



Submission made by The Carers Association to the Commission on Energy Regulation on the Economic Regulation of the Public Water Service Sector

The Carers Association thank the Commission on Energy Regulation (CER) for the opportunity to contribute to the consultative process regarding the reform of the public water services sector and the impending introduction of water charges. This submission is based on our experience of supporting Family Carers who provide essential unpaid care within the home, very many of whom provide high level care for persons with complex medical conditions and as such require higher water usage than households where care is not provided.

Summary of Key Points

- Water is not only a basic human right but is essential to life and dignity. The CER must ensure that water affordability strategies are in place to support vulnerable households, including those with a medical condition, through the allocation of free water allowances, medical allowances, budgeting tools and pre termination notices and exemptions.
- An indicator based on the percentage of income spent on water bills will give an initial indication of households at risk of finding it difficult to pay water charges. The CER must ensure that water tariffs do not exceed the internationally accepted 3 percent threshold recommended by the UN.
- Self rationing of water caused by people's fear of costs and their inability to pay can lead to other issues, including poor hygiene and ill health, particularly amongst those who are financially vulnerable and unable to care for themselves. Such considerations must be factored into any tariff design and policy approach for lower income households and those with a medical condition.
- The Association believe that the only legitimate option for affordability measures for households with a medical condition is through the allocation of a special free *Medical Allowance*, which will reflect the increased essential water needs of these households.
- Households with a medical condition can be identified through medically assessed social welfare payments or social supports (e.g. Carers Allowance, Disability Allowance, Home Care Packages etc.). An additional mechanism should be included to allow households who do not qualify for means tested supports, but who also provide high level care, to provide medical certification from their GP.
- For some vulnerable customers including the elderly or people with medical conditions the termination of a water supply would be detrimental to their health and wellbeing and in extreme cases could also cause death. The Association strongly recommend that persons with a medical condition and the elderly be exempted from disconnection.
- Irish Water should offer special services to customers who, because of age, illness or disability, require special help in the way services are delivered to them.

- As Irish Water will be a natural monopoly providing an essential resource, it is important that it well-regulated both economically and in terms of the broader issues of equity, quality of services, security of supply, and preventing excess price increases overtime.

Discussion of Key Points

General Affordability Issues:

Water and sanitation is not only recognised by the UN as a basic human right, with water needing to be *“available, accessible, safe, acceptable and affordable for all without discrimination”* (Special Rapporteur on the human right to safe drinking water and sanitation, Office of the High Commissioner for Human Rights), it is also essential for life and dignity. With average annual water charges expected to be in the region of between €300-€400 per household, water charges will not be affordable for a large number of people, including low income households, the elderly and the homes of family carers with high essential water needs due to the care provided for a loved one with a medical condition. Affordability issues are exacerbated by falling disposable incomes and the cumulative impact of austerity measures. In the case of Family Carers welfare payments have been reduced with many now forced to live in poverty, cut back on food, heating, clothes, and sacrifice pensions and savings in order to make ends meet. The CER must ensure that water affordability strategies are in place to support vulnerable households, through the allocation of free water allowances, bill capping, budgeting tools and pre termination polices and exemption.

Developing indicators of water affordability risk:

Water, and water facilities and services, must be affordable for all. The first step is to identify those for whom affordability is likely to be a problem. While measuring water affordability is complex, an indicator based on the percentage of income spent on water and sewerage bills will give an initial means of understanding the groups of household customers who are at risk of finding it difficult to pay their water bills. In the case of carer households where a medical condition exists such indicators should also take into account the costs of disability and caring. The United Nations Development Programme (UNDP) suggests that water costs should not exceed 3 per cent of household income. In the case of a Family Carer, living alone and relying on a Carers Allowance of just €204 per week an average water charge of €350 would represent 3.3 percent of their household income, before costs of caring are deducted.

