



**Committee of the Whole Report
For the Meeting of December 14, 2017**

To: Committee of the Whole **Date:** December 7, 2017
From: Fraser Work, Director, Engineering and Public Works
Subject: Single-Use Checkout Bag Regulation – Draft Bylaw Feedback

RECOMMENDATIONS

Council direct staff to:

1. Implement the Checkout Bag Regulation Bylaw, effective July 1, 2018.
2. Deliver the proposed engagement and education program between January and December 2018, and
3. Include in the 2018 the financial plan an allocation of \$30,000 from 2017 surplus to complete the necessary engagement and education programs.

EXECUTIVE SUMMARY

The City's new, draft Checkout Bag Regulation Bylaw has been reviewed and feedback has been received from retailers. Since the last report on October 26, staff have met with retailers, held a formal meeting on bylaw technical content, and have met with neighbouring municipal staff to discuss the City's approach to regulating checkout bags.

Retailers raised concerns as to the City's ability to fine an individual when in contravention of the bylaw, raised issues about their ability to select bags that in fact met the desired technical specifications, the timings associated with implementation and several other comments related to possible exemptions, and bylaw intent.

Staff have proposed amendments to the bylaw language to improve clarity and accommodate the necessary changes alongside the required language to support the community's transition away from both plastic bags and excessive use of paper and reusable bags. The changes in the amended bylaw (Annex A) reflect a series of changes, as follows: a new minimum price of 15 cents for paper bags, escalating to 25 cents after one year, an initial minimum price reduction for reusable bags to one dollar for the first year, and raising to two dollars in 2019, exemptions for small paper bags and large plastic bags intended for linens and large bedding items, a relaxation of the term "machine washable" to "washable" (to allow hand washing of reusable bags not designed for washing machine use), and a relaxation on penalties, transition timings, and bag specifications and a few other modifications. The penalties now reflect a maximum charge to an individual. The City has repeatedly highlighted to stakeholders that the intent of bylaw fines is not to be punitive, but to uphold the terms and intent of the bylaw. The City's emphasis is not on enforcement but rather on an education and awareness strategy, which will help promote a smooth transition and reduce any future enforcement needs. The proposed transition timings allow retailers to use their existing bag stock up to January 2019, without penalty. The changes to bag design specifications reduce the technical targets of bag durability to over 100 uses, until such a time that a sustainable bag specification and criteria is more comprehensively developed.

Staff recommend that Council adopt the new regulations, and that these recommendations for implementation on July 1, 2018, accompanied with the necessary engagement, education and other actions already approved from the October 26, 2019 Checkout bag Council decisions.

PURPOSE

The purpose of this report is to provide Council with feedback from retailers on the proposed draft regulatory framework and implementation plan for single-use checkout bags, and the outline for the engagement and education approach proposed for 2018.

BACKGROUND

The free provision of single-use materials represents a systemic business/consumer transaction that privileges short-term convenience over long term sustainability. The current overuse of plastic checkout bags in our community is unsustainable over the long term and has been identified by many in the public to be inconsistent with the values of Victorians. The public engagement and community correspondence to date has suggested that the continued overuse of single use plastic bags is inconsistent with the values of many Victorians. The single-use plastic bag is a powerful, ubiquitous example in our community of ‘throw away consumerism’, causing materials to quickly become waste after only one or few uses. This continued practice is not merely unsustainable due to the upstream and downstream environmental impacts of plastic waste, but due to the wasteful and prevalent cultural norms that are consuming scarce resources in a manner that is not economically or socially sustainable.

While some businesses have already taken action to reduce impacts, the current volume and frequency of disposable checkout bags transactions in our community continues unsustainably. It is clear that regulatory intervention is needed now to curb this undesirable business practice. The proposed bylaw regulating checkout bags represents a legislative intervention that intends to not only limit the use of disposable checkout bags, but also signal to businesses that they must respond to the sustainability impacts from the high volume of plastic checkout bags that are entering our landfill each and every day.

