

WATER TAX

The future of water in Northern Ireland

Frances Dowds, development worker with the Northern Ireland Anti-Poverty Network and a member of the Anti Water Tax Coalition, explains why the proposed water charges could spell disaster for low income households.

It's all gone quiet on the issue of the 'water tax'. The Anti Water Tax Coalition (Communities Against the Water Tax, Northern Ireland Anti-Poverty Network and the Irish Congress of Trade Unions) is waiting for an announcement from the Minister on what happens next. It looks like there will no announcement until after the European elections.

This does not change the fact that the introduction of charges across Northern Ireland will affect most those groups and communities least able to pay, driving 150,000 families deeper into poverty and debt. Government has said it is looking at relief systems in Scotland and England, which is very worrying. In England older people receive a 25% reduction in their charge, whereas in Scotland all households pay the same for water as of April 2004. According to the Scottish Water Commissioner, 'to date the interests of the poorest people in Scotland have not been protected'.

The most recent Northern Ireland report, issued following the Department of Regional Development's Water and Sewerage Review, reaffirmed the government's commitment to effective protection for those on low incomes, fair payment from those who can afford to pay, a self financing service from 2006 and an admission that the regional rate does pay towards water provision although the government says it is not enough. The frequently quoted excuse for ever rising costs is the 'need for increased investment in infrastructure.'

Should water and sewerage provision be effectively privatised in line with most European states, all Northern Ireland householders and tenants will face increasing levels of charges. Whatever the form of privatisation offered (Public Private Partnerships, Private Finance Initiatives or Reform and Reinvestment Initiatives), a number of concerns arise in relation to transparency and accountability. How will the public know that private tenders and contract

services are value for money? How will pricing be regulated? What is to stop such a consortium, operating within a private market framework, from raising prices as it wishes? The recently proposed 20% increase in prices from Phoenix Natural Gas-Centrica shows what the future could be with private companies in charge of water in Northern Ireland.

In England and Wales, householders currently face increased water bills of 30% or more, a rise of up to £77 on the average bill. The current average annual bill for those with meters is £222, and for those without £258. Yet again, the argument used for the proposed price increase is the need to invest in infrastructure and the need to meet the European Union environmental directives. It does makes you wonder what they have been doing with the revenue generated to date

It also makes you wonder about the hardship caused for non average households, such as those on benefits or those struggling to exist on low incomes. What about those who do not have an average consumption rate? What about households with caring responsibilities for children, people with a disability or large families?

Water Voice, which represents customers' interests in England and Wales, has stated that the industry should prepare itself for a backlash and argues that customers on low incomes should be helped with water bills through the benefit system. According to Maurice Terry of Water Voice, 'The effects of price rises on this scale would be to provoke public resentment against the industry, against the environmental lobby and against the government.'

Here, there are no proposals to cushion those on benefits or on low incomes and no household is to be exempt, yet 37% of our rates bill goes toward water and sewerage provision. Households on benefits, pensioners and those on low income could be facing charges up to £400 per annum, although it is suspected the introductory charges would be lower and, once accepted, would be raised over time.

Northern Ireland has special circumstances from lower wage levels, higher levels of child and family poverty, to higher levels of inequality, disability and illness. It is

the opinion of the Coalition and the general public that water should not be treated like any other utility such as coal or gas. Water, like the air you breathe, is a basic human need. Responsibility for provision of this critical service lies fair and square with the government to whom we pay our rates.

If you want to join the Coalition Against the Water Tax and resist the introduction of a double form of taxation, contact Frances Dowds at NIAPN, phone: 028 9087 5010, email: info@niapn.org.

