

Committee of the Whole Report For the Meeting of November 7, 2019

То:	Committee of the Whole	Date:	November 1, 2019
From:	Fraser Work, Director of Engineering & Public Works		
Subject:	Resource Assessment – Development of a Single-Use Materials Regulation		

RECOMMENDATION

That Council:

Receive this report for information, and defer decision on this issue and its resource implications to the 2020 financial planning process.

EXECUTIVE SUMMARY

Council directed staff to report back on the resource assessment for developing a regulation for the protection of the natural environment, related to several single use materials. Straws, coffee/beverage cups, food containers, Styrofoam cups, single use utensils, and single-use shopping bags represent some of the most problematic single use materials in our society (mainly related to food industry), and pose significant environmental risks due to the volume of daily, short-lived products that offer convenience at the detriment to sustainability. These risks are acute at the local level, and have significant global impact to marine, terrestrial and atmospheric systems, and the accelerating consumption of single-use plastic poses a real risk to greenhouse gases, due to the high energy costs of managing these materials at every stage of their life cycle. A wholesale shift in community habits to more sustainable, reusable alternatives is required, alongside the market's development of environmentally friendly sustainable packaging products that offer the performance benefits, without the environmental and other burdens that current single materials impose.

Staff have assessed resource requirements based on the recent lessons learned from the development of the checkout bag regulation. Notwithstanding the legal challenge to the bylaw, the development of that regulation was considered a success by a wide array of stakeholders, due mainly to early, meaningful and sustained engagement, as well as the bylaw design to treat and minimize unintended consequences.

The development of a regulation to address an array of single-use materials poses interesting challenges and potential benefits. A single regulation would help education and awareness, but each material type poses its own unique challenges related to social readiness, available reusable alternatives and issues related to social behaviour and industry/market responses – so any regulation will have to consider a varied approach for each material type, and its phased regulation, over time.

While society continues to build its awareness and readiness to more-commonly adopt reusable alternatives (as observed during checkout bag implementation and monitoring), various stakeholders within community and industry sit at different levels of preparedness / willingness to adopt new reusable alternatives as part of their habits and operations. Development of a multi-material regulation will align themes of reusability and draw on recent social change initiatives in community, but pose complexities related to multi-stakeholder, multi-material transitions to reusable, where in some cases – market-ready alternatives are not yet available.

Any single-use material regulation would rely on material-specific phasing, combined with other incentive/disincentive programs, and a combination of fees, restrictions, and then bans, once community readiness and sustainable alternative solutions have been developed/introduced. The ongoing work in other BC municipalities helps socialize the public to these types of changes and help reduce the staff resource needs for technical development. These benefits will be offset by the larger resource demands for consultation across many more stakeholder groups and industries, which has to be carefully considered.

Options do exist to reduce the amount of overall engagement on this program to shorten overall timelines or reduce City resource needs, but these options have their inherent risks of reduced stakeholder buy-in, or even confusion and lack of safeguards against unintended consequences – especially in areas where there are reusable alternatives or social-readiness challenges. Reduced engagement models would instead rely on developing social readiness phased approach and increased social awareness to avoid some of the risks from reduced discussions across community. This approach reduces the City resources and will expedite overall bylaw development. Proceeding with a bylaw regulation in the near term would require resources outside of the current scope of City commitments. Increased resources, via additional staff or consultant support, as well as project deferrals, would be required to progress bylaw regulation development, and should be considered with the priority zero waste initiatives which are outlined in the subsequent committee report update on the Zero Waste Strategy. Any City regulatory development should also consider the federal and provincial governments, who have made commitments to introduce regulations in this space, in the coming years.

Any regulation that the City develops should consider using a phased approach to increasingly stringent regulations, tailored to each material type and the associated community readiness for change. It should support an overall shift towards more sustainable consumer behaviour; support business and market transition / transformation with long-term, sustained effort and planning, adopting any consistency opportunities with other jurisdictions, wherever possible; and wisely avoid unintended consequences. The City should also consider any emerging single-use material regulatory actions by the CRD, Provincial and Federal governments, to plan the City's most impactful allocation of local resources.