On October 26, 2017, Council endorsed a set of recommendations, which directed staff to:

1. Engage with stakeholders on the draft Checkout Bag Regulation Bylaw and report back to Committee of the Whole on December 14, 2017 with the following information:
 - a) A summary of bylaw key points/issues from business and community stakeholders,
 - b) Any recommended changes to the bylaw; and
 - c) Communication, engagement and enforcement considerations and plan, including resource implications and recommendations.
2. Measure and report on the performance of the bag regulation program after one year in effect, using waste audits and retailer bag sales data, wherever possible, and analyze and review the complete program with improvement recommendations;
3. Include the development of a Single-Use Materials Management Plan in the ongoing development of the City’s Sustainable Waste Management Strategy.
4. Work with the Province, RecycleBC and other institutions to develop a performance specification for the preferred sustainable reusable bag in order to help business and industry choose amongst options, and also influence bag design sustainability standards.

And that Council:

5. Request the Mayor to write letters to each of the following key stakeholders to support regional consistency and a wide, renewed focus on waste avoidance programs:
 - a) To the CRD, and Provincial governments before December 2017 requesting support

for the City's approach to single-use checkout bag regulations and the overall increased investment in innovative strategies with a focus on waste-prevention, and the required stewardship programs to drastically reduce single-use materials, including plastic bags;

- b) To major food producers before January 2018, requesting increased efforts in the development and implementation of improved use/application of recyclable, sustainable and eco-benign packaging for food and household items; and
- c) To the CRD and neighbouring municipalities by the 7th of November 2017 requesting feedback and/or support for the City's single-use checkout bylaw principles and rules.

Since October 2017, staff has discussed the issue with several retailers, and received a number of emails providing feedback on the issue. Staff hosted a roundtable with retailers and the Greater Victoria Chamber of Commerce to discuss the complete bylaw contents. Other one-on-one meetings were held with various retailers and local and regional business representatives. Staff have also held discussions with neighbouring municipalities.

ISSUES AND ANALYSIS

Business Engagement Key Issues

Retailers have had an opportunity to provide feedback on the proposed ban since early 2017, but most specifically on the draft bylaw that was published on October 18, 2017. Many stakeholders, have provided additional feedback since the last report to Council, which include the following key themes, and are discussed in detail in Annex B:

- **Mandatory Bag (Paper and Reusable) Fees:** Several retailers were concerned about the obligation to charge and account for bags, and noted their preference to give bags away for free. The City explained the rationale that free bags were most likely to become waste, and if the community is to avoid excessive paper and reusable bag consumption, fees have to be set accordingly.
- **Enforcement and Penalties:** Overall, retailers were concerned as to the potential fines that could be administered to their staff for any bag related infraction. At various sessions, City staff expressed their view that penalties are the potential outcome of an infraction of this proposed bylaw. Staff stressed that if any enforcement is to occur it would only commence after a grace-period (January 1, 2019). Fines are a means to provide disincentive for any disregard of the bylaw terms.
- **Bylaw Timings:** Several retailers requested a delay to the enforcement period, and also requested that their bag stocks could be used before being subjected to any enforcement penalties.
- **Bag Specification:** Many retailers also highlighted that they need more information / tools if they are to successfully source sustainable reusable bags made to the required durability standards.

These items are explained in detail in Annex B.

Proposed Bylaw Amendment Summary

Based on the above analysis and commentary (Annex B), staff recommend the following amendments to the draft bylaw.

1. Bylaw Specific Commentary:
 - a. **Mandatory Bag Costs:**
 - i. Set minimum checkout paper bag fee of 15 cents, increasing to 25 cents

- after July 1, 2019.
 - ii. Set minimum reusable checkout bag fee of one dollar, increasing to two dollars after July 1, 2019.
 - b. **Bag Design Specification:**
 - i. Modify reusable bag performance specification to state “designed and manufactured to be capable of at least 100 uses”, until a more robust standard and industry test regime can be developed.
 - ii. Change the term “machine washable” to “washable”
 - c. **Implementation Timeline:**
 - i. Retain the bylaw implementation date of July 1, 2018.
 - ii. Retain the active enforcement timelines to commence after January 1, 2019.
 - d. **Enforcement Considerations** (penalties and timelines):
 - i. Introduce a minimum and maximum offence for an individual and corporation.
 - e. **Bag Exemptions:**
 - i. Add exemptions for live fish, small paper bags and very large plastic bags.
 - f. **Use of Remaining Bag Stock:** Make provision for bags purchased prior to the first bylaw reading, to be used by retailers, but not permitted after January 1, 2019.

