

New Brunswick Paint Stewardship Program

2015 Program Performance Review

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1.0 INTRODUCTION

The anticipated environmental impacts associated with the disposal of the waste of some materials, such as paint, at the end of their life cycle have increased a global interest in environmental protection. Therefore, stewardship programs to deal with the waste material have been developed as the interest in environmental protection has risen within governments, companies, environmental groups and the public at large. These stewardship programs were developed to ensure that the waste produced from a designated material at the end-of-life is collected, transported and processed safely in order to minimize the environmental impacts.

Stewardship programs drive the producer to consider and include the end-of-life management of a product into the front-end decision-making. This approach will affect the decision making process during the design stage of a product where emphasis will be directed at cost effective and environmentally sound means to manage the product at the end of its use. This will result in increasing the price of the product in order to include the additional cost for the management of the product at the end of its use.

The implementation of product stewardship programs will ensure that the management of the product after its use will include various alternatives such as reuse, recycling, energy recovery and environmentally sound disposal options.

The New Brunswick Department of the Environment has introduced the *Designated Materials Regulation* under the New Brunswick *Clean Environment Act* by Order-in-Council 2008-180 dated April 25, 2008. The Regulation is administered by a multi-material stewardship board (Recycle New Brunswick). The architectural paint was added as a designated material for the purposes of section 22.1 of the Act.

The Regulation requires every Paint Brand Owner operating in the Province to register with Recycle New Brunswick and to submit or have its agent submit a paint stewardship plan for approval by the Board. The paint stewardship plan shall present the process of collecting and managing waste paint in the Province. Reuse and recycling shall be considered as the top means for managing waste paint. The plan shall also provide a description of the process to be used for achieving a reuse rate of 70%. The reuse rate is derived by dividing the amount of paint reused under a paint stewardship plan by the amount of paint collected, expressed as a percentage. A communications program for informing consumers of the brand owner's paint stewardship plan and the location of return depots shall also be included in the plan. Ultimately, the plan shall demonstrate its effectiveness in eliminating or reducing the environmental impacts of waste paint.

The *Designated Materials Regulation*, under Section 45, also requires that every Paint Brand Owner operating in the Province, or its agent, submit an annual report on the New Brunswick Paint Stewardship Program to Recycle New Brunswick. The annual report shall present the total amount of waste paint collected and processed in the Province and details on the means of managing waste paint. The annual report shall describe the types of consumer information, educational materials and strategies adopted by the brand owner. Annual financial statements, as prepared by an independent auditor, of the revenues received and the expenditures incurred by the paint stewardship plan shall also be included in the annual report.

Under Section 45(1)(j) of the Regulation, the annual report must include an assessment of the performance of the brand owner's annual report by an independent auditor. Therefore, this report

was prepared as a result of an independent review and assessment of the performance of the New Brunswick Paint Stewardship Program for the year 2015. This review was carried out by an independent reviewer to satisfy the requirements of the *Designated Materials Regulation* 2008-54 under the *Clean Environment Act*.

The 2015 review of the New Brunswick Paint Stewardship Program was carried out by evaluating the 2010, 2011, 2012, 2013, 2014 and 2015 annual reports which were produced by Product Care (the agent of Paint Brand Owners) in accordance with Section 45(1) of the *Designated Materials Regulation*. The assessment of the performance of the program in relation to the requirements of the Regulation was done by evaluating the 2015 annual report and by comparison with the previous five years. The reviewer has also considered additional information collected through discussions with staff of Product Care, staff of Recycle New Brunswick and staff of Environment New Brunswick in the assessment of the program's performance.

2.0 NEW BRUNSWICK PAINT STEWARDSHIP PROGRAM

For the past six years, the New Brunswick Paint Stewardship Program has been administered by Product Care on behalf of the paint Brand Owners selling, offering for sale or distributing paint products in the Province. Product Care Association is a federally incorporated non-profit industry association incorporated under the laws of Canada. Product Care has been managing paint and other household hazardous waste stewardship programs since 1994. The Association is currently involved in Stewardship and Recycling programs in the Provinces of British Columbia, Saskatchewan, Manitoba, Ontario and Nova Scotia.

As of December 31, 2015, there were 60 paint Brand Owners registered under the New Brunswick Paint Stewardship Program. The program was operated through a network of 63 collection sites across the province for the collection of used paints and coatings in liquid and aerosol form as well as empty containers from consumers in the Province. The collection sites in the Province include paint retailers, Regional Solid-Waste Commission facilities and bottle redemption centers as well as some fire departments. The New Brunswick Paint Stewardship Program provides collection sites with standard reusable collection bins and other containers such as drums. The filled bins are then collected from the collection sites by a hauler contracted to the program, and at the same time empty bins are dropped off by the hauler. The filled bins are then consolidated at the hauler's warehouse into full loads to be shipped to processors for recycling.

