stakeholder committee and Management) completed Q3 2024, Phase 3 (approval of by-law amendments and pilot projects) ongoing Q4 2024- Q2 2025.*

## 3. Service Agreement Review

The purpose of the Service Agreement Committee is to provide oversight and support Management in the assessment of the Alberta Beverage Container Recycling Corporation (ABCRC) and Alberta Bottle Depot Association (ABDA) Service Agreement. The Committee will gather expert opinion(s) on operational standards for the purposes of considering revisions to the Service Agreement. It may also lead to a new Service Agreement that meet operational best practices.

*Timeline: Expert secured Q4 2024; Project to be completed by Q3 2025.*

## 4. Communications & Education

To meet the BCMB's key Governance Excellence strategy of delivering timely, clear, and effective communication, the BCMB has hired a Director of Communications to develop and implement an extensive communications and public education strategy.

*Timeline: Communications Strategy to be developed by Q1 2025.*

## 5. Handling Commission Review

The BCMB is currently preparing for a Handling Commission Review (HCR) to commence in February of 2025. HCRs occur every three to six years and serve as a review of the amount payable for each container collected from depots in accordance with section 13(b) of the Regulation. The last HCR occurred in 2019 with extensions agreed to by all Designated Registered Participants, pushing the length between HCRs to its maximum period of six years.

*Timeline: Expert secured; HCR to commence February 2025; HCR to be completed in April 2026.*



## 6. Technology Gap Bridging

The BCMB's comprehensive information technology project has involved updating and streamlining all IT systems to comply with information security standards. This includes integration e with systems used by key stakeholders such as the CSA (ABCRC), Alberta Gaming, Liquor and Cannabis (AGLC), 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.

Improving and enhancing 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 involved providing depot permit holders access to essential information through a simple online portal as well as the transition of alcohol container registrations from Alberta Gaming, Liquor and Cannabis (AGLC) to the BCMB in early-2024. Future enhancements are 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 Q4 2024.*

# Outcomes

The BCMB's 2025-2027 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	
<b>Environmental Protection</b>	<b>Minimize Impact</b>	Minimize the environmental impact of beverage containers through reuse and recycling.
	<b>Sustainability</b>	Improve the sustainability of the beverage container system and work towards a circular economy for beverage container recycling.
	<b>Reduce Footprint</b>	Reduce the environmental footprint of the system.
<b>Fiscal Stewardship</b>	<b>Accountability</b>	Introduce accountability measures to minimize system risk.
	<b>Reporting</b>	Report clearly (using meaningful and measurable targets) on the achievement of our mandate and government expectations.
	<b>Transparency</b>	Maintain full transparency regarding operations and finances.
<b>Governance Excellence</b>	<b>Compliance</b>	Achieve a high degree of compliance with operating and reporting requirements.
	<b>Integration &amp; Alignment</b>	Ensure a high level of integration and alignment with by-laws, policies, and operations.
	<b>Communication</b>	Deliver timely, clear, and effective communication.
	<b>System Integrity</b>	Ensure stakeholder trust through system integrity.
<b>Customer Excellence</b>	<b>Satisfies</b>	Deliver a system that satisfies stakeholder expectations.
	<b>Quality</b>	Ensure quality service to the public
	<b>Awareness</b>	Achieve widespread awareness of the importance of the system.
	<b>Accessible</b>	Deliver a beverage container recycling system that is accessible and inclusive.
<b>System Efficiency &amp; Effectiveness</b>	<b>Innovation</b>	Encourage innovation and continuous improvement.
	<b>Responsiveness</b>	Demonstrate responsiveness to changing needs.
	<b>Technology</b>	Capitalize on technological advancement.
	<b>Cost-effective</b>	Operate a system that is cost-effective.

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# 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 beverage 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.

## 2025-2027 Actions

1. Continue to focus industry efforts on increasing collection and recycling rates.
2. Continue to work with manufacturers of refillable water jugs to include them in Alberta’s beverage container recycling system.
3. Complete the Registrations and Recycling Committee 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 (measuring the 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 1.48% in 2023 to over 2.5 billion sold. The collection rate for 2023 was 84.9%, up from 83.0% in 2022.

