

**The Committee on the Administration of Justice (CAJ)
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Winner of the Council of Europe Human Rights Prize

***CAJ's commentary on
Water Reform in Northern Ireland
March 2005***

**Submission No. S.162
Price £1.00**

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What is the CAJ?

The Committee on the Administration of Justice (CAJ) was established in 1981 and is an independent non-governmental organisation affiliated to the International Federation of Human Rights. CAJ takes no position on the constitutional status of Northern Ireland and is firmly opposed to the use of violence for political ends. Its membership is drawn from across the community.

The Committee seeks to ensure the highest standards in the administration of justice in Northern Ireland by ensuring that the government complies with its responsibilities in international human rights law. The CAJ works closely with other domestic and international human rights groups such as Amnesty International, the Lawyers Committee for Human Rights and Human Rights Watch and makes regular submissions to a number of United Nations and European bodies established to protect human rights.

CAJ's activities include - publishing reports, conducting research, holding conferences, monitoring, campaigning locally and internationally, individual casework and providing legal advice. Its areas of work are extensive and include prisons, policing, emergency laws, the criminal justice system, the use of lethal force, children's rights, gender equality, racism, religious discrimination and advocacy for a Bill of Rights.

The organisation has been awarded several international human rights prizes, including the Reebok Human Rights Award and the Council of Europe Human Rights Prize.

Martin McKee
Water Reform Unit
Department for Regional Development
6th Floor, Lancashire House
5 Linenhall Street
Belfast BT2 8AA

4 March 2005

Dear Mr McKee,

Water Reform Northern Ireland

Many thanks for sending to the Committee on the Administration of Justice (CAJ) a copy of the water reform proposals that we read with great interest. We do not intend to provide you with a detailed reply to these documents, since water reform is not an area of particular expertise. We are also aware of a number of organisations who have already written to you authoritatively on this issue, and we would share for example many of the reservations that NICVA outlined in their recent Briefing Paper on this issue.

Our concern, as a human rights organisation, lies in particular in the comments that NICVA and others have made with respect to the likely hardship that will arise as a result of these proposals

In general, we are disappointed at the fact that an EQIA was not carried out on the decision to introduce water charges *per se*. Given the levels of poverty and need that exist in Northern Ireland, not to mention the fact that average earnings as a whole are below those of the UK, CAJ believe that an EQIA of the overall decision would have shown that this is not an appropriate course of action. The purpose of carrying out an EQIA is to ensure that government decisions are fully informed of the potential consequences of the policy options available to them prior to final decision making. It would have been particularly important to assess the likely consequences of water charges, particularly when set alongside the likely impact of the changes to the rating system which will also produce increased rates bills. These two measures – both individually and particularly in tandem - will in our view produce significant hardship for a range of households throughout Northern Ireland.

Human rights standards and, in the Northern Ireland context, domestic counterparts such as the equality duty and the Targeting Social Need commitment, are basic principles intended to guide government actions, regardless of the pervading political or economic climate. It is highly unfortunate that government appears to be setting aside crucial principles of equality and non-discrimination in a somewhat cavalier fashion. But even if government chooses to proceed with water charging in principle without sufficiently considering the consequences for people on the various grounds outlined in section 75 of the Northern Ireland Act, we believe that government is at least obliged to ensure that the policy is introduced in a way that is as fair as possible, and will cause least hardship.

In this context we are concerned at the somewhat fragmented nature of the analysis, which does not in our view take a holistic view of the proposals. The EQIA in our view should cover issues such as the impact of the formation of GOCO, the use of PPP projects etc. Only by adopting such an approach can the overall assessment of the impact of the water reform as a whole be made.

Looking at the analyses of the proposals that are presented, we welcome the attempt to link the Section 75/TSN objectives in the integrated impact assessment. Our main concern however is whether the TSN proposals go far enough. For example, in relation to the situation regarding those on lowest incomes, we note that the proposals include providing a discount for low-income households, targeted at those in receipt of Housing Benefit, Rate Rebate or the proposed new Rate Relief Scheme. This discount is welcome, but no clear justification is given as to why the discount is set at 25% - this rebate level requires people in receipt of benefits to pay 75% of charges. This will clearly cause undue hardship, but no alternatives appear to be on offer. If this is meant to be a 'mitigating' factor (as required by the section 75 duty), we consider it inadequate.

Again, within the framework of setting any water charge, the proposal to link charges to the capital value of someone's property appears to be the "least unfair" from a TSN point of view. This position of principle is welcome, but we have concerns about the banding system as currently proposed. Why set a cap at £750? No reason is given for government's decision to set a ceiling which means that there will be no increase on property with capital value of more than £350'000. This means that a property worth £350'000 will pay the same estimated amount as a property worth £500'000 – ie the top rate of £750. The impact on poorer households is all the more clear if one notes that the proposals require that households in property worth £50,000 will pay £225 for their annual bill, while someone in a house worth ten times as much at £500'000, will pay only three and a half times as much in charges. Why was the decision made to set a cap, and why is the charge not more proportionate to the estimated value of the property?

It is also worth noting that the latest figures show that the current average house price in Northern Ireland is £118'000. According to the figures presented, the occupiers of such a house would have an estimated bill of £360. It is fair to assume that the average house price, would reflect the

income of the average household. Yet, the 'average household', will pay £360, while a household in a house worth £350'000 upwards, will pay at most just over double that amount at £750. Clearly the household income of those residing in a house worth in excess of £350'000 is likely to be significantly greater than those living in a property at the average house value.

Essentially, the proposed charging system will mean that the poorest households subsidise the water bills of the richest. The impact of these changes will become even more significant when considered alongside the impact of the changes regarding the new rating system.

CAJ is of the view that significant hardship will be caused across a range of Section 75 groups, and for those in most need as a result of the proposals in this paper. Our view is that a much more detailed analysis, particularly one that will consider the impact of water charges and rates increase combined is required. Whilst welcoming the attempt to link the Section 75, TSN, and indeed environmental aspects of the debate together, this paper fails to address the overall impact that increased bills will have on households across Northern Ireland.

Yours sincerely,

Tim Cunningham
Equality Project Worker

