



1-888-772-9772
www.productcare.org



Saskatchewan Paint Stewardship Program

2008 Annual Report
to
Saskatchewan Ministry of Environment
pursuant to the
Waste Paint Management Regulations
(CHAPTER E-10.21 REG 3)

Reporting Period: January 1, 2008 to December 31, 2008

Introduction

This is the 2008 annual report required of the waste paint product management program known as Saskatchewan Paint Stewardship Program, operated by Product Care Association, pursuant to section 8 of the Waste Paint Management Regulations chapter E-10.21 Reg 3 issued under the Environmental Management and Protection Act. This reporting period is January 1, 2008 to December 31, 2008.

A. Products Collected

Under the Saskatchewan Paint Stewardship Program (the "Program"), Product Care contracts the Saskatchewan Association of Rehabilitation Centres' recycling division (SARCAN) to provide collection services for left-over paint at all 71 SARCAN depots across Saskatchewan.

The Program defines "paint" to include any of the following:

- (i) any latex, oil or solvent-based architectural coating;
- (ii) any architectural stain, varnish, lacquer or other wood or masonry treatment product;
- (iii) any type of paint sold in a pressurized aerosol container;

Collection Volumes for 2008 and Comparative Data from Previous Years

Litres of Product Collected (Non-Aerosol)	2008	2007	2006 (9 months)
Water-based paint	154,015	110,930	68,884
Solvent-based paint	118,371	89,818	52,631
Total	272,386	200,748	121,515

The above data includes paint given away for reuse. In addition to the volumes of non-aerosol paint stated above, the Program also collected approximately 10,500 aerosol paint cans, with an average capacity of 300 ml per container, however the actual paint contents of the aerosol containers cannot be determined.

B. Product Management

Summary of management options for paint collected:

Reuse- Paint Exchange program:

Reusable paint is given away at no charge through the Paint Exchange program to members of the public. The Paint Exchange is available at all 71 SARCAN depots. During the Reporting Period, approximately 52,792 litres of the latex and solvent-based paint collected by the program were reused through the Paint Exchange program (calculation based on an average volume of 3 L per 3.78 L container), which is an increase of 19,732 litres from the volumes collected in 2007.

Recycling

During the Reporting Period, 110,578 litres of latex paint collected by the Program were recycled as a raw material in the manufacture of Portland cement.

Energy Recovery

During the Reporting Period, 108,636 litres of solvent-based (alkyd) paint collected by the Program were used as a fuel in applications such as permitted incinerators.

Treatment/Incineration/Landfill

No paint collected during the Reporting Period was disposed of in landfills. 200L of solvent-based paint was incinerated as result of PCB contamination.

Containers Recycling

81.9 tonnes of metal paint cans were sent to scrap metal dealers and in turn sent to a metal smelter for recycling and 3.3 tonnes of plastic paint containers were recycled as plastic lumber.

Product Management Activities- Comparative Data from 2006-2008

Product Management	2008	2007	2006 (9 months)
Reuse- Paint Exchange program: Litres of the latex and solvent-based paint collected and reused through the Paint Exchange program (calculation based on an average volume of 3 L per 3.78 L container).	52,792	33,060	16,359
Recycling: Litres of the latex paint collected and recycled as a raw material in the manufacture of Portland cement.	110,578	81,507	52,525
Energy Recovery: Litres of the solvent-based (alkyd) paint collected and used as a fuel in applications such as permitted incinerators.	108,636	85,182	52,631
Treatment/Incineration/Landfill: Litres of solvent-based paint incinerated as result of PCB contamination.	200	1000	n/a
Container Recycling: <i>Metal</i> - Tonnes of metal paint cans recycled.	81.9	72.5	43.8
<i>Plastic</i> -Tonnes of plastic paint containers recycled.	3.3	3.1	1.2

C. Public Education and Communications

The Program's communications and education initiatives during the Reporting Period included the following elements:

Consumer Survey: In November 2008, Product Care contracted Sigma Analytics in Regina, Saskatchewan to conduct a province wide telephone survey of a total 613 respondents aged 18 or older. The sample was stratified geographically using ten regions, with the count of responses in each region in proportion to its share of the province's population according to the most recent census data. This sample produces a general margin of error of plus or minus 3.96%, 19 times out of 20. The 95% confidence rate means that 19 times in 20, the result can be expected to be due to a factor other than chance. Results from the survey revealed:

- 66.8% of respondents are in possession of unused paint and over two thirds of respondents indicated they would recycle the paint.
- In determining respondents' recognition of the paint recycling program, responses revealed that 49.8% recognize SARCAN as a paint recycling depot, 40.1% of whom indicated they would recycle their paint at a SARCAN depot.
- For those respondents unfamiliar with the program, after receiving information regarding the program, 81.8% of those indicated they would likely use the service.
- Additionally, the survey found that 25.2% of respondents were in possession of unused hazardous waste, and 57.6% of those responded a high likelihood, and 9.8% likelihood, of participating in a one-day waste collection event to drop-off the hazardous waste.

