

November 25, 2019

City of Vancouver Mayor Stewart & Council  
453 West 12<sup>th</sup> Avenue  
Vancouver BC,  
V5Y 1V4

Re: Staff Report on By-Laws to Reduce Single-Use Items

Sent via email

Dear Mayor Stewart and Council:

On behalf of Restaurants Canada, I am writing today to provide feedback on the Single-Use Item By-Law report and recommendations that Standing Committee on Policy and Strategic Priorities will consider on November 27<sup>th</sup>.

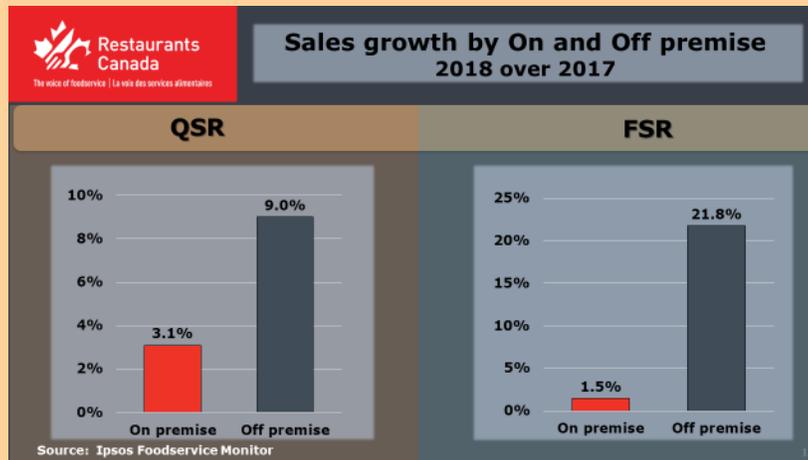
Restaurants Canada has been the voice of foodservice in this country for 75 years. With over 30,000 members, Restaurants Canada's primary goal is to improve the foodservice industry for the millions of Canadians that rely on our industry for good food, entertainment, socialization and above all employment for 1.2 million Canadians.

Restaurants Canada recognizes sustainability is simply a part of doing good business in restaurants today. In fact, nine out of 10 respondents to our Q3 2018 Restaurant Outlook Survey said they plan to continue or increase their current level of environmentally sustainable operations over the next three years. The theme of the 2019 RC Show was Sustainability and featured products, seminars, workshops and services to support our members in their environmental efforts. Most recently, Restaurants Canada supported our members' single-use items reduction efforts through our Single-Use Items Reduction Strategy Guide <https://info.restaurantscanada.org/hubfs/Resources/Toolkits/Single-Use-Items-ReductionStrategy-Guide.pdf>.

Restaurants across the country are working hard to navigate the complex and often contradictory patchwork of municipal bylaws and regulations around single-use items while balancing the needs of diners seeking increasing convenience while working towards improving environmental outcomes.

It is important for governments to understand the essential role packaging plays in being able to meet customer demand, but also in protecting the health and safety and integrity of the food our industry serves. It is crucial that restaurateurs be able to maintain the flexibility needed to be able to continue to meet consumer demand, protect the food we serve, while reducing use of single-use items. This is particularly true in the current operating environment where consumers are increasingly demanding take-out food through the growing home delivery market where sales increased by 44% or \$4.3 billion in Canada in 2018 over 2017.

It is also important to note that the trend towards increasing home delivery sales not only impacts quick service restaurants that are associated with the take-out market, but increasingly also in the full service restaurant category. In fact, in 2018 off premise sales from full service restaurants increased by 21.8% versus 9% for quick service sales the following chart demonstrates.



Restaurants Canada supports the City of Vancouver’s goal of reducing single-use and takeaway items and continues to encourage the city to work in lock-step with the province and the federal government to avoid the duplication of efforts, while creating a level playing field for businesses across the province and the country. Harmonization will lead to improved environmental outcomes, lower consumer costs, and reduce the operational impacts on business.

It is also important to recognize that restaurants operate in a highly regulated environment from liquor service, health standards, environmental responsibilities, labour regulation, fire, and a host of other municipal regulations. They also are facing regulated minimum wage increases, employer health taxes, rising municipal taxes, a severe labour shortage due to negative demographic trends, rising food prices, competition from home meal replacement, and 3<sup>rd</sup> party delivery. They fight for their share of wallet and increasing menu prices to deal with these pressures can have very negative consequences on sales. The consumer is savvy and price sensitive. On average restaurants earn less than 5% pre-tax profit. It is within this context we would like to provide you with industry concerns and recommendations on each of staff’s single-use item by-law report recommendations:

### **Polystyrene Foam Cups and Containers – Ban Effective January 1, 2020**

Restaurants Canada believes that any ban must include industry and consumer education and the need to ensure the availability of cost effective alternatives to be successful.