The New Brunswick Paint Stewardship Program manages a Paint Exchange component where better quality paint returned to collection sites are made available for the public to take free of charge. The Program also aims at reclaiming the majority of the collected waste paint to produce new paint. The collected paint is sent to Laurentide Resources Atlantic Inc. facility in Springhill, NS for initial processing and from there to Société Laurentide Inc. in Victoriaville, QC and Clean Harbors Environmental Services in Thurso, QC for final processing and manufacturing. The waste paint that is not suitable for manufacturing new paint is considered for energy recovery or for disposal in an environmentally-sound manner. Metal and plastic containers are directed to the appropriate recycling facilities.

It should be noted here that Product Care continues to focus its efforts on improving and increasing the level of reusability and recyclability of the waste paint in the province as mandated by the *Designated Materials Regulation*.

3.0 EVALUATION METHODOLOGY

The assessment of the performance of the New Brunswick Paint Stewardship Program was carried out by evaluating six separate components of the program. The assessment of these components was carried out to evaluate the degree of success of the New Brunswick Paint Stewardship Program, as presented in the annual report, in fulfilling the requirements of *Designated Materials Regulation* and in addressing the commitments made in the Paint Stewardship Plan. In all of these components, a comparison between the operation of the Paint Stewardship Program in 2010, 2011, 2012, 2013, 2014 and 2015 was undertaken, where possible, to evaluate the performance of the program. The components considered in this evaluation are listed below:

1. **Paint Brand Owners:** What were the communication tools used to involve Paint Brand Owners in the New Brunswick Paint Stewardship Program, and what was the effectiveness of their involvement?
2. **Collection:** What volumes of waste paint were collected in relation to the volume of paint sold in the province and what was the recovery rate as compared to that in previous years? If there were variances, what was the reason for the variances and what measures are planned to drive increased collection?
3. **Processing & Recycling:** How did the program perform in relation to the ultimate goals of the Paint Stewardship Program and the requirements of the *Designated Materials Regulation*? What measures will be undertaken to drive increased reuse and recycling of waste paint?
4. **Communications:** What were the means of communications used to increase public awareness of the program? What was the level of public awareness of the program and their response to the communication program? Will the public response drive any changes to the communication program in order to increase its effectiveness?
5. **Operations:** How effective were the collection, transportation, processing and recycling components in achieving the objectives of the Paint Stewardship Program? Are there any changes in the operation component to improve its effectiveness4/*-?
6. **Financial:** How well did the Program budget relate to the various components of program expenditures? What measures are planned by the program administrator to address variances?

The Paint Stewardship Program's annual reports as well as the Audited financial statements for the last six years were reviewed to extract relevant detailed information for comparison purposes in order to assess the performance and the progress in achieving the goals of the program during 2015. Additional information collected during the undertaking of this review and assessment process was obtained through discussions with staff of Product Care, staff of Recycle New Brunswick and staff of Environment New Brunswick. This additional information was considered in the assessment of the program's performance.

4.0 EVALUATION

4.1 Paint Brand Owners

Paint Brand Owners of the Paint manufacturing and retailing industry who are selling, offering for sale or distributing paint within the Province of New Brunswick have appointed representatives on the board of Product Care association as a mean of achieving effective communication on the management of paint and waste paint in the province. Such an arrangement provides an opportunity to discuss the ultimate goals of the New Brunswick Paint Stewardship Program. Furthermore, Product Care maintains ongoing communication and consultations with the organizations representing paint Brand Owners including the Canadian Paint & Coatings Association, the Retail Council of Canada and the Atlantic Building Supply Dealers Association.

As a result of the active communication between Product Care and the Paint manufacturing and retailing industry and the support of industry representatives on the Product Care Board, all the Paint Brand Owners registered under the regulation in 2014 continued to operate in 2015. As of December 31, 2015, there were 60 Paint Brand Owners registered under the New Brunswick Paint Stewardship Program. The number of Paint Brand Owners registered under the New Brunswick Paint Stewardship Program in the last six years is shown in Table 1 and Figure 1.

Table 1 Number of Paint Brand Owners

Year	2010	2011	2012	2013	2014	2015
Number of Registered Paint Brand Owners	43	47	55	56	60	60

