

## **Submission by Publicpolicy.ie to Commission on Water Charges October 2016**

We support the principle of charging for water on the basis that the polluter pays. The reintroduction of charges would achieve compliance with EU Water Directives and avoid the imposition of fines. It would also open the possibility of getting Irish Water off the Government balance sheet and allow increased investment in areas such as social housing.

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.

We recommend a dual system to meet these criteria.

A flat charge for water should be added to the charge for local property tax and collected by the Revenue Commissioners. (Compliance with LPT is 97 per cent).

Individuals should be able to apply to Irish Water for a rebate based on their metered use of water.

Under the suspended system of water charges, liability for the charge was the responsibility of the occupiers of a property rather than the owners. Under our proposal, the charge would be paid by owners. While this is a disadvantage, it is necessary to make this change in order to achieve the levels of compliance required to maintain public acceptance of charges. In any event owners would have the option of adjusting rent levels to take account of the new system.

Under the suspended system, single person households had a lower fixed charge of €160 compared to other households €260. It is not clear if the Revenue systems could accommodate a differential charge. If not a single flat charge should be integrated with the LPT. If single person households consume less water they will qualify for a larger rebate from Irish Water under the proposed system.

Individuals who are in receipt of a single service pay half these amounts. Houses which are not permanently occupied pay €125 for both water supplied and wastewater removed services and €62.50 if they avail of only one of these services. To claim these reductions individuals would be required to inform the Revenue Commissioners under the self-assessment regime for property tax.

At present approximately 1 per cent of customers of Irish Water account for 22 per cent of consumption. At a later stage, when the present programme to identify and repair domestic leaks has advanced further, consideration should be given to permit Irish Water to levy supplementary water charges on the small minority of users who consume large volumes of water.