



Leaky Propositions: The Ontario Watertight Report

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LEAKY PROPOSITIONS: THE ONTARIO WATERTIGHT REPORT
CUPE'S RESPONSE TO THE REPORT OF THE WATER STRATEGY
EXPERT PANEL

INTRODUCTION

The Canadian Union of Public Employees brings experience and expertise to the discussion of long-term planning for water systems in several ways. Our union represents most municipal workers in Canada and in Ontario, and thereby represents the majority of the men and women who work in our water and wastewater systems.

We represent their pride in delivering safe, clean water to the public, and their interests as working people. CUPE as a whole – our members in all sectors – has made a commitment to defending public water systems through research, consultation and community organizing.

We are a part of community-based water watch coalitions across the country campaigning for high-quality public water systems.

CUPE is also part of a global labour and environmental network promoting water as a basic human right.

CUPE not only defends public water, but also promotes the protection of our water sources, conservation, democratic governance and adequate long-term funding of publicly owned and controlled water systems and resources.

Canada's water and wastewater systems are publicly delivered to meet basic human needs and to protect public health. Municipal water systems were one of the first major services to be publicly delivered in Canada – essential to our public health system. Water infrastructure is public, precisely because the private sector could not be relied upon to deliver a quality service at a price that all residents could afford. But a belief that we can count on the private sector to manage our public water resources is gaining ground in government and policy circles.

Now it is 2005 and private interests increasingly view water as a source of profit. A May 2000 edition of Fortune Magazine foretold that water would be a precious and lucrative commodity of the 21st century that oil was to the 20th century.

Commercialization of water is creeping up in private treatment and delivery of drinking water; bulk water exports to the United States, and bottling of municipally treated water for resale by private companies.

Meanwhile, estimates of Canada's public water infrastructure deficit across Canada vary, but are as high as \$50 billion. Regardless of the price tag, there is consensus that investment is required and difficult choices have to be made by all orders of government as they decide how best to manage Canada's fresh water resources. Privatization is presented to municipal governments in a pretty package; their proponents' eager to capitalize on the difficult budget binds municipal councils often find themselves in private financing schemes, called public

private partnerships (P3s). They are coming under increasing scrutiny for their higher costs, compromised quality, secrecy, lack of public control and accountability, and other problems. Proposals are made in groupings of companies, without clear lines of accountability and usually with at least one international player. A consortium of financing, construction, and service companies, purports to give local officials *choice* and *flexibility*. P3s are appealing because they allow governments to show balanced budgets, but only by hiding debt and passing higher costs on to future generations.

Governments have a responsibility to ensure access to and protection of clean water as a basic human right and touchstone of environmental stewardship. Their choices have implications for this critical question: *who benefits?* From CUPE's point of view, the choice is as clear as public water itself – public investment must benefit people, communities and ecosystems, not international for-profit water companies.

The recent release of **Watertight: The Case for Change in Ontario's Water and Wastewater Sector** by the Water Strategy Expert Panel¹, should have marked a turning point in the confusion that has become the public water system of the Province of Ontario. Sadly, that is not the case for a number of reasons, which we will highlight in this brief letter.

OUR CONCERNS

CUPE has several serious and fundamental objections to the findings, recommendations, and philosophical outlook of the Water Strategy Expert Panel as presented in their report **Watertight: The Case for Change in Ontario's Water and Wastewater Sector**.

Our review found that the *Watertight* report is muddle-headed, patronizing, anti-democratic and fiscally irresponsible.

The roots of Ontario's growing water infrastructure problems were largely caused by policies put in place by the previous government in Ontario. These include:

- Further downloading of responsibility for water and wastewater services to the municipalities while they were already being saddled with other responsibilities;
- Cuts to the operating budget of Ontario Clean Water Agency (OCWA) and the Ministry of Environment (MoE) during the late 1990s;
- An aging infrastructure, growing infrastructure demands and increasing regulatory standards not matched by increasing public investment in this crucial element of our infrastructure.

It is very disturbing that the *Watertight* report advocates even more of the very same policies that have put Ontario's water infrastructure into this precarious situation:

- More downloading of costs onto municipalities
- Greater privatization and corporatization of the publicly-owned infrastructure

¹ Ontario, *Watertight: The Case for Change in Ontario's Water and Wastewater Services*, (Toronto: Queen's Printer 2005) (hereinafter referred to as "Watertight") at p. 33

- Heavy-handed interference with decision-making over public services.

The recommendations of the report are based on an unfounded ideological assumption that private business operation will always be more efficient than public operation. This is completely false, and particularly so in the case of public services.

CONCLUSION

CUPE suggest that the recommendations of the Expert Panel would take the Ontario Government in a direction on water policy that is fraught with peril and would lead to a whole scale reduction in accountability, safety and public trust on perhaps the most critical policy/public safety issue in the Minister's portfolio of responsibility.

What is needed from the Ontario government is a strong public commitment to having publicly owned and operated water resources and systems confirmed as the most critical public good in Ontario and that the delivery of water services should remain (and where necessary, be reinstated) as the highest public service priority of the Government of Ontario.

Public financing governance and service delivery provides the means of ensuring that our water systems are financially sustainable, that water is affordable and that we have the control to implement achievable, practical solutions today and in to the future.

Ensuring access to water and high water quality, adopting new technologies, accessing expertise, preventing fragmentation, increasing efficiency, planning for adequate and fair financing, enhancing public accountability and involvement, and keeping water and wastewater services in Canadian hands are all reasons why public financing and control is a more responsible choice than privatization in the provision of water and wastewater services for the Province of Ontario.

Water is essential to life - no one should be able to control it or expropriate it for profit. The right to water has been recognized internationally through the United Nations Committee on Economic, Social and Cultural Rights. The world's water companies would like to see water regarded as a human need, enabling them to control and sell water to the highest bidder for profit.

The Ontario government should support the real interests of the people of Ontario on this crucial issue – and not pander to the narrow interests of the multinational water companies.

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