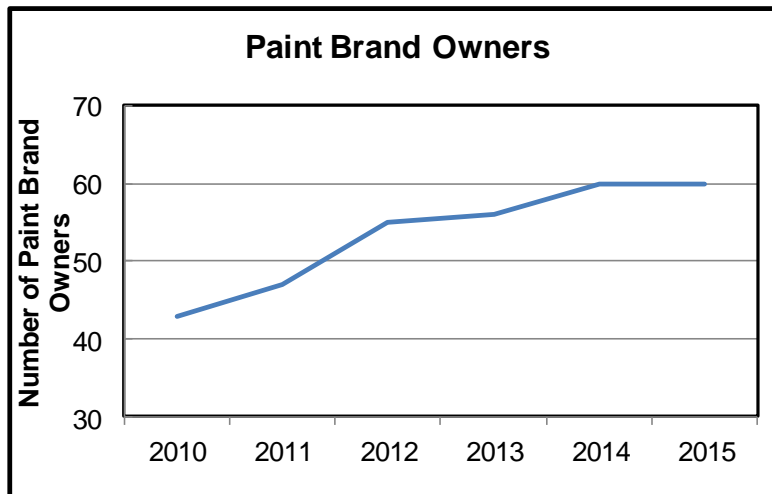


Figure 1 Number of Paint Brand Owners Registered in New Brunswick

The data presented in Table 1 and Figure 1 show that there is a continued interest of the Paint Brand Owners in the New Brunswick Paint Stewardship Program. This continued interest can be

attributed to the role of the industry representatives on the Product Care Board and through consultations with an extended network of Brand Owner. It is also an indication of the support of the Paint Manufacturing towards the New Brunswick Paint Stewardship Program.

Recommendation:

- Product Care should continue to maintain its contacts with key Paint Brand Owners and Paint Brand Owner associations in order to have firsthand knowledge of expected paint supply in the Province.

4.2 Collection

Program members reported the sale of 4,674,947 litres of program products in New Brunswick from January 1 to December 31, 2015. The reported volume of paint sold in New Brunswick and the total volumes of waste paint collected from paint containers and from aerosol containers as well as the recovery rate for 2010, 2011, 2012, 2013, 2014 and 2015 are presented in Table 2 and in Figures 2, 3 and 4. The recovery rate is calculated by dividing the volume of waste paint collected by the volume of paint sold in NB.

Table 2 Total Volumes of Sold Paint and Collected Waste Paint

Item	Units	2010	2011	2012	2013	2014	2015
Volume of Paint Sold in NB	Litres	5,725,316	5,129,399	5,101,094	4,906,169	4,598,000	4,674,947
Volume of Collected Waste Paint	Litres	315,481	256,963	289,202	236,749	242,287	268,880
Recovery Rate	%	5.51	5.00	5.67	4.83	5.27	5.75

