

# DISTRIBUTOR'S Journal



SUMMER 2018

## re360

Last year, two redemption centres (RCs) in Dieppe and Moncton introduced our [re360 green recycling boxes](#), which allow their clients to save time and money when redeeming their empty beverage containers. The goal is to improve recycling rates by making the experience faster and more practical for consumers. Data indicates that customers have been satisfied with the expediency of this approach while participating RCs have stated good to excellent accuracy.



Made from post-consumer plastic, the [re360 boxes](#) are all about improving the customers' experience while reducing the need for plastic bags and simplifying the RC's process. Customers who use the re360 boxes have priority service: they do not need to wait in line and are able to leave immediately with their emptied boxes. For each reusable box filled with 60 containers, customers receive \$3 cash back on the spot.

After testing the re360 green recycling boxes for a complete year, the project will now test a different approach. Since Earth Day 2018, [two rural RCs have been added to the project](#) and are giving away for a limited time offer free re360 boxes to their customers. These smaller markets will be monitored closely to find out if consumers use the boxes provided to them and to assess the practicality of these boxes for participants.

## re@xpress \$2/40



It was noted in our Final Report on Pilot Projects (April 2017), that the inability to test an unmanned bag-drop depot with fixed-value bags (\$2) and explore the benefits of retail connectivity in New Brunswick remained a significant information gap which could have important benefits for the future of redemption centre (RC) operators. The report stated that the impact of having consumers count their containers prior to redeeming has the potential of influencing more change to RC productivity than any other technology, regardless of the size of the RC.

To fill this information gap, we launched our [Re-Express](#) pilot project on Earth Day 2018 in Moncton. The project's test phase started on June 5, 2018, and is set to run with 1,000 participants until March 31, 2019.

[Re-Express](#) combines the unmanned bag drop-off beverage container depot concept with fixed-value bags. Participants are instructed to collect their containers in specially designed \$2/40 bags and fill these bags with 40 New Brunswick deposit-bearing beverage containers. Since almost all deposit-bearing containers give a 5¢ refund, each bag participants drop off at the [Re-Express depot](#) equals a \$2 refund. We will be testing the customers' response to the fixed-value bags.

Thanks to our [partnership with Sobeys \(Vaughan Harvey Boulevard, Moncton\)](#), Re-Express will also allow us to explore the benefits of retail connectivity for beverage product distributors, consumers and RCs as an avenue to improve New Brunswick's Beverage Containers Program. Since consumers buy beverage products from retail businesses, we believe it could be beneficial to have retailers provide a convenient drop off point for empty containers to be collected by RCs. Participants are also able to purchase their Re-Express \$2/40 bags at Sobeys Vaughan Harvey. Finally, our partnership with Sobeys Vaughan Harvey will help us test the concept of an in-store cash out option—the [Re-Station](#)—for customers to access their refund.

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## TAXABLE VS. NON-TAXABLE

Under the provincially legislated “half-back” system in New Brunswick, a tax-inclusive deposit of 10¢ is imposed on containers for non-alcoholic beverages but only half this amount, or 5¢, is given back to a consumer on the return of the container.

Only the refundable 5¢ portion of the deposit is excluded from the tax base while the other 5¢ that is not refunded to the consumer is subject to tax on the same basis as the beverage.

You can access the Canada Revenue Agency’s Info Sheet on taxable and zero-rated beverages via our website to learn more about which product is taxable and which is zero rated. Go to [www.encorpatl.ca](http://www.encorpatl.ca) and visit the “Important Information for Distributors” page under the “Distributors” menu. Click on the link to the CRA site, “[Beverages GST/HST Info Sheet](#)”.

To avoid the complexity of all retailers having to determine the amount of tax for the non-refundable portion of the deposit to calculate their input tax credits and remittances, special rules apply having the effect of requiring only the first supplier in the distribution chain who imposes the deposit to account for and remit tax on the taxable non-refundable portion of the deposit.

We encourage each distributor to seek professional advice when in doubt of the taxability or non-taxability of the beverage/container.

## RE-CENTRE

Launched on Earth Day 2014, our [Re-Centre](#) pilot project aimed to test the concept of an automated bag drop redemption centre. A test group of 2,500 members of the public got to sign up to use two [Re-Centre depots](#) located in Moncton for their recycling needs.



Over the three-year project, the [Re-Centre depots](#) were able to serve customers with at least three bags (150 containers) in 30 seconds or less over 95% of the time. The Re-Centre model proved that customers prefer better hours of operation for redemption centres (RCs), since 50% of Re-Centre visits occur when neighbouring centres are closed. Furthermore, the improvements that the Re-Centre model offers even convinced consumers who do not regularly redeem their used beverage containers to start recycling again. This represents a whole new volume for RCs. Participant feedback has been very positive, showing a clear need for faster, more efficient ways to recycle and redeem used beverage containers.

## REGISTER YOUR BEVERAGE PRODUCTS

Beverage distributors are responsible for registering all beverage products they sell in New Brunswick with the New Brunswick Department of Environment and Local Government. A convenient link to the “[Beverage Container Registration Form](#)” is supplied on our website at [www.encorpatl.ca](http://www.encorpatl.ca). You will find it on the “Important Information for Distributors” page under the “Distributors” menu.

In most cases, it is preferred that the distributor closest to retail in the province be the organization along the supply chain to assume the responsibilities of a distributor under the [Beverage Containers Act](#) and [General Regulation](#) which include registering as a distributor, registering beverage containers, and remitting deposits to Encorp Atlantic for all non-alcoholic beverage products. If the preferred closest to retail arrangement cannot be accommodated, verification with the New Brunswick Department of Environment and Local Government is required to ensure that another party along the supply chain is fulfilling the distributor requirements. In these cases, confirmation in writing must be kept between both parties on who has taken responsibility as the distributor with respect to registering the beverage containers and remitting the deposits.

## ELECTRONIC DEPOSIT REMITTANCE FORM

Registered beverage product distributors must report sales and submit the deposit fees of non-alcoholic beverages to Encorp Atlantic. Our newly revamped website includes both an electronic and PDF version of a [Deposit Remittance Form](#) for distributors. Go to [www.encorpatl.ca](http://www.encorpatl.ca) and select “Distributors” from the menu.

The electronic version submits data directly to us in one easy step. Simply click on the “Submit” button once you have inputted your data. It is also possible to print and save a copy for your records. The form works with all internet browsers with the exception of Internet Explorer.

If you use Internet Explorer or if you prefer to use the PDF Remittance Form, please note that you need to first download the file and save it to your computer’s hard drive. The form can then be filled out using Adobe Acrobat Reader and emailed or sent by fax to the attention of Pauline Nowlan ([pauline.nowlan@encorpatl.ca](mailto:pauline.nowlan@encorpatl.ca)) or 506-389-7329).

Please be vigilant when filling out the form and ensure that each container is reported in its appropriate category. We are seeing many distributors misuse the “Other” category by inputting numbers for most of the containers they sell. The “Other” category should be used only to report other plastics (♻️, ♻️, ♻️ and ♻️) and pouches.

Container Material Type	Containers Sold		
	Column A Taxable Sales	Column B Non-Taxable Sales	Column C Total
Aluminum			
Steel			
PET ♻️			
HDP ♻️			
Other Plastics & Pouches ♻️ ♻️ ♻️ ♻️			
Total Containers			
25 Refundable Portion	5	5	
25 Non-Refundable Portion	5	5	
15¢ HST Included	5		
Remittance to Encorp	5	5	