



CANADA WEST FOUNDATION POWERING UP FOR THE FUTURE INITIATIVE

# Water Worries

WESTERN CANADIAN ATTITUDES TOWARD PAYING MORE FOR WATER

MAY 2011

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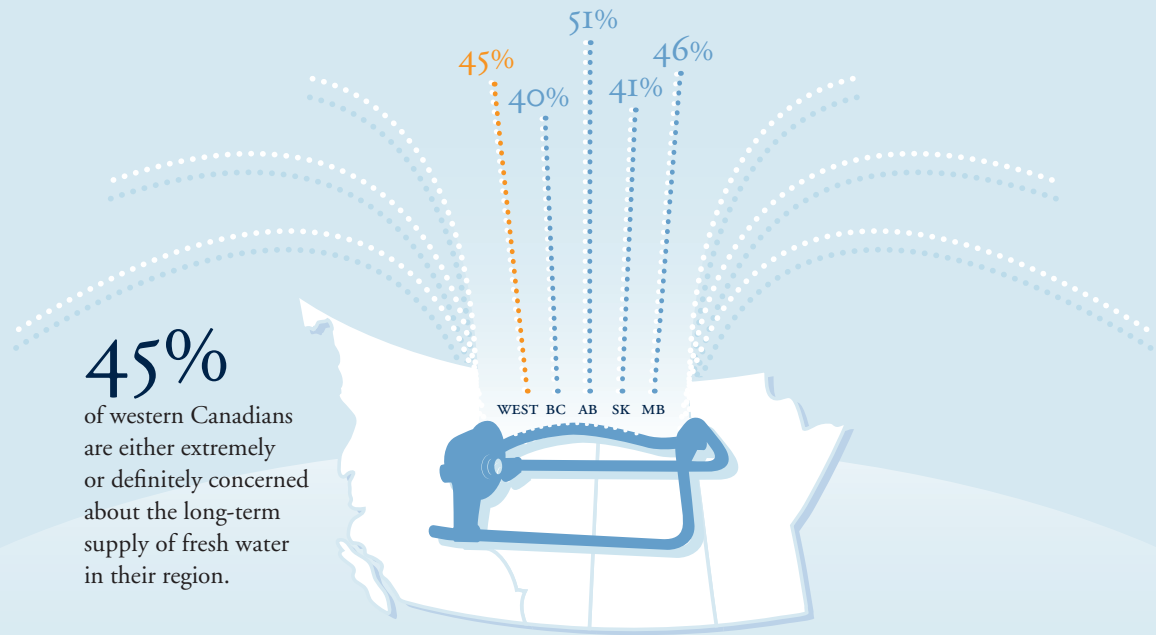
## Powering Up for the Future Initiative

The Powering Up for the Future Initiative focuses on public policy challenges at the interface of the economy, the environment and energy. Powering Up is driving informed discussion on policy choices shaping our energy future, for the benefit of western Canada and all Canadians.

