



MODERNIZING INDUSTRIAL WATER RATES IN BC:

Ending the Great Water Giveaway

*A Fair Solution to Protect Our Water Sources,
Safeguard Communities and Secure Long-Term Prosperity*

The health of our watersheds and the strength of our economy are directly linked—they underpin everything from clean power to clean drinking water. But droughts, floods and fires—compounded by poorly planned development—are pushing our watersheds to the brink, putting communities and the province’s economic future at risk.

Since 2023, public funding for watershed security projects has dried up—dropping by over 80%. Meanwhile, BC is charging the largest industrial water users among the lowest water rates in Canada, essentially giving our water away.



The good news?

A solution exists. By modernizing BC’s water rentals system and fairly increasing industrial water rates, the province can unlock millions in funding for local watershed solutions—and create thousands of good jobs along the way.



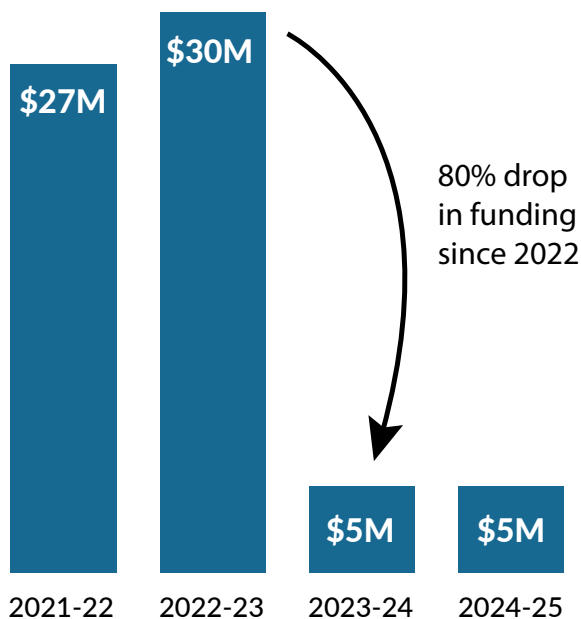
THE PROBLEM

In the face of increasing tariffs and trade pressures, BC cannot build a resilient economy without protecting its watersheds. Clean, reliable water supplies are the backbone of industries like mining, oil and gas, farming, tourism, housing, and manufacturing—and are essential to community health and long-term growth.

As provincial and federal governments fast-track major industrial projects, we are seeing a dramatic increase in industrial water use. This is a critical moment to be investing in building our watershed security: the frontline monitoring, restoration, and governance needed to protect our water sources and ensure lasting prosperity.

The local leadership exists to do this work—led by First Nations, local governments, farmers, stewardship organizations and innovative businesses. But chronic underfunding has become a major barrier.

Drop in Provincial Funding for Watershed Security Projects



Experts say at least \$100 million annually is needed to support the work that's required, but provincial funding for watershed projects has fallen by over 80% in recent years—from a combined \$57 million through the Healthy Watersheds Initiative and Indigenous Watersheds Initiative (\$27 million in 2021 and \$30 million in 2022) to less than \$5 million through the BC Watershed Security Fund in 2024 and 2025.

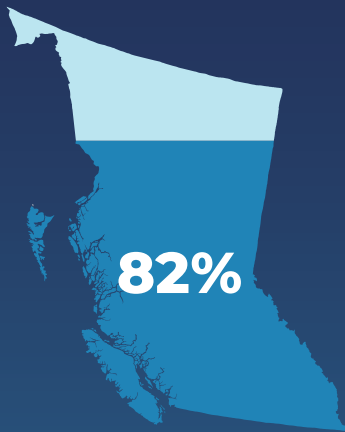
THE OPPORTUNITY

B.C. can unlock tens of millions in new annual revenue without costing taxpayers a dime by modernizing outdated industrial water rental rates, among the lowest in Canada, and reinvesting growing revenue from new hydropower generation.

Aligning industrial rates with other provinces ensures industries like mining, fracking, and water bottling pay their fair share. Directing this revenue into watershed security recognizes watersheds as core infrastructure, essential for climate resilience, clean growth, and long-term prosperity.

This delivers on what the BC government is working to achieve in these uncertain times: balancing the budget, accelerating economic growth, advancing reconciliation, preventing costly disasters, and creating family-supporting jobs.

A POPULAR SOLUTION:



82% of British Columbians support higher industrial fees to restore watersheds.

A majority want these funds reinvested in local watershed initiatives through a scaled-up Watershed Security Fund.

McAllister/Research Co. Poll, 2024.

