



SASKATCHEWAN WASTE PAINT MANAGEMENT PROGRAM 2016 ANNUAL REPORT

Reporting Period: January 1, 2016
to December 31, 2016

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1 Introduction

The Saskatchewan Waste Paint Management Program (“Program”) is operated and managed by Product Care Association of Canada (“PCA”). PCA is a federally incorporated, not-for-profit product stewardship association formed in response to stewardship regulations and is governed by a multi-sector industry board of directors.

This annual report is prepared in accordance with the requirements outlined in *The Waste Paint Management Regulations Chapter E – 10.21 Reg 3* (“Regulation”) issued under *The Environmental Management and Protection Act 2010*, and the commitments set out in the Saskatchewan Waste Paint Product Management Program Plan approved by the Saskatchewan Minister of Environment on May 7, 2005. This report provides information for the period covering January 1 – December 31, 2016.

PCA operates product stewardship programs for paint in eight other Canadian provinces: British Columbia, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland & Labrador. PCA also operates programs for household hazardous wastes in British Columbia, Manitoba and Ontario; lamps in British Columbia, Manitoba, Quebec and PEI; and alarms in British Columbia. See the PCA website at www.ReGeneration.ca for more information.

2 Program Summary

As stated in section 2(c) of the Regulation, the Program accepts the following categories of products (“Program Products”):

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

The Program offers collection services throughout the province where consumers can bring leftover Program Products. Collection sites include SARCAN’s 72 depots, as well as various retail locations. The program also offers the PaintReuse Program, formerly known as Paint Exchange, whereby better quality paint collected at SARCAN depots is offered to the public for reuse at no charge. SARCAN, under contract, manages the collection and shipment of collected paint from its own depots to a processor for recycling. PCA manages the collection and shipment of collected paint from retailers to a processor for recycling.

Additional program elements managed by PCA include revenue management, communications and administration.

3 Collection System

PCA does not directly own or manage any collection sites, but rather contracts SARCAN to provide the collection services for left-over paint at its 72 depots across Saskatchewan. PCA also contracts and partners with 14 retail locations throughout the province to provide additional collection sites.

In addition to the established collection network, PCA participated in 22 one-day collection events around the province in partnership with municipalities, as part of their Household Hazardous Waste Day events.

4 Program Products Collected

4.1 Tubskids Collected

The Program utilizes tubskids (approximately 4'x4'x3' plastic boxes) for the collection and transportation of leftover paint. Table 1 provides the number of tubskids collected in 2016.

Table 1: Tubskids Collected

| Tubskids Collected | 2016 |
|--------------------|--------------|
| Paint | 2,270 |
| Aerosol | 91 |
| Total | 2,361 |

4.2 Residual Volumes Collected

Residual volume refers to all paint collected¹, including volumes reused through the PaintReuse program. Table 2 provides residual volumes of paint collected in 2016.

Table 2: Residual Volumes of Paint Collected

| Paint Collected | 2016 |
|------------------------|------------------|
| Water-based paint | 312,902 L |
| Solvent-based paint | 119,862 L |
| Total Collected | 432,764 L |

4.3 Recovery Rate

Recovery rate compares the quantity of products collected by the Program during the year with the volume of products sold over the same period.² In the context of Program Products, using recovery rate as an indicator of program performance should be treated with caution as it is not necessarily an accurate measure of success:

- Paint is designed to be consumed, therefore it is arguable that a low recovery rate could indicate strong program performance, suggesting consumers are being efficient with the use of the consumable products they purchase. Indeed, PCA actively promotes reduction by promoting campaigns highlighting the BUD rule: “Buy what you need, use what you buy and dispose of leftovers safely.” This rule serves to reduce the amount of waste generated, which further drives down the recovery rate.
- The relationship between volumes of Program Products purchased and recycled is not linear. Program Products have a long shelf life and leftover product may be stored by the consumer for long periods of time with the intention of later use.

