



CANADIAN ENVIRONMENTAL LAW ASSOCIATION
517 College St., Suite 401, Toronto Ont M6G 4A2
Phone 416-960-2284 Fax: 416-960-9392
E-mail: cela@web.net Website: <http://www.web.net/cela>

TOP 5 MYTHS ABOUT BILL 107: WHAT YOU NEED TO KNOW

The Ontario government has recently introduced Bill 107 (*Water and Sewage Services Improvement Act, 1997*). Bill 107 contains a number of significant changes, such as:

- permitting the transfer of 230 provincially owned water works and sewage works to municipalities;
- establishing rules for municipalities proposing to transfer water works or sewage works to other entities or corporations, including the private sector; and
- transferring the responsibility for inspecting and regulating septic systems from the Ministry of Environment and Energy (MOEE) to municipalities.

Faced with growing public concern about Bill 107, the Ontario government has attempted to put a positive spin on the "reforms" contained in Bill 107. In particular, government officials have made the following claims about Bill 107:

MYTH #1: *Bill 107 has nothing to do with privatizing water works or sewage works.*

FACT: Bill 107 builds upon previous "reforms" under Bill 26 (*Savings and Restructuring Act*) and paves the way for the privatization of Ontario's water works and sewage works. Bill 107 contains no express prohibition against transferring title or ownership of publicly owned water works or sewage works to private sector companies. Moreover, the Ontario government has virtually eliminated the Municipal Assistance Program, which provided capital grants for municipal water and sewage projects. This means that cash-strapped municipalities will inevitably be forced to turn to the private sector. Indeed, privatization has already made inroads in Ontario; York Region, for example, has recently cast its lot with a British utility company and a private gas company for the provision of future water supplies for projected growth and development.

MYTH #2: *Bill 107 "encourages" public ownership of water works and sewage works.*

FACT: As noted above, Bill 107 does not require public ownership of water works or sewage works, nor does it prohibit municipalities from selling or transferring water works or sewage works to the private sector. Instead, Bill 107 merely provides that before a municipality can transfer water or sewage facility to the private sector, any provincial grants received for the facility since 1978 must be re-paid (but without interest). This simply establishes a subsidized price tag for the facility, and does not constitute an effective safeguard against privatization. Moreover, the cost of acquiring such facilities realistically means that only a few large companies will be able to purchase these facilities, raising the possibility of virtually unregulated private sector monopolies controlling

water and sewage services in many areas of Ontario. It is noteworthy that a 1996 Insight Canada poll revealed that 76% of Ontarians favour public ownership of water works.

MYTH #3: *Bill 107 will protect the quality of Ontario's drinking water.*

FACT: Bill 107 does little to ensure that Ontarians will have clean and safe drinking water at the point of consumption. First, Bill 107 does not provide for an independent public regulator of water works or sewage works. Second, the government's ability to enforce existing standards has been substantially impaired by significant staff reductions and budget cutbacks experienced by the MOEE. Third, Bill 107 does not entrench the essential elements of the long-overdue *Safe Drinking Water Act* (i.e. public right to clean drinking water; clear standards restricting contaminant levels in drinking water; testing, monitoring and reporting duties upon drinking water suppliers; etc.).

MYTH #4: *The environmental and public health problems experienced under the British privatization regime will not occur in Ontario.*

FACT: Bill 107 contains inadequate safeguards to prevent the well-documented problems under Britain's privatization regime from recurring in Ontario. These problems include: substantial increases in water prices; termination of water services to low-income families; severe water shortages; restrictions on non-essential water uses; outbreaks of dysentery and Hepatitis A; sell-off of water reservoir lands for development purposes; excessive executive salaries and shareholder dividends; extensive layoffs and wage reductions; failure to re-invest profits into infrastructure improvements, resulting in increased leakage; numerous violations of water pollution laws; and creation of integrated private monopolies.

MYTH #5: *Bill 107 ensures that septic systems will be adequately designed, constructed and maintained to protect the environment and public health.*

FACT: Bill 107 simply off-loads responsibility (and potential liability) for regulating the construction and use of septic systems upon all municipalities, regardless of whether they have the appropriate expertise, resources or staff to carry out these important responsibilities. Without proper inspection, maintenance and enforcement activities, Ontario's one million septic systems will continue to pose a significant risk to groundwater, surface water, and neighbouring landowners.

WHAT CAN YOU DO TO STOP BILL 107?

Bill 107 has been referred to the Standing Committee on Resources Development. To participate in the public hearings, contact the Committee Clerk Todd Decker (Tel: 416-325-7284; Fax: 416-325-3505). Written submissions should also be sent to the Standing Committee, Environment Minister Norm Sterling, Premier Mike Harris, and your local M.P.P.

A detailed brief on Bill 107 has been jointly prepared by the Canadian Environmental Law Association and Great Lakes United. To obtain a copy of the brief, or for more information about Bill 107, please contact CELA (Tel: 416-960-2284; Fax: 416-960-9392; E-Mail: cela@web.net; Website: <http://www.web.net/cela>).