



Submission to the Joint Committee on the Future Funding of Domestic Water Charges

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Introduction

Age Action is Ireland's leading campaign organisation for older people and on ageing issues.

We want to make Ireland the best country in the world in which to grow old and we work with older people to build a society free of ageism where their rights are secured.

A central feature of our work is raising awareness about the lived experience of growing old in Ireland and we welcome the opportunity to make a submission to Joint Committee on the Future Funding of Domestic Water Charges.

Age Action's position

We believe that access to water and sanitation is a human right as set out by General Comment Number 15 from the United Nations Committee on Economic, Social and Cultural Rights.¹

Article 12 of this General Comment identifies availability, quality and accessibility, both physical and economic, as the essential prerequisites for the delivery of this right.

It is preceded by Article 11, which makes clear that "Water should be treated as a social and cultural good, and not primarily as an economic good".

It is clear that nothing in these articles forbids the introduction of a charge for water but it was on the basis of these principles that we stated in our previous submission that our key concern was the ability of people, especially older people, to meet the financial burden that would result from the introduction of water charges.²

The latest official poverty statistics from the CSO indicate that the deprivation rate and consistent poverty rate for people over the age of 65 both rose from 2014 to 2015, from 14.3 to 15.4 per cent and from 2.1 to 2.7 per cent respectively.³

Based on the most recent population statistics this means more than 93,000 men and women over the age of 65 in Ireland are experiencing deprivation.⁴ In 2009, the last year in

¹ UN Committee on Economic, Social and Cultural Rights (CESCR), *General Comment No. 15: The Right to Water (Arts. 11 and 12 of the Covenant)*, 20 January 2003, E/C.12/2002/11, available at: <http://www.refworld.org/docid/4538838d11.html>

² Submission to the Commission for Energy Regulation, 16 May 2014, https://www.ageaction.ie/sites/default/files/attachments/age_action_submission_to_cer_irish_water_domestic_tariffs.pdf

³ CSO Survey on Income and Living Conditions 2015– available at <http://www.cso.ie>

which the State Pension was increased prior to 2016, the deprivation rate was much lower at 9.5 per cent.

Water charges have the potential to drive tens of thousands of older people on, or close to, the poverty line into greater financial difficulty.

We were also particularly anxious to ensure that those who might face higher water consumption needs as a result of a medical condition would not be penalised.

In responding to the invitation from the committee to make a submission we have chosen to make a number of comments regarding questions four and six.

⁴ <http://www.cso.ie/en/releasesandpublications/er/pme/populationandmigrationestimatesapril2016/>

Q4. Overall approach of the Expert Commission

5.8.1 The Expert Commission believes that this overall package of measures, when taken together, represents a fair and equitable approach to addressing the funding of domestic water services in Ireland.

We believe the scheme, as outlined in more detail in section 5.2, is a fair and equitable one which ensures that everyone will have access to water in line with their fundamental human rights, while also abiding by the polluter pays principle and so discouraging excessive or wasteful use of water.

However, we are conscious that there will be a great deal of suspicion as to how the scheme outlined in section 5.2.3 will operate in practice, particularly that over time the allowance will be reduced to make more and more people liable for water charges.

In recent years older people have seen previously universal entitlements like the Medical Card and the Telephone Allowance being cut, restricted or abolished.

Exemptions for people on low incomes for waste collection charges that were in place when those charges were introduced were eventually abolished.

Other universal State supports and benefits, not only those of particular value to older people, are regularly under threat.

There will, therefore, be some cynicism that once the furore around the issue of water charges has diminished there will be political and economic pressure in years to come to reduce the size of the water allowance for which households are not obliged to pay.

We welcome the recommendations from the Expert Commission in section 5.1.4 that our water services should remain in public ownership and in section 5.2.5 that the level of the allowance should be set following an “open and transparent process”.

We believe both of these proposals would help to provide some assurance to those concerned about the size of the allowance in the future but we would urge the committee to investigate other measures that would protect the allowance in the years to come and to ensure a fair and equitable system for water charging.

It is essential to build and maintain trust in any new system for domestic water charges that the process through which the allowance is identified should be as independent and transparent as possible – and should be generally perceived to be so.

5.2.7 ...The special exemptions already in place for households catering for medical or other conditions that require high water usage should be maintained.

It would be helpful if further clarification could be given as to how this will operate in practice.

We assume that the reference to ‘exemptions already in place’ refers to the ability of households to have their charges capped by claiming a specific medical condition.⁵

Under the current system this means that a household with one adult using both water supply and wastewater services would have their annual charge capped at €160. If they needed to use more water because of a medical condition there is no additional charge.

In the scheme proposed by the commission it is envisaged that a household would receive an allowance “that corresponds to the accepted level of usage required for domestic and personal needs without any direct charge being levied. This allowance should be related to the number of persons resident in the household and adjusted for special conditions.”
(Section 5.2.3)

This appears to be a different approach. In the current system a family requiring a large amount of water for medical reasons must pay a fee, but it is capped, and there is no additional charge regardless of the amount of water used.

In the proposed system, a household using water additional to that specified in the allowance would be liable to be charged unless granted an exemption or covered by the ‘special conditions’ referred to above.

This creates the possibility of, under the new system, a family of this type facing a larger charge than proposed under the current, capped, water charge if their water use is significantly above the allowance allocated.

⁵ http://www.citizensinformation.ie/en/environment/water_services/water_charges.html

Any new charging system must be fair and so it is important that people who have greater water consumption needs because of medical conditions should not be penalised.

Many older people have higher consumption needs due to greater medical, sanitation or laundry requirements.

Age Action said in our 2014 submission to the Commission for Energy Regulation that “people with medical needs which result in higher water consumption should be able to apply for affordability protection measures through their doctor”.⁶

As the scheme proposed by the commission appears, on our understanding, to potentially create a greater financial risk for those with high water consumption needs for medical reasons, we urge the committee to clarify how the system would treat those households.

Q6. Treatment of those who paid water bills and those who did not

We note the pledge contained in the Confidence and Supply Agreement, confirmed in Section 5.8.3 of the Expert Commission’s report, that “those who have paid their water bills to date will be treated no less favourably than those who have not”.

Those who argued that the previous water charges scheme was unjust have been largely vindicated. It would seem unfair and, bearing in mind likely legal costs, impractical to pursue those who made a decision not to pay water charges.

Consequently, in order to ensure those who paid are treated no less favourably, we believe it is necessary to refund in full any water charges payments made to date.

ENDS

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⁶ Submission to the Commission for Energy Regulation, 16 May 2014, https://www.ageaction.ie/sites/default/files/attachments/age_action_submission_to_cer_irish_water_domestic_tariffs.pdf