



AUOMA

Business Plan 2012 - 2014

Accountability Statement

The Alberta Used Oil Management Association (“AUOMA”) Budget and Business Plan for the period January 1, 2012 through December 31, 2014 was prepared in accordance with the requirements of the *Lubricating Oil Material Recycling and Management Regulation*, as amended, which was enacted under the *Environmental Protection and Enhancement Act*. AUOMA’s business plan has been modeled after the Auditor General’s *Framework for Accountability*. All of AUOMA’s policy decisions as at November 30, 2011, and all of the AUOMA’s accountability obligations and relationships have been considered in preparing this Budget and Business Plan. As well, the Government of Alberta’s and Department of Environment’s Business Plans and priorities were taken into account in the development of AUOMA’s Business Plan.*

AUOMA is committed to achieving the planned results laid out in this Budget and Business Plan.

Approved by the Board of Directors,
Alberta Used Oil Management Association
November 30th, 2011



Clint Domansky, Chair

* All references herein to the Alberta Environment Business Plan, Goals and Priorities relate to the Department’s 2011-14 published Plan. It is presumed that a new 2012-15 Business Plan for the newly mandated Department of Environment and Water will have no or no significant change of impact on AUOMA’s 2012-14 Business Plan.

VISION

AUOMA is a renowned industry-driven organization facilitating the recycling of designated waste materials, and recognized leader in supporting industry best practices that achieve optimal recovery of materials and sound environmental outcomes for the benefit of all Albertans.

MISSION

AUOMA manages effective and efficient used oil materials waste minimization and recycling programs in Alberta, in keeping with Alberta Environment's mission to ensure effective stewardship of environmental systems that enable a sustained high quality of life in Alberta.

AUOMA will also fulfill its mission and realize its vision through sound policies and good governance, supporting and supported by engaged stakeholders, effective communication, and full accountability.

LEGISLATIVE MANDATE AND PROGRAM OVERVIEW

AUOMA is an Alberta not-for-profit association established as a management board under the *Environmental Enhancement and Protection Act* to deliver programs and initiatives that facilitate the recovery and recycling of used oil and used oil materials for the benefit of all Albertans. Under the *Lubricating Oil Material Recycling and Management Regulation* (the "Regulation"), AUOMA is charged with the responsibility to administer the fund consisting mainly of environmental handling charges which are remitted by suppliers of oil materials in and into Alberta. AUOMA is also bound by the requirements of the *Lubricating Oil Material Recycling and Management Regulation* (AR 227/2002) and the *Lubricating Oil Material Environmental Handling Charge Bylaw* (AR 228/2002).

By virtue of the Regulation, and primary to its accountability to registered members, AUOMA is directly accountable to the Minister of Environment and Water to carry out its regulatory mandate. AUOMA delivers programs and initiatives that align with the Government of Alberta's efforts to maximize waste diversion and recycling alternatives. AUOMA's program supports the Minister's mandates for sustaining the high quality of Alberta's environment. AUOMA is also accountable to its members and the Alberta public for the appropriate and transparent management of its funds and to ensure sound environmental outcomes. AUOMA's members are lubricating oil and oil products manufacturers and suppliers who are committed to supporting used oil material management. Members remit the environmental handling charges as required under the Regulation, which supports used oil material recovery and recycling in the Province, as well as education and communications initiatives. As a result, AUOMA and its members play an important role in the continuing effort to improve and sustain the quality of Alberta's environment.

AUOMA's revenue consists primarily of environmental handling charges (EHC's) which are to be remitted by first sellers of oil, oil containers and filters in the Province of Alberta. The EHC's are set by the Regulation, and once remitted to AUOMA comprise the fund which is managed by AUOMA to support its program initiatives, such as program incentives for transportation and processing.

AUOMA plans to continue its facilitation for recovery and recycling of used oil materials, and it will also strive to influence best industrial recycling practices and sound environmental outcomes.