¹ Volume of paint collected is calculated by taking the number of tubskids of paint collected and multiplying it by different, rounded conversion factors of 101 litres, 47 litres and 57 litres per tubskid paint and aerosol paints respectively.

² Recovery rate is calculated by dividing the volume of residual paint collected by the volume of paint sold each year.

- The time span between the purchase of a product and the decision by a consumer that it is no longer needed varies considerably and is heavily dependent on consumer habits.

Table 3 sets out the volume of paint sold, paint collected and recovery rate for 2016.

Table 3: Recovery Rate

| Recovery Rate | 2016 |
|----------------------------|-------------|
| Sales | 6,281,114 L |
| Total Collected | 432,764 L |
| Recovery Rate ³ | 6.9% |

5 Product Management

The Program employs a number of methods for managing recovered paint including reuse, recycling (both paint and containers), energy recovery, landfill, and incineration. These approaches are described in greater detail below. Table 4 below summarizes the volumes of paint managed according to each processing method in 2016 as reported by the processors responsible for each processing method.

5.1 Reuse (PaintReuse Program)

The PaintReuse Program is offered through all 72 SARCAN depots. Paint collected at the depots and deemed reusable is made available to members of the public at no charge. In 2016, a total of 90,434 litres of paint collected by the Program was taken for reuse by members of the public through the PaintReuse Program, including approximately 82,745 litres of water-based paint and 7,689 litres of solvent-based paint. Volumes are calculated based on the assumption that the average paint container is 75% full.

5.2 Recycling

In 2016, 189,974 litres of latex water-based paint was processed by the Program back into paint. Regulatory limits on VOCs and a limited market for oil based paints make it difficult to recycle alkyd paints. Consequently alkyd paints are sent for energy recovery.

Volumes of paint collected in 2016 may not have been shipped or processed in the same calendar year, and are therefore managed in the following Program year.

5.3 Energy Recovery

Oil-based paint is often not suitable for recycling. In some cases the paint may be in the form of skins or sludge, of an undesirable color, contaminated or of the wrong chemistry for paint recycling. In addition, Federal VOC Regulations require more stringent limits on certain chemical constituents, which tend to be found in higher concentrations in older paints, making it difficult to recycle. Finally, the market for recycled solvent-based paint is significantly smaller than that for water-based products and demand continues to decline.

³ Recovery rate includes PaintReuse volumes.

Due to the high solvent content of oil-based paints, these products are suitable for energy recovery. Through the process of fuel blending, some of the oil-based paint collected by the Program that is not suitable for paint recycling is used as an alternative energy source in applications such as permitted incinerators.

In 2016, 110,445 litres of solvent-based (alkyd) paint and paint from paint aerosols was blended with other fuels and utilized as an alternative energy source in waste to energy applications such as licensed / permitted incineration.

5.4 Incineration

In 2016, 615 litres (approximately 3 drums) of solvent-based (alkyd) paint exhibiting PCB contamination were incinerated at a permitted incinerator.

5.5 Landfill

In 2016, the Program recovered 38,155 litres of water-based paint that could not be reused or recycled. This paint was solidified and sent to landfill.

5.6 Container Recycling

In 2016, 76.8 tonnes of metal paint cans were sent to scrap metal dealers for recycling. In addition, 2.3 tonnes of plastic paint containers were sent to plastics brokers for recycling. This represented 100% of all containers processed by the Program.

Table 4: Material Processing Methods and Volumes Processed

| Material Process Method | Total |
|--|--------------------|
| Reuse (PaintReuse Program) Total | 90,434 L |
| Water-Based Paint | 82,745 L |
| Solvent-Based Paint | 7,689 L |
| Recycling | 189,974 L |
| Energy Recovery | 110,445 L |
| Incineration | 615 L |
| Landfill | 38,155 L |
| Total Litres Processed | 429,623 L |
| Metal containers recycled | 34.2 Tonnes |
| Plastic containers recycled | 2.3 Tonnes |
| Mixture of metal and plastic containers ⁴ | 42.6 Tonnes |
| Total Tonnes Recycled | 79.1 Tonnes |

⁴ This includes plastic and metal containers that are not reported out separately, and containers that are made of both plastic and metal.

