



**SUBMISSION TO THE COMMISSION FOR REGULATION OF  
UTILITIES ON**

**Irish Water's Household Water Conservation Proposals (Excess Use Charges)**

12<sup>th</sup> April 2019



### **Introduction to An Fóram Uisce**

An Fóram Uisce (the Water Forum) was established in June 2018 in accordance with the provisions of Part 5 of the Water Services Act 2017. An Fóram is the only statutory body representative of all stakeholders with an interest in the quality of Ireland's water bodies. An Fóram consists of 28 members including representatives from a wide range of organisations with direct connections to issues relating to water quality and also public water consumers. Approximately 50 different organisations were involved in the nomination of members.

### **Irish Water's Household Water Conservation Proposals (Excess Use Charges)**

An Fóram notes its role in relation to the CRU consultation requirements in accordance with the provisions contained in the Water Services Act 2017. An Fóram received a presentation from the CRU on the proposed policy at a special meeting held on the 27th March 2019 during which a number of elements of the proposals were discussed.

An Fóram is supportive of all reasonable measures that can be taken in order to raise public awareness of the value of water and encourage conservation in terms of its usage. It is equally supportive and encouraging of an effective water conservation programme in relation to public supplies to reduce the considerable loss of water currently being experienced. It is convinced of the need to raise public awareness of this issue and to encourage and assist households and businesses to effectively manage their water consumption in order to eliminate leakages, conserve usage and minimise the volume of waste water being discharged.

An Fóram understands the decision taken at national level to implement an excess usage charge is focused primarily on conservation rather than revenue raising and in this regard, is in agreement, in principle, with this policy. It takes the view, however, that excess charges should be a measure of last resort in supporting conservation and one of a range of measures in this regard.

Accordingly, it is most important that this policy is predicated on raising awareness of this issue and, advising and assisting consumers to take effective action to identify and resolve

usage issues. The effective communication of this message is of paramount importance if this policy to be successful. So too is the proactive management by Irish Water of consumer queries and concerns in relation to usage and leakages.

An Fóram notes the underpinning principles in relation to the proposed policy as those of cost reflectivity, equity and fairness, stability, simplicity and customer protection. While accepting these principles, An Fóram considers that the overarching principle of environmental protection including public education on water conservation is equally important and should provide guidance in terms of how the policy is drafted and implemented.

In relation to the specific issues raised by the CRU, the following summarises the observations of the members of An Fóram and concerns that have been raised.

### **Water Conservation**

An Fóram is of the view that there are three key elements which underpin behavioural change- awareness raising, generating a concern as to the personal or social consequences of an action and a system of reward and punishment.

It considers that the optimal strategy regarding water conservation is a focus on general awareness and the creation of a concern with water wastage. The transactional costs associated with the development and implementation a system of rewards and punishment at individual consumer level may simply make this element unrealistic and it is not clear to An Fóram if the CRU has adequately factored this issue into its proposals. An Fóram considers that a targeted education and awareness programme for households is the primary and optimal response to excess usage and will give householders the necessary tools to identify and address leakage and excess usage issues.

In noting the various supports available to households, including the First Fix Free Scheme, it is considered that some households will need a greater level of support and assistance – especially those with medical needs and those who are in a poverty situation. It is noted that there will be a scheme in relation to defining medical needs which will result in additional household allowances – this is welcomed and it is suggested that same be open to some level of public consultation.

In terms of addressing the needs of low income households who do not have budgetary buoyancy to carry out plumbing works in their home, it is recommended that a scheme be introduced to provide financial or technical assistance to such households so that they can address issues. Recognising that the primary aim is conservation, it is possible to align such assistance to current environment public schemes which grant aids the environmental conservation processes. It is important that such households are not further impoverished

by being billed for excess usage while not having the financial means of addressing the leakage problem.

A further concern relates the tenant/landlord issues where the leakage is caused by a structural fault which is beyond the responsibility of the tenant but which the landlord fails to address.

### **Charging Process – metered and unmetered customers**

An Fóram notes the approaches in terms of identifying usage for metered and unmetered customers. Clearly, information provided through direct metering is more accurate and provides households immediate access to their own usage through Irish Water’s website. While understanding concerns that some customers may have with regard to the installation of meters, there is a view within An Fóram to encourage the installation of meters which provide real time and accurate information on usage thus assisting in identifying leaks or excess usage. Clearly, information with regard to the purpose of the installation of meters is very important for many consumers and this could be addressed through a public awareness campaign.

In terms of the communications issued directly to customer on water usage, it is very important that the approach and tone taken in such communication is helpful and clear and aids understanding of the purpose of the information and how customers might address their specific usage issues.

### **Derivation of excess usage charge and Cap on excess usage charge**

An Fóram notes the reasoning in terms of the basis on which average household usage has been determined, the rate of charge to be applied and the cap set in terms of maximum charge. It is accepted and agreed that this policy should provide clarity and also safeguards for all during its early implementation stages, in order to facilitate customers and Irish Water making the required adjustments. It is further noted that these figures will be subject to review in due course and same is considered to be most necessary as there are concerns that measures, including caps could, in the long term, be counter-productive in terms of the further progression of water conservation programmes in Ireland.

### **Conclusion**

An Fóram notes that this policy is subject to the final approval of the CRU on completion of this consultation process. The timeframes in terms of the roll out of the final policy are also noted including the eventual date for the implementation of the charge. Notwithstanding same, and having regard to the immediate water services and environmental considerations in relation to this issue, An Fóram is concerned that Irish Water continues to roll out its various programmes aimed at identifying excess usage and proactively engaging with its consumers in order to address issues.

An Fóram would like to thank the CRU for this opportunity to submit in relation to the proposed policy and hopes that its views will be of assistance in finalising same and is available to assist in any way it can in relation to this process.

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*Please address any correspondence as follows:*

*Sharon Kennedy,*

*Senior Executive Officer,*

*An Fóram Uisce,*

*Civic Offices,*

*Limerick Road,*

*Nenagh,*

*County Tipperary*