In accordance with its delegated mandate, AUOMA ensures that the used oil management program is consistent with, and aligns with Government of Alberta goals in the following ways:

- AUOMA's goals and strategies set out in this business plan contribute to the following Government of Alberta Goal¹:
 - Goal One: Resourceful, Responsible - Ensure Alberta's energy resources are developed in an environmentally sustainable way.
- Through its programs dedicated to waste diversion, and used oil material recycling and processing, AUOMA's programs and goals also contribute to the Goals of Alberta Environment (the "Ministry")²:
 - Goal Two: Albertans, communities, governments and industry work together to achieve identified environmental outcomes.
 - Goal Three: Alberta has effective risk-based policies, processes and infrastructure to achieve environmental outcomes.
- AUOMA's programs also contribute to the government's current waste policies that are contained in:
 - Alberta's Waste Strategy - Too Good to Waste

AUOMA is one organization in the used oil management system of Alberta businesses and services committed to minimizing waste used oil materials through effective recycling of these materials. In its fourteen year history, AUOMA has facilitated the recovery of over 1 billion litres of used oil, as well as over 85 million used oil filters and over 20 million kilograms of used oil containers. The program expects to recover used oil materials for 2011 as follows:

¹ *Government of Alberta Strategic Business Plan 2011-2014*

² *Alberta Environment Business Plan 2011-14*

Used Oil Material	Volumes projected 2011	Projected Recovery Rate 2011
Used Oil	86,401,500 litres	83%
Used Oil Filters	7,072,925 filters	89%
Used Oil Containers	1,983,600 kgs	89%

AUOMA relies on a large network of used oil material generators/collection facilities, registered collectors and processors who undertake material recovery and primary recycling.

AUOMA's funding is intended to support activities and projects that promote responsible stewardship of used oil materials, and which also support the Ministry's goals of achieving sound environmental outcomes. AUOMA's revenue is restricted by the regulated level of EHC's applied to the sale of oil, containers and filters in Alberta. Therefore, AUOMA's revenue is dependent on economic factors which dictate the volume of oil and oil filter sales, and as well, is limited by the rate per unit as prescribed in provincial government regulation. AUOMA is committed to managing its financial resources to ensure sustainable program funding and facilitate environmentally sound recovery and recycling activities. This business plan contains strategies and a budget which reflects AUOMA's commitment to responsible spending, balanced with its environmental objectives and performance objectives, such as optimizing recovery rates for used oil material.

OPERATING PRINCIPLES

In delivering all of its programs, AUOMA follows a number of key principles which guide its policies, day-to-day operations, relationships with stakeholders and decision making activities:

Protection of the Environment: Used oil material recovery and recycling activities are focused on having minimal negative impact on the environment and strive to achieve the best environmental outcomes with minimal negative impact on markets.

Innovation: We encourage innovation in all aspects of our business and work with our partners and stakeholders to identify best practices in recovery and recycling activities.

Partner and Stakeholder Involvement: We collaborate with our partners and stakeholders in developing our programs and strive to create a level playing field for all those involved in used oil management activities.

Accountability: We are accountable to the Ministry, our members and all Albertans and therefore we carry out our activities in an open, transparent and fair manner.

ENVIRONMENTAL SCAN

The used oil program administered by AUOMA has been in existence for 14 years.

From its early beginnings, AUOMA worked with other jurisdictions to harmonize used oil material recovery and recycling programs across Canada. AUOMA, “a made in Alberta” program, became the model after which other Canadian programs were developed. Other countries, including Australia and New Zealand have consulted with AUOMA in developing their own used oil material management programs.

AUOMA has a track record of being recognized for its stewardship efforts and was considered a leading edge program that has received world-wide recognition for best practices in handling used oil materials.

To-date the program has been very successful in improving the collection rates for used oil, used oil containers and used oil filters while at the same time facilitating the development of a healthy used oil product recycling industry in the province.

The program has achieved very high recovery rates for all three used oil material streams. This success, however, is threatening its financial viability in so far as revenues from Environmental Handling Charges (EHC's) are insufficient to support the Return Incentives (RI's) paid to participants in the program to achieve these high recovery rates.

Rather than attempt to solve the financial issues on a piece meal and perhaps short-term basis, it was felt that now was the time to conduct a comprehensive Program Review that would provide the basis for a more strategic long term vision for AUOMA and at the same time provide alternatives to ensure the financial sustainability of the program.

More specifically the Program Review was to:

1. Determine whether the program continues to meet its stated mandate and objectives
2. Examine what program components are working well and what program elements could be improved
3. Examine options to improve and sustain its financial position in the longer term
4. Examine the future role of AUOMA and programs that it should provide
5. Provide strategic input to the 2012-14 business plan

The Program Review included consultation, information gathering and input from subject matter experts, key stakeholders, members, other interested stakeholders and the Government of Alberta.

At the same time, research was undertaken to conduct life-cycle assessments to determine the change in greenhouse gas (GHG) emissions and other environmental impacts that occurred as a result of AUOMA's collection and recycling programs in 2010.

