



Society of St. Vincent de Paul

HOUSEHOLD WATER CONSERVATION

Submission to the Commission for the Regulation of Utilities

APRIL 23, 2019

SVP SOCIAL JUSTICE AND POLICY TEAM

Introduction

SVP is the largest charity of social concern and action in Ireland, with a variety of services for households being provided by over 11,000 voluntary members and almost 1000 staff across the country. At the core of our work is home visitation, where we assist families and individuals all around the country through social contact, advice and practical support. One of the largest areas of SVP expenditure in our support of low income households is dealing with utility debt and working with families who find themselves in constant arrears or with the threat of disconnection. The onset of excessive use charges poses another cost for these households and SVP is anxious to see that people on low income are given appropriate consideration in regard to these charges. We therefore welcome the opportunity to respond to the Commission for the Regulation of Utilities on the proposals for Household Water Conservation and Excessive Use Charges.

Water conservation

From an environmental point of view SVP is supportive of measures that reduces water consumption and ensures the sustainability of our water supply and understand that an excess usage charge can be one way to promote conservation. However, we are concerned that excessive water use charges will place additional pressure on low income households. Greater emphasis needs to be placed on non-pricing water demand measures, including the reduction of leakage in water supply networks, public awareness campaigns and incentives to install water saving devices and more efficient household appliances.

Continued work and investment in terms of implementing the Leakage Reduction Programme including active leakage control, pressure management, system upgrades and good system design will be the most effective measure in terms of water conservation. Public awareness campaigns are also considered to be effective in reducing household water consumption and it is estimated that water saving devices can save up to 40% of water per year in an average household.¹

SVP note that the charge is not intended as a revenue raising measure and that the monies collected through this charge will account for approximately 1% of its allowed revenue. It would be useful to have information on the expected costs associated with implementing the current proposals, including the pursuit of non-payment, against the costs of alternatives such as subsidies for the installation of water saving devices and for public awareness campaigns. Investing in the latter would help meet the objective of water conservation without putting undue financial pressure on low income households or penalise those who unconsciously have high water consumption due to leaks or other medical/household needs.

Overall, significantly more information is required on consumption patterns of the Irish public before the excessive use charging policies of Irish Water can be applied. It is SVP's view that excessive water charges be considered only as a last resort in terms of the overall approach to water conservation.

¹ European Environment Agency (2017) Water management in Europe: price and non-price approaches to water conservation. <https://www.eea.europa.eu/themes/water/european-waters/water-management/water-management-in-europe>

Charing Process: Issues for Vulnerable and Low Income Households

SVP welcome the exemption for excessive use charges for those with medical conditions. However, the proposal does not contain sufficient detail on how these households will be identified. As well as those with medical conditions, those with high water needs include some older people, household with babies and children, people with disabilities, and carers. Based on our experience of working with households in financial distress, the proposed notification system and communication pathway may cause unnecessary stress and worry for vulnerable groups. Irish Water already has a list of priority users who are critically dependent on water and those with five or more people in the household. This information could be utilised to ensure these households are not contacted unnecessarily regarding an excessive use notification. Furthermore, those with medical conditions and who will have higher water consumption could be identified via medically assessed social welfare payments such as Carers Allowance and Disability Allowance. Those who are struggling to meet the additional costs associated with disability, medical conditions and caring but who do not qualify for a means tested social welfare payment could provide medical certification from their GP to allow them to avail of the exemption. The costs associated with medical certification would also need to be considered.

Information should be provided in a format that people can use and understand. All communication tools should adhere to the National Adult Literacy Agency's Plain English Guidelines. Many of the people we assist struggle to pay bills for essentials such as energy bills and sometimes have to make a choice between heat and food. The issue of self-disconnection of pre-pay meters or going without heating due to cost is prevalent among the people SVP assist. Although, such practices would be less likely in terms of water consumption, we would still be concerned that if excessive use is not defined and communicated effectively, some households may reduce the water usage below what is required to avoid charges. It is vitally important the excessive use threshold is communicated in a way that is understandable for people, for example converting 1,000 cubic litres into a tangible unit of measurement. Irish Water could consider developing an online water consumption calculator similar to one developed here: <https://www.home-water-works.org/calculator>. This could also generate tips to households on how to reduce their consumption if it is approaching "excessive" in some areas of household use.

SVP have significant concerns for low income households who may have excessive water consumption due to leaks. We note that the "first fix free scheme" is only available for leaks detected outside the boundary of the property. The internal water system on a property may be in such a bad state that it causes excessive leaks, yet there is no additional support for such households which might not be able to afford to rectify the source of the problem. As a result they could face a charge for water they are not consuming, placing undue hardship on low income households. They maybe willing to rectify the problem, but they might not have the means to do so. A second related issue is that a tenant may be charged for excessive use due to a breach of landlord obligations to repair leaks or uphold a minimum standard within it's property. There is no detail in the proposals on how such cases would be dealt with, particularly where the landlord is not engaging.

The Committee on Future Funding of Domestic Water Services recommended that options or schemes should be explored in order to address the cost of subsequent leaks, i.e. within the boundaries of the user's property. SVP would welcome the establishment of a fund for water

conservation devices and works for low income households, similar to the energy efficiency schemes currently offered by SEAI and the Department of Communication, Climate Action and the Environment. As outlined above we are also recommending that Irish Water engage in a national awareness campaign with regard to the existing scheme to assist with active conservation on the part of the user. A specific campaign aimed at informing landlords of their obligations and available schemes in this regard would also be welcome.

The capped charge for households offers customers some security by avoiding 'shock charges' but they proposed caps are very high and will be difficult for those on low or fixed incomes to meet. The level and application of the caps should be reviewed and consideration should be given to a lower capped rates which are progressive after first charging and with consideration for people already experiencing energy poverty and their ability to pay.

Finally, there will be a significant number of unmetered housing and such households need to be certain that they are being charged in an equitable manner which is reflective of comparable data from metered houses. The process of charging unmetered customers is not clear and the mechanism for appeals needs to be properly set out.

Conclusion

In conclusion, Irish Water should work with consumer representative groups to provide accessible information to households on how best to conserve water. Any additional incentives, resources or penalties must be mindful of households that are 'hard to reach', experiencing poverty or who are vulnerable. The impact of the current proposals should be evaluated to monitor their effectiveness and overall impact on reduction in water consumption.