Risk of Water Poverty

While the Association acknowledge the environmental benefits of water conservation and agree in principle with control measures, self rationing of water caused by people’s fear of costs and their inability to pay can lead to other issues. The Consumer Council for Water in the UK has noted that *“many low income customers continue to pay their water bills even where it becomes unaffordable to do so”*. It claimed that these people may *“cut back on water usage (including essential usage) or sacrifice other essentials such as food or heating in order to ensure their bill is paid”*. (“Living with Water Poverty”, Creative Research (prepared for CCW) 2009). Lessons learned in relation to fuel poverty show that when people cannot meet the costs of fuel they do not heat their homes to safe or healthy standard. The equivalent for water will be a reduction in essential water use leading to poor hygiene and ill health, particularly amongst those who are financially vulnerable and unable to

care for themselves. Such considerations must be factored into any tariff design and policy approach for lower income households and those with a medical condition.

Affordability Measures for those with a Medical Condition:

The provision and affordability of basic services, including water, are important issues for those who are dependent on home care and those who provide it. The Association acknowledge the commitment given by Minister Hogan (in a letter to the Irish Times on the 17th July 2013) that: *“The Government is aware of the need to protect and support vulnerable households... affordability issues, including the level and the approach to the free allowance, and supports that may be required for those with a high essential use of water due to medical conditions, will be addressed in advance of the introduction of charges”*. Support for households where someone has a medical condition is essential in the roll out of water charges. Personal, incontinence and intimate care as well as best practice in terms of hand washing and the sanitation of health care equipment requires water usage significantly greater than that of other households. For example managing complex procedures such as dialysis or peg feeding and running essential medical devices such as nebulisers, ventilators or dialysis machines is becoming common place in home care settings and brings with them the substantial water needs in terms of their running and cleaning. Indeed even mundane tasks such as incontinence care require significant water usage in terms of laundry and showering.

There are many international affordability models for those with a medical condition including:

- The ‘Watersure’ scheme in the UK which allows those in receipt of a qualifying means-tested benefit or tax credit, to have their water bills capped at the average bill size for their area;
- WaterAssist in Wales which caps charges at £128 for water and £128 for sewerage;
- France where the provision of free water is illegal, however in 2010 the Parisian municipality provided a subsidy of €70 to 40,275 vulnerable households as a support for their water expenses;
- Flanders Belgium, there is a special low tariff for low-income families receiving social benefits.

However the Carers Association believes that the only legitimate option for affordability measures for households with a medical condition is through the allocation of a special free *medical allowance*, which will reflect the increased essential water needs of these households.

Identification of those with a Medical Condition:

The simplest approach to identifying persons who suffer from (or households who have someone living with them with) a medical condition is to use medically assessed social welfare payments or social supports (e.g. Home Care Packages in the case of older people with medical conditions but on a pension a opposed to a disability type payment) as a gateway to eligibility for affordability measures. Because many such payments are means tested (e.g. disability allowance and carers allowance) there will be additional households with a high essential use of water due to a medical condition who do not qualify for these payments on the grounds of means. Despite being over the income threshold, many of these households struggle to meet the additional costs of caring. As such the Association believe that all households where high level care is provided must also be facilitated to avail of affordability measures. A mechanism to allow such households to provide medical certification from their GP would facilitate this.

Pre termination protections:

Clarity must be given on pre termination protections to protect vulnerable users who may fall into arrears. For some vulnerable customers including the elderly or people with medical conditions the termination of a water supply would be detrimental their health and wellbeing and in extreme cases could even cause death. The Association strongly recommend that persons with a medical condition and the elderly be given extra protection and be exempted from disconnection. While policies to protect vulnerable customers offered by other energy providers such as Bord Gais including the provision that vulnerable customers will not be cut off during November to March, provide a useful blueprint, the Association believe that a year round exemption to water disconnections should be applied to the sick and elderly.

Special Assistance for Vulnerable Consumers:

Irish Water should offer special services to customers who, because of age, illness or disability, require special help in the way services are delivered to them. For example, by providing any information they need in a format they can use and understand; offer you a password scheme to prevent bogus callers; be able to check how much water they are using at regular intervals; and move your meter to a place where you can get to it easily or provide a meter reading service, at no additional cost.