Key findings of the Program Review and the Life-Cycle Assessments include:

1. Financial sustainability

A review of the financial position of the program indicates that current RI expenditures exceed current EHC revenues and are resulting in nearly \$1 million in losses annually. The program has needed to, and will continue to need to access funds in its reserve fund to offset projected losses over the next several years. If the program were to continue to operate as it currently does the program will not be sustainable beyond 2015, as illustrated by the following chart that shows the impact of further draw downs of the reserve fund.

Projected Reserve Fund Balance						
	2011	2012	2013	2014	2015	2016
Beginning Balance Reserve Fund	5,275,000	4,625,000	3,729,000	2,796,000	1,627,000	301,000
Forecasted Deficit	650,000	896,000	933,000	1,169,000	1,326,000	1,469,856
Ending Balance Reserve Fund	\$4,625,000	\$3,729,000	\$2,796,000	\$1,627,000	\$301,000	(\$1,168,856)

Maintaining the status quo is not an option. Without changes to the current programs and the related financial strategies the program is not sustainable in the longer term.

Current review of AUOMA's Return Incentive Program indicates that, irrespective of reductions to program expenditures, and the impact of that change on recycling outcomes, AUOMA's incentives cannot be sustained. The research indicates that at the current rate of revenue and expenditure AUOMA's program will be discontinued in 2015. With program reductions, two more years of operation would likely be gained.

AUOMA's administration costs have consistently been kept low, partly because of a joint administration agreement with the BC Used Oil Management Association. There is little opportunity to be found there to facilitate greater program self-sufficiency.

AUOMA continues to allow cross-subsidization of materials recycling, i.e., the EHC-RI surplus for lubricating oil offsets the EHC-RI deficit for oil containers. AUOMA prefers that each product pay for the recovery and recycling within its product stream, however, that is currently deemed difficult for containers. AUOMA cannot make changes to EHC revenue for containers as fees are fixed in regulation. AUOMA can only influence expenditures. Reducing the incentive paid for collection or processing of used oil containers creates the risk of reducing the volume of material recovered thereby reducing the recycling recovery rate. AUOMA takes some comfort in cross-subsidization of used oil containers by funds received from used oil in that container sales are directly linked to oil sales. The solution to cross-subsidization is currently tied to AUOMA's overall strategy for financial stability. Oil filters are almost at a break-even product stream and, therefore, not deemed an issue at this time.

AUOMA and most of the participants in the program review believe that in order to achieve program objectives to recover up to 100% of available products, the last 10% to 20% of recoveries will be the most difficult to "squeeze out of the system". It will likely require additional incentives as well as innovative programming.

The proposed changes to the program that are included in this business plan represent a blend of expenditure reductions through reduced RI's for used oil and revenue increases through increased EHC's. This blend will allow AUOMA to make adjustments to the program in the longer term based upon balanced business decisions that examine both expenditure and revenue implications.

2. Program Changes

A significant number of glycol containers and windshield washer fluid containers are collected and processed within the current used oil material program. Based upon a Container Study conducted by the Recycling Council of Alberta (RCA) in 2010 approximately 20% (366,000 kgs) of all containers are ineligible under the program. Glycol containers represent 23% and windshield washer containers represent 38% of these ineligible containers being collected in the current system. Additionally, based upon a recent RCA 2011 review of municipal collection in Calgary, Edmonton and two rural communities, it was found that a very small percentage of windshield washer fluid containers (less than 10%) and glycol containers (less than 2%) were being collected through municipal "blue box programs".

Using sales data gathered in 2008 and updated in 2010 by AUOMA, it is estimated that approximately 65%-75% of automotive glycol containers sold are currently not being collected.

Glycol and windshield washer fluid containers are often generated by the same waste generators as those that generate other used oil waste materials. For the past 14 years it has been considered efficient and environmentally beneficial to collect and process these materials.

Although RI's are paid to collect and process these containers, no offsetting EHC is collected and therefore they are "free riders" within the system.

Since these materials are being collected and processed within the current collection system they should be expected to contribute to the cost of the program through an appropriate EHC. British Columbia and Manitoba have implemented programs that include glycol and glycol containers. Quebec will be launching a glycol and glycol container program effective July 1, 2012. These programs will be funded through an EHC on the glycol fluid and containers.

If programs were developed to manage other automotive products we would expect to see increased recovery of these materials and the costs of managing these wastes being borne by the product owner through an appropriate EHC.