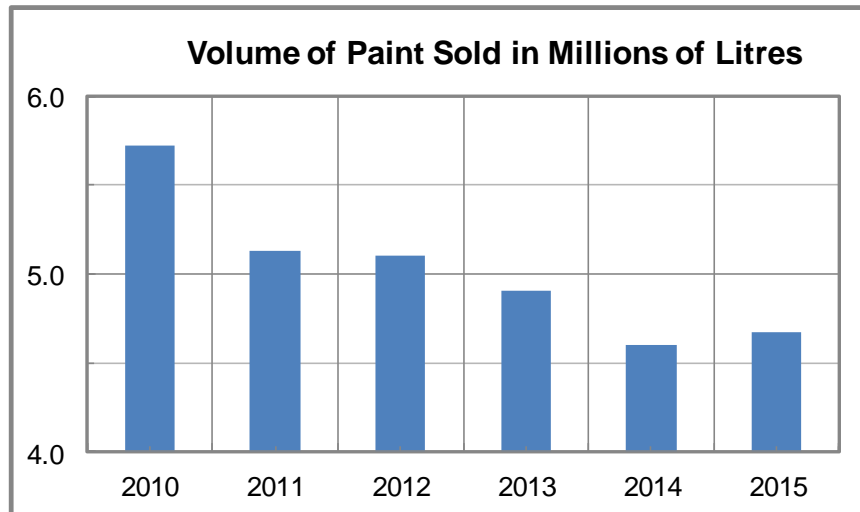


Figure 2 Volume of Paint Sold in New Brunswick

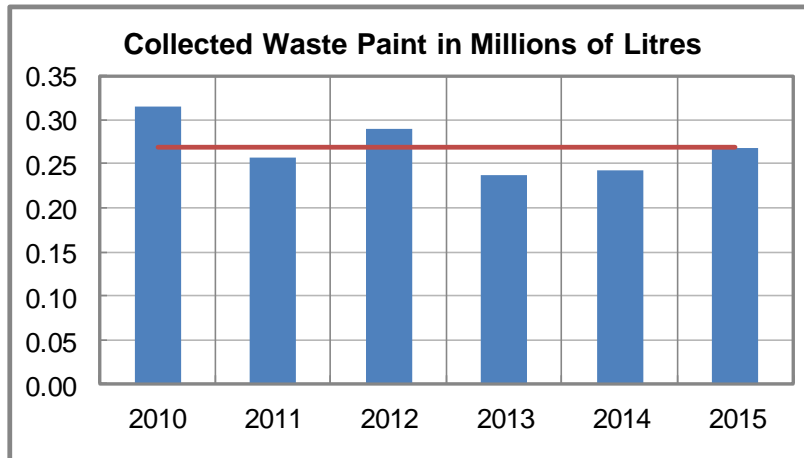


Figure 3 Volume of Collected Waste Paint

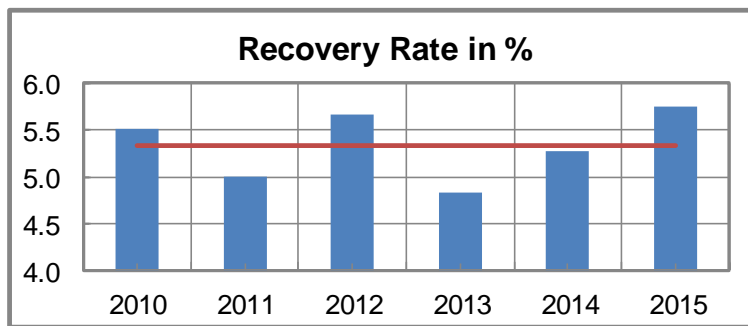


Figure 4 Recovery Rate of Waste Paint in NB

Table 2 shows that the volume of paint sold in the Province in 2015 was almost the same as that sold in 2014. However, the volume of collected waste paint in 2015 was about 10% higher than that collected in 2014. The increase in the volume of collected waste paint can be attributed to the continued increase in the consumer awareness of the Paint Stewardship Program. It can also be attributed to the consumers returning waste paint they have in storage and the large volume of waste paint returned during the House Hold Hazardous waste (HHW) collection events held by the solid waste commission. It should be emphasized here that the increase in consumer awareness is certainly a result of the extensive communication and education programs delivered by Product Care and Recycle New Brunswick.

As can be seen in Table 2 and Figure 4, the recovery rate of waste paint (volume of collected waste paint divided by the volume of paint sold in NB) has been within a tight range from 4.8 and 5.8% from 2010 to 2015. This observation indicates that the New Brunswick Paint Stewardship Program has been steadily operated and supported by the consumer over the last six year.

As noted in Section 2 above, all waste paint collected through the Program is sent to the Laurentide Resources Atlantic Inc. facility in Springhill, Nova Scotia for initial processing. There was a total of 2,011 tubskids of leftover paint delivered to Laurentide facility in 2015. This total included residual tubskids collected in 2014 and held at the Hebert's Recycling consolidation facility. During 2015, Laurentide processed (i.e., opened, sorted and bulked into shipping containers) 2,075 tubskids, including the 2015 tubskids and those tubskids from the 2014 inventory.

There were 63 collection sites participating in the program in 2015. Paint Exchange was offered at 30 collection sites in 2015, representing almost half of all sites across the province. The paint exchange program offers better quality returned paint for reuse at no charge to the consumer. There were five new collection sites joining the program in 2015 and two collection sites were closed for business reasons. Therefore, there was an increase of three collection site in 2015 compared to the number of collection sites in 2014.

There are also two fire departments accepting the return of leftover paint in the Province. Materials collected at these two fire departments are delivered to the Cogerno Solid Waste Commission facility in Riviere-Verte which is a collection site under the program.

It should be noted that there were 52 household hazardous waste (HHW) collection events held throughout the Province in 2015. All waste paint collected at these events was managed by Product Care under the New Brunswick Paint Stewardship Program.

It should also be noted that Product Care has been working hard to establish a waste paint collection site for the Island of Grand Manan. A collection site location has been secured and it is anticipated to operate in 2016.

Recommendations:

- It was observed that the return rate for some regions in the province was very low. Although this observation could be a result of efficient use of products by consumers, Product Care should focus on those regions with extensive communication and education programs to increase consumer awareness of the benefits associated with the use of leftover paint and the reuse of recycled paint.
- Product Care should approach the Department of Environment requesting a policy change to allow the NB Solid Waste Commissions to accept architectural leftover paint returned by contractors rather than only accepting consumer returned waste paint.

4.3 Processing & Recycling

Laurentide Resources Atlantic Inc. facility has processed 2,075 tubskids of leftover paint in 2015. This total of tubskids is about 14% higher than those processed in 2014 (1,818 tubskids). The increased number of processed tubskids indicates a consistency in the processing and recycling component of the Paint Stewardship Program. It also highlights the success of the New Brunswick Paint Stewardship Program resulting from the public communication and education programs delivered by Product Care and Recycle New Brunswick.

The ultimate goal of the Paint Stewardship Program is to direct the collected waste paint towards environmentally accepted uses; such as reuse, recycling, use for energy recovery. The disposal of waste paint in a landfill or its use in incineration is considered as the last means of disposal of waste paint. Table 3 shows the volumes and percentages of waste paint collected and directed to these uses over the last 6 years. It should be noted that the volumes of waste paint presented in Table 3 represent the volumes of waste paint processed at the time of the annual review for each of the previous years.