Performance Indicators	% of all containers returned in 2023	2023 Actual	2022 Actual	2021 Actual	2020 Actual	2019 Actual
Overall Collection Rate <sup>5</sup>		84.9%	83.0%	84.1%	82.2%	85.3%
Cans	50.4%	89.0%	87.2%	88.0%	85.5%	89.1%
Non-Refillable Glass	5.9%	90.0%	87.7%	87.7%	87.9%	92.6%
Refillable Glass (Beer)	1.6%	98.7%	97.3%	105.8% <sup>6</sup>	102.1%	100.4%
Plastics	34.0%	81.2%	79.4%	81.2%	78.5%	81.6%
Polycoats Combined <sup>7</sup> (details below)	8.0%	72.0%	69.5%	69.2%	69.3%	71.1%
Tetra-Pak	4.4%	71.7%	70.7%	70.4%	68.2%	86.1%
Gable Top	3.1%	76.9%	74.5%	74.1%	75.9%	81.4%
Drink Pouches	0.4%	57.4%	43.7%	42.4%	47.5%	49.5%
Bag-in-a-Box	0.1%	51.6%	46.4%	48.6%	40.7%	42.1%
Bi-Metal	0.1%	97.9%	74.2%	80.7%	79.0%	84.1%

### 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 internally in 2025, with intentions of public reporting being made available in the coming years.

### 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

<sup>5</sup> For the 12-month period ending December 2023, the total system volume equated to 2.19 billion containers collected (returned to depots).

<sup>6</sup> 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.

<sup>7</sup> As of 2023, the BCMB is reporting collection rates for the various types of polycoats in addition to the overall rate.

footprint, and several of the carriers contracted by ABCRC are members of the SmartWay Transport Partnership (SmartWay) run in Canada by Natural Resources Canada.<sup>8</sup>

### 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		2023 Actual	2022 Actual	2021 Actual	2020 Actual
<b>Transportation of products from depots to ABCRC<sup>9</sup></b>					
Kilometres driven		3,409,898	3,199,858	3,304,942	3,182,358
Number of loads		36,053	33,872	34,020	32,541
<b>Transportation of products from ABCRC to end destination (kilometres driven)<sup>10</sup></b>					
Material Type <sup>11</sup>	Destination				
Cans	United States	2,787,459	2,626,643	2,659,247	2,558,163
Non-Refillable Glass	Alberta	164,728	163,523	166,624	170,183
Plastics	Alberta; British Columbia	459,132	319,521	348,067	346,979
Polycoats <sup>12</sup>	North America	651,507	646,520	560,027	578,197
<b>Material Recycled (metric tonnes diverted from landfill)</b>					
Cans		16,830	14,561	14,955	14,354
Non-Refillable Glass		51,629	47,108	49,106	49,890
Plastics		24,505	20,708	20,887	19,754
Polycoats		6,168	5,073	5,138	2,555
<b>Recycling Rate<sup>13</sup></b>					
Percentage of residual loss compared to containers collected (measured net of residuals lost during processing of materials)					

<sup>8</sup> *Alberta Beverage Container Recycling Corporation 2023 Sustainability Report, p. 17*

<sup>9</sup> *Mileage was adjusted to account for depot relocation and travel distance.*

<sup>10</sup> *The transportation of refillable glass containers is not included in the environmental performance indicators.*

<sup>11</sup> *The transportation of refillable glass containers is not included in the environmental performance indicators.*

<sup>12</sup> *In 2022, some gable top (polycoat) was shipped to overseas destinations from the port of Montreal, incurring CO2 emissions of approximately 24,498 kg.*

<sup>13</sup> *Reporting on the new Recycling Rate indicator will begin upon completion of the Registrations & Recycling Committee project.*

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## 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 effective 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.