3. Regulatory changes

Virtually all participants in the program review believe that AUOMA needs more autonomy in making business decisions that are necessary and timely to meet the changing needs of the used oil materials recovery and recycling business. AUOMA, as a Delegated Administrative Organization, has a responsibility to carry out public policy for recycling. A Memorandum of Understanding between the Environment and Water Minister and AUOMA reinforces government expectations of AUOMA. However, the current regulation sets used oil recycling policy and also unduly influences policy execution by a prescriptive regulation that includes the setting of EHC rates.

Compared to all other provinces with similar types of programs, the AUOMA program is more restricted in its ability to operate as an industry stewardship program. In none of the other provincial programs do regulations set out what the Environmental Handling Charges are for managing the program. Rather, it is left to the Industry Members to decide what the appropriate fees should be while keeping the Minister apprised of any change.

4. Ongoing need for the program

There is a strong belief that if the program did not exist recovery rates would decrease and there would be higher incidents of improper disposal of used oil materials. In particular, remote locations would be impacted significantly as the cost to recover materials from these locations would be prohibitive without an incentive program. There is general agreement that the market for used oil would likely be strong enough to ensure reasonable recovery rates without a program. At the same time, the markets for recycled used oil filters and plastics are alone not likely to support any significant level of recovery and recycling.

Without the program, generators of used oil materials would likely be charged for handling of the waste, risking a return to inappropriate disposal of used materials. This would

ultimately have a greater negative environmental impact potentially resulting in considerable cost to remediate.

Furthermore, the used oil material recycling industry in Alberta would likely become smaller, with smaller operators being forced out of business; corresponding job losses would occur.

AUOMA's Incentive program has been very successful. Without it, presumably, the environment would be negatively impacted. Many survey respondents felt that there would be public concern if the program ceased to exist.

5. Life-Cycle Assessments

Recently conducted research has provided some initial data into the environmental impacts of used oil material collection and recycling in Alberta. From environmental impact assessments conducted to date on AUOMA's program, it is evident that a hierarchy of environmental values for recycling outcomes exists. For example, re-refining used oil represents a better environmental outcome than utilizing used oil as fuel; while clean/steam-washed and pelletized used oil container plastics applications are ranked higher than using semi or unwashed shredded plastic oily flake.

AUOMA is continuing to conduct a life cycle analysis on used oil materials to better determine what the environmental impact is for various end uses of these materials. Based upon this analysis, appropriate strategies and programming to encourage the best possible environmental outcomes will be determined; that is, AUOMA's Board of Directors will determine if new environmental measures for incenting specific outcomes are justified.

GOALS, STRATEGIES AND PERFORMANCE MEASURES

AUOMA has identified a number of priority goals and related strategies that will be carried out over the next three year business cycle for each of its core businesses.

In addition, AUOMA's performance will be measured by the success it has in meeting identified performance measures and targets for each goal. As a result of the recent Program Review, AUOMA has identified a number of key performance measures that align with the strategic direction for years to come as identified through the Program Review. As a result of the newness of some of these measures, the base line data and research required will be completed over the next few years as the measures are modified and fine-tuned.

CORE BUSINESS ONE – PROGRAM AND FUND MANAGEMENT

GOAL ONE: Financial Sustainability – to achieve financial sustainability of Alberta’s used oil material recycling program.

Due to continuing financial pressures it has become a high priority to implement a series of expenditure reduction strategies through reduced Return Incentives (RI’s) and revenue generating initiatives through increased Environmental Handling Charges (EHC’s) in order for AUOMA to ensure its financial sustainability over the long term.

Additionally, forecasted surpluses in future years will be utilized to re-establish a reserve fund that is equivalent to 9-12 months of operations in the event of program wind-up or unexpected emergencies.

Strategies

Year	Strategy
2012	<ol style="list-style-type: none"> 1. Increase revenues by working collaboratively with the other Canadian used oil management associations to include factory fill/original equipment manufacturer lubricating oil products as EHC/levy applicable. 2. Reduce expenses by eliminating return incentives for used oil space heaters (UOSH) but establish ability for UOSH owners to submit used oil consumption statistics annually to AUOMA. 3. Reduce expenses by reducing return incentives on used oil by \$0.01/litre for all program participants but monitor impact of change on used oil collectors and generators. 4. Investigate the practicality of a hierarchy incentive for used oil container processing as opposed to a singular incentive irrespective of level of processing. 5. Collaborate and consult with Suncor, Syncrude and other upgrading companies to determine if there is value in adding used oil to upgrade mix and, therefore, enhancing environmental options and outcomes.
2012/13	<ol style="list-style-type: none"> 6. Prepare a business case to government for regulatory change to: <ul style="list-style-type: none"> ○ create a less prescriptive regulation and one more conducive to industry management of program revenues and expenditures; but

