

# The Iniquity of Water Privatisation

I recently had a protracted discussion with a friend about water companies. His position was that they provided a service and, as a business, were entitled to charge high prices and that these prices helped to conserve water supplies. Whilst I agree with water conservation, my point was that the water companies were unscrupulous, preyed upon the poor and did nothing themselves to conserve water supplies. We had to disagree. His position is a common one, but I intend to show that this is naïve; the situation is much worse than he realises.

This led me to consider putting my thoughts down on paper since I believe the situation is not only important, but will in the future become a primal issue for, not only the UK, but the world. Water is the most important resource that mankind has and its availability in the future will determine the survival of populations and its famine the destruction of populations. It is not inconceivable to imagine future 'water wars'. In this regard Britain has put itself into the most invidious position.

There were many social evils associated with the reign of Margaret Thatcher, but surely the biggest mistake was the privatisation of the UK's utilities; the most damaging being the water supply. Originally water bills were a part of the household rates (council tax), much like the current police bill. As such they were a minor proportion of council tax. Then they were separated from the rates and invoiced as a dedicated item; at this point the cost of water increased, simply because there was additional administration required to operate this system. The cost of water rose as a result of political interference.

Over the years the cost of water continued to be raised so that it is now often 50% or more of the cost of current council tax (which in itself is proportionally much bigger than thirty years ago). Then water meters were introduced, ostensibly for conservation reasons but, in fact, were for commercial reasons since most water bills went up. Private water companies do not spend £1.2 billion pounds on infrastructure to reduce their profits.

The effect was that, for some people, water bills are more than their council tax. By 2009 we had four million people on low incomes (but above the benefit thresholds) who were in water poverty (reckoned as water bills constituting 3% or more of income). Families, already squeezed by hard times, face invidious choices because their water bill is often more than four times what their parents paid. Large poor families, being heavy water users, face very high water bills. Middle income earners are further squeezed whilst the rich and those on benefits can afford what water they want.

Howard Price, CIEH Principal Policy Officer, said: *'Metering is price rationing which hits the poor hardest while those who can afford it continue consuming what they want. Decreasing affordability of water will force some people to jeopardise their health by cutting down on drinking fresh water, adequately washing food and flush toilets to lower bills.'*<sup>1</sup>

This is all deleterious, but there are greater risks for the future.

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<sup>1</sup> Chartered Institute of Environmental Health (CIEH) submission to the Independent Review of Water Metering. <http://www.cieh.org/media/media3.aspx?id=17222> 23rd January 2009.

### **The provision of water is free in God's creation**

When God put man on the earth, he provided water freely for all to partake of since it is vital to life. The lack of water in a place is a sign of God's judgment; famine comes from disobedience to God.<sup>2</sup> In Biblical times it was considered a moral duty to give water to a passing stranger.<sup>3</sup>

As populations developed in new lands after Babel, they usually began by building towns near rivers and all who lived in the town, or passed by, were able to drink freely from the rivers. No one owned rivers. In places of encampment or in sheep grazing areas where there was no river, people dug wells. As a well was usually on a person's land, they owned the well; but even then it was still considered a moral duty to supply water for passing strangers.<sup>4</sup> The idea of withholding water from a thirsty person was, from ancient times, considered a great crime. Even criminals being punished were given water when they were thirsty.<sup>5</sup>

We can establish, then, that charging for water, or withholding water from the needy, is against God's law.

### **Urbanisation**

As man grew in sinfulness he also developed in industrialisation, finding new ways to cause suffering to the poor and also to inflict harm. The Industrial Revolution in Victorian London not only led to greater firepower through new munitions and weapons but also led to the greatest deprivation known in British social history. The poor (especially children) in the Middle Ages did not lead such appalling lives as the disadvantaged in urbanised Victorian Britain where even clean water was hard to come by.

Urbanisation and the need to find work led to the development of large housing estates and cities that were intensely built up. This required piping water in and taking sewerage out. The engineering skill of the Victorians did such a good job with this that much of the systems are still in use today.