This report is forwarded for Council's information, where any decision on the way forward is recommended for consideration in conjunction with the Zero Waste Strategy and program update.

PURPOSE

The purpose of this report is to provide Council with an assessment of the process and resource implications for developing a comprehensive bylaw to regulate, prohibit and impose requirements in relation to a set of problematic single-use materials that present special environmental risks.

BACKGROUND

On March 14, 2019, Council's Committee of the Whole adopted the 2019-2022 Strategic Plan and identified the following actions under the Climate Leadership and Environmental Stewardship Strategic Objectives:

- Develop and implement a robust Zero Waste Strategy.
- Ban plastic straws taking into consideration accessibility needs.
- Ban single-use coffee cups, straws and single-use takeout containers,
- Plastic checkout bags (included as part of 2015-2018 Council objectives),

Two new positions were approved each on a 2-year term in support of these actions and Council requested staff to report back on additional resource requirements following the completion of the initial development phase of the Zero Waste Strategy.

In July 2019, following the Court of Appeal decision regarding the City's *Checkout Bag Regulation Bylaw*, Council also directed the Director of Engineering & Public Works to bring forward a report on the process and resource implications of developing a comprehensive bylaw for the protection of the natural environment that would regulate, prohibit, and impose requirements in relation to a variety of single-use products.

Single-use materials have a significant environmental impact, as detailed in this report. Therefore, their regulation may be possible pursuant to the authority to enact bylaws for the protection of the natural environment (section 8(3)(j) of the *Community Charter*). At the same time, it is important to recognise that single-use materials are a major source of waste generation. Therefore, any effort to reduce waste in our community has to include efforts to reduce the use of single-use materials. The Zero Waste Strategy, an update presented concurrently with this report, includes initiatives aimed at reduction of single-use products and, to some extent, overlaps with the work covered by this report. The focus of this report, however, is on resources required to pursue regulatory intervention aimed directly at single-use products, as an environmental protection measure, separate and distinct from the Zero Waste Strategy.

ISSUES AND ANALYSIS

The issues and analysis section is broken into the following topics:

- Single-Use Items, Plastics and Packaging;
- Checkout Bag Regulation Bylaw Lessons Learned; and,
- Development of a Single-Use Materials Regulation.

Single-Use Items, Plastics and Packaging

Many single-use materials are problematic, since they are so pervasive, are consumed daily by much of the population, and end up as litter in the ocean, on beaches, and in our parks, and public spaces. These materials have very short design life-cycles, and almost immediately convert limited natural resources into garbage, after their brief useful service life. Most are not able to be recycled or repurposed, into useful products, or reintroduction / conversion into sustainable materials. The processes and energy that is used to create these products introduces harmful toxins into the environment, drinking and ocean water, and air. Single use plastics pose a major threat to climate change, as they contribute to greenhouse gases at every stage of their life cycle – through fossil fuel resource extraction and transport, refining and manufacture, transport, service life, and disposal, which may be incineration. Plastic film is of particular concern, as more and more materials are irresponsibly discarded into waterways and oceans, harming wildlife and marine

ecosystems, by fouling their locomotion systems (i.e., wings, fins), interrupting airways, or through risks due to ingestion. Many of these materials only breakdown from mechanical processes, or slowly through UV exposure, and may persist in the natural environment for centuries, often breaking into small particles that can often be mistaken by wildlife as food, or inadvertently introduces into the food chain through contact with various organisms. These problems are evident both locally (e.g. in our parks and on our beaches), and globally.

A wholesale shift in human behaviour and product design is required to transition to more sustainable designs that are intended for re-use or can be easily processed without undesirable environmental impacts. In many cases, current community behavioural norms do not support individuals taking more actions to avoid these materials that offer high levels of convenience, but low life cycle environment performance.