### 2025–2027 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 (i.e., 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 Alberta's beverage container recycling system. 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 rose in 2023 to \$0.0384 from \$0.0181 in 2022.

Performance Indicators	2023 Actual	2022 Actual	2021 Actual	2020 Actual	2019 Actual
<b>Net System Cost</b>					
Total of all costs and offsetting revenues in dollars per container	\$0.0384	\$0.0181	\$0.0236	\$0.0294	\$0.0294
<b>Net System Cost by Container Type</b>					
Cans	\$0.0174	\$0.0176	\$0.0115	\$0.0156	\$0.0046
Non-Refillable Glass	\$0.1042	\$0.0486	\$0.0806	\$0.0793	\$0.1035
Plastics	\$0.0522	\$0.0139	\$0.0285	\$0.0393	\$0.0464
Polycoats	\$0.0635	\$0.0161	\$0.0406	\$0.0396	\$0.0502

## 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 2023 at 99.9%—a rate that has consistently remained at 99.9% since 2021—with only nine late payments on 36,038 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 2024, one scheduled load was 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.

In 2023, the CSA inspection score was 92%, meeting the target; this score aligns closely with scores of 92.2% in 2022 and 95.1% in 2021.

### **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 reached 89% in 2023, showing improvement from 84.4% in 2022 and 87.5% in 2021. Despite the improvements, compliance was still short of the 93% target.

### **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 consistently high, approaching 100% over the past few years, with compliance at 98.6% in 2023, 97.3% in 2022, and 99.6% in 2021.

### **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 2023, 99.7% of sales volume was achieved and verified by producers reflecting the 2022 fiscal year (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 October 2024, 15.5% or 57 of 367 producers were non-compliant in reporting sales verification data for the 2022 fiscal year.

Performance Measures	Target 2023	Last Actual 2023	Target 2025	Target 2026	Target 2027
<b>Collection System Agent Compliance</b>					
<b>Payment Compliance:</b> The percent of all payments made to depots within the industry standard	100%	99.9%	100%	100%	100%
<b>Collection Compliance:</b> The number of reported loads <b>not</b> picked up from depots within the industry standard	2	16	2	2	2
<b>CSA Operating Compliance:</b> The inspection score based on agreed-upon performance standards	92%	92%	95%	95%	95%
<b>Collection Service Provider (CSP) Compliance</b>					
<b>CSP Operating Compliance<sup>14</sup>:</b> The evaluation score based on agreed-upon performance standards	93%	89%	95%	95%	95%
<b>Depot Compliance</b>					
<b>UCA Filing Compliance:</b> The % of depots that filed required financial documents to the Data Collection Agent	100%	99%	100%	100%	100%
<b>Producer Compliance</b>					
<b>Sales Verification<sup>15</sup>:</b> The % of all container sales remitted to CSA and verified by producers for prior year	100%	99%	100%	100%	100%

<sup>14</sup> 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.

<sup>15</sup> Sales verification compliance represents the year prior due to BCMB reporting cycles and producer year ends.

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## 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.

### 2025–2027 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. Implement 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, continue to educate depots on utilizing the new Stakeholder Management Information System (SIMS) which includes a new depot portal and container registration database.

### 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 98.5% in 2023, up slightly from 97.4% in 2022.

### **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 causes a depot to be placed into the BCMB's quality control compliance framework.

In 2023, 95% of containers were shipped from depots within the industry standard, marking a one-percentage-point improvement over 2022 and matching the rate achieved in 2021.

### **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%, and even further in 2023 to 92%. 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 to 94% in 2023 from 91% in 2022.

### **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 2023, 31% of retailers were compliant with all standards (compared to 24% in 2021, the first year of reporting, and 34% in 2022). Compliance for deposit advertising in 2023 was 40.6%, down from 43.2% in 2022, and compliance for container registration was 70.8%, up from 66.7% in 2022.

## 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 to align BCMB's system with other industry systems and enhance the user experience. This includes the modernization of the BCMB's main database and portal.