6 Public Education and Communications

The Program maintains high levels of consumer awareness by engaging with its stakeholders, including the general public, consumers, collection locations, municipalities, and retailers. The following is a summary of the public education strategies used in 2016.

6.1 Advertising

The Program engaged its target audience through a variety of advertising mediums. These include:

- **Digital Campaign:** Targeted through Yellow Pages Group including province-specific Facebook posts, targeted digital display ads, and smart digital display (re-serving impressions to pre-qualified audience) that ran for the full calendar year and directly targeted Saskatchewan.
- **Global TV:** A province-wide campaign that began airing September 5 and spanned the remainder of the calendar year. There were 520 fifteen second spots aired during this campaign featuring local talent that voiced “infomercial” style ads to educate viewers on paint recycling. Collectively, these spots reached 3.03 million listeners and focused on Regina and Saskatoon audiences.
- **Radio:** A Grey Cup radio campaign ran through Harvard Broadcasting that included nearly 70 thirty second spots and 138 promotional messages between June and November 2016. These spots aired during Saskatchewan Roughrider games on five radio stations in Regina (620 CKRM), Yorkton, Prince Albert, North Battleford, and Saskatoon. The 5 stations, collectively known as the Rider Radio network provide province-wide coverage. This campaign was complemented by a social media giveaway for two Grey Cup tickets, round-trip airfare, and three nights of accommodation at the Hyatt Regency in Toronto (see Appendix A). The Grey Cup package was provided by Harvard Broadcasting as part of the radio buy.

6.2 Point of Sale and Point of Return Materials

In 2016, PCA distributed both Point of Sale (PoS) and Point of Return (PoR) materials on request to retailers, collection sites and municipal offices. The following materials were available for reorder on demand at no charge through the Program’s online order form:

- Rack cards.
- Posters (see Appendix B for SARCANS PaintReuse Poster).
- Depot signage.
- Floor decals (see Appendix C).

Additionally, a 6” x 9” Canada Post mail-out was developed and administered to nearby residents in order to promote a new SARCAN depot in Buffalo Narrows (see Appendix D).

6.3 Program Website

ReGeneration.ca is the consumer-facing website for PCA stewardship programs. It includes the following bilingual content for the Program:

- Program general information page.
- Collection site finder including site hours and operations (see Appendix E).
- Program product lists.
- Information for trade painters (list of collection sites that accept large volumes).
- Other information (e.g., a description of the PaintReuse program).

An estimated 118,325 unique visitors utilized the website during the 2016 calendar year, an increase of 7.71% over 2015. The Program pages specific to Saskatchewan received 1,306 visits, reflecting a 10.68% increase from 2015.

6.4 Toll-Free Number

PCA operated a toll-free number (1-888-772-9772) to answer consumer inquiries about the Program.

6.5 Events / Partnerships

PCA continued to participate in events and build upon its partnerships within Saskatchewan in 2016. PCA participated in the Saskatchewan Urban Municipalities Association conference, and participated in the Waste ReForum in Regina.

The Program also continued its partnerships with the following organizations:

Saskatchewan Waste Reduction Council

PCA is a sustaining member of the Saskatchewan Waste Reduction Council (SWRC). The Council helps promote responsible recycling of paint as part of its “Where do I Recycle” online database. They also ran a booth for PCA and other product stewardship organizations at two home shows in Saskatoon (Homestyle’s home show) and Regina (Spring Home show) in March.

As in past years, PCA partnered with other product stewardship organizations to work with the SWRC, which had three summer student ambassadors travel the province promoting the various stewardship programs between 2 May and 26 August, 2016. The ambassador team participated in 17 community events and facilitated 3 pilot community events at rural SARCAN depots. In addition, they visited 71 SARCAN depots, 91 retail locations, and 69 municipal offices where they interacted with key stakeholders and provided information and promotional material to collection sites. PCA supplied branded program giveaways for eventgoers to encourage website recall and a branded engagement game (bean bag toss, see Appendix F) that graphically linked to paint recycling, and program-branded event materials, such as tablecloths and pop-up banners.