## **Plastic Straws – Ban Effective April 22<sup>nd</sup>, 2020**

While many members have already made a switch from plastic straws to paper or other recyclable straws where possible, and provide straws only by request, the proposed by-law contains a couple of operational challenges for members:

1. Members' question why they must specifically have individually wrapped bendable plastic straws on hand available by request as this is overly prescriptive. Many could comply with their remaining stock of plastic straws rather than having to purchase individually wrapped bendable plastic straws specifically. This adds additional red tape and costs to businesses who must now have both a specific type of plastic straw as well as paper straws on hand and must train staff to be prepared to provide either a specific plastic or paper straw on request. Restaurants Canada believes the type of plastic straw used under the accessibility criteria requirement should be a business decision rather than the City specifically mandating that individually wrapped bendable plastic straws be required.

**Recommendation #1: Restaurants Canada recommends that the City encourage businesses to carry single wrapped bendable plastic straws, but the by-law should mandate only that plastic straws must be available to meet accessibility needs.**

2. While Restaurants Canada can appreciate the rationale for a one year exemption for plastic straws for bubble tea, the recommendations do not include other beverage products where finding alternatives may be a challenge such as milk shakes, frozen drinks, etc. The rationale for the exemption for bubble tea should also extend to other beverages where paper straws are not a viable solution.

**Recommendation #2: Restaurants Canada recommends that the one year bubble tea extension to allow them to find alternatives be extended to other beverages such as milk shakes and frozen drinks that have similar challenges in finding suitable alternatives.**

## **Disposable Cups – Effective January 1, 2021**

**Restaurants Canada does not support the implementation of a fee bylaw for disposable cups.**

Restaurants Canada supports user fees as a voluntary measure for businesses to consider as part of their individual single-use item reduction strategy rather than a fee bylaw for single-use hot and cold drink cups and plastic and paper bags.

With respect to reusable cups, a number of our members already incentivize customers to bring their own reusable hot beverage cups by offering discounts. However, in many cases health and safety concerns override the opportunity for the use of reusable alternatives, such as instances where the reusable cup is likely to come in contact with equipment as is often the case with products like iced beverages and milkshakes.

While Restaurants Canada members are currently considering participating in reusable cup share programs, there is not enough evidence from existing reusable cup share programs to indicate that these programs will have a significant impact on reducing the use of disposable cups. There are also operational health and safety concerns that need to be addressed in implementing reusable cup share programs.

With limited opportunities to bring in reusable cups, the cup fee may not be a deterrent to the use of the single-use items as it may encourage customers to select prepackaged bottled beverages in an effort to reduce their costs and avoid additional fees. Such a change would not result in a decreased use of single-use packaging as is the City's goal but does add unnecessary additional costs to price sensitive consumers and creates an un-level business playing field.

Implementing a fee bylaw may also place restaurant employees in a vulnerable position as they are the ones communicating additional fees to price sensitive customers — especially when the fees are kept by employers and have a significant impact on the final cost of a purchase. As an example, a \$0.25 fee for a hot drink cup could represent as much as 20 per cent of the cost of the beverage purchased which could negatively impact sales. It is not a level business playing field as the fee would impact those businesses with lower priced menu items more. It also raises consumer costs and impacts affordability for low income customers. The cup fee also adds what amounts to an additional tax on single-use items paid by the consumer as businesses have already paid a fee to Recycle BC to cover the recycling costs of single-use items. Disposable cups are already recyclable and the fee does nothing to improve the recycling rate for these single-use items. It also puts Vancouver businesses at a competitive disadvantage over neighbouring municipalities.

Furthermore, ensuring the fee is posted on the receipt, menus, and online ordering platforms adds additional red tape costs on businesses as do the reporting requirements. The report states that the reason the fee approach was chosen over previous reduction plan proposals was that reduction plan proposal was overly complex. In fact, restaurant industry feedback from the consultations identified that it was the reporting requirement that was overly complex. They believed the fee option would not also include a reporting requirement. Under the current proposal businesses must charge the fee and still report annual cup distribution.

**Recommendation #3: Make the proposed disposable cup fee voluntary until senior levels of government develop a more comprehensive harmonized reduction plan for disposable cups.**

**Recommendation #4: If proceeding with a cup fee reduce the fee to \$.15 similar to the initial bag fee proposal as a more acceptable fee that reduces the sticker shock increase on low cost purchases and is more in line with deposit amounts on other single use beverage containers.**

**Recommendation #5: If the fee is implemented eliminate the additional reporting requirement. The City can monitor any reductions in disposable cup use through traditional waste audits.**

## **Shopping Bags – Effective January 1, 2021**

Restaurants Canada has a number of operational concerns with the proposed shopping bag by-law which is based on Victoria's flawed by-law that was drafted with retail in mind not foodservice. Members inform us that they do not have a problem eliminating plastic bags but other details in the proposed retail focused by-law are problematic for foodservice.