Performance Indicators	2023 Actual	2022 Actual	2021 Actual	2020 Actual	2019 Actual
<b>Depot Compliance</b>					
<b>Refund Compliance:</b> The % of audits conducted that were refunded within industry standard	99%	97%	94%	84%	91%
<b>Quality Compliance:</b> Shipments of containers from depots within industry standard	95%	94%	95%	95%	91%
<b>Operational Compliance:</b> The % of depots inspected that are compliant with BCMB by-laws and policies	92%	89%	77%	70%	70%
The % of depots with deficiencies that were corrected prior to entering the Compliance Framework <sup>16</sup>	94%	91%	64%	69%	56%
<b>Retail Compliance</b>					
<b>Retail Compliance:</b> The % of retail locations inspected that are compliant with BCMB by-laws and policies	31%	34%	24%		

<sup>16</sup> 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.

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## Outcome 4 – Customer Excellence

The BCMB recognizes the critical role of continuous improvement in enhancing customer satisfaction and achieving our goals. We set clear expectations and hold ourselves accountable to high standards of quality assurance across all areas of service delivery for our system’s stakeholders. This will be accomplished by ensuring the BCMB system satisfies stakeholder expectations and is accessible and inclusive for all Albertans.

### 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 to all Albertans.

### 2025-2027 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 2024. The next one will take place in early 2026.
4. Conduct annual depot exit interviews on depot customer satisfaction.

### PERFORMANCE METRICS FOR ASSESSING STAKEHOLDER SATISFACTION

#### 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 2024, with 1,002 online interviews completed.

The number of Albertans returning containers for a refund (participation) in 2024 rose to 89% from 87% in the previous survey (conducted in March 2022).

## 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 conducted. 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. In 2023, a hybrid approach was taken, where interviewers again visited depots in person to supplement the online survey via self-completed surveys by customers on electronic tablets.

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 their refund. If customers spend 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 fell in 2023, falling to 81% from 87% in 2022. Despite the drop, nearly three-quarters of customers reported spending 10 minutes or less at the depot during their most recent visit, with 39% completing their visit in under 5 minutes. The average wait time improved slightly, dropping from 8.4 minutes in 2022 to 7.7 minutes in 2023. This reduction contributed to a modest increase in customer satisfaction with wait times, which rose from 82% in 2022 to 84% in 2023.<sup>17</sup>

Performance Indicators	2023 Actual	2022 Actual	2021 Actual	2020 Actual	2019 Actual
<b>Public Satisfaction</b>					
Participation <sup>18</sup>	89%	87%	87%	92%	92%
Average travel time to a depot <sup>19</sup>	53% <10 mins. 32% = 11-20 mins.	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.
<b>Customer Satisfaction<sup>20</sup></b>					
Overall satisfaction rated as very satisfied	81%	87%	87%		78.5%
Average time spent in a depot	7.7 mins.	8.4 mins.	8.0 mins.		13.7 mins. <sup>21</sup>

<sup>17</sup> [2023 Depot Exit Interview Survey](#)

<sup>18</sup> Participation refers to the percentage of respondents to the biennial Ipsos survey who state that they return beverage containers to depots. The 2023 actual is based on the most recent survey conducted in March 2024 (which applied to Albertans' 2023 recycling activities).

<sup>19</sup> The remaining percentages (15% for 2023 and 17% for 2022 and 2021) are reflective of rural Alberta where travel times vary according to depot locations.

<sup>20</sup> Customer satisfaction is assessed through annual Depot Exit Interviews. Due to COVID-19, the interviews were not conducted in 2020.

<sup>21</sup> 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<sup>22</sup>, education, a joint public website (ABCRC, BCMB, and ABDA) and other communications activities that continue to target increases in awareness surrounding deposit values and the environmental benefits of recycling beverage containers.