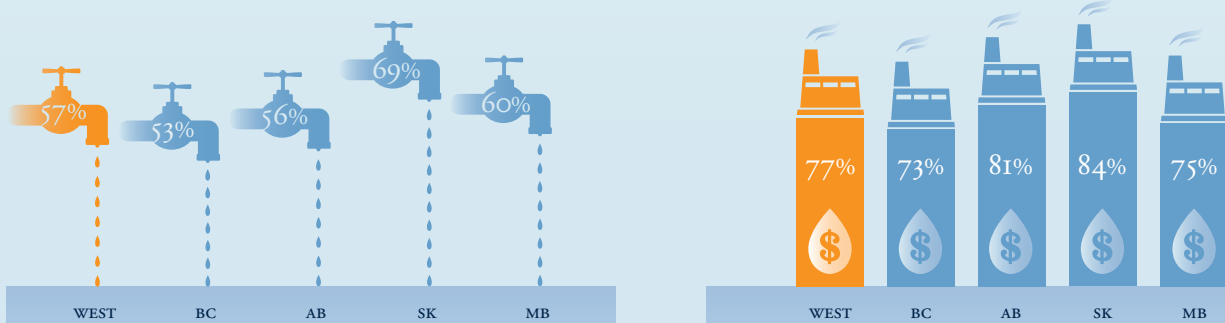
This report is part of the Attitudes to Energy and Environment project under Canada West Foundation's Powering Up for the Future Initiative. The report was prepared by the Canada West Foundation Senior Researcher and Director of the West in Canada Project Robert Roach and Policy Analyst Larissa Sommerfeld. Any errors or omissions are the responsibility of the authors. The opinions expressed in this document are those of the authors only and are not necessarily those of Canada West Foundation's Board of Directors, advisors or funders. Permission to use or reproduce this report is granted for personal or classroom use without fee and without formal request provided that it is properly cited. Copies may not be made or distributed for profit or commercial advantage. The report can be downloaded from Canada West Foundation's website ([www.cwf.ca](http://www.cwf.ca)).

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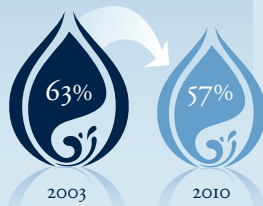




**45%**  
of western Canadians are either extremely or definitely concerned about the long-term supply of fresh water in their region.

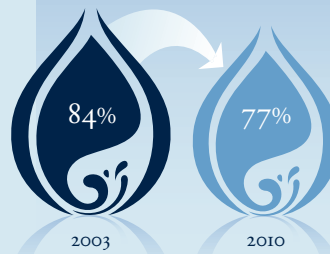


**57%**  
of western Canadians agree with the statement “to conserve water resources, governments should charge individual consumers the full cost of water they use.”



**6% ↓**  
Support for charging individuals the full cost of water has dropped slightly since 2003; 63% of western Canadians supported charging individuals the full cost of water in 2003, compared to 57% in 2010.

**77%**  
of western Canadians agree with the statement “to conserve water resources, governments should charge business and industry the full cost of the water they use.”



**7% ↓**  
Support for charging industry the full cost of the water it uses has also declined since 2003; 84% of western Canadians supported charging individuals the full cost of water in 2003, compared to 77% in 2010.

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## I. Introduction

If you have a barrel, you can collect free water when it rains. If you have a cabin on a lake, you can syphon water from it to flush your toilets and wash your clothes. Notwithstanding these sorts of exceptions, Canadians normally get a bill for the water we use. It is argued, however, that we don't actually pay the "full cost" of our water use. In other words, if the complete range of environmental costs were included as well as all the expenses associated with building, maintaining and replacing water infrastructure, our water bills would be higher.

One of the main reasons put forward for charging the full cost for water is that it would encourage conservation. If prices are higher and/or your bill goes up the more water you use, people will, in theory, use less. This will, in turn, put less stress on aquatic environments, allow more users to tap the same limited source, and ease pressure on the system during dry periods.

What do western Canadians think of all this? Are they willing to pay for the water they use if it results in greater conservation of the resource? As the results of the public opinion survey outlined in this short report show, the short answer is yes.

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The survey findings presented in this report provide context for the discussions around water pricing that are gaining traction both in western Canada and around the world. In order to further inform these discussions, the Canada West Foundation will be publishing a series of reports under the *Water Pricing: Seizing a Public Policy Dilemma by the Horns* project in 2011. These reports describe the current water pricing debate in Canada and propose a key set of questions that policy-makers must answer before embarking on new water pricing regimes.

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## 2. Methodology

Two sets of survey data are used in this report.

### **Environics Research Group Limited**

A special survey commissioned by the Canada West Foundation was conducted by Environics Research Group Limited via telephone between November 24 and December 8, 2010. The results are based on a representative sample of 1,202 western Canadians (300 per province) 18 years and older. The results are accurate for the full sample +/-2.8 percentage points 19 times out of 20. Data are weighted by province, age and gender.