In the 2026 Budget Consultation Report, the BC Standing Committee on Finance recommended that the province “review water rental rates and the portion of these rates being dedicated to strengthening water management, including drinking water protection and watershed monitoring.”

BC's OUTDATED WATER RENTAL SYSTEM

The BC government collects money for the use of water but this system of 'water rentals' currently has **two profound disconnects**:

DISCONNECT #1

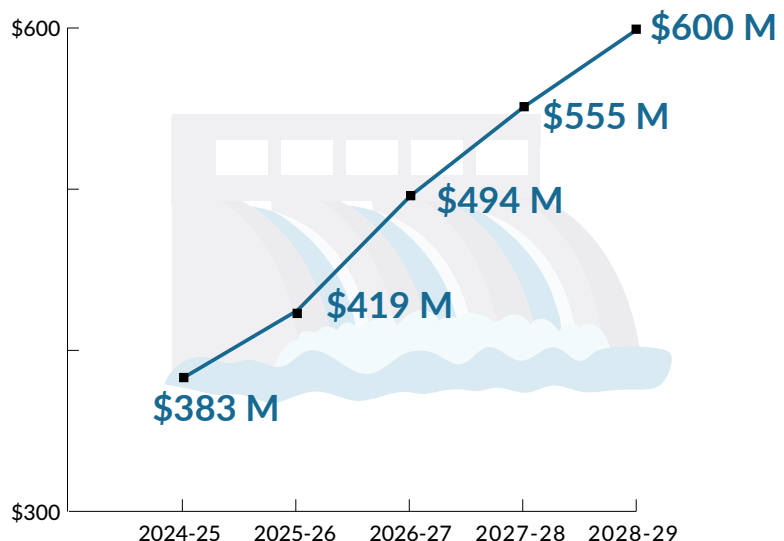
\$400 MILLION IN WATER REVENUE NONE FOR WATERSHEDS

BC collects approximately \$400 million a year in water rental fees—97% of which comes from the water used in hydropower generation. *Only 3% comes from other water users, including large industrial users.*

None of this revenue is reinvested in the very watersheds that power this energy production and provide so many other benefits.

With new hydro generation coming online, the province has forecasted it will collect nearly \$200 million in additional water rental revenue over the next three years.

BC Budget Forecasts for Water Revenue Increases (2024-2029)



Source: BC Budget 2026

DISCONNECT #2

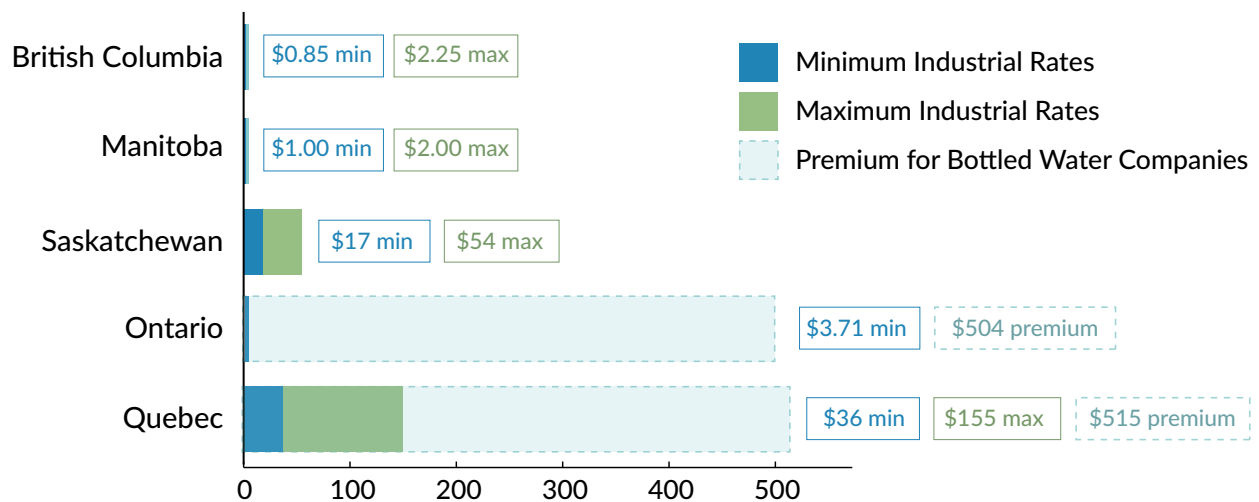
GIVING WATER AWAY TO THE LARGEST INDUSTRIAL USERS

BC's industrial users pay just \$2.25 per million litres of water. These companies pay less than the cost of a pint of beer to access the amount of water in an Olympic-sized pool. BC's rates are among the lowest in the country and the province continues to fall further behind.

