

INQUIRY OF THE CITY MANAGER

FROM: Councillor Michael Walker

SUBJECT: 5-cent Plastic Bag Tax - Environmental Initiative

DATE: September 21, 2009

Dear Mr. Pennachetti,

I am writing to inquire into the City mandated 5-cent charge for plastic bags by all retail businesses in the City of Toronto which took effect in June 2009.

Ostensibly a noble environmental initiative to reduce the amount of plastic bags used by Torontonians, this City bylaw forces all retail businesses in Toronto to charge the customer five cents for each plastic bag they require to carry their purchase(s). This bylaw requires the business to offer the customer a free alternative to a plastic bag, such as a paper bag or a cardboard box. Further, all the proceeds from this plastic bag charge are kept by the individual businesses and no funds are given to the City from the businesses' proceeds due to this charge; there is a City issued notice behind the business' checkout counter that notifies the customer of this fact.

Several large grocers (such as Loblaw's, Sobey's, and Metro) do not offer a free alternative but only ask 'how many plastic bags do you want' – this puts these businesses in contravention of the bylaw. It is unclear if the City is actually enforcing this bylaw or not.

It is certain that there has been a reduction in the number of plastic bags used by the public and this has translated into a reduction of plastic bags going into the City's landfill or recycling program (since the City's program now accepts plastic bags).

But at the same time, this five-cent charge is also enabling the businesses to cut their cost of plastic bags (previously offered as complementary to the customer) and to turn a profit by keeping five cents paid by a customer for every plastic bag. Further, the newfound and booming market in 'environmentally-friendly' cloth bags that are now offered for a cost to a customer also turns a profit for the business, particularly grocers. Yearly, these new profit-streams amount to thousands of dollars for a small business to millions of dollars for a large business.

I have the following questions regarding this issue:

- 1) How is the City measuring the success of this new bylaw?
- 2) Since June 2009, how many plastic bags have been charged for under this new bylaw?
- 3) How many times per year does a business report to the City regarding the number of plastic bags it dispenses to its customers?
- 4) If a retail business does not offer an alternative to a plastic bag and contravenes the bylaw, how does Municipal Licensing & Standards take enforcement action – what is the process followed?
- 5) If the City has enforced this bylaw, how many Orders and Fines have been issued to businesses in contravention of this bylaw since June 2009?

I look forward to your reply.

Sincerely,

Michael Walker
Councillor – St. Paul's