	<p>include a regulatory option in the event of non-government support for this change that would:</p> <ul style="list-style-type: none"> ○ include automotive glycol products as part of the Incentive Program and enable an EHC/levy for used glycol products available for recycling, and enable an increased EHC/levy for lubricating oil containers.
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Performance Measure

1. AUOMA operates with a financial surplus

Methodology: Based upon annual audited financial statements revenues will be compared to expenditures in the annual Statement of Revenue and Expenditures

	2010 Actual \$'s	2011 Projected \$'s	Target 2012 \$'s	Target 2013 \$'s	Target 2014 \$'s
Excess of revenue over expenditures (deficit)	(336,048)	(789,571)	(372,550)	811,116	4,007,770

GOAL TWO: An Advanced Recycling Network in Alberta for Used Oil Materials Contributing to Better Environmental Outcomes – to maximize the collection and recovery of, and promote reliable recycling solutions for, Alberta’s used oil material.

AUOMA will continue to provide incentives to ensure that collection and recovery of used oil materials achieves the highest possible rates. At the same time, based upon reliable data and research, AUOMA will examine its programs and incentives to promote the highest possible environmental outcomes that are practical and sensitive to industry best practices and market conditions over time.

Strategies

Year	Strategy
2012	<ol style="list-style-type: none"> 1. Continue to conduct analysis through life cycle assessments and analysis to identify best environmental outcomes for all materials collected and processed 2. Conduct RI Compliance Reviews on registered collectors and processors and address any evidence of non-compliance with AUOMA policies and programs 3. (a) Review RI protocols and requirements with Collectors and

	<p>Processors to address concerns (b) Update Collector and Processor Manual</p> <p>4. (a) Collaborate with AAMD&C and AUMA to create a consistent and reliable urban and rural collection network for used oil materials throughout Alberta (b) Update AUOMA policy on Return Collection Facilities (RCF's)</p>
2013	<p>5. Develop grading system for program compliance</p> <p>6. Monitor rural/urban recovery of used oil materials to identify areas with lower recovery rates</p>

Performance Measures

2(a) Percentage of used oil materials recovered.

Methodology: Calculated based upon the amount of material recovered versus the amount of material available for collection based upon sales of materials

Material	2010 Actual	2011 Projected	Target 2012	Target 2013	Target 2014
Used Oil	86.6%	83.9%	83.5%	79.5%	80.3%
Used Oil Filters	88.7%	87.9%	88.7%	86.6%	87.4%
Used Oil Containers	87.0%	82.4%	83.9%	85.2%	79.6%

2(b) Percentage of EHC remitters in compliance with the program

Methodology: A rating system of 1 to 4 is used measure the overall assessment of a compliance review conducted by independent auditors that considers factors such as strength of computer system, member's attitude towards the program and quantity of errors encountered during the compliance review. The program targets to have at least 65% with a rating of 3 or higher.

Rating	2010 Actual	Target 2012	Target 2013	Target 2014
4-Excellent	5.6%	6.0%	7.0%	8.0%
3-Good	61.1%	63.0%	65.0%	67.0%
2-Fair	27.8%	26.0%	23.5%	21.0%
1-Poor	5.6%	5.0%	4.5%	4.0%

2(c) Percentage of registered collectors and processors in compliance with the return incentive program policies and processes.

Methodology: This **measure is underdevelopment**. Methodology and baseline data are being developed. PricewaterhouseCoopers is currently conducting a pilot compliance testing initiative that will be the basis for establishing a compliance protocol and testing methodology. A grading system will be created to determine the level of compliance for registered collectors and processors, and the practicality of greater government inspection of collection and processing sites.

2(d) Program Environmental Impacts

Methodology: Utilizing factors from the life-cycle assessment, environmental impacts will be calculated based on relative material destinations. Measures to include Greenhouse Gas Emissions, Acidification and Human Health impacts.

2(e) End-Use of materials

Methodology: This **measure is underdevelopment**. This measure would report the absolute quantity and percentages of the ultimate end-use of materials handled in various ways.

GOAL THREE: Effective Communication – to effectively inform and engage key stakeholders in the mutual interest of achieving optimal recycling outcomes.