**Deposit-refund awareness:** In 2023, 96% of Albertans were aware that they could return beverage containers to a depot for a refund. The percentage of Albertans who knew the beverage container industry is regulated rose slightly to 52% in 2023 from 50% in 2022. Meanwhile, 80% of the population indicated that regulation is important or very important to them (steady from 2022).<sup>23</sup>

**Environmental impact:** 65% of Albertans believed that beverage container recycling has a significant impact on the environment (a 1% decrease from the previous study conducted in March 2022); 96% were aware of some benefit to the environment through recycling beverage containers.

**Deposit amount awareness:** More than half (52%) of Albertans were 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), an increase from 47% in 2022.

### Customer Awareness

The CSA continued its marketing initiatives for the beverage container recycling industry in 2023, focusing on containers with low return rates such as bag-in-a-box, tetra brik, gable top, coloured plastic and drink pouches.<sup>24</sup>

Awareness of the depot network brand ('Depot, It's Worth It' logo) was up significantly in 2023 at 85% compared to 77% in 2022. 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 learning the correct refund amounts. For containers 1 litre or less (10 cents), 37% are more likely to return them (down from 44% in the previous survey) and for containers over 1 litre (25 cents), 45% are more likely to return them (down from 51% previously).

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<sup>22</sup>[Alberta Beverage Container Recycling Corporation 2023 Sustainability Report, p. 23](#)

<sup>23</sup>[Beverage Container Recycling – 2024 Survey of Albertans, May 2024](#)

<sup>24</sup>[Alberta Beverage Container Recycling Corporation 2023 Sustainability Report, p. 23](#)

Performance Indicators	2023 Actual	2022 Actual	2021 Actual	2020 Actual	2019 Actual
<b>Public Awareness</b>					
Individuals aware of the deposit/refund program	96%	96%	96%	98%	98%
Individuals who believe that recycling beverage containers has a significant impact on the environment	65%	66%	66%	60%	60%
Individuals aware of the deposit amount	52%	47%	47%	52%	52%
<b>Customer Awareness</b>					
Individuals aware of the industry brand <sup>25</sup>	85%	77%			59%

## Accessible

### Accessibility to Depots

A primary objective of the BCMB is to ensure collection locations are accessible to Albertans. To meet this objective, the depot siting review project was initiated. 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 2026. Future targets will be based on any changes to siting criteria resulting from the depot siting review project.

Performance Measures	Target 2023	Last Actual 2023	Target 2025	Target 2026	Target 2027
<b>Depots</b>					
Number of universal depots in Alberta <sup>26</sup>	100%	99.9%	100%	100%	100%
Number of permits in development	1	1	TBD <sup>27</sup>	TBD	TBD

Performance Indicators <sup>28</sup>	2023 Actual	2022 Actual	2021 Actual	2020 Actual	2019 Actual

<sup>25</sup> 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).

<sup>26</sup> 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.

<sup>27</sup> Future targets will be based on any changes to siting criteria resulting from the depot mapping and siting project.

<sup>28</sup> 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.



<b>Number of universal depots in Alberta (by classification)</b>	Rural: 134	Rural: 134	Rural: 136	Rural: 137	Rural: 138
	Urban: 36	Urban: 36	Urban: 35	Urban: 36	Urban: 35
	Metro: 51	Metro: 51	Metro: 50	Metro: 51	Metro: 48
<b>Number of communities with a depot</b>	163	160	161	162	163

## Outcome 5 – System Efficiency and Effectiveness

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

### 2025-2027 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. Facilitate onboarding of the BCMB’s new registrations database and portal.
4. Work with AGLC and liquor agents/producers to ensure alcohol container registrations are registered through the BCMB registrations database.
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 2023,

64% of depots reported using eR-bills (consistent with 64% in 2022), which represented 86% of all R-bill reporting.

### **Quality Monitoring System (QMS)**

The QMS is an online database used to report, track and resolve operational issues in the industry. The BCMB oversees the QMS system, but industry stakeholders (depots, the ABDA, the CSA and CSPs) are the primary users of the QMS which can also be accessed using a mobile app. Depot utilization of the QMS covers those that have either submitted a ticket to address a concern and/or 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 2023 was 95%, up from 89% in 2022.