According to a report released by the European Commission¹, some single-use items that most commonly present environmental problems include the following materials:

- Plastic shopping bags
- Disposable hot and cold drink cups
- Take-out food containers
- Plastic straws
- Single-use utensils and other foodware accessories

Checkout Bag Regulation Bylaw – Lessons Learned Summary

Notwithstanding the Court of Appeal's decision, the City's experiences introducing the 2018 Checkout Bag Regulation Bylaw demonstrated several valuable lessons that should be applied to the development of any single use materials bylaw. The approach taken to introduce and implement the Checkout Bag Regulation Bylaw followed sequential phases of development with engagement as follows:

- Analysis of issues and options
- Initial engagement with select stakeholders
- Planning the application of policy tools across materials
- Deep engagement across a broad range of stakeholder groups
- **Development** of the regulation
- Engagement with business stakeholders on the draft bylaw
- Implementation of the regulation including education and awareness
- Engagement with stakeholders on issues and compliance
- Monitoring and enforcement of compliance and ongoing issues management

A detailed engagement period with key stakeholders and community members was part of the success of the Checkout Bay Regulation Bylaw. This success relied on two main components – detailed engagement with business stakeholders and community-led engagement via advocacy groups that acted as a resource-multiplier for the City. Early engagement with these organizations helped build consensus with their business members and partners around the themes of reusable bags, sustainability and the values of Victorians. This early and sustained engagement reduced churn, confusion and helped shift public behavioural norms and increased stakeholder understanding of potential unintended consequences of the various regulatory models.

¹ A European Strategy for Plastics in a Circular Economy. European Commission, 2018.

Council's clear intentions and direction for a phased-approach also was critical in attracting engagement with national and regional business leaders entered into the discussions with City staff to help shape the local debate and the bylaw content.

In summary, the following elements led to the success of the Checkout Bag Regulation Bylaw implementation in shifting away from materials (that quickly become waste after one or a few uses) with the intent to normalize the use of reusable bags:

- **Common purpose**: City staff, stakeholders and the public reached a shared understanding of purpose.
- **Shared understanding**: Stakeholders aligned around a broad acknowledgement that reusable products are the preferred alternative to single-use items.
- Strong, sustained engagement:
 - Respectful and positive communications and engagement were maintained throughout the process.
 - The impacts to businesses were considered and minimized through the inclusion of exceptions and transition provisions in the bylaw.
 - Community helped 'normalize' the issue of single-use plastic bags, for many who had never before considered the problems with these materials.
 - Communications were disseminated to reduce the confusion around the diversity of material alternatives.
- **Clear timelines and phased implementation**: timelines were established for engagement and implementation of the bylaw, with all conditions to be met, after a reasonable transition period. Regulatory requirements were designed to be clear and easy to implement.
- Education and awareness: The City provided information and branding to business to allow them to use consistent messaging and rationale.

The checkout bag regulation required significant City senior leadership resources to complete the analysis, legal reviews, lead stakeholder and industry engagement, and complete much of the communications. The process also relied heavily on engagement support from local community advocacy groups to gather important issues and build discourse within the municipality that was material to the final regulation contents. Although the bylaw has been quashed by the Court of Appeal, the regulation has been enthusiastically embraced by both business and customers and continues to be widely followed even though it is no longer legally effective.

The Checkout Bag Regulation Bylaw was enacted as a business regulation and applied solely to businesses providing checkout bags to customers. The proposed single-use materials bylaw would be enacted under the power to regulate, prohibit and impose requirements for the protection of the natural environment. A much broader power allowing the City to regulate not just business operators but also other persons. However, unlike a business regulation bylaw, this bylaw would require provincial approval prior to adoption by the City.

Development of a Single-Use Materials Regulation

Council has adopted strategic objectives/targets for regulating single-use straws, cups and takeaway containers. Council's identified items, plus food-ware accessories and shopping bags, represent many environmental problems when discarded of inappropriately. Many of these items are related to the food-industry, however, large scale improvements will involve a number of other sectors and actors including manufacturers, distributers, retailers, businesses and institutions with cafeterias and food distribution services.