Water Regulation

As Irish Water will be a natural monopoly providing an essential resource, it is important that it well-regulated both economically and in terms of the broader issues of equity, quality of services, security of supply, and preventing excess price increases overtime. Customers must be assured of good quality efficient services at a fair price; that water charges are kept as low as possible; that CER will monitor Irish Water's performance and take action where necessary to protect consumers' interests.

Other Comments:

- All households should be offered flexible payment options including monthly payments and debt management plans.
- Social support for other utilities including electricity and the television licence are funded through the Household Benefits Package administered by the Department of Social Protection. Consideration could be given to providing water affordability measures through the mechanism of the HBP.
- Affordability mechanisms should also take into consideration the 'costs of caring or disability' – the NDA found that for people with a high level of disability, the lowest figure the international studies put on their extra cost of living was €40 a week..
- There should be consumer representation on the board of Irish Water, including representation for low income households and those with medicals conditions.
- There should be a robust consumer protection and complaints structure.

Appendix 1: Profile of Carers and Caring in Ireland

Family Carers are the intimate circle of people closest to those with a disability, those who are ill, or who are physically or mentally frail. They play a critical part in their care, their moral and physical support, and in enhancing the quality of life they retain.

Carers cover the full spectrum of the population, including men and women, all age groups, both working and not working, and all occupational groupings and levels of education: almost two-thirds (64%) of carers are women; a particularly large proportion (48%) of carers are in the 45-64 years of age grouping; almost one-half of all carers are in paid employment (32% full time; 16% part time); more than one third of carers have low levels of educational attainment (20% have no formal education or only primary level; 17% have just lower secondary level). Data from the QNHS 2009 survey shows that more than two-in-five (43%) carers are caring for a parent or parent-in-law; almost one-in-five (19%) are parents caring for a child, including adult children; just over one-in-ten (11%) are caring for a spouse/partner. However, amongst carers where the person cared for lives with them, the profile is considerably different: just over one-third (34%) are caring for their child; almost one-third (30%) are caring for a spouse/partner; and just over one-quarter are caring for parent or parent-in-law.

Despite the enormous contribution they make, many Family Carers are frustrated with their current situation. Many feel overburdened, undervalued, unrecognised and unable to have any life of their own. Austerity measures introduced by Government have meant that carers have seen their welfare payments reduced and have been affected by cutbacks in State services. Many are now forced to live in poverty, cut back on food, heating, clothes, and sacrifice pensions and savings in order to make ends meet. As a result the sustainability of family care is under threat and will become increasingly jeopardised unless the fundamentals of health policy in Ireland are given a new direction and impetus - one that fits with the realities of caring and addresses the impending strain that our ageing population will take on our already overburdened healthcare system.

- According to Census 2011 there are 187,112 Family Carers in Ireland, an increase of 26,195 since the previous Census in 2006¹.
- Ireland's Family Carers provide 3.7 million hours of care each week which equates to a contribution to the Irish economy **of €4 billion each year**. This means the average fulltime Carer contributes **€62,000 of caring work each year**².
- The savings made by carers is even more apparent when one considers the average cost of nursing home care under **Fair Deal which between €800 and €1000 per week** or the average cost for an inpatient bed in a **public hospital which is €6,365 per week**.
- **Less than one third** of Ireland's carers (52,000) receive Carers Allowance.
- By 2021 it is estimated that Ireland will need an **additional 45,000 Family Carers** to support the increasing population of people with disabilities and dependencies in old age³.

¹ Preliminary findings from the Census of Population, released June 28th, 2012.

² While the Census of Population 2006 enumerated the number of Carers in Ireland as 160,916, anecdotal evidence suggests that the actual number of Carers is much higher, as evidenced in the QNHS 2009.

³ The Carers Association: Carers in Ireland – a Statistical and Geographical Overview, 2009.