### **Western Opinion Research**

On behalf of the Canada West Foundation, Western Opinion Research administered a random sample telephone survey of western Canadians 18 years of age and older in 2003. A total of 3,200 residents were interviewed by telephone across British Columbia, Alberta, Saskatchewan and Manitoba (800 per province). In the presentation of aggregate regional data, a weighting adjustment factor was applied to match each province's sample weight to its portion of the regional population 18 years of age and over. The results are accurate for the full sample +/-1.73 percentage points 19 times out of 20.

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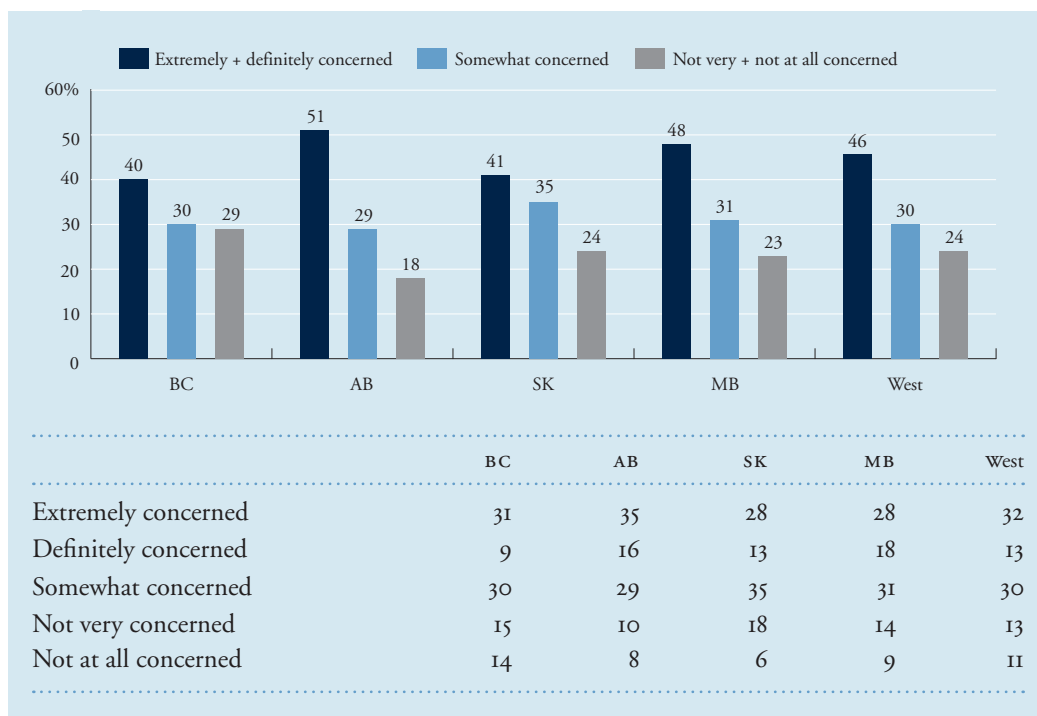
### 3. Key Findings

#### Supply of Fresh Water

In the 2010 survey, western Canadians were asked if they were concerned about the long-term supply of fresh water in their region. The results show that 45% of western Canadians are either extremely or definitely concerned about the long-term supply of fresh water in their region. Concern is highest in Alberta, with 51% of respondents either extremely or definitely concerned, followed by Manitoba (46%), Saskatchewan (41%), and British Columbia (40%). Less than one quarter (24%) of western Canadians are not very or not at all concerned.

Concern about fresh water supply varies among the region’s three largest cities: 60% of Calgarians are either extremely or definitely concerned about long-term water supply, compared with 41% of Edmontonians and 37% of Vancouverites.

