

Revisiting City's Single-Use Beverage Cup Fee Policy

Standing Committee on Policy and Strategic Priorities
March 2, 2022



Overview

1. Background
2. Steps Taken to Review By-law Implementation
3. Key Takeaways
4. Recommendations
5. Conclusion



Background

Waste from Single-Use Cups and Bags

Millions of single-use items thrown in garbage in Vancouver each year:

- 82 million single-use cups
 - 50% hot drink cups
 - 50% cold drink cups
- 89 million plastic shopping bags
- 4 million paper shopping bags



Council Direction

- Since Jan. 1, concerns about:
 - Impacts to people experiencing homelessness and residents with low incomes
 - Businesses charging cup and bag fees without offering reusable alternatives
 - How businesses use cup fee revenue
 - Bags for take-out and food delivery
- On Jan. 25, Council directed staff to report back by Mar. 15:
 - Provide better understanding of facts and experience since cup fee by-law came into effect
 - Include recommendations for any adjustments to the policy

Steps Taken to Review Implementation

1. Business preparedness
 - Requests for and distribution of toolkit materials
2. Reviewed inquiries – numbers and types
3. Current levels of business compliance
 - Contacted 87 food vendor locations
 - Industry associations and national/multi-national franchises
4. Cup-sharing
 - Meetings/emails with cup-share programs in Vancouver
5. Shopping bag regulation jurisdiction scan
6. Feedback from non-profits – equity concerns

Key Takeaways

Business Preparedness

- Most businesses prepared for by-laws in advance, but many prepared last minute
 - 39% of toolkit materials requested after by-laws came into effect on Jan. 1

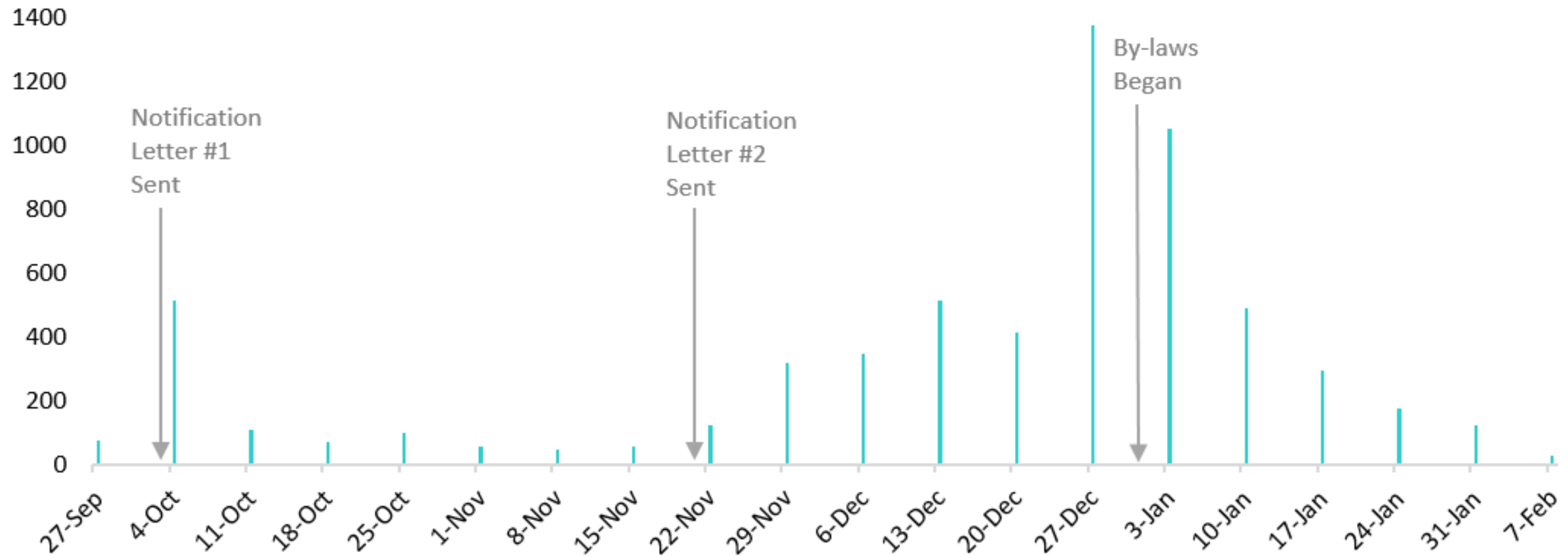
By-law Toolkit Assets Distributed Oct 1 – Feb 11 (Downloads and Print Materials)

