



# Fighting Water P3s: stopping the community takeover

Water is a public resource; it belongs to everyone. But water privatization is sneaking through the back door in the form of public-private partnerships. What does it mean? What can you do? This fact sheet will help answer these questions.

## What are Public Private Partnerships (P3s)?

P3s are projects where the private sector plays a key role in financing, designing, building, operating or even owning facilities or infrastructure that are otherwise designed to be public services. While the forms of P3s vary, they can allow private corporations to plan, finance, build, and operate public facilities – usually at a much higher price than if a municipal government were to retain control.

## What is wrong with P3s?

When private companies take over a public project, the focus shifts away from the public interest and meeting community needs, to ensuring a profit for the companies' shareholders. Here are some common results of P3s:

- **Quality goes down.** Companies cut costs by paying workers less, not offering them benefits or permanent jobs, and reducing health and safety measures. High staff turnover means the quality of services goes down and risks to the community increase.
- **Higher costs.** There are many examples of how P3s cost the public more since interest on loans to the private sector is higher than when the public sector borrows. Many P3s cost tens of millions of dollars before contracts are even signed, and deals are costly and difficult to get out of. Money that should

have gone to community water treatment ends up in the hands of lawyers, consultants, and for-profit companies.

- **Secrecy.** The interest of commercial confidentiality overrides policies to protect the public's right to know about how their money is being spent. Commercial confidentiality means information on contracts and negotiations is often unavailable to the public.
- **Loss of accountability.** Public control and accountability are both compromised because public standards are seen as obstacles to successful business ventures. Even municipal councillors have been kept in the dark about basic information regarding financing and operation of community water facilities.

## What are some examples?

The municipalities of Hamilton, Ontario; Halifax, Nova Scotia; Moncton, NB; and Vancouver and Nanaimo, B.C., are just a few of those who have gone far enough down the P3 road to learn that it was a raw deal for their communities. The list of Canadian and U.S. cities where P3s have been tried and failed is long.

## Why are governments interested?

Many governments see P3s as a way to invest in infrastructure, without the full cost of the project appearing all at once. These deals allow governments to make announcements about new facilities, without showing the financial consequences for several years.

P3 proponents say investment by the private sector allows development projects to go forward at a time when public finances are strapped for cash. The



corporations pushing P3s maintain that these arrangements save taxpayers' money, but as noted above, there is strong evidence that this is not the case.

### **What are the alternatives?**

The tried and true public funding model is less expensive, more accountable and more transparent than the P3 model. After years of neglect, public infrastructure requires new investment. Our democratically elected governments are best placed to answer the call.

### **Take action!**

#### **What can I do if a P3 is proposed for my community?**

- Set up a Water Watch Committee. Organize a meeting to talk about the issues. Invite other concerned community groups, labour organizations and concerned citizens. Sign people up to take action.
- A WaterWatch committee lets municipal council know there are concerned citizens who are aware of the pitfalls around water P3s.
- Build public support. Letters to the editor, community meetings or panel discussions with a petition or action for people to participate in are great strategies. Ask to make a presentation to your municipal/ town/city council.
- Call the city to find out if a "Request for Proposals" has been issued for a P3 project and ask for a copy along with any other information you can get.
- Contact your municipal councillors for any other information. Stay in touch with officials that are supportive of your concerns, and strategize about ways to stop the P3 project from moving forward.
- The Council of Canadians has created tools and resources to help you address water issues in your community. To find out more about how you can "Paint the town blue" visit [www.canadians.org/water](http://www.canadians.org/water) for information about our new Blue Communities Project.

### **Join the Council of Canadians**

The strength of the Council is in its membership. The Council does not accept funding from corporations or from governments, so membership donations are vital to our activities. We work with community groups, seniors, students, unions and other organizations across the country to promote progressive policies on public health care, fair trade, secure energy, clean water and other issues of social and economic concern to Canadians. Visit [www.canadians.org](http://www.canadians.org) or call us at 1-800-387-7177 to become a member today.



**For more information about The Council of Canadians' National Water campaign call us at 1-800-387-7177, or visit our website at [www.canadians.org](http://www.canadians.org).**