AUOMA’s communications efforts will continue in an effort to increase stakeholder awareness and commitment to used oil materials recycling and AUOMA initiatives. The program will strive to effectively engage collectors and processors in improvements to the Incentive Program. AUOMA also provides full, meaningful and timely reporting to the Ministry with respect to program performance and needs.

Strategies

Year	Strategy
2012 to 2014	<ol style="list-style-type: none">1. Develop a communications strategy to identify key target audiences and communications methods that are affordable within the current financial situation2. As part of the communications strategy examine and update the Summer Ambassador Program as required3. Continue to redevelop the website to improve communication and

	<p>information flow with stakeholders</p> <ol style="list-style-type: none"> 4. Develop and distribute e-newsletters to target audiences 5. Investigate providing special website access for Collectors and Processors to access program information via the website 6. Conduct at least one general meeting annually with Collectors and Processors to discuss program issues and direction 7. Provide regular reporting to stakeholders on business, achievements and directions 8. Meet regularly and as required with Minister and Ministry staff
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Performance Measure

3. Effectiveness of communications activities

Methodology: This **measure is underdevelopment**. Methodology and baseline data are being developed. This measure would assess how effective communications activities are.

CORE BUSINESS TWO – GOVERNANCE

GOAL FOUR: Accountability and Transparency – to be accountable and transparent on all business of the association.

AUOMA maintain, and be governed by, its policies and procedures set out in its Governance Manual. AUOMA is accountable to the Ministry, its members and all Albertans and will carry out its business in an open, transparent and fair manner. AUOMA will work in coordination with the Ministry to develop clear expectations for the used oil recovery and recycling program and program reporting. AUOMA reports on its performance through its Annual Report.

Strategies

Year	Strategy
2012	1. The Board's Governance, Compensation and Fund Management Committee will review and confirm governance protocols and measures and report accordingly to the Board
2012-13	2. Review and renew Memorandum of Understanding (MOU) between Minister and AUOMA 3. The Board of Directors will: <ul style="list-style-type: none">• Review its Governance Manual to ensure governance and operations standards remain high and Board and staff are fulfilling their obligations.• Develop and implement an organizational disaster plan to protect the security of AUOMA records and resources. 4. Develop a methodology that accurately reports actual used oil container recoveries that reflects the current level of contamination in reported collections
On-going	5. Prepare Annual Report and include improvements to: <ul style="list-style-type: none">• Provide a clear linkage between program results and business plan strategies• Show program budgets for comparative purposes• Improve the reporting on end use of collected and recycled materials

Performance Measure

4. Governance requirements are met

Methodology: This **measure is underdevelopment**. Methodology and baseline data are being developed whereby every three years the Board of Directors would conduct an assessment of their governance practices compared to the requirements set out in the AUOMA Director's Manual.

BUDGET AUOMA's fiscal year-end is December 31st.

	2011 projection	2012 budget	2013 budget	2014 budget
	(In 000's)	(In 000's)	(In 000's)	(In 000's)
Revenue:				
Environmental Handling Charge+	15,861	16,656	17,961	23,174
Interest and investment income	173	168	162	150
Registration fees	1	1	1	1
Total Revenue*	16,035	16,825	18,124	23,325
Expenditures:				
Program Management Costs:				
Return Incentives	15,568	15,888	16,064	18,015
Incentives for return collection facilities	-	-	-	-
Communications and public relations	148	184	193	203
Compliance Reviews	57	65	46	56
Management/Administration Contracts	56	57	59	61
Legal	23	25	28	30
Consulting	300	252	200	200
Allowance for bad debt	5	5	5	5
Total Program Management Costs*	16,157	16,476	16,595	18,570

BUDGET (continued)

Expenditures (continued):

	2011 projection	2012 budget	2013 budget	2014 budget
	(In 000's)	(In 000's)	(In 000's)	(In 000's)
Administrative Costs:				
Management/Administration Contracts	366	380	393	410
Legal	33	35	37	39
Audit	45	46	48	49
Office and general expenses	125	130	138	144
Rent	51	53	54	56
Board expenses	44	75	46	47
Amortization	4	3	2	2
Total Administrative Costs*	668	722	718	747
Total Expenditures*	16,825	17,198	17,313	19,317
Excess Revenue Over Expenditures(Deficit)*	(790)	(373)	811	4,008

* Figures rounded off to nearest zero

+ The increase in Revenue for the Environmental Handling Charge is based on the inclusion of Initial Manufacturer Fill revenue in 2013, along with Antifreeze and Windshield Washer Container revenue and an increase to the base rate of Containers in 2014 (the latter two items subject to approval by Minister and Cabinet).