Community Awareness and Education Program

An education and marketing campaign is required to gain valuable feedback from business on the proposed draft bylaw, and then to educate the public, business, residents and tourists on the regulation and help transition from plastic to reusable bag. A review of other jurisdictions with experience in bag-bans also found that retailer and public awareness campaigns were central to the successful roll out of Bylaw regulations.

Awareness Campaign

Individual retailers and business groups have been consulted as part of the development of the new Bylaw and have all agreed that an awareness campaign should be considered as part of the City’s implementation plans. Staff reviewed how other jurisdictions implemented a bag regulation, and found that retailer and public awareness campaigns were central to the successful roll out of Bylaw regulation, and essential to avoid enforcement requirements. Staff recommend that a multi-faceted awareness campaign launch following the adoption of the Bylaw and continue for one year. The awareness campaign will be evaluated after one year and ongoing activities will be incorporated as part of the City’s Waste Management and Climate Leadership engagement and social marketing plans. The primary goals of the campaign are to:

1. **Educate:** Make it easy for retail businesses to understand the new Bylaw regulations and make the shift away from single-use check-out bags.
2. **Normalize:** Normalize the use of reusable shopping bags by residents and visitors to Victoria,
3. **Promote:** Stimulate a shift away from single-use materials, and help raise awareness that “plastics are precious” and not to be wasted on items that quickly become waste after only a single or few uses.

Strategic Approach

The multi-faceted campaign will focus on three main groups: retail businesses, residents and tourists, as follows:

Retailer Businesses

The City will collaborate and partner with local organizations to develop, implement and evaluate the plan. This will include business and retail groups (Chamber, DVBA, shopping malls, retail associations), advocacy groups (Surfrider, Greenpeace, Glenlyon Norfolk School), and tourism organizations (Tourism Victoria, GVHA), among others.

The strategic approach with retail businesses will focus on providing clear information about the new Bylaw regulations, as well as tools and tips to help implement change within their business operations. As a first step, a focus group will be held to develop a 'Retailer Tool Kit' which could include such things as in-store/point-of-sale customer signage, a list of sustainable bag suppliers and key messaging for staff training. A series of retailer information sessions will be held to help businesses prepare for the July 1, 2018, implementation date for the new bylaw.

Residents

A community-based social marketing approach will be used to foster a shift towards increased use of reusable bags by shoppers. Strategies and tactics for this facet of the overall campaign will be developed based on information from studies completed in other jurisdictions and surveys of local shoppers to be completed in collaboration with advocacy groups, educational institutions and large retailers. This research will look at consumer behaviors around reusable bags, along with perceived barriers and benefits to using them. One year after implementation of the Bylaw and the launch of the awareness campaign, a follow-up survey will be conducted to assess behavior change.

Visitors

The City will partner with local tourism associations and operators to develop a program to inform visitors once they arrive in the city that Victoria is a plastic-bag-free destination. The main aim will be to assist retailers to inform visiting shoppers about the City's regulations and gain their acceptance and understanding. This program will be in place for the summer and fall tourism season.

Strategies and Tactics

The primary strategies will include direct meetings and information sessions with retailers, the development of a Retailer's Toolkit (information and messaging), website and social media content, media relations and online advertising.

In addition, the City will launch a contest for the most creative and compelling idea to inspire people to make the shift to reusable shopping bags. A panel will select the winning entry. The creators will win \$2,000 and the idea may become part of the City's awareness campaign.

The awareness campaign will be evaluated in January 2019, and will incorporate synergies with the City's activities in sustainable waste reduction programs and Climate Leadership.

Enforcement Considerations:

The enforcement requirements will be directly reduced by the effectiveness of the education campaign and the willingness of businesses to adopt the new standards. Staff has completed an initial scan of communities that have successfully transitioned to this type of legislation. Many of

these communities do not actively enforce, but instead focus on partnering and communications to raise awareness that delivers the required compliance.

OPTIONS AND IMPACTS

Option 1: Approve the amended single-use checkout bag regulation, to implement a ban on plastic bags, which is intended to address unintended consequences raised by stakeholders, and also avoid excessive paper and reusable bag use (**recommended**):

Council direct staff to:

1. Implement the Checkout Bag Regulation Bylaw, effective July 1, 2018.
2. Deliver the proposed engagement and education program between January and December 2018, and
3. Include in the 2018 the financial plan an allocation of \$30,000 from 2017 surplus to complete the necessary engagement and education programs.