Ban exemptions need to be made recognizing the unique and diverse operational realities of foodservice operations versus retail. For example, a paper or reusable bag fee of \$.15 or \$.25 on \$100 of groceries is a negligible part of the cost, however, a bag fee of \$.15 or \$.25 on a \$1.49 muffin adds up to 16% of the total purchase price. Once again in an industry where customers are extremely price sensitive the percentage increase on small purchases could negatively impact sales.

Also the use of reusable bags at retail is much simpler to implement operationally than for foodservice. The use of reusable bags in foodservice is far more complicated due to food safety considerations. Our Victoria members could not properly comply with Victoria's proposed bag bylaw without risking contravening provincial health regulations which do not allow any foreign materials like reusable bags being brought into the food preparation areas of the restaurant. Restaurateurs need to protect the health and safety of their guests as job #1 which the proposed reusable bag by-law provisions jeopardize. Members argue that the same health and safety reasons for exempting hospitals and community care facilities should also apply to foodservice.

The bag bylaw proposal also adds additional operational challenges when considering drive-through and online/mobile ordering which are important drivers of our industry.

Instead of following the Victoria bag bylaw as a template Restaurants Canada recommends Council adopt PEI's bag regulation which was also initially based on Victoria's bylaw but was amended to address foodservice industry concerns and now includes a number of regulatory exemptions for food service operators including:

- An exemption on web based and third party delivery orders, as well as drive-thrus
- An exemption on accepting reusable bags
- An exemption on the need to ask customer if they want a bag,
- Doubling the size of acceptable paper bags that would be exempt from a bag fee from 300 square cms (15x20) in Victoria's by-law to 600 square cms.

Foodservice establishments must be able to continue meeting the needs of their customers in a way that is accessible and safe, as well as sustainable.

**Recommendation #6: Restaurants Canada recommends that Council amend the proposed shopping bag by-law to include the foodservice exemptions included in PEI's bag regulation recognizing the important differences between the use of bags in retail versus foodservice establishments and the unique health and safety concerns of foodservice businesses.**

### **Utensils – Effective January 1, 2021**

Restaurants Canada appreciates the inclusion of self-serve stations as an option to comply with this on request by-law. This by-law, like the others, needs to include significant business and consumer education efforts to be successful. There are also some operational challenges in complying with the utensil by-law which should be resolved by the time the by-law is implemented.

### **Conclusion:**

Restaurant owners, operators and staff are working hard to navigate the complex regulatory environment related to the day-to-day operations of their businesses. Environmental actions in the foodservice industry involve the balancing of often conflicting pressures:

The pressure to reduce single-use items while protecting food safety and meeting the needs of guests seeking increasing convenience and delivery options. The desire to improve diversion of single-use items with the realities of available recycling programs. The requirement to meet different standards and expectations in different jurisdictions.

The desire for governments of all levels to act has created a patchwork of bylaws and regulatory frameworks that make it difficult for foodservice chains and independent operators to make decisions that benefit the environment. Foodservice establishments must be able to continue meeting the needs of their customers in a way that is accessible and safe, as well as sustainable. Businesses are willing to amend their practices and make investments to support a harmonized approach to single-use items, but they want to ensure these investments are effective. The government's commitment to work in concert with business will maximize everyone's efforts. Ultimately, it will be up to the public to buy into changes that will better our environment. Government's role in public education can be supported by business if we work together toward a common goal creating a better province and a better Canada for future generations. To enable success, policy approaches should reflect the broadest scope possible. Restaurants Canada is supportive of frameworks that may be applied nationally that take an evidenced approach to reducing waste from single-use items.

Consumer education and participation is required for single-use items reduction goals to be successful.

We believe our members could have a greater impact on consumer behaviour by working with all levels of government on comprehensive consumer awareness and education campaigns on the general issue of single-use items to the millions of guests we serve across the country every day. Instead, foodservice industry businesses members are being forced to comply with a patchwork of sometimes impractical and contradictory single-use item municipal bylaws that put businesses in one municipality at a competitive disadvantage with competitors in another neighbouring jurisdiction.

I look forward to discussing the above concerns and recommendations with you and answering any questions you may have on November 27<sup>th</sup>.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark von Schellwitz". The signature is fluid and cursive, with a long, sweeping tail that loops back under the name.

Mark von Schellwitz  
Vice President, Western Canada