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Water Charges Plan Consultation – Submission To Commission for Energy Regulation

From:

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Fundamental Rejection of Water Charges as an Austerity Tax on working people and the poor to continue to facilitate bailout of banks and bondholders:

We begin by totally rejecting the imposition of the water tax on householders. This is a new austerity tax, part of the general process of bailing out bankers and bondholders from the disaster which resulted from their speculation and profiteering in the Irish property bubble.

We reject the arguments that the water tax is about water conservation. The water tax has nothing to do with conservation. Nationally, 42% of our treated water is lost through antiquated pipes. Yet instead of investing in fixing those pipes, the government is spending €539 million in imposing water meters to levy this charge.

Successive governments have shown blatant disregard for any serious conservation campaign in relation to water treated to drinking standard by local authorities. During the building boom tens of thousands of homes and commercial buildings were built by developers who were not required to incorporate water conservation measures such as dual flush toilets, rainwater harvesting tanks or other measures which could now be saving, literally, billions of litres of treated drinking water each year. Instead this water that could have been saved is being discharged into the sewers. This makes hypocrites of government representatives who try to cast themselves as champions of water conservation.

Privatisation of Water Service

We have no doubt that the intention is to set up the Irish water service up for privatisation. The setting up of Irish Water, the imposition of meters and the putting in place of a water charge are key steps in the commodification of the water supply and the usual prerequisite for handing the asset to private capitalists. This is exactly the route taken in the privatisation of the domestic refuse and recycling service. We now have the spectacle of trucks from private refuse companies trundling through residential area every day of the week increasing pollution and nuisance for communities.

More seriously we have the race to the bottom by these companies in terms of the drive to slash the wages and working conditions of the workers. The scandal of the treatment of its workers by the Greyhound company currently bears witness to this as this company emulates the brutal tactics of the ruthless employers in the 1913 Dublin Lockout with blackmail and victimisation of workers who will not accept savage cuts to their wages.

Water Charges Consultation process based on projected household water usage calculations that are roundly contradicted by Irish and international evidence – amount of water charges grossly understated

The calculations on projected water usage by households, which the CER has uncritically accepted from Irish Water, are patently contradicted by existing Irish and international experience. The upshot of this is that normal water usage and therefore the projected water charges are grossly underestimated. Our conclusion is that the basis of the calculations of 'typical household bills' on which the consultation is predicated is utterly erroneous.

CER accepts estimates from Irish Water based on alleged surveys of metered households with no independent analysis based on transparent criteria. All studies of household water usage that we know of, find a much higher normal usage per person per day or year than Irish Water suggests. A glance at international evidence will also bear this out.

From the table of calculations which is provided in the CER document CER/14/367 and published on 31 July, we can derive the following average water usage:

Two Adult Household: Irish Water calculates an average usage of 66,000 litres for the first adult in a household and 21,000 for the next and subsequent users. This gives 87,000 litres per year for a two person household equating to 119 litres per person per day(l/p/d).

Three Adult Household: Irish Water calculations give 108,000 litres per year equating to 98 l/p/d.

Four Adult Household: Irish Water calculations give 129,000 litres per year equating to 88 l/p/d.

These figures grossly underestimate the normal usage found by studies up to now.

The National Water Study 2000, conducted by WS Atkins, projected a lower limit use of 146 l/p/d by 2018.

The Water Supply Project 2010 – Dublin Region sponsored by the Department of the Environment found that the average water usage in Dublin was 148 l/p/d.

In Page 16 of the SEA Phase Two Environment Statement of this Report we find the following:

“Demand projections were re-assessed in light of revised population projections, the economic downturn and the proposed changes in government policy in relation to the introduction of domestic metering & charging. The principal updated demand figures contained in the Plan and previous figures in the draft Plan are outlined below; Per capita consumption (pcc) reducing from 148l/hd/d (draft Plan) to 135l/hd/d (2020) and 130l/hd/d (2030) as a result of domestic metering & charging;”

After 16 years of metering and charging, the projected average per capital usage is given in this report as 130 l/p/d!!

In England where water has been privatised and charged for over many years, the usage is only slightly lower than Dublin.

DANVA, the Danish Water and Waste Water Association involving all the major water companies in Denmark - in its 2010 Benchmarking and Water Statistics Report, reported an average domestic usage of 114 l/p/d. Denmark has seen major programmes of retrofitting homes with water saving conservation measures over many years.