**FIGURE 1: CONCERN ABOUT LONG-TERM SUPPLY OF FRESH WATER (%)**



Source: Environics Research Group Limited (special survey for the Canada West Foundation).

Survey question: Please tell me if you are extremely concerned, definitely concerned, somewhat concerned, not very concerned, or not at all concerned about the long-term supply of fresh water in your region?

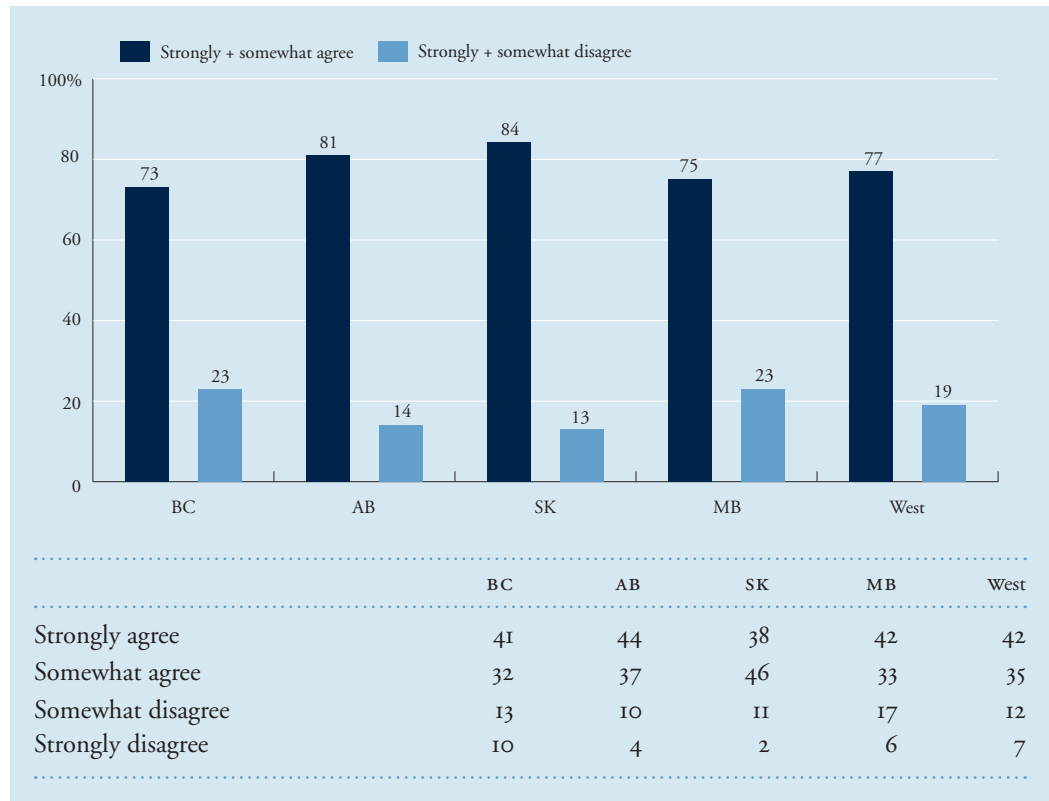
Note: Respondents who answered “don’t know” or “not applicable” are not included in this table, and therefore percentages do not add up to 100.

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## Charging More for Water

Given the level of concern for the long-term supply of fresh water among western Canadians, it is not surprising to see a fair degree of support for charging the full cost of water in the name of greater conservation. Public support for charging more for water is, however, higher when it is industry footing the bill rather than individuals.

**FIGURE 2: BUSINESS AND INDUSTRY SHOULD BE CHARGED THE FULL COST OF THE WATER THEY USE (%)**



Source: Environics Research Group Limited (special survey for the Canada West Foundation).  
 Survey question: Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the following statement: To conserve water resources, governments should charge business and industry the full cost of the water they use.  
 Note: Respondents who answered “don’t know,” “not applicable,” “neither” or “depends” are not included in this table, and therefore percentages do not add up to 100.

