

STOP WATER CHARGES



Water Charges – a tax too far

A Sinn Féin Policy Position Paper November 2015

INTRODUCTION

The introduction of water charges for households was the brainchild of Fianna Fáil and the Green party. In 2010 both Government parties committed to - ***introduce a scheme for the metering of the domestic sector with charging for domestic water by 2014***. Fianna Fáil and the Greens then formalised their commitment to water charges by opting to include this deeply flawed and unnecessary policy in the terms and conditions attached EU-IMF Troika 'bail out' loans.

In its 2011 election manifesto Labour told voters that the party did not favour water charges, adding that the charges did not address the immediate needs of those who currently receive intermittent or poor water supplies. Yet in Government the Labour party, having become more Fine Gael than Fine Gael themselves, championed this unfair and unpopular stealth tax.

Sinn Féin has committed to abolish domestic water charges in Government, and we would not pursue arrears for these same charges. Sinn Féin has published two pieces of legislation to both abolish water charges and enshrine in the Constitution the right of the people to the retention of water services and infrastructure in public ownership.

Our TDs and Senators opposed the introduction of water charges in the Dáil & Seanad, and the Bill establishing Irish Water and all subsequent legislation related to water charges and the legal penalties imposed on citizens by Government for non-payment of water charges. Sinn Féin's Environment, Community and Local Government Spokesperson Brian Stanley submitted numerous amendments to the Water Services legislation, all of which were rejected by Labour and Fine Gael TDs.



THE REAL COST OF ABOLISHING WATER CHARGES

Our Budget 2016 document 'Delivering a Fair Recovery' provides for the net cost of scrapping water charges. Department of Finance figures show the cost of ending water charges is €209m per annum, however the actual net cost is just €80.5m as the Water Conservation Grant would no longer be necessary. The saving from the grant is €130m, €124m for the cost of the grant itself and the €6m it costs to administer it. To ensure that group water customers would not have to pay for domestic use an additional cost of €1.5 million is also included in Sinn Féin's budgetary figures for 2016. The net cost of €80.5m is based on 100% of households paying their bills, and we know from recent figures released by Irish Water that at best payment levels are hovering around 50%. A policy committed to abolishing water charges is not only achievable, it is fiscally prudent.

POLITICAL ALTERNATIVES

Political choices made by any Government are defined by its view of society, its ambition, its ideological anchor and the interests it seeks to represent. Sinn Féin is deeply committed to our core values of equality, economic prosperity and Irish unity. Unlike the current and former Government's Sinn Féin holds the view that we need to rebuild the economy on the basis of a progressive, fair and sustainable social and economic model.

Successive austerity policy and fiscal decisions have deepened inequality in Ireland, prolonged the recession, starved vital public services of much needed investment in resources and infrastructure, as well as increasing costs for households. As we approach the centenary of 1916, Ireland is at a critical juncture where we must decide what future we want for our country and for our children. This means new economic thinking, an ambitious vision for public service delivery and new ideas with an honest coherent approach that breaks with the past where insiders and the better off are prioritised by Government at the cost of everyone else.

Sinn Féin commends the work of the Right2Water campaign and the hundreds and thousands of households across the state who continue to resist the implementation of water charges.



SINN FÉIN'S RECORD ON WATER CHARGES IN THE NORTH

Providing reliable high quality public services and infrastructure, including water and sewerage services, that are economically sustainable and democratically accountable is a major challenge. We must get it right.

Sinn Féin has first-hand experience and a strong record of delivery in the north. In May 2007 when the power-sharing institutions at Stormont were restored Sinn Féin committed to reverse the British Government's decision to introduce household water charges. We held the view, as we do today, that taxpayers were and are already paying for water services through general taxation.

Sinn Féin also ruled out any future privatisation of the north's water services by ensuring the Executive under the Department of Regional Development remained the sole shareholder in the newly established utility company NI Water. This was a pre-election commitment made by Sinn Féin and we delivered on it saving households in the north on average €490 per annum.

Between 2007 and 2011 over £1bn was invested under a Sinn Féin Minister in a major upgrade of the north's water and sewerage infrastructure benefitting up to one million households and businesses alike. This investment has improved drinking water quality, protected the environment and supported the local economy.

Yet despite the experience in the north Fine Gael and Labour remain committed to the imposition of water charges on households and its business as usual at Irish Water. In this state poor quality water services and infrastructure are a direct result of historic underinvestment in the network over the last two decades.

THE FUTURE GOVERNANCE, DELIVERY AND FUNDING OF WATER SERVICES

Labour and Fine Gael's raison d'être for establishing Irish Water was to keep the entity off the Government's balance sheet. The recent Eurostat ruling resulting in the retention of Irish Water on the state's balance sheet is just further evidence of the knots the Government has tied itself up in with Irish Water and household charges. It is important not to forget the tens of millions of euro of public monies paid out unnecessarily on Consultants and other professional fees by Irish Water, the hundreds of millions on metering and that unaccountable senior management continue to enjoy bumped up pay and perks.

Even if the outcome of the Eurostat ruling had been different Irish Water would not have been able to borrow at interest rates below those of the Government without a state guarantee, rendering the establishment of the company as it's currently formed pointless. Instead of gripping the challenge of upgrading Ireland's water infrastructure Labour and Fine Gael sought to off load this key Government responsibility to a fundamentally flawed and costly corporate structure with the long term intent of privatising the state's water services.

Sinn Féin in Government would dismantle Irish Water and replace it with a new model of governance, funding and delivery within full public ownership accountable to the people with priority given to addressing infrastructure and supply deficits. This new model would be fully accountable to the Oireachtas and the Public Accounts Committee.

We would put a stop to the metering project and redirect the remaining monies to direct investment. Future funding should be generated through mixed income the majority of this through public subsidy from the general exchequer, as well as non-domestic charges, commercial borrowing and development levies.

There should be no duplication of services being delivered by the new public water service and local authorities, but service level agreements should exist maximising the benefits of local knowledge and experience providing a role for local authorities enabling Councillors to contribute to water service plans. Where practicable we would honour contracts with staff at Irish Water, however a review of current and future staffing will be included in the Commission on Water Services terms of reference.

SINN FÉIN IN GOVERNMENT WILL:

- » **Abolish domestic water charges and dismantle Irish Water**
- » **Stop the metering project and redirect the remaining monies to direct investment in infrastructure**
- » **Establish an independent Commission on Water Services to examine the most appropriate public ownership model to report back to Government within 9 months**
- » **Underpin the new model for a public water service in legislation**
- » **Hold a referendum to enshrine the public ownership of Ireland's water services in the Constitution**
- » **Roll out a major water conservation programme in conjunction with local authorities**