Assets (includes all 6 languages)	Before By-laws Started (Oct-Dec, 2021)	After By-laws Started (Jan-Feb 11, 2022)	TOTAL
Complete Toolkit	326	167	493
By-law Guides*	1,369	700	2,069
Cup By-law FAQs*	299	232	531
Bag By-law FAQs*	505	324	829
Cup Posters*	365	304	669
Shopping Bag Posters*	293	178	471
Cup Till Topper*	220	274	494
TOTAL	3,377	2,179	5,556
PERCENT	61%	39%	100%

* Ordered separately from complete toolkits.

Business Preparedness, continued

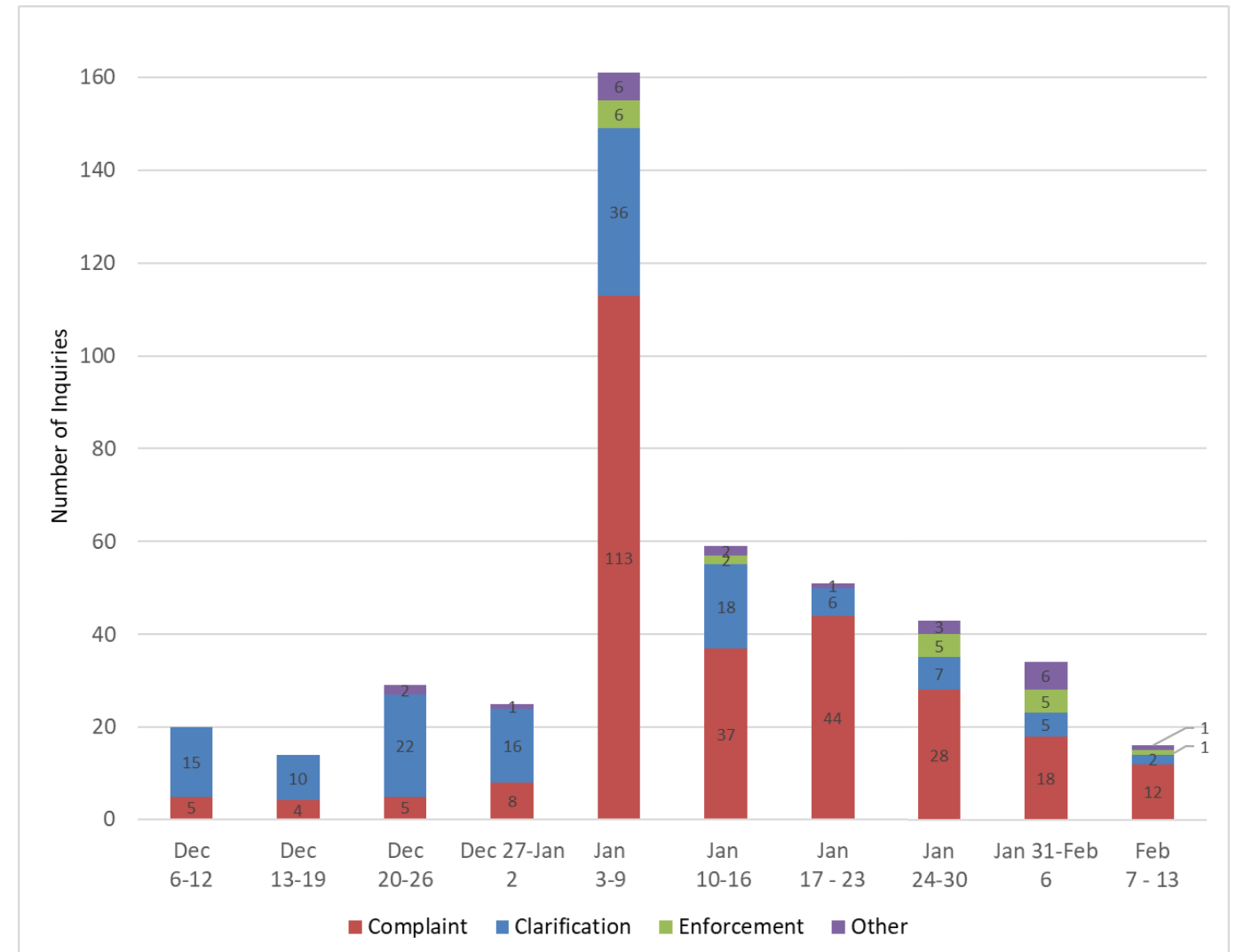
- Toolkit downloads peaked week before by-laws came into effect
 - Remained high for first two weeks in January