Toll-Free Hotline: The Program operates a toll-free hotline (1-888-772-9772). The hotline allows consumers, retailers and other stakeholders access to information about the program, including collection locations.

SaskTel Pages: In 2008, the Program advertised in the Saskatoon, Prince Albert, North Battleford and Moose Jaw city and district Sasktel publications.

Retailer Point of Sale Information: Over 600 Saskatchewan retailers were mailed program brochures in 2008. Additionally, the Program continued to re-supply information brochures, signage and paint can stickers to all retailers upon request and at no charge.

Municipal Communications: Program information and brochures were distributed to 275 municipalities in 2008. The mail-out informed city officials of the opportunity to request additional supplies of program brochures at no charge, for inclusion in municipal mail-outs (e.g. with utilities/tax notices etc).

SWRC Summer Student Program: The Program participated in the Saskatchewan Waste Reduction Council (SWRC) summer student "Ambassador" program in which three students were hired for 16 weeks to travel throughout Saskatchewan visiting retailers, depots and municipalities to promote participating stewardship programs. During this period, the students visited 322 paint retailers where they solicited feedback about the Program and provided them with promotional materials such as brochures, posters and paint can stickers. The students also assessed the understanding of retail staff of the Program. Of the 271 participating retailers, 12% were determined to have

excellent knowledge, 83% average knowledge and 5 % were identified as having inadequate knowledge of the program. Ambassadors also visited 46 municipal offices, resulting in a majority of those municipalities agreeing to include program information in mail-outs to residents. Additionally, the students attended two community trade shows where they provided information about the program to the public.

Recycle Saskatchewan: The Program is working in collaboration with other Saskatchewan stewardship programs and the Saskatchewan Waste Reduction Council to promote recycling options in Saskatchewan and increase consumer awareness of other stewardship programs. Some of the activities include:

- o Participated in the 2008 SK Urban Municipalities Association (SUMA) Municipal Marketplace Tradeshow, the Teacher's Conference in Regina and Saskatoon and the 2008 Saskatoon Homestyles and Regina Spring Homeshows.
- o Link to the Program and information on the new website 'Recycle Saskatchewan' (<http://www.recyclesaskatchewan.ca>).
- o Development of education materials as a resource to teachers to educate and promote recycling. These resources are being developed to be incorporated into the Grade 7 and 8 science curricula. In fall 2009, these teaching materials will be available free of charge to teachers and will be available on the website.

Website: Information about the Program is available at:
<http://www.productcare.org/SKZoom.html>

D. Financial Information

2008 Financial Information and comparative data for previous years	Jan – Dec 2008	Jan – Dec 2007	Apr – Dec 2006 (9 months)
Total Revenue- eco-fees collected	\$768, 087	\$734,698	\$515,185
Program operations	\$538,594	\$360,572	\$225,452
Program administration	\$83,611	\$77,604	\$42,140
Communications	\$48,428	\$19,268	\$46,155
Total Program Expenditures	\$670,634	\$457,444	\$313,747
Surplus – Current Year	\$97,454	\$277,254	\$201,438
Accumulated Surplus	\$576,146	\$478,692	\$201,438

Based on experience in other provincial paint recycling programs, the Program anticipates that costs related to return volumes will increase at a faster rate than will revenues on the sale of new paint. The surplus in revenue will be retained as a reserve to cover program management costs in future years. It is Product Care policy that reserves shall not exceed 2 years average program revenue.

The accumulated surplus also functions as an element of the Program's environmental risk management system, in addition to insurance coverage. The program plan stipulates that surplus funds will be used only for costs of the program, and cannot be used to cross-subsidize another program.

Due to the recent economic downturn, Product Care forecasts 2009 revenue to decline slightly from 2008 revenue. Despite the expected decrease in revenue, Product Care anticipates that return volumes of leftover paint will continue to increase. Any 2009 shortfall will be covered using the accumulated surplus. If continued deficits are anticipated, it will be necessary to adjust eco fee rates.

This 2008 annual report is submitted by Product Care Association on behalf of the Saskatchewan Paint Stewardship Program.

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