

February 21, 2025

His Worship, Mayor Cam Guthrie
Members of Guelph City Council
(Sent electronically)

Your Worship & Members of Council:

Restaurants Canada members proudly contribute to Guelph's community as employers, servers of meals and providers of great dining experiences, and as responsible and caring community builders committed to playing a key role as environmental stewards. Our industry has led the way as innovators and leaders in reducing food and packaging waste, lowering carbon footprints, and investing in energy efficiency upgrades, alongside other forms of environmental stewardship.

Our members supported Guelph's previous actions on customer-provided reusable cups.

Despite this, Ontario's foodservices industry finds itself in a difficult place. Pre-pandemic, 12% of Canadian restaurant companies reported that they were losing money or barely breaking even, a figure that now stands at 53%. Our industry is struggling because our operating costs have rapidly risen over the past four years while our revenues have declined as Canadians have had to pull back on restaurant spending to devote a greater share of their household wallets to housing, grocery bills, and other essential spending. Please see the Appendix for additional industry statistics.

Now, the city is consulting on whether to put in place rules to compel restaurants to accept customer-provided reusable containers.

Our industry cannot, and will not, support or accept reusable-container policies that are in violation of Ontario Health Codes and that put the health and safety of patrons, workers, and other individuals at risk and/or that create additional liability risks for struggling restaurant operators.

Below, we have outlined four scenarios for which a customer could request that their food be served in a re-usable container alongside our concerns and positions.

Scenario 1 – A customer asks or demands that their meal is served into a reusable container that they provide.

Restaurants Canada Position – Restaurants cannot and should not comply with these requests as they are contrary to Ontario Health Codes.

Our Concerns

- We refer the city to sections 26 and 33 of [Ontario Regulation 493/17: Food Premises](#), under Ontario's Health Protection and Promotion Act.
 - We believe that on its own, the regulation makes it clear that accepting a customer-provided reusable-container would not be acceptable because it would compromise the ability of a foodservice establishment to prevent food contamination and prevent food borne illness. For context – a guest container could look clean, but staff have no way of verifying that it is sterile and free from contamination. For example, a container may carry residual odors or fragrances since not all contaminants are visible which highlights the importance of considering all sensory factors. Moreover, an unsterile container could introduce allergens to a facility or crew that could contaminate the next thing they touch. Thus, a guest container could be the source of contamination and therefore, under the regulation, the restaurant should not bring it behind the counter, touch or fill it.
 - It is not feasible to expect that restaurant staff could ensure a 'touch-free' transaction. It is also not feasible or credible to believe restaurant staff could or would thoroughly wash their hands every time they have to fill a customer provided container at the front of house/cash register. Thus, mandating the use of customer-provided reusable containers would force restaurants to violate provincial regulations to comply with a potential municipal by-law, and would compel them to jeopardize the health and safety of customers and patrons. As a result, restaurants would be opening themselves up to provincial consequence, liability, and conflict with insurers not willing to accept such risk.
- While we believe the above point is sufficient, we note that there are other operational reasons why such a policy is unworkable as a mandatory policy.
 - **Portion Control** – Many containers that restaurants use are specifically designed, or are sized consistently (i.e. plates) so as to help servers/cooks ensure customers get the right amount of food. This helps restaurants comply with obligations and policies around ensuring customers can trust posted calorie counts and other nutrition data. It helps ensure customers are not short-changed and/or that restaurant operators are not overserving customers at their financial loss. These factors are also important to eliminating, or at least mitigating, risk of our staff finding themselves in potentially highly charged disputes with angry customers who may believe they have been treated unfairly.
 - **Protecting Food Quality/Dining Experience** – Proprietary food containers are built to protect individual menu items from coming into contact with one another when it is undesirable for them to do so. They are also designed to keep food items appropriately warm, cold, dry, etc. A customer-provided container may not be sufficient to hold a meal and/or to protect it from being *smooshed* or otherwise compromised. Moreover, a customer-provided container may contain or have been exposed to certain chemicals which could migrate into food and compromise the food's taste and quality. These factors are important to consider when protecting brand integrity and minimizing risk of customer complaints, conflicts, and refusal to pay for meals provided.