By-law Inquiries

- Complaints declined since first week of by-laws coming into effect
 - 442 inquiries received between Dec 6 - Feb 13
 - Peak: 161 week of Jan 3
 - Only 16 by week of Feb 7
- Many businesses/residents prepared for change
- Overall complaints lower than expected

Inquiries from Residents and Businesses:



Transition to Reusables

- Small businesses and local chains quickest to implement
 - Most local chains & small businesses give options to avoid cup fee
 - One national chain developed own cup-share program
 - Also accepts customers' reusable cups & offers reusables for drinks to stay
- Large chains lagging behind
 - Working on expanding reusable options
 - Hampered by approvals needed – corporate, franchises – as looking at broader changes than just Vancouver
- Removing or delaying cup fee will disadvantage small businesses and local chains that complied and transitioned to reusables
 - Could derail initiatives underway

Growth of Cup-Share Programs

- Customers borrow sanitized reusable cups for drinks to go and return later
 - Available at 48 vendors (82 locations). Additional 75-100 in next 6 mo.
 - DVBIA partnered with cup share provider – targeting 50 businesses
 - Customer demand for reusable options is driving business participation
 - Cup fee revenue offsets costs (e.g. cups, washing, staff training, customer education)
- Removing cup fee would stall or end these programs

Giving Consumers Options to Avoid Cup Fee

- City intervention may be needed
 - City can compel businesses to accept customers' reusable cups
 - Some businesses may need more time to update food safety and sanitation plans so they can accept reusable cups
- Addressing public's mistrust in use of fee revenue
 - City can set deadline for businesses to offer reusable cups for to-stay drinks, and provide cup-share for to-go drinks
 - Signal for businesses to invest fees in reusable alternatives
 - Consultation needed to determine appropriate time frame

Lowering Cost of Drinks by \$0.25

- Some businesses reduced drink prices to offset fee
 - Esp. where reusable options aren't yet available
- Showing fee separately still creates consumer pressure for reusable options
 - Supported by behaviour change research

Harmonization with Shopping Bag Regulations

- Vancouver's by-law is generally consistent with other B.C. municipalities
 - Our fees are currently lower for paper and reusable bags
- None waive fees on drive-thru, take-out or food delivery
- Consistency across region and province is most effective path to change
- Staff do not recommend changing shopping bag by-law at this time



Shopping Bag Regulations and Policies in B.C.:

Jurisdiction	Adoption Date	Effective Date	Plastic Bag Ban	Initial Paper Bag Fees \$0.15	Paper Bag Fee \$0.25	Exemption for Drive-Thru, Delivery, Take-out	Initial Reusable Bag Fees \$1	Reusable Bag Fees \$2	Businesses Keep Fees
Government of B.C. Ministerial Order 309 ⁸		Jul 26/21	✓	✓	✓		✓	✓	✓
<i>Metro Vancouver Municipalities:</i>									
Metro Vancouver Guidance	Nov 26/21	n/a	✓		✓			✓	✓
Vancouver	Jan 21/20	Jan 1/22	✓	✓	✓ Jan 1/23		✓	✓ Jan 1/23	✓
Surrey	Oct 19/21	Oct 19/21	✓		✓			✓	✓
Richmond	Sep 27/21	Mar 27/22	✓						n/a
Delta	Dec 6/21	Jul 6/22	✓		✓			✓	✓
Port Moody	Oct 12/21	Apr 22/22	✓		✓			✓	✓
<i>Other B.C. Municipalities:</i>									
Esquimalt	Jun 14/21	Aug 16/21	✓	✓			✓		✓
Nanaimo	Feb 22/21	Jul 1/21	✓	✓	✓ Jan 1/22		✓	✓ Jan 1/22	✓
<u>Rosland</u>	Mar 8/21	Mar 8/21	✓		✓			✓	✓
<u>Saanich</u>	Jun 21/21	Aug 20/21	✓	✓	✓ Aug 20/22		✓	✓ Aug 20/22	✓
<u>Sooke</u>	Nov 22/21	May 22/22	✓		✓			✓	✓
Tofino	Oct 13/20	Apr 13/21	✓		✓			✓	✓
<u>Ucluelet</u>	Oct 13/20	Apr 13/21	✓		✓			✓	✓
Victoria	Apr 15/21	Apr 15/21	✓		✓			✓	✓