Table 3 Volume and Percentage of Waste Paint by Disposal Method

Method	2010		2011		2012		2013		2014		2015	
	Volume (Litres)	Percentage (%)	Volume (Litres)	Percentage (%)	Volume (Litres)	Percentage (%)	Volume (Litres)	Percentage (%)	Volume (Litres)	Percentage (%)	Volume (Litres)	Percentage (%)
Reuse	1,157	0.4	1,244	0.5	1,229	0.4	673	0.3	903	0.4	786	0.3
Recycle	260,917	87.4	212,346	87.2	233,653	72.0	164,499	74.5	189,031	76.5	191,578	70.0
Energy Recovery	8,405	2.8	9,550	3.9	54,883	16.9	30,340	13.8	22,340	9	24,342	8.9
Landfill Disposal	27,800	9.3	20,500	8.4	34,645	10.7	25,215	11.4	34,850	14.1	56,785	20.8
Incineration	284	0.1	0	0	0	0	0	0	0	0	0	0
Total	298,563	100	243,640	100	324,410	100	220,726	100	247,124	100	273,491	100

Table 3, indicates that about 80% of the collected waste paint in 2015 has been directed to environmentally accepted means; such as re-use by the consumers, recycled to produce new paint for re-sale and energy recovery. It is interesting to note that over the last six years, the average percentage of waste paint directed to environmentally acceptable means is about 88%, as shown in Figure 5.

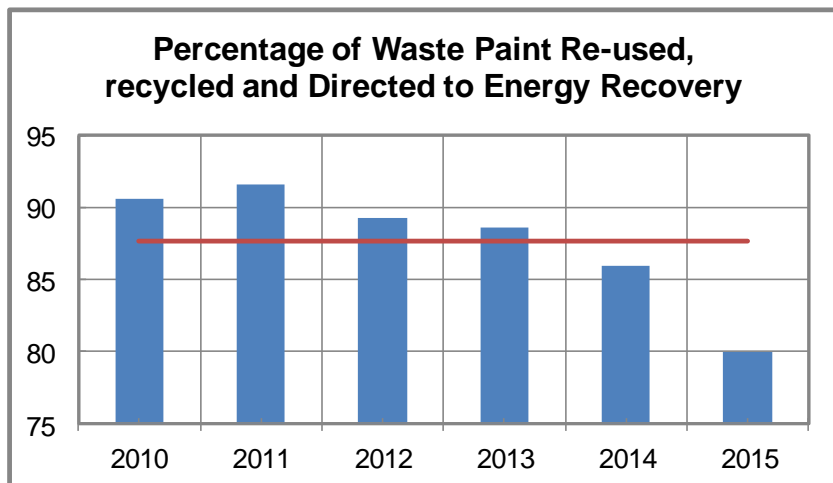


Figure 5 Percentage of Waste Paint Re-used, Recycled and Used for Energy Recovery

In 2015, there was an increase in the percentage of collected waste paint that was disposed of in engineered landfills. Table 3 shows that this percentage was 20.8, the largest in the last six years. This may be due to the poor quality of returned waste paint that does not meet the criteria for recycling and is therefore directed to landfills. It should be noted that there was no waste paint directed to incineration since the beginning of the program. Despite the increase in the percentage of waste paint directed to engineered landfills, the data presented in Table 3 indicate that Product Care has been doing an outstanding job in managing waste paint collected within New Brunswick by maintaining an average of 88% of waste paint directed to environmentally accepted means and in satisfying the goal of the New Brunswick Paint Stewardship Program.

Table 3 shows that the reuse rate (the volume of paint reused plus the volume of paint recycled to produce paint divided by the volume of waste paint collected) in 2015 was 70.3%; exceeding the requirement of the *Designated Materials Regulation*. Section 44 of the Regulation requires that the reuse rate for waste paint shall be at least 70%. This requirement has been achieved during the last six years.

The continued issue of non-program containers being returned by the consumer to collection sites has again been observed in 2015. There were a total of 11,276 non-program containers returned in 2015; accounting to 4.3% of all collected containers (261,704). The efforts made by Product Care in educating collection sites operators have resulted in maintaining the ratio of non-program containers around a 4% range during the last six years of the program.

In order to improve the efficiency of collection sites operators, Product Care is in the process of producing a paint product guide to assist the operators in better identifying containers and materials that qualify for the program. Furthermore, new program signage, brochures and posters clearly listing the products accepted and not accepted by the program have been distributed to collection sites and to Recycle New Brunswick.