- **Safety/Unreliable Containers** – Beyond contamination risk, the container could pose an immediate safety risk to the restaurant employee, other patrons, and potentially, third-party delivery services.
 - For example, a customer-provided container may not properly lock closed, either due to a faulty container or because it is not appropriately sized to house the restaurant prepared meal. This could cause the menu item, perhaps a hot soup or high-temperature item, to fall onto an employee or to splash up and burn/potentially scar an employee's or patron's skin. This also creates a liability risk for the restaurant in an environment where insurance rates have already gone up significantly in recent years.
 - Furthermore, if a container proves unreliable or an employee/customer drops a glass container, it creates multiple challenges – the floor is covered in broken glass, and the restaurant must find a replacement. Not only could this escalate customer service issues, but the restaurant owner may be forced to absorb the cost of having to pay for a substitute meal to replace the one that was dropped. Depending on the circumstances, a thorough inspection is also necessary to ensure broken glass did not contaminate food and that no employees were injured.
 - Given these risks, it is unclear how the city would determine the appropriate standard operating procedure (SOP) for replacing damaged containers. Specifically, who is responsible for the replacement, and what criteria are used to determine the appropriate monetary value or form of replacement?
- **Compromising speed of service/service standards** – It is our understanding that the city is not considering mandating the acceptance of customer-provided re-usable containers in drive-through, pick-up or third-party delivery scenarios. We are supportive of this, as in these scenarios, it is not practical or feasible to accept customer-provided containers.
 - Whereas drinks are commonly filled at the drive-through window, meals are plated/packaged outside of that environment. That means that even if the order is placed, the restaurant cannot begin to prepare the meal because it cannot verify the container is acceptable until the patron arrives at the pay window. This can significantly slow customer service and can result in longer idling times and vehicle emissions while holding up service.
 - Slowing down drive-through service not only frustrates customers but also puts employees in a difficult position, making them more vulnerable to angry customers and complaints. This can create a stressful and potentially unsafe work environment and even encourage employees to cut corners to protect themselves and reduce wait times. The same general concerns apply to customers placing orders for pick up or potentially via third party delivery.
- **Other Environmental Considerations** – It is important to understand that food packaging often serves as the vehicle in which food is prepared and or measured for quantity. Thus, in many restaurant environments, it would not be possible for restaurants to avoid preparing food in, or serving food via, their own priority

container – and this would duplicate waste and would be net counter-productive when combined with environmental impacts of washing the reusable container.

- **City Staff Question: Could a restaurant designate a space away from food prep areas where customers could load their own food into their own containers?** – This option is not feasible for several reasons. First, a restaurant with \$1M in revenue is likely to have 50 seats, each generating \$20K in revenue per year. Being forced to give up adequate space to allow for such scenarios would cost that restaurant \$40K-\$80K per year, making that restaurant not financially viable, and leading to its closure and to its staff losing their jobs. This option is also problematic because:
 - It demands more from restaurant staff; food would have to be in some way plated or packaged twice (once by the restaurant, then transferred to the customer container), thus driving a net-negative environmental benefit.
 - It increases the risk of cross contamination – for example, without hair coverings, there is a possibility of hair falling into food, and there is no guarantee that guests have washed their hands before handling their meals. Additionally, even if a single meal is placed on a tray for the consumer to transfer into their own packaging, staff would still need to sanitize the tray afterward, as it would have come into contact with the consumer. This raises concerns around both food safety and environmental impact.
 - It would potentially put the customer at a heightened risk of being burned or otherwise harmed as they handle hot foods that have just been removed from grills/or that may still be sitting in hot dishes or hot pans. Furthermore, it is unclear who would bear the liability if a consumer improperly handles their food during self-transfer and injures themselves on-site. Ensuring a safe and hygienic process is critical, and it is unclear how these risks would be effectively mitigated.
- **City Staff Question: Could a restaurant accept customer provided containers during hours when they are typically less busy?** – No. The top concerns, particularly around health codes and worker/patron safety, expressed above are not at all impacted by how busy the restaurant may or may not be.

