



Northern Ireland Anti-Poverty Network

September 2003

Water and Sewerage charges Update

On Saturday 30 August the Coalition Against Water Charges was launched. Coalition members are Communities Against Water Tax, Irish Congress of Trade Unions, Water Services Trade Union Group and the Northern Ireland Anti-Poverty Network.

The most important member of this anti-water tax coalition is you, the local man and woman in the street, this will affect you directly, whether you're in work or on benefits you will be expected to pay an additional £300-600. per year. As you already pay for water through your rates bill (on average 37% of your current rates bill goes to water) you will be charged twice for what is after all an essential human right.

To date the argument goes something like this; we have a crumbling water and sewerage infrastructure due to lack of investment over the years; this means there is a need for investment, so this must mean charges. To curb charges we must cut jobs, to increase efficiency we must have privatisation and after all the EU Framework Directive says there must be charges to encourage people to manage water resources more efficiently (this is not so).

EU insists on better water management or we could be fined. The 'consultation' held to date has been on *how* we should pay not on *whether* we should!

As you can see, closely allied to the introduction of charges is the mistaken assumption that efficiency equals privatisation. NIAPN is totally opposed to the privatisation of the water service. There is a mistaken concept that the private sector is more efficient and so will run a better service with increased efficiency. What many studies actually show is that the pursuit of profit is often at the expense of the customer and indeed of the service provided. If we look at Scotland the model presented throughout our range of consultations as best suited to NI, their domestic users have had an increase of 170% in charges since it was established with more to come due to an identified £3 billion deficit required to improve their infrastructure. Obviously any profit generated has not been re-invested in company infrastructure but has found its way into private shareholders pockets.

Another concern with private contractors is the lack of transparency and accountability of their business tenders and general practices resulting in no public accountability.

If we look at the big picture on this issue, the privatisation of water is part of a global move toward control over a limited resource. Gérard Mestrallet, CEO of Suez, puts the water industry position succinctly: 'Water is an efficient product. It is a product, which normally would be free, and our job is to sell it. But it is a product which is absolutely necessary to life.'

Two companies, Suez and Vivendi, dominate water throughout the globe; even Enron found they could not break into this so-called 'open market'. In France, Italy and the US the water market was ruled corrupt and uncompetitive. This closed

market seriously calls into doubt any assumption of gain through privatisation and increased competition.

The Public Services International Research Unit (PSIRU) based at the University of Greenwich, UK has carried out research at a global level on Paying for Water and Privatisation. Their study shows what has happened in other parts of the world and highlights a worrying pattern that indicates the poor and marginalized are those most at risk from such economic policies. This research provides an overview of how this move toward privatisation and increased charges has been rolled out across the world. Interestingly it also shows how many countries including the United States are now moving back to publicly owned water authorities. There is an obvious lesson here that we should avoid the mistakes other countries are now trying to reverse.

In South Africa over 100 people died from cholera after the privatisation and introduction of meters as a form of regulating payment. Poor people were afraid to use what is after all a natural resource. The issues of profit and rights are seriously intermingled within this issue. The move toward privatisation is a very worrying factor, which could indicate that this basic human right will become the privilege of the affluent and a luxury for the poor.

Within Northern Ireland many have said 'these charges won't affect me, I don't have a house'. If your paying for private accommodation, do you think your landlord will pay your water charge? What if your landlord decides to put a metre in your property, how will this affect your family's health? Will you have the right to say no? If you're in a Housing Executive property do you think the government will pay your water and sewerage bill? In England water and sewerage charges are deducted at source from benefits. Have you thought about how a bill for £300-600 would affect you and yours? If your working what difference will this make to your pay packet on a monthly basis? For some families this could be the difference between having or not having a family holiday, between debt and scraping by. For those who can't afford it, this form of 'double taxation' will have significant implications.

There are also proposed increases in your annual rates bill, some local politicians have suggested these may actually double in price. There has been no suggestion from Government that there will be corresponding increases in wages and benefits to even bring us in line with the majority of UK households, nor has there been a subsequent proposal that our higher cost of living will be addressed through effective price regulation of for example fuel/energy, food, and childcare costs.

Many have said, 'these charges are coming and there's nothing we can do to stop them.' From 1994 to 2003 water charges and privatisation have been successfully defeated across the globe from the US to Europe, from Africa to Indonesia. Water Tax and privatisation of the water service can be defeated but only through initial local and coordinated actions.

Many have asked, 'what can we do?' Trade unionists and communities need to come together on this issue to develop local awareness and understanding on what these proposals will mean to each and everyone of us. You can hold local meetings, distribute leaflets and raise awareness, get Anti-Water Tax petitions signed, establish local campaigns and get ready for a massive anti-water tax rally in October 2003. The Coalition plan to hold a public conference on this bread and butter issue in the autumn.

Information to support your local actions can be accessed through contacting us at NIAPN 02890 875010, CAWT 02890 749147, or ICTU at 02890 247940. You can also get information from the NIAPN or ICTU website at www.niapn.org or www.ictuni.org

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