In 2015, a total of 70.8 tonnes of empty metal paint containers were generated and sent for metal recycling, 4.19 tonnes of plastics pails (HDPE 2) and 8.47 tonnes of plastic paint cans (polypropylene) were sent for plastics recycling. There was an increase of 6 tonnes of all recycled containers in 2015 over those recycled in 2014 and 21 tonnes more than those recycled in 2013. The increase of the weight of recycled containers is a result of the continued efforts of Product Care in identifying the appropriate recycling facilities for these containers and its focus in ensuring that the containers are directed to these recycling facilities.

The recycled empty metal paint containers, plastic paint pails and plastic paint canes over the last six years are presented in Figure 6.

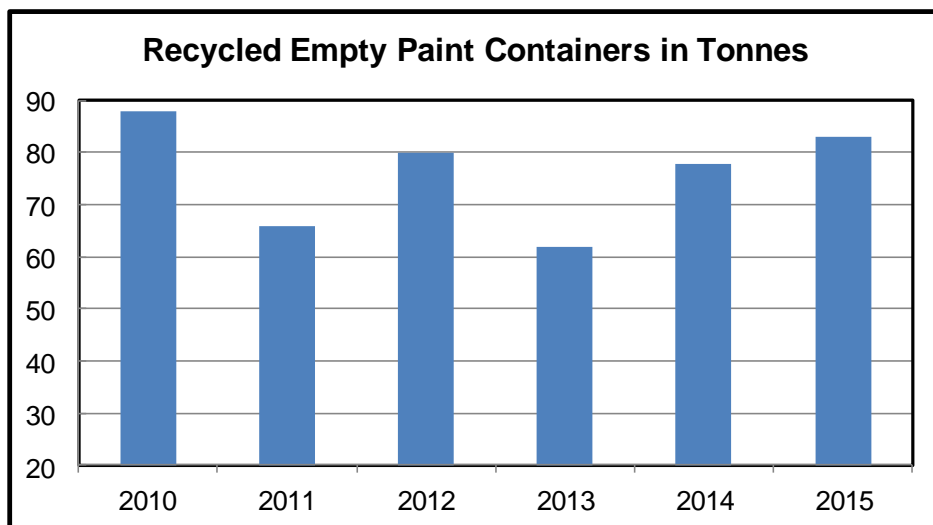


Figure 6 Recycled Empty Paint Containers

Recommendations:

- Product Care should continue to direct the consumers to regeneration.ca where they would find the list of products accepted and not accepted by the program.
- Product Care should educate the consumers about the quality of waste paint returned to collection sites. Consumers should return all waste paint they have at hand; and it should be stressed that contaminated waste paint is non-recyclable and is directed to the landfills.

- Product Care should continue its efforts in identifying opportunities to support paint recycling R&D activities that would lead to greater market demand for recycled paint products and identify wider markets for recycling paint containers.

4.4 Communications

Product Care has continued to carry out the communication and education component of the Paint Stewardship Program in order to reach all those involved with the sale and use of paint as well as those involved with the collection of leftover paint. The partnership between Product Care and Recycle New Brunswick on this component of the program resulted in a collaborated effort in delivering the public communication and education program in the province. The combined efforts by Product Care and Recycle New Brunswick regarding the communication and education program have been effective in increasing consumer awareness of the New Brunswick Paint Stewardship Program.

The communication and education program included the following venues:

- the maintenance of a web site informing the public of the various components of the New Brunswick paint recycling program;
- the distribution of brochures and posters promoting the New Brunswick Paint Stewardship Program at the point of sale and the point of return locations;
- the maintenance of a bilingual program hotline in association with Recycle N.B. to respond to consumer inquiries;
- the continuation of utilizing yellow pages ads and syndicated Face book posts, targeted at internet users;
- the introduction of a TV campaign with Global TV, the campaign ran for six months in 2015 and is planned to run for the full year in 2016;
- the utilization of a radio campaign to raise awareness of the paint recycling program and promote the locations of collection sites. The radio campaign ran for four weeks on radio stations in the major cities within the province;
- the utilization of Tim Horton's in-store digital advertizing system. This venue ran for four weeks at about 100 Tim Horton Locations; and
- the continuation of carrying out regular visits to collection sites to provide for the training of collection sites operators in order to improve the efficiency of the program.

The bilingual website that is maintained by Product Care, and is linked to the Recycle New Brunswick website, provides the public with relevant information regarding the New Brunswick Paint Stewardship Program such as the location of collection sites, Depot hours of operation, information on the paint exchange program and Program product lists. There were about 3,800 visitors who utilized the website in 2015; while the collection site finder page received about 1,500 page views.

Product Care has continued to strengthen its relationship with the New Brunswick Solid Waste Commissions during 2015. Solid Waste Commissions have played a major role in the waste paint management through efforts directed towards increasing public awareness of the Paint Stewardship Program and through special events held by the commissions to collect household hazardous waste. There were 52 household hazardous waste (HHW) collection events held by the solid waste commissions in 2015. All waste paint collected at these events was managed by Product Care under the New Brunswick Paint Stewardship Program.