PCA attended the SWRC’s annual conference in Regina and sponsored a session on household hazardous waste.

Recycle Saskatchewan

PCA is a founding member of Recycle Saskatchewan (RS), a primarily government-facing group serving as a unified voice for product stewardship programs and supporting the growth of a recycling minded culture within the province. As part of RS, the Program:

- Produced a statistical booklet and handout on all stewardship programs, including PaintRecycle.
- Included a page on the RS website (www.recyclesaskatchewan.ca).
- Sponsored and took part in the Solid Waste Association of North America - Northern Lights chapter workshops.
- Sponsored and took part in the SWRC workshops.
- Presented at the Saskatchewan Public Works Association Conference in Moose Jaw.
- Partnered with the Saskatchewan Environmental Society and took part in the Saskatchewan Living Green Expo, a tradeshow focused on sustainable lifestyles.
- Hosted an all-party MLA event at the Saskatchewan Legislative Building in June.

Association of Regional Waste Management Authorities of Saskatchewan

PCA continues to be an associate member of the Association of Regional Waste Management Authorities of Saskatchewan (ARWMAS). Through this membership, PCA participates on a monthly conference call with other members, which includes managers of the various regional waste management authorities, representatives of other product stewardship organizations, private waste and recycling contractors and representatives from provincial and municipal government. These calls provide opportunities to share program information, answer questions and generally raise program awareness among those working in the waste and recycling fields. PCA presented an overview of the paint program at ARWMAS's first annual conference in October.

7 Financial Information

A summary of the Program’s financials for 2016 is provided in Table 5.

Table 5: Financial Summary

| 2016 Revenue and Expenses | \$'000 |
|--|--------------|
| Total PaintRecycle Revenue | 902 |
| Program Operations | 826 |
| Program Administration | 92 |
| Education, Public Awareness & Communications | 116 |
| Total Operating Expenses | 1,034 |
| Surplus/Deficit | (132) |
| Cumulative Surplus (Reserve) | 636 |

Any surplus in revenue is retained as a reserve to cover any deficits in future years, subject to PCA’s Reserve Policy. The Program Plan stipulates that surplus funds will be used only for Program costs, and may not be used to cross-subsidize other programs. In addition to insurance coverage, the accumulated surplus also functions as an element of the Program’s environmental risk management system.

Appendix A: Example of Grey Cup Social Media Contest Post



ReGeneration
Page Liked · September 7, 2016 ·

CONTEST ALERT! Win tickets to the BIG GAME on November 27th at BMO Field in Toronto! One lucky winner will receive two tickets to the final game, three nights' accommodation at the beautiful Hyatt Regency, and two round-trip tickets from Regina, SK!

To enter, simply LIKE the ReGeneration Facebook Page!

For BONUS entries:

1. LIKE (or LOVE!) this post
2. Tell us the last thing you recycled below in the comments!

* Conditions apply to participate in this contest. Contest ends on September 30 2016. The prize for this contest consists in 2 round trip plane tickets from Regina, SK to Toronto, ON, 2 tickets for the final game of the 2016 football season and 3 nights at the Toronto Hyatt Regency. Participants must be residents of Canada (excluding the province of Québec) and above the age of 19. By participating in the contest, each participant and winner waives any and all claims of liability ReGeneration for any personal injury or loss which may occur from the participation in the contest. ReGeneration reserves the right to terminate, suspend or modify this contest at any time.

Appendix B: PaintReuse Poster for SARCAN Depots



Appendix C: Floor Decal



Appendix D: Buffalo Narrows (SARCAN) Canada Post Mail-Out



Appendix E: Collection Site Finder

www.ReGeneration.ca/collection-site-locator

Appendix F: Bean Bag Toss Game for Events