Important considerations when regulating any single-use items include the following:

• The risks and benefits to the environment, economy and society.

- The availability of a convenient, cost effective, reusable alternative material/item.
- The availability of a viable, local compostable/recyclable alternative, if no reusable alternative is available.
- The implications and unintended consequences of different policy tools.
- The timing of policy signals to efficiently and effectively transition the market.
- The readiness of the businesses and community to adopt alternative products and/or behaviours.
- Local government authority.
- Timelines.

Considerations Related to Ongoing Engagement with Victoria Business

The first multi-item, single-use materials workshop was held on July 24, 2019. The session was meant to achieve multiple goals - to communicate the City's objective to reduce single-use items, better understand business strategic and operational considerations, explore the roles of business and the City, and to identify potential strategies. The workshop was attended by 22 local business representatives, primarily from the food service sector. City staff outlined a suite of policy tools and participants provided feedback on the application of each tool to priority single-use items. The policy tools included default reusable standards, pricing mechanisms, bans, reusable alternatives, material restrictions and others.

In summary, business stakeholders indicated that:

- Foam containers and straws could be eliminated in the near-term with minimal impacts to businesses.
- For single use disposable cups, business supported initial interventions such as shifting to a 'by request' model with fees for disposable cups, which was noted to still pose impacts to some businesses.
- Reusable take-out containers are not currently assessed as common/viable to allow for rapid consumer/market shift.

The initial consultation identified that additional engagement is necessary with stakeholders from other sectors. Notwithstanding subsequent engagement with business stakeholders from the food service sector, the following stakeholders have been identified as important to the development of a bylaw to regulate, prohibit and impose requirements related to single-use plastics and other products:

- Accessibility service provides and people with lived experiences;
- Grocery and general retail business sectors;
- Health regulators and the regional health authority;
- Environmental groups; and
- Staff counterparts at the CRD, Provincial and Federal Government.

Market and Community Transition Considerations

The ongoing dialogue with business on the shared priority to minimize single-use materials relies on a combination of regulatory and incentive programs. An important opportunity for the City is to partner with the local food industry, to create pilot program(s) for reusable food containers for takeaway services. Such a program could require procurement, use of City rights-of-way (dispensing equipment), and collaboration across a wide array of health, food, industry, packaging and other representatives. Such programs are considered by the industry to be crucial at this time, to help move trends towards a new standard of reusability, and prove that risks and uncertainties can be adequately treated through such partnership programs. Careful allocation of resources is required to support the different needs of regulatory development, while still making room for more creative and collaborative change-making in our community. Our local business community has already demonstrated that it is willing and motivated to lead in this space, and requires City support to introduce such programs.

Higher Level of Government Actions

Both the Federal Government and the BC Provincial Governments have active programs for the reduction/elimination of harmful single use materials (mainly plastics). The timelines for implementation remain unclear, but likely to be introduced, at least partially, in the next 2 years. The City is actively collaborating with the Province on the issue, as well as with other key stakeholders in municipal and regional governments. The CRD is also now completing its Solid Waste Management Plan, and is currently embarking on their engagement programs. City efforts to develop a regulation could be considered redundant, if the Province or other government agencies intervene, in the near term.

Summary

As stated in this report, the effectiveness of a checkout bag regulation was a product of the combination of the clarity and effectiveness of the City's intent, communications, engagement, and process. Each of the following options can be done with varying degrees and comprehension in engagement, communications, and analysis. Also stated above, the overall success of the program will depend on the options/issues analysis and planning, taking into consideration all material engagement and industry information. Successfully regulating some materials will rely on market forces, and the viability of alternatives, which varies across each material type. Any regulation should consider the appropriate phasing of any material prohibition, in order to support any required societal and market changes. The regulation would likely include a combination of new tools to reduce or eliminate single use materials, such as requirements for mandatory reporting, reusable alternatives, material pricing, fees, material performance specifications, take-back requirements, and others.