Option 2: Abandon this particular bylaw and develop an alternative strategy using bag fees/levies only.

This option does not align / comply with existing Council direction to proceed towards a bag ban for single-use plastic checkout bags, but could be explored as an alternative to achieve meaningful bag reductions¹. This strategy is a milder regulation that is more favourable to many stakeholders, who believe that a levy will achieve significant reductions in plastic bag use, without removing customer choice, and posing less risk of unintended consequences.

Option 3: Abandon this particular draft bylaw and develop an alternative strategy for bag reduction education and awareness program, only.

This option does not align / comply with existing Council direction to proceed towards a bag ban for single-use plastic checkout bags, but could be explored as an alternative to achieve a milder regulation that is more favourable to many stakeholders who believe that a slower, education format is the best strategy to realize behavior change, without the disruption of a ban. It is unclear if this strategy could deliver the desired outcome, in reasonable timescales, along with the required corporate sustainability behavior improvements;

Option 4: Take No Further Action.

This option does not comply with expressed Council direction, nor does it address the unsustainable business and customer practice related to accumulating materials that quickly become waste after only a few uses.

Option 5: Combination of the above.

Any combination of the above strategies could be explored further, that aim to address a mix of the following key components:

- a) Regulation on single use plastic checkout bags,
- b) Corresponding regulations to minimize any excessive paper or reusable bag use;
- c) Timeline for implementation, and
- d) Education, partnerships, petitioning, and continued waste management strategies.

¹ An assumption that bag fees will result in meaningful reduction of overall bags in circulation, as experienced in many other parts of the world, including the Hong Kong, Wales, Scotland, England, the Republic of Ireland, and many cities worldwide.

CONSISTENCY WITH CITY STRATEGIES

Accessibility Standards

Considerations related to plastic and checkout bags have been raised by the Accessibility Working Group (AWG) (Annex C). The AWG suggested that bag alternatives should perform well in wet weather and have handles, that grocery store germs should be appropriately managed by suitable customer and retailer action, and that bin liner sales with perfumes may not be acceptable for those sensitive to allergens. All residents are encouraged to adopt reusable bags as standard, and to keep them clean and free from germs. The cleanliness at grocery stores remains outside of the scope of the City and this regulation Reusable bags that perform well in wet weather are available in the marketplace. The elimination of free plastic checkout bags keeps 17 million bags from City residents and many more from visitors – out of the waste management system, but may result in some residents purchasing bin liner bags for their use at home. Bin liner bags may not always be required for safe, dry garbage that is destined for the landfill. Customers should make it known to store managers of their preference to purchase perfume-free bags.

Official Community Plan

Reduction of waste, litter and marine debris are consistent with the OCP and the development of vibrant, healthy communities.

2015-2018 Strategic Plan

This initiative is a pathway to achieve Objective 11 of the Strategic Plan. This program supports the avoidance of practices that result in materials quickly becoming waste after only a few uses, and includes actions to incentivise improved sustainable business behaviours, to support the City's economic, social and environmental well-being, vitality and community values.

Financial Plan

Staff have already included a proposal for the addition of a sustainable waste-management engineering position (there is currently none) via the upcoming 2018 budget supplemental requests, as part of the financial planning process – to progress this and other important circular economy and City-specific waste prevention, reduction, reuse, recycling and repurposing priorities.

The funds necessary to complete this work can be allocated from available 2017 surplus.

NEXT STEPS

With Council's endorsement, staff will execute the recommended engagement activity related to the draft bylaw, and report back on progress or any changes as and when required, including commitments to report back formally after one year of implementation.

Respectfully submitted,



Fraser Work, Director
Engineering and Public Works,



Bill Eisenhauer
Head of Engagement,

Report accepted and recommended by the City Manager:



Date: December 8, 2017

Attachments:

Annex A: Detailed Engagement Commentary

Annex B: Detailed Commentary and Review of the Draft Checkout Bag Regulation Bylaw

Annex C: Excerpt from Accessibility Working Group Minutes (November 2, 2017)

Annex D: October 26 COTW Report