

## **WATER POLICY**

### **SUMMARY**

- \* Oppose water charges.*
- \* Support for an organised boycott to defeat them.*
- \* Abolish Irish Water as a quango.*
- \* Direct public control over water treatment and supply.*
- \* For real conservation through mechanisms such as rainwater harvesting.*
- \* For an investigation into the activities of Siteserv.*

# People Before Profit's Water Policy

## Boycott Water Charges

People Before Profit are totally opposed to water charges.

Water has traditionally been paid for through central taxation and it should continue to be funded in this manner.

The government is trying to reduce the central funding of the water supply in order to divert money towards paying off bondholders. It is using a hypocritical rhetoric about conservation but it sees water charges primarily as a revenue raising device. People Before Profit rejects this logic.

We advocate a boycott of water charges as the most effective way to defeat them.

We believe that the boycott should be followed up by the election of new anti-water charges deputies to the Dail who are pledged to legally abolish them.

## Abolish Irish Water

The abolition of quangos was one of the central planks of the Fine Gael / Labour Party Programme for Government. Quangos, they claimed, were wasteful of resources, consultant heavy and were not answerable to democratically elected representatives. But Irish Water or Uisce Éireann is possibly one of the biggest quangos of them all.

Irish Water was set up on a 'Public Utility Model', 51% state owned, with the balance coming from private funds. As such it will be run as a commercial concern with shareholders seeking maximum returns and lenders demanding commercial interest rates. As consultants PricewaterhouseCoopers (PwC) in their report proposing the model for Irish Water put it, 'The public utility model is the most attractive proposition to lenders and is understood by investors who lend to water sectors in other countries.'

The original plan of the Fine Gael–Labour government was for the state to withdraw from the funding of Irish Water in 2018 and for further funding to come from the private sector. The collection of domestic water charges was supposed to eventually attract potential private investment.

People Before Profit favours the abolition of water charges and the abolition of Irish Water.

A central body to manage our water and wastewater services is not necessarily a bad idea in itself. Ireland is a small country and water supplies don't match or stop at county, town or city boundaries. Major investment is required to fix a leaking system and to ensure clean water supplies for the future. One estimate suggests that currently 41% of treated water is lost through the distribution network, largely because of pipe leakage and illegal connections.

However, this is not what Irish Water is doing. Instead, it spent €86 million on consultants and twenty-nine of its executives are on salaries of over €100,000 – including its €200,000 a year chief executive. All of the 309 staff currently employed by the company are entitled to a bonus. It awarded lucrative

contracts to companies like Siteserv, owned by Ireland's richest person, tax exile Denis O'Brien, also the biggest shareholder in Independent News & Media.

## **Does Metering Reduce Consumption?**

People Before Profit rejects the argument that public money should be spent on metering rather than fixing the piping infrastructure. Metering of water will cost an estimated €1 billion but this money would be better spent on fixing leaking pipes.

The evidence suggests that metering does not lead to significant decreases in consumption. The reason is that there are many factors at play, the most significant being the condition of the piping infrastructure. Family composition, the numbers unemployed or retired, the numbers at full-time work or education would all have a significant influence. At the most basic, if you are at home most of the day you will use the toilet more often. Reduced consumption also reflects changing cultural patterns, for example the use of showers rather than baths.

Countries with the highest level of metering, such as the US and Canada, also have the highest consumption. 61% of Canadian homes are metered yet consumption per person is 300 litres a day. In the US where metering is nearly universal, consumption is 425 litres per person per day, almost twice and three times respectively the Irish consumption of 160 litres.

Studies to assess the effect of water metering were carried out on the Isle of Wight in the UK between 1989 and 1993. Results showed an initial average domestic consumption reduction of about 11%. But this reduction in consumption did not last. A more detailed examination of the figures showed that 40% of this reduction was the result of better leak detection rather than reduced or disciplined consumption. And there was also a significant awareness effect of public information campaigns on water conservation.

In simple terms then investment in the infrastructure and its maintenance would be more cost efficient in conserving water than metering. If we factor in ongoing cost of billing and administration of a metered system there is simply no argument.

Metering has little to do with conservation of a scarce resource. It has everything to do with turning it into a commodity that can be bought and sold.

## **Privatisation**

Behind the spurious 'environmental' arguments is a longer term agenda, an agenda to undermine the provision of public services, paid for through general taxation. Once charges are introduced, the service has a price, it has a monetary value allowing private contractors to take it over and run it for profit.

This agenda was confirmed by the Lisbon Treaty which states that 'services of general economic interest' are subject to the laws of competition – meaning, the opening up of the market to private corporations.

This is exactly what happened with the bin service. Charges were gradually increased, starting off with minimal charges for tags or 'per lift', followed by the addition of annual charges. Once the charges

were being paid the service was handed over to private contractors. And now the waiver for those on low incomes has been removed, despite the fact that supporters of the bin tax argued that those on low incomes would be protected.

Today there is not a single bin service left in public ownership in the state. They have all been privatised. We now have the spectacle of different competing companies coming into estates to collect rubbish. The same will happen with water. The long-term prospect, if charges are implemented, is privatisation.

Privatisation of water provision would be a disaster as the experience in Britain shows. Water prices increased and there was a sharp rise in the number of households being disconnected. Water had a poor performance in England and Wales because of poor water quality containing high levels of iron and manganese. The situation was so bad that the Daily Mail, a staunch Tory Party supporter, was driven to run a feature in 1994 titled 'The Great Water Robbery' .