### **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 2023, 74% of the total depot network had POR systems (164 of 221 depots), down slightly from 2022 when 77% of depots had POR systems (170 of 223 depots).

### **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.

Currently, the BCMB does not report on utilization of automation within depots. However, we are working towards how best to collect this information for future reporting.

### **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 2023, over 245,000 containers had been registered in Alberta.

<b>Performance Measures</b>	<b>Target 2023</b>	<b>Last Actual 2023</b>	<b>Target 2025</b>	<b>Target 2026</b>	<b>Target 2027</b>
<b>Technology</b>					
<b>Depots utilizing Electronic R-bill Reporting</b>	70%	64%	75%	75%	75%
<b>Percentage of reporting that uses eR-bill</b>	87%	86%	90%	90%	95%
<b>Depots utilizing Quality Monitoring System (QMS)</b>	97%	95%	95%	95%	95%
<b>Depots utilizing Point of Return software</b>	83%	74%	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 2 cents to 12 cents in 2023.

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.<sup>29</sup>

### Ranking

Comparable deposit programs exist in British Columbia, Saskatchewan, New Brunswick, Nova Scotia, and Northwest Territories. 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.<sup>30</sup>

Performance Indicators	2022 Actual	2020 Actual	2018 Actual	2016 Actual
Net cost for the recycling consumer in cents per container <sup>31</sup>	2.20	2.20	2.40	1.80
Ranking of comparable deposit jurisdictions	1	1	1	1

### Labour Efficiency

Labour is a significant cost to the system. One way 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. Progress towards efficiency can be tracked by reporting on the number of seconds per container. This is calculated by taking the total number of containers handled and dividing it by the total number of labor hours (as reported on the depot Uniform Code of Accounts), and isolating efficiency from the cost of labor, which has increased over the same

<sup>29</sup> [Who Pays What: An Analysis of Beverage Container Collection and Costs in Canada, 2020, CM Consulting](#)

<sup>30</sup> *Ibid*

<sup>31</sup> *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.*

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 4.16 in 2023, down from 4.17 in 2022.

Performance Indicators	2023 Actual	2022 Actual	2021 Actual	2020 Actual	2019 Actual
Labour seconds per container at depots <sup>32</sup>	4.16	4.17	4.24	4.36	4.20

# Our Financials

In November 2024, the Board of Directors approved the 2025–2027 Financial Plan. The plan contains the following highlights:

1. It is estimated that sales volumes for 2025-2027 will grow modestly at 1% each year. The operating fee will continue to be held at the rate of \$0.0017 per container sold in Alberta over this same time frame.
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, per year, for 2026 and 2027.
3. The human resource plan assumes a headcount of 22 full-time employees. To counter higher than expected vacancy rates related to the 2024 forecast, salaries and benefit expenditures include a 3% decrease from base salary estimates.
4. A Handling Commission Review is expected to begin in February 2025. Depots are paid a handling commission for each container handled and shipped properly in the Alberta system. These handling commissions are determined through a utility-like rate setting process and require an in-depth review of the system. This process is expected to be completed by 2026 with estimated costs of \$515,000. This is funded out of the BCMB’s Operating Reserve Fund (Table 2 – Reserve Fund Expenditures). A replenishment strategy of the Operating Reserve Fund has been considered over a 4-year period as costs are incurred and finalized.
5. Projects previously approved by the Board (Page 7) are expected to continue into 2025. A total of \$498,000 has been approved to increase the Depot Siting Review, Registrations and Recycling Committee, and the Service Agreement Committee to continue their work on strategic initiatives.
  - a. \$400,000 of the increase is allocated towards Depot Siting Review to allow the committee to scope out alternative collection site pilot projects with the intent to increase collection rates.

<sup>32</sup> 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.