Scenario 2 – A customer wishes to serve their own food into their own container in a self-serve environment (i.e. a buffet or salad bar).

Restaurants Canada Position – This is ill-advised at best, in violation of health codes at worst, and cannot be made mandatory.

Our Concerns

- **Health and safety** – The same concerns outlined in scenario 1 apply in scenario 2 in the Health and Safety code context.
- **Packaging weight/size discrepancies** – Self-serve environments will sell food by weight or container size. Introducing a container with a different weight or size puts both customers and foodservice businesses at risk of undercharging or overcharging and creates heightened risks for customer-restaurant employee conflicts.

Scenario 3 – ‘Friendlier Style’ containers.

Restaurants Canada Position – Third-party, or even in-house provided reusable take-away containers are welcomed by some businesses that can afford it, have the storage space and necessary set ups to accommodate it, and who value it as important offering to their customers that aligns with their values and brand.

Where these services are compliant with health codes, Restaurants Canada encourages Guelph to play a role in helping these restaurants promote their relevant offerings to local consumers. For example, Restaurants Canada would welcome funding (e.g., business grants) to help both packaging providers and restaurant-client users expand product offerings and inventory.

While we celebrate those who can and choose to use options like *friendlier*, this is not an option that is feasible for all restaurants and therefore should not, and cannot, be made mandatory. Ultimately, policies should be evidence-based; therefore, we encourage the city to share any data and research behind proposed solutions to ensure they are practical and sustainable from an environmental, social and economic perspective.

Our Concerns

- **Cost** – Options like *friendlier* are typically costlier than the packaging restaurants are already using. With more than 50% of restaurant companies not profitable across Canada, and with restaurants bracing for the impact of a trade war that will also increase our costs and result in lower customer spending, restaurants not already doing this are not able to handle any additional cost. Additional cost will threaten restaurant locations and jobs. Further, if made mandatory there is not enough supply to meet demand and packaging costs could skyrocket during a ramp up. Increased costs may also result in costs being passed through to consumers via higher menu prices. This is particularly concerning as the foodservice industry and its patrons are in the midst of dealing with an affordability crisis and US trade war.
- **Space constraints** – These containers must be stored in both clean and ‘returned’ form. That requires adequate space to store reusable containers. Many, if not most, restaurant locations do not have the physical space to accommodate such programs. In fact, there are Restaurant Canada members who proudly utilize *friendlier* in some of their locations, yet they do not offer the service at all of their locations because they do not have the space to accommodate the offering.

Scenario 4 – A customer brings their own container to take away their leftovers.

Restaurants Canada Position – In most environments, provided the customer places their food in their own container themselves and at their table, restaurants will generally be accepting of this practice. That said, there are common scenarios where this is problematic and cannot be accommodated and cannot be made mandatory. Foodservice businesses should be free to set their policies that are compliant with health and safety codes.

Our Concerns

- **All-you-can-eat settings** – Many restaurants, particularly buffet restaurants that may or may not offer food service consistent with cultural experiences, will have ‘all-you-can-eat’ offerings. In these environments restaurants will typically not allow customers to take-away their leftovers and this would encourage customers to take away food in excess of the fair value of what they paid.
- **Health and safety, space constraints, etc.** – For the same reasons outlined in scenario one, it is also unacceptable for a server to return a customer meal to the back-of-house for the leftovers to be repackaged into the customer-provided container. While uncommon, there is also a risk that a server or restaurant worker could observe a customer trying to place their leftovers into a container that does not look safe or that could otherwise create the risk of a mess or spill.

