



Water Reform - Creating Water Poverty

The way poverty is defined in Northern Ireland means that a household with two adults and two children would be considered living in poverty if surviving on £242 or less per week (after housing costs). Income support gives a family of 2 adults and 2 children around £178 a week after housing costs – significantly below the poverty line. According to OFMDFM research, regardless of the measure used, Northern Ireland has higher poverty rates than Britain or the Republic of Ireland. In fact the NI poverty rate was at least four percentage points above that in Britain.

The Government's Budget proposals claim that a main objective is to reduce poverty, particularly the number of children living in low income families. A highly commendable aim indeed, although exactly how the imposition of a swathe of job cuts in the Civil Service and a 9 per cent rates increase will achieve the desired reduction is not easily identified. Perhaps the Government is simply unaware of the discrepancy between stating worthy aims and then implementing policies which appear to veer in an opposite direction. When one looks at the proposals for the reform of the Water Service perhaps a far more sinister method is at work.

The Government claims that “water service reform” is needed because of infrastructure requirements and demands from the European Framework Directive. Few disagree that the system needs upgrading. We lose over thirty per cent of our treated water through leakage, raw sewerage is unleashed into the sea and with an expanding population, demands on a system already unable to cope will increase markedly. The reform and upgrading of the water service is necessary. But the policies reiterated in the Water Reform Unit's Integrated Impact Assessment (IIA) open the door for an increase in poverty and a reduction in the quality of the service.

The Integrated Impact Assessment (IIA) admits that privatisation is the preferred option. It claims it can deliver an efficient service which is also cost effective. But the rather haphazard consultation process revealed almost universal opposition to privatisation and so they say they have ruled out this option in the “short-term”. But the small print suggests that the Government owned company (GoCo), based on business principles, charged with overseeing the service and seeking out private sector investment is, in fact, privatisation. It's just the private water companies won't get involved until everyone is paying water charges.

The key reasons for the widespread opposition is that most people know we already pay for water through our regional rate and are therefore being charged twice. Secondly, most people understand that once the private water companies take over, the charges will increase. The government admits there are genuine concerns about the impact of their policies on poverty. In the IIA it is acknowledged that, “Charges should take due account of the customers ability to pay. Due consideration should be given to the needs and special requirements of vulnerable customer groups.”

Their conclusion was not to scrap the charge altogether or give the most vulnerable an exemption, instead one in four households in Northern Ireland will be eligible to claim the governments 25% discount on the new bill. Nowhere in the IIA documents is there an adequate assessment of exactly what the impact of an additional charge will be on the situation for the poor. Nor is there any acknowledgement of the fact that only 1.8% of those eligible for help with water charges in England and Wales actually receive it.

According to the Government, benefit recipients and rate payers have actually been getting quite a good deal here. The methods used to ascertain the charging mechanism took account of “the fact that even in those households on lowest incomes, current Social Security benefit levels are intended to meet general household bills, including water. There is no regional variation in benefits. Those in receipt of benefits in other regions in the United Kingdom are already required to pay direct charges for water and sewerage services.” Although never so crudely put, this is a version of Harold Wilson’s 1974 speech when he said of the people of Northern Ireland “they sponge on British democracy”.

The reality, of course, is that apart from the high levels of poverty, wages in Northern Ireland are on average 20 per cent lower than in the rest of the UK according to Invest NI, and the costs for heating oil, fuel and groceries are as much as 33 per cent higher than in Britain. The government appears to dismiss the allegation that the new policies will contribute to increased poverty levels here. They refuse to answer the question, why can’t they provide the funds in the first place, (they have managed to find billions to wage war in Iraq), therefore keeping the service in public hands.

It is not difficult to see that the new charge will impact on the most vulnerable. The impact of privatisation is already evident in other countries: water of lesser quality, the return of disease due to inefficient testing procedures and continual price rises leading to water poverty. This is above and beyond the trauma that many will face trying to decide what they leave out of their weekly budget in order to pay the water charges. Maybe the commitment to privatisation provides a blindfold so thick it is impossible to see through.

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The Northern Ireland Anti-Poverty Network’s response to the Integrated Impact Assessment documents is available now. T: 0845 120 3771 Email: info@niapn.org
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