In **Germany in 2010** average usage was given as 121 l/p/d.

Amount of Charges to be demanded:

Based on the hardest evidence there is on current average usage in Ireland, the following would be the charges demanded:

Two adult household: 148 l/p/d, giving an annual usage of 108,000 litres, would put the water bill, after the household allowance of 30,000 litres, at €380 – not €278 as Irish Water claims. [$(108,000 - 30,000 = 78,000 \times .488C = €380.00)$]

Four Adult Household: 148 l/p/d, giving an annual usage of 216,080 litres, would put the charge after the allowances at €908 per year – not €483 as Irish Water claims.

In view of the huge disparities between what Irish Water projects and reality as well as the huge economic burden which this austerity tax would place on households, the CER should now refer the whole issue of water charges back to the legislature, Dáil Eireann.

‘Free Water’ for children is a lie! CER must force government to tell the truth:

The claim by government and Irish Water that the child allowance of 21,000 litres per year amounts to ‘free water’ is false. The CER has accepted this falsehood, saying in Paragraph 4 of CER/14/367 in relation to assessed charges, ‘The charge is based on adult occupants only as children are free.’ Again it is stated in Paragraph 8, ‘Children are free.’

As pointed out above, in Dublin the average usage per person per day is 148 litres, giving 53,872 litres per year. A ‘child’ of 16 or 17 will not use much less water than an adult. To suggest then that 21,000 litres per year is ‘free water’ for children is a blatant lie and the CER has the responsibility to force the government and Irish Water to tell the truth.

Default Charges: CER must not allow Irish Water to blackmail householders with disregard of household or child allowance:

It is reprehensible that Irish Water is already conjuring up blackmail strategies to coerce householders to submit to a charging proposal that they fundamentally reject. Their proposal to apply 'a default, unmetered tariff to households that fail to validate their details' is designed to browbeat householders yet again in the same way as draconian penalties are being applied to householders opposing the property tax. We call on the CER to recognise that these householders are the taxpayers of this country who are carrying all the major burdens of state financing already and can take no more abuse of this kind. While continuing to demand the immediate abolition of the water tax we demand that this kind of coercion is outlawed.

CER should recommend to Government to end 'double taxation' on water: In the Executive Summary of the Water Charges Plan Consultation Paper (CER/14/366) it says in Page 2:

"While business customers are familiar with water charges, to date domestic customers have paid for water services through general taxation." It then says in Page 8: *"The CER's role as the economic regulator for water services is to protect the interest of water customers . . ."*

It is not in the interest of water customers to continue to pay the central taxation that was devoted to water supply when the Government has imposed a direct charge for that same service. The CER should recommend to Government that this 'double tax' anomaly be dealt with in order to fulfil its mission statement 'to protect the interest of water customers'. While the whole issue of the introduction of water charges is highly fraught in the political arena, the issues we raise here are relevant to CER's own legal technical responsibilities.

Abolish Irish Water

Irish Water is the quango chosen by the government to impose the new water/austerity tax on householders and to prepare the ground for the attempted privatisation of the water supply services in this State. The local authorities are the best agencies to produce and distribute water to households and all other users. We demand major funding for the local authorities as the agencies best placed on the ground to deliver a service which needs a local, hands on approach at all times. We demand the abolition of Irish Water.

Water Conservation

The abolition of water charges imposed by Local Authorities under the Local Government (Financial Provisions) (No. 2) Act 1983, was announced in December 1996 after a significant campaign of opposition by tax paying householders. In the course of that campaign and after the abolition of charges, repeated demands were made to governments to introduce significant water conservation measures to save copious volumes of treated water. Changes to building regulations and building bye laws were demanded to require developers and

builders to include in the construction of houses water saving devices such as dual flush toilets and rain water harvesting tanks.

It was not too long after that the house construction boom took off. Up to 2008 hundreds of thousands of new houses and apartments were built but the requisite changes that would enable major water conservation were not implemented. It is therefore sheer hypocrisy for government to attempt to justify the current imposition of the new water tax as a conservation measure.

In the interests of householders and water conservation, the CER should demand of government a comprehensive overhaul of building regulations to bring about a situation where all new buildings, domestic and commercial, have the most advanced water saving measures built in at construction stage.

End of Submission by Joe Higgins TD.