Our members take very seriously their role as environmental stewards and community builders. We celebrate and take pride in the strides our industry has made in reducing its carbon and packaging footprint. Ultimately, our members would welcome voluntary policy and program options (e.g., promotion on the city’s website) that aim to help consumers find local businesses that offer reusable containers for take-out, delivery, and in-restaurant dining where those containers are compliant with Ontario Health Codes and best practices. We would also welcome the City of Guelph taking action to fund (e.g., via business grants) and otherwise support restaurants and service providers who want to offer services like those provided by third-party reusable-container providers like *friendlier*. Despite this, we remain steadfast that the industry cannot compromise on adherence to health and safety codes, particularly as it relates to customer-provided re-usable containers. That is why we offer the commentary and recommendations outlined above.

Sincerely,



Kelly Higginson
President & CEO



Kris Barnier
VP Central Region

Cc: Heather Connell, City of Guelph
Olivia Sinko, City of Guelph

Appendix

Overview of Canada's Restaurants Industry

- Ontario hosts approximately 40,000 restaurant businesses. They collectively employ 445,000, or 5.6% of Ontario's workforce. We employ 19.6% of Ontario's working 15 to 24 year olds. We also support another 102,000 indirect jobs that are closely dependent on our sector as buyers of their goods and services.
- A typical restaurant location generates \$1.5M-\$2M in revenue, with significant variance. For each \$1M in revenue it generates it employs 12 people (vs. 4 for a grocery store).
- Ontario's foodservices industry contributes \$44.5B in revenue to Ontario's economy and buys \$15.6B in food and beverage products each year.
- Our industry is among the largest contributors of tax and other revenue to all levels of government – income taxes (corporate and small business), payroll taxes (i.e. Employment Insurance, WSIB, Employer Health Tax), insurance premium tax, taxes on alcohol, government owned utilities, property taxes, licensing and registration fees, sales tax remissions, etc.

Industry Struggles

- Pre-pandemic, 12% of Canadian restaurant companies reported that they were operating at break even or were losing money. At last reporting, 53% of Canadian restaurant companies are barely breaking even or losing money. Why?
 - All of the top expense lines for restaurants have risen substantially over the past two years alone:
 - Total Food Costs up 25%
 - Total Labour Costs up 18%
 - Insurance up 24% (with many in the 30% to 60% range)
 - Utilities up 20%
 - Other Operating Expenses up 22%
 - Real consumer spending is down in Ontario from nearly \$2,600 per capita in 2019 to \$2,378 in 2024.
 - As housing, grocery, and other fixed costs have risen, households have had to pull spending from elsewhere.
 - Angus Reid data shows approximately 80% of Canadians are trying to save money, and eating out less in restaurants/ordering from restaurants less are the top two things Canadians are doing to save money.
 - Our industry has lost approximately 40,000 jobs since pre-pandemic in Ontario. Restaurant and home renovation businesses led the way in new bankruptcies across Canada in 2024.

Headwinds – Inability to withstand additional costs driven by governments

- A large portion of Canadian mortgages will renew at higher rates over the next two years, forcing more households to reduce their share of their wallet going to restaurants.
- Ontario's plans to expand the residential Blue Box recycling program for packaging and paper are going to add significant expense to our operators.
- A looming trade war is going to increase the costs of operating a restaurant, including food and beverage costs, and our industry will be among those hardest hit as Canadians face higher costs and job loss, resulting in decreased restaurant spending.

- Restaurants have not come close to passing all of their rising costs onto consumers, which is why most of our industry is not profitable or is barely breaking even. Restaurant visits have most fallen off among lower income individuals. Our industry cannot pass higher costs onto consumers and has zero room to absorb higher costs into margin – adding costs to running restaurants will force the closure of more Guelph restaurants. This will result in job losses, less traffic in retail settings and shops, and diminished property taxes, fees, and other revenues Guelph’s restaurants help produce for the city.