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Over three quarters (77%) of western Canadians agree with the statement “to conserve water resources, governments should charge business and industry the full cost of the water they use.”

When broken down by province, the greatest support for this statement is in Saskatchewan with 84% in agreement, followed closely by Alberta (81%), Manitoba (75%) and British Columbia (73%).

Over time, support for charging industrial users the full cost of the water they use has softened somewhat but remains strong. When western Canadians were asked in 2003 about charging industry the full cost of the water it uses, 84% said that they strongly or somewhat agreed. This is seven percentage points higher than the 77% who said the same in 2010.<sup>1</sup>

Although still a majority, support for the idea of charging *individuals* the full cost of water is lower than support for charging industrial users the full cost; 57% of western Canadians agree with the statement “to conserve water resources, governments should charge individual consumers the full cost of water they use.” When broken down by province, the greatest support is in Saskatchewan with 69% of respondents in agreement, followed by Manitoba (60%), Alberta (56%) and British Columbia (53%).

Attitudes toward charging individuals the full cost of water vary across the West’s three largest cities: support is highest in Calgary with 65% of respondents agreeing, compared to 52% in Edmonton and 50% in Vancouver. This variation in attitudes could be explained by the fact that water challenges in southern Alberta—such as the closure of the South Saskatchewan River Basin to new licenses in 2006—might hit closest to home in Calgary.

As with the industrial case, support for charging individuals the full cost of water has dropped slightly since 2003 when 63% of western Canadians supported charging individuals the full cost of water, compared to 57% in 2010. In 2003, support was highest in Saskatchewan, with 68% in agreement, followed by Alberta (64%), British Columbia (62%) and Manitoba (61%).<sup>2</sup>

Support for higher water charges is noticeably lower among respondents with family incomes below \$20,000. This finding points to the need to shield low-income families from the burden of higher water charges.

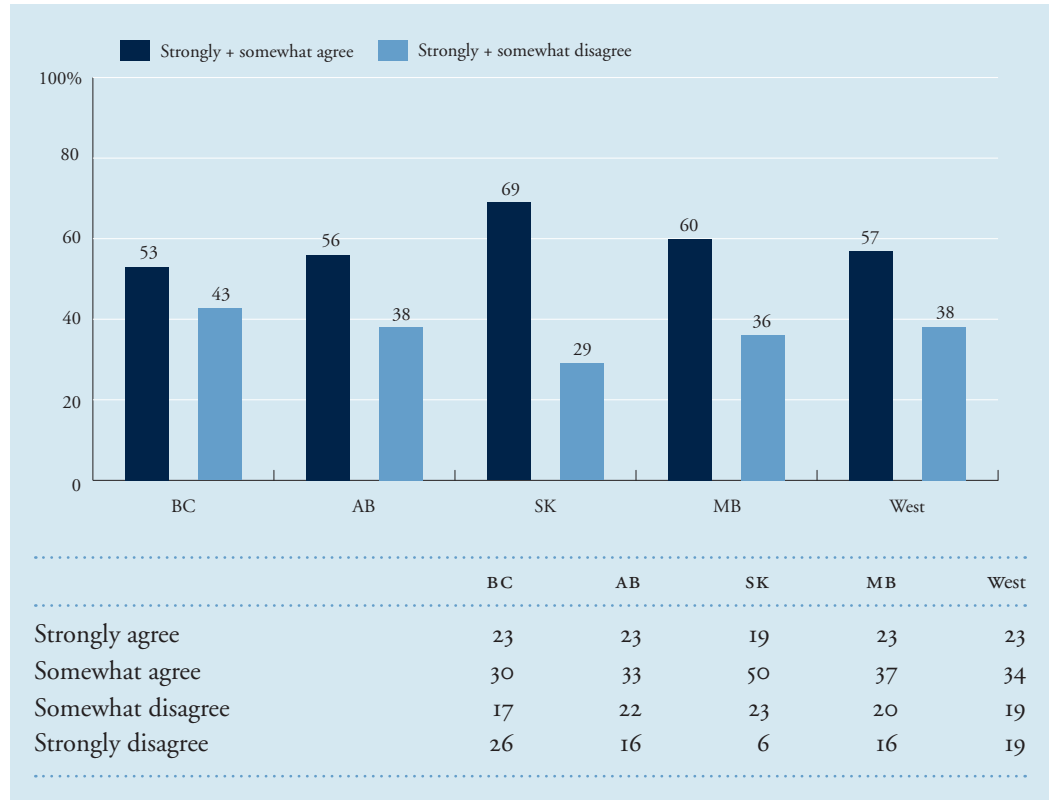
<sup>1</sup> See Loleen Berdahl. 2003. *Looking West 2003: A Survey of Western Canadians*. Canada West Foundation. <http://cwf.ca/pdf-docs/publications/April2003-Looking-West-2003-A-Survey-of-Western-Canadians-ENGLISH.pdf>