Regulation alone will not likely result in the behaviour and market changes in the timelines desired. Pilot and incentive programs, education and communications tools - will all be required to support a transition away from these types of common materials. City resources required to develop this bylaw are largely the same resources that would be required to develop and implement programs in incentive and pilot programs. Careful selection of how to apply City resources is necessary to achieve the overall objectives of sustainable materials management, and move away from problematic single-use items. The City should also consider the emerging single-use material regulatory actions at the CRD, Provincial and Federal levels, to ensure the most valuable allocation of resources.

OPTIONS AND IMPACTS

Resource Assessment:

Development of a City Regulation: This would involve taking any pertinent existing bylaw information and support documentation from other BC municipalities to help develop our own new, single-use materials regulation. There are several precedents that could be applied to the City of Victoria. Engagement efforts would be scheduled after the initial draft of the bylaw is prepared to better understand contextual implications for the community and local businesses. Overall program timelines would be largely driven by the engagement duration/complexity for periods before, during and after development of the draft regulation. Moving swiftly through the process relies on well-

managed engagement sessions, centred on meaningful materials and options for the stakeholders to consider and discuss.

Process Steps

Phase	Task	
Analysis	Review precedents	
Development	Research and assemble regulatory and technical analysis data	
	Engage stakeholders	
	Develop draft regulation and conduct additional engagement	
	Council conducts initial Bylaw readings	
	Submit for Ministerial approval process followed by adoption	
Implementation	Develop and deliver business and community education and awareness	
	materials	
Enforcement	Conduct analysis, education and enforcement as required	

Existing Staff Resource Impacts:

Based on the experience and insights gained from the Checkout Bag Regulation Bylaw development process staff assess that the development of a bylaw to regulate single-use items will have the following impacts on existing staff resources:

- Project Director: 0.2 FTE
- Departmental Manager: 0.6 FTE
- Waste Specialist: 1.0 FTE
- Communications Support: 0.5 FTE
- Legal Counsel: 0.2 FTE
- Administrative Support (across departments)

Staff recommend that Council consider these impacts alongside proposed actions to advance the zero waste strategy outlined in the November 7, 2019 Committee of the Whole report titled "Zero Waste Strategy – Update and Considerations."

<u>Project Cost Estimate (excluding staff resources)</u>: \$50,000 (includes communications, marketing, meetings and events)

Timeline Estimate: ~ 12 months to bylaw submission to the Province.

<u>Considerations</u>: This option exceeds current City resources, although progress could be expedited as above, through a combination of consultant support, additional staff, and lower-priority project deferrals.

Impacts to Financial Plan

The financial impact of developing a bylaw to regulate single-use items includes a one-time allocation of \$50,000 to support engagement and communications and additional staff resources. Staff recommend that Council consider these requirements in parallel with the zero waste strategy financial implications (subsequent report) as part of the 2021 financial planning process.

Sustainability Considerations

The elimination or reduction of problematic single use items supports environmental performance, and can have both social and economic benefits, due to eliminated waste, human health, aesthetic, tourism, community-pride, affordability and other advantages due to alignment with the values of Victorian's. Loss of convenience and changing social habits is a challenge, and will affect some

people differently, and any program or regulation must also consider issues of affordability and equity.

Accessibility Impact Statement

Some single-use materials are important products that support the health and well-being of persons with disability, and regulation development must include a clear understanding of accessibility matters, to provide benefits where required, and avoid unintended consequences.

CONCLUSION

Council directed that staff report on the process and resource implications of developing a comprehensive bylaw for the protection of the natural environment that would regulate, prohibit, and impose requirements in relation to single-use plastics and other products. Lessons from the development and implementation of the Checkout Bag Regulation Bylaw indicate that significant staff time and resources are required for multiple iterations of analysis and engagement to support the community with any proposed changes. Staff provided several options that contemplate differences in the scope of products and materials covered by a potential regulation.

Respectfully submitted,

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Report accepted and recommended by the City Manager:

Date: