

Council of Canadians statement on Bill 237

The Act could result in the forced corporatization of municipal water and wastewater services, a loss of public control, steep increases in tariffs for Ontarians and absolve the provincial and federal governments of their responsibilities to address Ontario's water and waste water infrastructure deficit.

1. Full cost recovery and metering

The Act calls for full cost recovery. Ontarians already pay for public services through progressive taxation. As a result of a failure to transfer adequate public funds to local governments for the delivery of essential services, Ontario municipalities are short of \$37 billion for water and wastewater services over the next 15 years. Rather than addressing the lack of funding at the provincial and federal levels, the bill proposes to transfer these costs back to Ontarians through full cost recovery which will result in very steep rate hikes. Metering is proposed as a strategy to implement full cost recovery. As seen elsewhere in the world, metering and the establishment of full cost recovery measures can be a first step to the privatization of essential services. The proposed plan will increase incentives for private sector involvement in water and wastewater services rather than promoting public ownership. Metering is a false conservation strategy, making municipalities dependent on income from water use and reducing incentives for true conservation strategies such as infrastructure upgrades. Requiring municipalities to cover their own costs for water and waste water services by forcing Ontarians to pay higher fees also means green infrastructure upgrades will fall by the wayside unless households in Ontario are willing and able to pay for it out of their own pockets.

2. Municipal corporations

The Act requires municipalities to set up a municipal corporation for the provision of water and wastewater services. The Act prevents municipal councilors from sitting on the board of directors of the corporation. This would result in a loss of public accountability and control over the municipal water wastewater services as decision-making power is transferred to an unelected board of directors.

3. Amalgamation of municipal water and wastewater services

Loss of local control will be particularly pronounced for smaller municipalities in Ontario. Municipalities providing services to less than 10,000 households will be forced to consider amalgamating services with other municipalities according to the Act. This would severely undermine the authority of local governments and communities.

4. The Board

The Act calls for the creation of a board, which would have a great deal of authority over municipal water services including the power to force amalgamations, set timelines, approve and modify municipal business plans, charge penalties to municipalities for failing to meet obligations determined by the board and develop business plans for municipalities lacking the capacity to do so. The Board is described as an "independent economic regulator," which implies a strictly economic mandate despite its authority to make decisions that will have numerous social and environmental impacts.

The Board will have the authority to oversee municipal contracts in the area of water and waste water services. While the Council of Canadians would not object to contracts for the design and building of municipal infrastructure, we fear that the authority to determine the scope and terms for municipal contracts would give the Board the power to force municipalities unable to meet the requirements of the Act to resort to private-public-partnerships.

In addition, municipalities will be required to play a role in financing the operations of the Board. Specifically, the Board will charge fees for costs incurred if the Board decides to develop a business plan on behalf of a municipality lacking the capacity to do so.

Access to drinking water and sanitation is a human right. Governments have a responsibility to ensure that access to water and sanitation is guaranteed through transparent and accountable public services. The Council of Canadians calls on the Ontario Legislative Assembly to protect public water services in Ontario by rejecting Bill 237.