6. BCMB is expecting to have a surplus of \$176,500 at the end of 2024 and with a positive variance against plan of \$432,600. Contributing to this surplus is a combination of factors:
- a. High interest rates in the market generated an additional \$134,500 in additional investment income.
  - b. Personnel challenges in human resources have resulted in a positive variance to budget of \$134,400.
  - c. Communications and travel carry a combined variance of \$130,000. This is partially impacted by the hiring of a Director of Communications position which resulted in cost savings from not requiring the services of an external communications consultant. Furthermore, the Communications expenditure line contains allocations towards conferences and sponsorships, many of which did not materialize during the year or encountered scheduling conflicts for Management. As a result, this has also impacted travel costs.

## Statement of Operations

### 2025 – 2027 Revenues (Table 1)

Revenues	2024 Forecast	2024 Budget	2025 Budget	2026 Budget	2027 Budget
Container fees	\$4,440,400	\$4,427,000	\$4,484,800	\$4,529,700	\$4,574,900
Interest and other	334,500	200,000	180,000	180,000	180,000
Compliance Fees	48,400	38,000	38,400	38,800	38,800
Registration fees	10,300	7,800	7,800	8,000	8,000
Permit fees	6,600	12,000	12,000	20,000	30,000
<b>Total Revenues</b>	<b>\$4,840,200</b>	<b>\$4,684,800</b>	<b>\$4,723,000</b>	<b>\$4,776,500</b>	<b>\$4,831,700</b>

### 2025 – 2027 Operating Expenditures (Table 2)

Operating Expenditures	2024 Forecast	2024 Budget	2025 Budget	2026 Budget	2027 Budget
Salary and benefits	\$2,541,700	\$2,676,100	\$2,610,400	\$2,678,000	\$2,747,500
Professional fees	1,001,100	988,200	1,143,100	900,600	702,900
Office	209,900	220,900	245,800	256,300	260,700
Communications	160,700	231,600	151,600	154,400	157,700
Information technology	160,200	155,400	167,900	172,700	179,600

Honoraria & Board Expenses	159,400	167,600	146,300	139,600	133,500
Depreciation	159,000	150,000	160,800	162,200	166,100
Travel	90,000	149,100	138,400	131,200	143,400
Meetings	87,100	101,900	98,900	129,700	104,100
Insurance and licenses	69,700	69,700	72,500	75,000	77,000
Training and Development	13,300	25,000	25,000	25,000	25,000
Bad debts	4,400	5,400	5,400	5,400	5,400
<b>Total Operating Expenditures</b>	<b>\$4,656,500</b>	<b>\$4,940,900</b>	<b>\$4,966,100</b>	<b>\$4,830,100</b>	<b>\$4,702,900</b>
Reserve Fund Expenditures	\$7,200	\$-	\$410,000	\$105,000	\$-
<b>Total Expenditures</b>	<b>\$4,663,700</b>	<b>\$4,940,900</b>	<b>\$5,376,100</b>	<b>\$4,935,100</b>	<b>\$4,702,900</b>

**2025 – 2027 Excess of Revenues over (under) Expenditures (Table 3)**

Excess of Revenues over (under) Expenditures	2024 Forecast	2024 Budget	2025 Budget	2026 Budget	2027 Budget
	\$176,500	(\$256,100)	(\$653,100)	(\$158,600)	\$128,800

**2025 – 2027 Operating Fee (Table 4)**

Operating Fee	2024 Forecast	2024 Budget	2025 Budget	2026 Budget	2027 Budget
Estimated volumes sold	2,611,996,465	2,604,117,647	2,638,116,430	2,664,497,594	2,691,142,570
Estimated operating fee	\$0.0017	\$0.0017	\$0.0017	\$0.0017	\$0.0017

**2025 – 2027 Capital Expenditures (Table 5)**

Capital Expenditures	2024 Forecast	2024 Budget	2025 Budget	2026 Budget	2027 Budget
Operational expenditures	\$10,300	\$20,600	\$20,600	\$20,600	\$20,600
Project expenditures	\$68,800	\$175,000	\$-	\$-	\$-