

How Should We Pay for Water

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The Report by the Expert Commission on the Funding of Domestic Public Water Services in Ireland has been submitted on schedule to the Joint Oireachtas Committee on the Future Funding of Domestic Water Services.

As provided in the Fine Gael – Fianna Fáil Agreement on Water Services, the Committee will endeavour to make its own recommendations to the Oireachtas within a period of 3 months. (1 March 2017). The recommendations of the Joint Oireachtas Committee will be considered and voted upon by the Oireachtas within a one month period. (1 April 2017).

Main Recommendations

- The funding of water services for normal domestic and personal use should be out of taxation. (The threshold for normal use is left open)
- Special provision should be made for those with special medical or other needs. ·
- Excessive or wasteful use of water should be paid for directly by the user at tariffs determined by CER. ·
- Irish Water should complete a comprehensive programme of district metering to identify system-wide leakage and manage the network.
- Equity with the proposed arrangements for consumers on public supplies must be maintained for those who are not served by public water supplies.
- The necessary measures should be put in place to give effect to the commitment that those who have paid their water bills to date will be treated no less favourably than those who have not.
- The 12 year Service Level Agreements (SLAs) between Irish Water and local authorities for the provision of water services should be reviewed to ensure the delivery of a cost efficient water service.

A number of issues are left open for consideration by the Oireachtas. These include

- whether or not a suitable constitutional provision on public ownership of water services be adopted.
- whether or not to continue with the programme of metering

The report contains data some of which is new which increases understanding of the issues involved.

These include

- Some 22% of households are members of group water schemes (including 13% in private schemes).
- 29 % of households have septic tanks for the removal of waste.

Contrary to expectations and the view of the European Commission, consumption of water in Ireland at 123 litres per person per day is below the European average. (The EU Commission in its letter to the Expert Commission of 24 November, 2016) claimed that Ireland had the highest water use per capita in Europe from public water supplies; almost 6 times the Belgian level).

Heavy consumers (7% of the total) consume 6 times average consumption.

Consumption has risen since water charges have been suspended.

Expert Commission's Approach

Given the controversy surrounding the issue of water charges the Expert Commission has taken the view that

“making recommendations that meet the standard criteria and that may theoretically align with best practice but do not take account of the relevant background and context in Ireland – including the criterion of acceptability – would not be useful” (para 4.7.7).

We have taken a similar approach in our submission to the Commission. [Link here](#)

Our View

Any system of paying for water should meet the following criteria.

- There should be an incentive to conserve water which is a scarce resource.
- To achieve and maintain public acceptance of the principle of charging, compliance with payment of charges should be at a high level.

To meet these criteria

We recommend that a flat charge for water should be added to the charge for local property tax¹ and collected by the Revenue Commissioners. (Compliance with LPT is 97 per cent).

To encourage conservation individuals should be able to apply to Irish Water for a rebate based on their metered use of water.

Tax credits to offset the additional charge as appropriate should be provided to those who do not avail of public water services.

When the present programme to identify and repair domestic leaks has advanced further, Irish Water should be permitted to levy supplementary water charges on the small minority of users who consume large volumes of water.

¹The Northern Ireland Assembly has decided to defer the introduction of domestic water charges. Funding is provided through the domestic regional rate which is set by the Assembly and covers a range of services. The rate is a percentage of the value of a property subject to a cap of £400,000.