No one should accept government denials about privatisation. Fortune magazine has claimed that 'Water promises to be to the 21st century what oil was to the 20th century: the precious commodity that determines the wealth of nations.' So the major water companies will use the Lisbon Treaty's provisions on 'services of general interest' to insist on their right to enter the market.

The way to prevent these future developments is to stop water charges now through an organised boycott and the eventual legal abolition of water charges.

## **For Real Conservation**

People Before Profit favours a real strategy of conservation.

Instead of introducing meters that will be expensive to install and costly to administer, the money could be invested in upgrading the network and encouraging water conservation measures. A huge amount of the water delivered would not be needed if we had more conservation methods in place.

A major proportion of our expensively treated water is used for applications that do not require water refined to a high standard.

- Only 6% of the water supplied to our homes is used for drinking or cooking.
- The water used for washing machines need not be drinkable.
- Water used for showering and washing does not need to be drinkable.
- The water used to flush a toilet requires very little treatment.

Dual flush toilets are now the norm in new constructions, as are many other water-saving innovations such as water-miser taps and showers. However it is estimated that there are a million buildings in the country that have the older high volume toilet cisterns and other wasteful fittings. A retro-fitting programme could include replacing such fittings in those buildings.

In Britain which is comparable with Ireland recent figures show a usage of 51 litres per household per day for toilet flushing. In Denmark where dual flush toilets are almost everywhere the figure is 30 litres.

Our present system entails sending treated water over long distances. Yet much of the water used in homes at the moment could be supplied from closer to the point of use.

None of this is a new idea. Some older homes, had dual systems- rainwater and mains water in the past. A lot of those were converted during renovations to be mains-fed only and could be converted back. On mainland Europe it has long been the practice for homes to have two separate plumbing systems. The main treated water supply is fed to sinks and baths and appliances that require it. The run-off is then recovered, filtered and pumped to areas where the same level of quality is not needed, like toilets and gardens. This practice is known as 'Grey Water Recovery' and could do a lot to decrease our dependence on treated water and conserve our stocks. Grey water would be suitable for almost 40% of the average household demand.

## **Rainwater Harvesting**

Ireland is a sparsely populated country with relatively high rainfall (over 1,250 mm per year) spread over the entire year. Spain, on the other hand has a yearly average rainfall of 650mm, unevenly spread over the seasons and with some very significant regional variations. Madrid, for example, has an average yearly rainfall of 400mm.

The website of the Irish Meteorological Service reports that the actual average number of wet days in Ireland, i.e. days where the measured rainfall is over 1mm ranges from 150 days to 225 days a year, depending on where in the island you are, the lower figure being on the east and south east coasts while the higher figure is for parts of the west of the country.

Most of the water that falls from the sky in this country comes in from the Atlantic and is therefore relatively clean. It is also extremely 'soft' and has none of the lime scale problems associated with water from river, spring or well sources.

Given these conditions, People Before Profit advocates harvesting rainwater. Some of it will have to be retro-fitted to existing buildings. But it should also be a requirement for all new build, both in rural and urban areas.

Rainwater harvesting has the potential to greatly reduce reliance on treated water from distant sources. Even if only multiple units such as apartment blocks, low density semi-detached and detached suburban houses and rural housing were retro-fitted to use such systems the savings could be huge. The money spent on Irish Water could go a long way toward the cost, as could other monies wasted by government in many other areas.

Another advantage to this kind of approach is that the retro-fitting work could create around 5,000 jobs for about three years, giving a much needed boost to construction sector employment. It would also go a long way toward addressing the projected shortages for the greater Dublin area where one of the 'solutions' being considered is to bring water across the country from the Shannon with a huge potential environmental impact and a cost of up to and beyond €800 million.

## For A Public Investigation Into Siteserv

People Before Profit wants a full investigation into the activities of Siteserv.

Siteserv is a conglomerate of Irish building-related companies pulled together during the Celtic Tiger boom. The company was bought for €45 million by another company called Millington, based surprisingly enough in the Isle of Man, which includes billionaire Denis O'Brien amongst its owners.

Curiously it appears that there were at least two competing offers for Siteserv - for €52 million and for €60 million. And to add to the murkiness, solicitors Arthur Cox acted for both O'Brien and Siteserv in the deal.

The Irish Bank Resolution Corporation (IBRC), the former Anglo Irish Bank had given Siteserv a loan for €150 million, but got back less than €50m from the sale. They wrote off the remaining debt of €100 million. But technically we own IBRC. So we have subsidised to the tune of €100 million, the purchase of Siteserv, by a billionaire speculator. And Siteserv will charge us to install meters at our homes.

In an Irish Times interview in October 2013, Sean Corkery, Siteserv Chief Executive, stated that revenues will hit €230 million, up about 25 per cent. Profits he said, are "about seven per cent", or up to €16 million this year.

People Before Profit does not accept the excuses made about 'confidentiality' that were used to halt an investigation into the loan write-downs given to Siteserv and other companies by Anglo-Irish Bank. Social welfare claimants are not allowed to claim confidentiality when seeking Job Seeker's Allowance. So why should big business people be allowed claim confidentiality when they receive huge state subsidies?

We will insist on a full investigation into 1) the relationship of Siteserv and Anglo-Irish Bank and 2) the manner in which they won a metering contract from Irish Water.