<sup>2</sup> Ibid.



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**FIGURE 3: INDIVIDUALS SHOULD BE CHARGED THE FULL COST OF THE WATER THEY USE (%)**



Source: Environics Research Group Limited (special survey for the Canada West Foundation).

Survey question: Please tell me whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with the following statement: To conserve water resources, governments should charge individual consumers the full cost of the water they use.

Note: Respondents who answered "don't know," "not applicable," "neither" or "depends" are not included in this table, and therefore percentages do not add up to 100.

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## 4. Conclusion

What do these results mean for water policy in western Canada?

First, it is clear that there is a high level of concern about the long-term supply of freshwater in western Canada. Concern is highest in Alberta—a province that is facing significant water quantity challenges in its southern regions.

Second, western Canadians are receptive to the idea of governments charging individuals and businesses the full cost of water in the name of conservation. Admittedly, the survey questions were asked in the abstract (i.e., there was no indication as to how much more water would cost under a full cost system) and support for a full cost approach may go down when higher bills start arriving. Determining the full cost of water is a complex problem, and water experts have different views on what should be included. At a bare minimum, all costs related to water treatment and delivery must be reflected. However, water is a multi-dimensional resource that has environmental, social and cultural value. Determining a price that reflects all the facets of water is a challenging undertaking.

Nonetheless, it is telling that large percentages of western Canadians are willing to see the cost of a staple like water rise if it improves conservation. As such, the findings are a proxy measure for the high value placed on water by the public. The need to shelter poor families from increased costs, however, remains an issue. Fortunately, there are numerous policy precedents for doing so such as the GST credit.

In order to manage water resources in the face of rising demand, policy-makers are increasingly looking to economic mechanisms, such as increased water charges, as a tool. The survey findings show that there may be more support for increasing water charges for consumers than we may have thought, and that policy geared toward water protection, conservation and sustainability are likely to be well received by the public in the West.

## Canada West Foundation is 40 years strong!

In 1971 the Canada West Foundation was established to give the people of the West—British Columbia, Alberta, Saskatchewan and Manitoba, a voice for their dreams, interests and concerns. In doing so, the goal was to put the West on the national agenda and be at the forefront of the most important issues and debates.

Since then, the Canada West Foundation has successfully met that goal, proving itself to be one of Canada's premier research institutes. The Canada West Foundation is the only think tank dedicated to being the objective, nonpartisan voice for issues of vital concern to western Canadians.

This year we celebrate 40 years of representing western viewpoints across Canada. We are proud of our accomplishments and know our research and commentary has improved government policy and decision making.

Today the West is in, but we won't stop there. We continue to promote important issues and debates that provide made-in-the-West solutions to national problems and keep the West thriving.

CANADA IS STRONGER WHEN THE WEST IS THRIVING!

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