Collection sites visits by the local representative of Product Care continued in 2015, where the local representative visited 49 collection sites (about 80% of all collection sites in the province). These site visits provided a face to face communication with collection site operators and allowed for the training of collection sites operators in order to improve the efficiency of the program. The representative also visited several of the paint retailers throughout the Province to ensure that they have enough brochures and that the brochures are given to the public when buying paint. The continued efforts of the local representative would certainly improve the efficiency of the program and would provide greater understanding of the goals of the Paint Stewardship Program among those using and selling paint and those collecting waste paint in New Brunswick.

Furthermore, Product Care continued communication with the retailers and collection site operators regarding the distribution of program information to the public. These communication efforts have played a major role in increasing public awareness of the program and have added to the continued progress of the New Brunswick Paint Stewardship Program.

Recommendations:

- Although all communication and education materials are presented in both official languages and some radio advertisements are delivered in French, Product Care should consider hiring a second local representative (bilingual) to be responsible for the northern and Eastern communities in New Brunswick. This recommendation is not based on low historic collection volumes in the northern and Eastern communities; it is rather related to the fact that New Brunswick is officially a bilingual province.
- Product Care and Recycle New Brunswick should exchange their respective public communication plan around the month of November for the upcoming year in order to ensure that the communication plans of both agencies are coordinated.

4.5 Operations

The presentation in the above sections demonstrates that the operation of the program has been successful in 2015. The success of the program's operation is largely attributed to the experience of the program manager in managing paint stewardship programs in several provinces. As noted above, Product Care has managed paint and other household hazardous waste stewardship programs since 1994 in Canada and in the United States.

Product Care carries out regular training visits to collection site operators and follows up on any issues raised in the monthly collection sites reports. Data collection and analysis is carried out by Product Care in order to ensure that the operation of the program is focused on achieving the goals of the Paint Stewardship Program stipulated in the *Designated Materials Regulation*.

Product Care also conducts regular inspection of collection sites in order to verify the data presented in the monthly reports and to stress the fact that data collection forms a basic element in the success of the program. These inspection visits provides a level of comfort that the operations of the collection sites are continuing to improve. It has been demonstrated that Product Care strives to improve the overall data collection and analysis in order to ensure that the operation of the program is directed towards achieving the goals of the New Brunswick Paint Stewardship Program.

It has been noted that a number of non-program containers have been returned by the consumers through the Paint Stewardship program's collection system. These containers have been one of the components of the program that Product Care has been dealing with and trying to minimize the non-program containers ending up at the collection sites. Continued efforts by Product Care representative were directed towards educating the collection sites operators regarding the non-program containers making their way into the collection and processing stream. The non-program containers present an economic drag on the program and a potential risk to retailers and collection sites operators handling the returns. As a result of Product Care's efforts in working with collection sites operators to minimize the amount of non-program containers, Product Care has been successful in keeping the ratio of non-program containers around 4% of all returned containers over the last six years.

The assessment of the 2015 New Brunswick Paint Stewardship Program's annual report indicates that there is a continued improvement in the major components of the program (communications, collection, and processing & recycling). Further, the above sections indicate that the public awareness of the Paint Stewardship Program has been increasing, as demonstrated by the increase of used paint returned by the consumers, as noted in Section 4.2.

Recommendation:

- Product Care should continue to carry out regular collection site visits/inspection and operators' training and to continue working with the collection sites operators in an effort to improve their operational effectiveness.

- Product Care should continue and enhance its efforts during site visits to educate the operators about the accepted program containers in order to reduce the volume of non-program containers coming into the program.

4.6 Financial

The financial statement for the New Brunswick Paint Stewardship Program for the year ending on December 31, 2015 showing the revenues, expenses and accumulated surplus was prepared by Rolfe, Benson LLP Chartered accountants. The financial statement shows that the total revenue of the program was \$896,957. This revenue is about 3.5% higher than that of 2014 due to the slight increase in the sale of program products in 2015.

The statement also indicated that the operating expenses (collection, processing and transportation) were \$749,485 which was 25% higher than that of 2014. This increase has resulted from the increase in the cost for processing and the increase in transportation expenses.

The general and administration expenses for the N.B. Paint Stewardship Program in 2015 were about 24% of the total program revenue; that is about 2% less than that reported in 2014 (26%). It should be noted here that the administration expenses in the last six years were reported to range from 19 to 26% of the total program revenue. The review of the administration expenses over the years demonstrates that Product Care has been successful in maintaining the administration costs within this range.