In 2024, unlike British Columbia, Quebec recognized it was essentially giving away water and raised its minimum industrial rate from \$2.50 to \$35 per million litres, with higher fees for high-impact industries. Quebec dedicates these revenues to its Blue Fund, which invests in water projects across the province.

Industrial users in BC are authorized to use an estimated 2.8 trillion litres a year, which is the same as the annual domestic water use of 27 million people, almost five times the population of BC.

Industrial Water Rates Across Provincial Jurisdictions



BC vs QUEBEC: Comparing Water Fees Paid by One of the World's Largest Companies

Rio Tinto, the global mining and metals corporation, uses very large amounts of water in both its BC and Quebec operations—about 81 billion litres of water each year in BC versus 72.5 billion litres in Quebec. However, based on the difference in water rates, the BC government collects from Rio Tinto only 6% of the water fees received by Quebec—just \$182,000 a year in BC compared to \$3,000,000 in Quebec. With a net profit of \$16 billion in 2024, paying Quebec-level rates in BC would equal just 0.02 percent of Rio Tinto's annual profit.

BENEFITS OF INVESTING WATER REVENUE TO BUILD WATERSHED SECURITY

1

CREATE JOBS:

A World-Class Watershed Workforce

The work of restoring and managing our watersheds currently supports 47,000 jobs and adds \$5 billion to BC's economy, more than agriculture and equal to mining. Economic studies project that an investment of \$100 million annually in the Watershed Security Fund could generate another 13,000 jobs over the next 10 years.

EXAMPLE: Past Watershed Programs Were Major Job Creators. Between 2021 and 2024, provincial investments of \$57 million in the Healthy Watersheds and Indigenous Watershed Initiatives created over 1,800 jobs in more than 110 projects across BC

2

SAVE BILLIONS:

Strong & Resilient Communities

BC has faced billions of dollars in costs from floods, droughts and wildfires in recent years. Healthy watersheds are the first line of defence against these rising costs. Studies show that natural defences such as wetlands, streambanks, and mature forest canopies provide the same protections as hard infrastructure at half the cost.

EXAMPLE: Beaver Dam Analogues are small structures people build to copy what beavers do naturally in streams. They act like natural sponges, holding back water during heavy rains to reduce flooding and slowly releasing it during dry periods.

3

GROW THE ECONOMY:

Increased Certainty & Less Conflict

Business certainty is strengthened by the development of watershed plans that provide clarity for industry investment while protecting the rivers, streams and aquifers that underpin community health. Costly disputes over water use are prevented by local watershed boards that develop and implement collaborative local solutions and relationship-building.

EXAMPLE: The Cowichan Watershed Board is a proven model of collaborative governance, which has successfully prevented conflicts during times of water stress, driven salmon recovery, and secured millions for watershed initiatives in the region.

RECOMMENDED ACTIONS FOR THE BC GOVERNMENT



1

GENERATE NEW REVENUE BY MODERNIZING INDUSTRIAL WATER RATES

- a. Modernize BC's industrial water rates by aligning with Quebec's rates as a minimum benchmark and aiming for national leadership in valuing water. This could unlock at least \$75 million annually to build BC's watershed workforce.
- b. Reinvest at least 20% of annual water revenue growth from hydropower back into watersheds, creating a self-sustaining stream of approximately \$40 million per year for watershed security.
- c. Establish an independent expert panel to review industrial water rates every three years based on best practices in water pricing. Apply the Consumer Price Index annually.



2

DEDICATE NEW WATER REVENUE TO WATERSHED SECURITY

- a. Allocate \$75 million annually to the **BC Watershed Security Fund** to create thousands of jobs in the watershed workforce, strengthen Indigenous and rural economies, and sustain the watersheds that underpin BC's long-term prosperity.
- b. Invest at least \$10 million annually to establish a province-wide system of **Local Watershed Boards** to coordinate watershed planning, share data, manage water use, and respond rapidly to droughts and floods.
- c. Strengthen on-the-ground provincial capacity by hiring regional water staff to work with First Nations, local governments, and local watershed boards to implement provincial water management tools.



BC WATERSHED SECURITY COALITION

The BC Watershed Security Coalition is a non-partisan, diverse coalition of 57 organizations made up of community water experts and leaders in the field, including farmers, Indigenous champions and local governments, and represents 285,000 British Columbians from all walks of life.

If your organization is interested in joining the Coalition,
please visit our website:

www.watershedsecurity.ca

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