



### PLASTIC BAG TAX BRINGS NO BENEFIT

Since 2007, when Leaf Rapids, Manitoba, became the first Canadian municipality to ban plastic shopping bags, a handful of other municipalities have contemplated similar moves. Most have rejected the idea. However, Toronto decided to impose a levy on shopping bags as a disincentive for shoppers. As of June 1, 2009, the City of Toronto has forced all retail merchants to charge a five cent levy on all plastic carrier bags through a new packaging by-law. Toronto has a target to divert 70 percent of waste from landfills and the focus paid to plastic bags implies the City understands plastic bags to be a major contributor to the city's waste production. By imposing a five cent levy (which has the same effect as a tax) on plastic shopping bags, Toronto seeks to force residents to use alternatives, like reusable hard plastic bags, boxes, or tote bags.

#### Plastic Bag's Contribution to Waste

The insignificant amount of waste reduction that can be had from "taxing to reduce" can be understood if the contribution of plastic bags to the waste stream is examined more closely. In 2006, 696,327 metric tons of garbage was created by the residents of the city of Toronto. In an average year, approximately 500 million plastic bags are used in the City of Toronto. At first that sounds like a significant contribution. However, these plastic shopping bags weigh between about 0.01 and 0.02 lbs (4.5g to 9g). So the total weight of all the plastic bags used in the city is between 2 and 4.5 metric tons. Of the total of 696,327 metric tons of garbage produced in Toronto, plastic bags make up between 0.3% and 0.6% of the total weight of all Toronto's garbage. At a fraction of one percent of the city's refuse, plastic bags hardly warrant being called a "major contributor" to waste – or a major priority in helping reduce garbage. This tax is just an empty, symbolic form of environmentalism. Any waste reduction is miniscule. Toronto's measure is in fact both a punitive tax and a greenwashing stunt.

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### Benefits of Plastic Bags

There is some form of reuse for virtually all plastic bags. People use them:

- To carry lunches;
- As household garbage bags;
- To clean up after pets;
- To wrap up dirty diapers;
- To contain items put in charity drop boxes;
- To store items such as Christmas decorations; and
- As wrapping and packaging material when moving breakable items.

If people do not pay the 5¢ tax on bags, they will have to find other ways to dispose of garbage and dogs' messes. Instead of using grocery stores' plastic bags for these functions, people will have to buy purpose-made garbage bags. Consequently, taxation doesn't cause waste reduction but merely cost transference. It should be a boon to the plastic bag manufacturing industry!

Even after the 5¢ tax, plastic shopping bags are still more economical than purpose-made garbage bags. It costs five cents for a bag from a retailer, but the plastic "garbage" bags' retail cost is between seven and thirty cents a bag. Generic, "house-brand" bags cost approximately 7 to 10 cents per bag, and name brands start at about 13 cents a bag. Even with the Toronto bag tax there will still be a major market for plastic shopping bags.

### Environment and Health Concerns

This tax poses serious questions about the City of Toronto's analytical and management abilities. First, there are biodegradable plastic bags provided by stores (such as Pharmasave) that offer the utility and economy of regular plastic shopping bags. Yet Toronto for "environmental" reasons intends to eliminate all plastic bags – even the biodegradable ones.

There are also the health concerns reusable bags pose which have not been considered by the City of Toronto. When plastic bags were free of charge, they were used to separate meat products from other foodstuffs. Now, however, bags are not given to customers for such purposes. A recent study by Sporometrics demonstrated that over 64% of reusable grocery bags contained bacterias, and one in ten had coliforms and fecal bacteria in them. In short, this plastic bag tax policy has created a public and consumer health issue.

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### Financial Implications

Another example of thoughtless decision-making deals with the financial implications. The City of Toronto imposed the tax, yet the City does not intend to collect the taxes from the bags. Instead retailers are “encouraged” to donate these monies to environmental or charitable organizations. There is no accountability because these potential donations are not controlled or monitored in any way. The public has now been forced to pay into a supposed “environmental” measure which may not see any real impact beyond profit creation for merchants. The average bag costs grocery stores between 1.5¢ and 2.5¢. Therefore, if the monies are not given to charitable organizations, merchants make over 100% profit on every bag sold. There could be up to a \$44-million windfall for merchants within Toronto, and in particular for the major food retailers. On a national basis, the windfall profits for merchants – mostly food retailers – will be about \$225 million.

The city of Toronto has imposed a tax that has virtually no public benefit. The tax demonstrates political grandstanding grounded in environmental rhetoric. This bag tax program appears to be as much about creating political capital using the rhetoric of “sustainability” and “the environment” than it does about meeting environmental objectives. It seems to be more important to look “green” than to actual institute policies with real environmental benefits.

The role of major grocery chains in supporting the measure is also suspect as they stand to benefit financially on the sale of plastic bags as well as reusable bags that are also marked up about 100%.

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### What Should Concerned Consumers Do?

- Seek out and patronize food retailers who do not charge for the bags;
- If necessary, continue to buy the plastic bags to meet your re-use needs;
- Write to the head office of your food store retailer and to your local councillor and tell them to put public health and recycling ahead of profit and take the tax off the bags;
- Write to the head office of your food store retailer to encourage “take-back” programs, allowing customers to return plastic bags so they can be recycled by the stores they were purchased from;
- If you are in a centre outside of Toronto, tell your municipal leaders to NOT bring in an anti-bag bylaw or bag tax.
- Be cautious in using the “reusable” bags because of possible food contamination. To be safe they need to be washed after each use.

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### **Grocery Corporations' Contact Information:**

#### Loblaw Companies Limited

1 President's Choice Circle

Brampton, Ontario, L6Y 5S5

Telephone: 1-800-296-2332

Customer feedback forms available at: <http://www.loblaws.ca/en/4791.aspx>

Executive Chairman: Galen G. Weston

#### Metro Inc.

11 011, boul. Maurice-Duplessis

Montréal, Québec, H1C 1V6

Telephone: 1-877-763-7374

Customer feedback forms available at: <http://www.metro.ca/corpo/accueil.en.html>

President and CEO: Eric R. La Flèche

#### Sobeys Inc.

115 King Street

Stellarton, Nova Scotia, B0K1S0

Telephone: 1-905-212-9511

Customer feedback forms are available at: <http://www.sobeys.com/contact-us/>

President and CEO: William G. (Bill) McEwan

#### Longo Brothers Fruit Markets Inc. (Longo's)

3767 Nashua Drive

Mississauga, Ontario, L4V 1R3

Telephone: 1-800-956-6467

Email: [1800@longos.com](mailto:1800@longos.com)

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