The 2015 financial statement indicated that there was a deficiency of revenues over expenses amounting to \$63,529 at the end of the fiscal year. This deficiency is equivalent to about 7% of the total program revenue. Considering the 2015 deficiency and a prior period adjustment, the accumulated surplus over the last six years of the program amounted to \$681,682. It should be noted that Product Care has a reserve fund policy in place, which should allow for unexpected circumstances that may increase the costs of operation and/or administration of the program.

Recommendations:

- Product Care should utilize the reserve funds, if it becomes in excess of the reserve fund policy, as necessary and appropriate to meet recommendations noted throughout this report.

5.0 OVERALL PROGRAM ASSESSMENT & CONCLUSION

In 2015, there were 60 paint Brand Owners registered under the New Brunswick Paint Stewardship Program and a network of 63 collection sites across the province for the collection of used paints and coatings in liquid and aerosol form as well as empty containers from consumers in the Province. There were three collection sites added to the New Brunswick collection system in 2015. The collection sites in the Province include paint retailers, Regional Solid-Waste Commission facilities and bottle redemption centers as well as some fire departments.

The evaluation and assessment of the performance of the New Brunswick Paint Stewardship Program for 2015 was based on the review of the 2015 annual report produced by Product Care and the audited financial statement produced by a chartered accountant. The assessment also included comparison with the 2010, 2011, 2012, 2013 and 2014 annual reports and audited financial statements. During the assessment, the reviewer held meetings with the major stakeholders in order to get their views and input on the 2015 program. The major stakeholders included staff of Recycle New Brunswick, staff of Environment New Brunswick and a representative of the program administrator (Product Care) located in New Brunswick.

During the last six years, the New Brunswick Paint Stewardship Program was operated by Product Care on behalf of Paint Brand Owners selling paint in the Province. It is clear from the review and assessment of the annual report that Product Care had successfully fulfilled the requirements of the *Designated Materials Regulation 2008-54* under the *Clean Environment Act* and achieved the objectives of the program regarding the collection and utilization of waste paint mainly in paint reuse and recycling; as well as the collection and recycling of paint containers.

As noted in Section 4.2, the volume of paint sold in the Province in 2015 was almost the same as that sold in 2014. However, the volume of collected waste paint in 2015 was about 10% higher than that collected in 2014. The increase in the volume of collected waste paint can be attributed to the continued increase in the consumer awareness of the Paint Stewardship Program. This increase in consumer awareness is certainly a result of the extensive communication and education programs delivered by Product Care and Recycle New Brunswick.

These extensive communication and education programs delivered by Product Care and Recycle New Brunswick have resulted in a stable recovery rate of waste paint over the last six years. The recovery rate of waste paint (volume of collected waste paint divided by the volume of paint sold) varied from 4.83 and 5.75 with an average of 5.34 over the last six years of the program's operation, as shown in Table 2 and Figure 4.

Despite the fact that recycling paint containers has been a problematic item in the recycling business, Product Care has been working hard to identify appropriate recycling facilities for empty paint containers collected under the New Brunswick Paint Stewardship Program. The efforts expended by Product Care in this regard are acknowledged in this assessment. In 2015, there was a total of 83 tonnes of empty metal and plastic paint containers sent for recycling. The weight of recycled container varied from 62 to 88 tonnes over the last six years, as shown in Figure 6. This weight of recycled containers demonstrates the effectiveness of Product Care in its efforts to achieve the goals of the New Brunswick Paint Stewardship Program.

Section 44 of the *Designated Materials Regulation* requires that the reuse rate for waste paint (the volume of paint reused plus the volume of paint recycled to produce paint divided by the volume of waste paint collected) shall be at least 70%. As shown in Table 3, the reuse rate in 2015 was 70.3%; exceeding the requirement of the *Designated Materials Regulation*. It should be noted that this requirement has been achieved during the last six years. The maintenance of the higher reuse rate is realized as a result of the ongoing communication and education programs delivered by Product Care and Recycle New Brunswick. Again, the higher reuse rate demonstrates the effectiveness of the program and shows a positive result of the efforts made by Product Care and Recycle New Brunswick in the Paint Stewardship Program in New Brunswick.

The financial statement prepared by a Chartered accountant for 2015 showed a deficiency at the end of the fiscal year equivalent to 7% of the total program revenue. The administration cost was 2% lower than that of 2014; but within the same value range over the last six years where the administration expenses for operating the Paint Stewardship Program in New Brunswick ranged from 19 to 26% of the total program revenue. These observations demonstrate that Product Care has been successful in continuing to reduce and maintain the administration cost of the program while successfully operating the program in New Brunswick.

On the basis of this assessment, the independent assessor concludes that Product Care has successfully managed the Paint Stewardship Program in the province in 2015 with outstanding performance. The efforts expended by Product Care have resulted in satisfying key objectives of the *Designated Materials Regulation*. It is also noted that Product Care had directed its focus on improving the efficiency and effectiveness of the program and on maintaining a firm control on the overall program costs.