



THE DRIVE TO PRIVATIZE

Why public is better for our communities ... and for local business

WHY KEEPING IT PUBLIC PROTECTS THE ENVIRONMENT

Many communities in B.C. and around the world are being pressured to privatize services. This raises many questions:

- Whose interests are taken into account when public services are privatized?
- Whose voices are heard?
- Can we hold non-elected private corporations accountable for the public trust?
- What are the environmental and health and safety costs of privatization of basic services?

The majority of water services in Canada are publicly operated. However, evidence from those that are private shows us that privatization is a bad deal for communities, the economy and the environment. Here's why.

Democracy is good for the environment

Few people would argue that elections give us the chance to vote in favor of environmental protection. Democracy is not just about holding elections. Democracy means that average citizens can raise concerns and influence what governments do. Citizen activists around the world have worked hard to create and change environmental policies.

Whether it is damming rivers to create power or operating water and wastewater treatment facilities, all citizens should have a say. When services are operated publicly they do. With private corporations, it is the company's shareholders who have a say. Boards of directors and corporate CEOs are concerned with profits and the bottom line, not about honouring the concerns of users and residents.

Governments must be open and accountable. Freedom of Information rules mean everyone has the right to know what governments are doing. Our Auditor General can look at the government's books. In many situations B.C.'s Ombudsman can fight to make sure citizens are treated fairly.

Private companies do not have the same requirements for openness and transparency. Once public assets are turned over to private interests, communities are often unable to get important information about things like environmental risks or damages, or environmental assessments of operations. These become subject to "commercial confidentiality" or "business secrets". Residents need that information so they can make informed decisions about their communities, public services and health and safety.

Environmental risk and damage are public responsibility in the end

Local governments traditionally contract the design and construction of projects like water and wastewater treatment to private companies. Public-private partnerships are different; they involve multi-decade contracts for the private operation of public services.

Some governments argue that privatization reduces public costs and transfer risk to the private sector. But experience proves that when problems occur, corporations are reluctant to take on the cost and responsibility of environmental clean-up. When they do, they charge a hefty premium. This means that the public ultimately pays the price to solve economic and ecological problems.

In Canada, the City of Hamilton had to foot the bill when its private wastewater partner allowed millions of litres of sewage to spill into the harbour. The City of Brussels, Belgium, has been forced to take its' private wastewater operator to court to get them to stop pumping raw sewage into their watershed.

Halifax cancelled its half-billion dollar contract because the corporate partners were not willing to accept the risk and costs if it failed to meet environmental standards. Public operation of the wastewater treatment system has proven less expensive and far safer.

Corporate priorities are different from public priorities

When local governments (the public) run environmental services, like wastewater treatment, they have two main priorities: protecting the community and the environment.

Private companies, on the other hand, prioritize profits above all else. This often leads to cutting corners on services and safety. This is a serious concern when it comes to water and wastewater services, which are fundamental to human and environmental health.

Public operation is more flexible and responsive

Environmental technology and understanding change rapidly. Public operation and control over water and wastewater services means that governments can respond to residents' concerns and introduce sustainable technology as it emerges. This is what happened in Whistler and Kamloops – both Municipalities were able to introduce cutting-edge technology because they decided to keep services public.

Contracts with private companies are designed to ensure stability over the lifetime of the agreement, which in many cases is decades. Any new technology, even if it cuts costs or increases efficiency, comes at an additional price to the contract.

Governments also seek cooperation within and across the public sector – to improve service, introduce innovation and increase efficiency. This is much more difficult when operation practices are locked down through private contracts and a competitive corporate model based on proprietary interests is introduced.

British Columbians are becoming more conscious of the need for a healthy environment and governments are following the lead. An important part of protecting our watersheds and ecosystems is to protect public services.

Let your government know that you want them, not corporations, to control and operate water and wastewater systems.