Equity

- By-laws adopted 2019 – pre-dates 2021 Equity Framework
 - Focused on balancing competing factors including equity for people experiencing poverty or living with low incomes
 - Cup fee exemption for charitable food services
 - Collecting and redistributing donated reusable shopping bags
 - Language supports
- Proposed amendments to improve equity:
 - Exempt free drinks from cup fee
 - Support development of low barrier cup-share programs
 - Work with non-profits and other stakeholders to identify additional options
 - Use Equity Framework (adopted 2021) to evaluate further supports

Ongoing Need for Outreach and Education

- Stakeholders identified need to continue outreach and education and support to businesses and community on cup bylaw

WE ACCEPT CLEAN REUSABLE CUPS



Vancouver's cup by-law begins January 1, 2022 with a \$0.25 fee on single-use cups to discourage their use and drastically reduce waste. It's part of our commitment to be zero waste by 2040.

 [VANCOUVER.CA/REDUCE-SINGLE-USE](https://vancouver.ca/reduce-single-use) 

COFFEE AND TEA TIME IS CHANGING.

As of January 1, there is a minimum 25-cent fee on single-use cups in Vancouver.



 Bring Your Own Cup to avoid the fee and reduce waste.
vancouver.ca/single-use  

Recommendations

Recommendation A

- Exempt free drinks from cup fee
 - To take effect March 29, 2022 (next Council meeting)
- Rationale and outcomes:
 - Will exempt people experiencing poverty or living with low incomes from paying cup fee:
 - When redeeming free drink vouchers and monetary gift vouchers
 - When ordering free drinking water from food vendors
 - When ordering free drinks using rewards or points programs (which many residents rely on to help with affordability)

Recommendation B

- Direct staff to work with non-profits and other relevant stakeholders in 2022 to:
 - Develop and expand low barrier cup-share programs that can be accessed by people experiencing poverty or living with low incomes
 - Raise awareness about goal to reduce single-use items and how to access low barrier cup-share programs
 - Identify additional options for addressing inequity in cup by-law (e.g. support programs and other possible by-law amendments)
 - Use City's Equity Framework to assess and recommend actions

Recommendation B, Continued

- Rationale and outcomes:
 - Ensures people experiencing poverty or living with low incomes can participate in transition to reusables and zero waste
 - Ensure people know reasons for reducing single-use cups, how to access low barrier cup-share programs and other options for avoiding cup fees
 - Supports development of equitable circular business models in Vancouver
- Quick-start action:
 - Pilot free and low barrier cup-share programs in partnership with local non-profits, cup-share providers, and businesses

Recommendation C

- Require food vendors to accept customers' reusable cups for in-store orders for hot and cold drinks by July 1, 2022
- Rationale and outcomes:
 - Ensures cup fee works as intended
 - Allows customers to avoid fee and reduce waste
 - Creates level playing field for all businesses
 - Ensures proactive businesses aren't disadvantaged for accepting reusable cups
 - It is expected most businesses will accept reusable cups before July 1
 - Deadline allows time for:
 - Developing by-law amendments in consultation with health authorities
 - Businesses to update food safety and sanitation plans, if needed
 - Health authorities to review and approve food safety and sanitation plans

Recommendation D

- Direct staff to report back within 18 months with timeline and potential options for requiring businesses to:
 - Provide reusable cups for drinks ordered to-stay
 - Offer reusable cup-share program for to-go drinks
- Rationale and outcomes:
 - Sends strong signal for businesses to invest in reusable options
 - Gives public more confidence businesses will be transparent and accountable for investing cup fee revenue in reusable alternatives
 - Gives 18 months for City to consult on timeline and cup-share to scale up

Conclusion

- Vancouver's cup by-law is first in Canada
- A transition period is expected while:
 - Businesses adjust operations from single-use to reusable cups
 - Consumers adopt behaviour changes
- Staff encouraged by uptake of reusable cup programs
- While some businesses left preparations to last minute, many were prepared and accommodated changes
- Recommendations address critical implementation challenges and set stage for City's transition to circular economy and zero waste by 2040

Questions?



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ZERO WASTE