Initially Victorian water companies were private businesses but severe complaints, such as cases of polluted drinking water resulting in typhoid outbreaks, led to them being municipally owned after an outcry. In 1963 an abstraction licensing system was introduced to prevent interference between users, issuing licences to existing abstractors.<sup>6</sup> However, full nationalisation of all the country did not occur until 1973.<sup>7</sup>

The cost of the water infrastructure meant that it was reasonable to make a small charge of each household for the maintenance of such infrastructure; and this was included in the

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<sup>2</sup> Ps 105:16, 'He called for a famine in the land; He destroyed all the provision of bread.' 2 Kg 8:1, 'the LORD has called for a famine.' Hag 1:9-11, "You looked for much, but indeed it came to little; and when you brought it home, I blew it away. Why?" says the LORD of hosts. "Because of My house that is in ruins, while every one of you runs to his own house. Therefore the heavens above you withhold the dew, and the earth withholds its fruit. For I called for a drought on the land".

<sup>3</sup> Gen 24:17-18.

<sup>4</sup> Gen 24:17-18; Jn 4:7.

<sup>5</sup> As was Jesus on the cross. However, the famed cruelty of the Romans is demonstrated in that quenching thirst led to the prolonged torture of a man on a cross.

<sup>6</sup> The Water Resources Act 1963. The Water Resources Act 1991 consolidated successive legislation such as the Water Resources Acts of 1963, 1968 and 1971 and the Water Act of 1989. Under the current abstraction licensing system there are more than 20,000 abstraction licences in England. Almost half of all water abstracted is taken by water companies for public supply, which includes water for households and business customers.

<sup>7</sup> The current government department responsible for water is the Environment Agency; the water company economic regulator is Ofwat.

rates. For decades this continued without change; each household paid a small proportion of their household rates to cover the maintenance of water and sewerage infrastructure. In fact so well was this utilised that large-scale projects were supported by various governments in the mid-1900s. Valleys were dammed in Wales (such as the Elan Valley) to supply water to the Midlands and the areas like Manchester. Extensive coastal levees were constructed in East Anglia in order to prevent coastal erosion that threatened whole villages and some towns, as well as large agricultural areas.<sup>8</sup> No one was asked for additional tax for these projects. A national water grid was considered as early as the 1950s, but the cost meant that a decision was put off, but the need was acknowledged. The reason is that Britain is not a wet country, the south-east gets less rain per head than Sudan. Whilst most of the rain falls in the north and west, the population is congregated in the south and east. Any sane water authority would see that a national water grid is urgently needed.

### **Margaret Thatcher**

However, with the reforms of Thatcher all this was threatened when private companies assumed control of the water supply in 1989. This is unlike any virtually other country where the water system is either owned by local government or by national government administered through public water companies.

The thinking behind Tory policy was naïve. It assumed that private companies would use capital to improve the infrastructure to ensure continued profits, and thus save the treasury money. The massive investment of finance, ingenuity and labour to create the country's infrastructure was literally given away, mostly to foreign companies. The issuing of licences was also foolish in that most did not even have a time limit affixed or protocols established to change them when circumstances altered. Even more modern licences have no mechanisms built in to ensure that users respond to relative scarcity or abundance, and the government relies upon regulatory intervention. Once water was allocated, there was no financial incentive to use it efficiently, or to consider its scarcity and other environmental impacts. This problem continues today.

Of course, the big problem was that water companies, by and large, did not invest the capital on the previous scale made by government, and treated the water infrastructure as a cash cow to be milked dry. The failure to develop new infrastructure meant that leaks prevailed at an astonishing rate, so that Britain is the worst in Europe.

When probed, the water companies say that the cost of replacing the national pipe system is too great to consider and a national grid even more so. It is only too great because the companies give most of their money to shareholders and bonuses. There is plenty of money generated to do the work. Furthermore, British gas pipes were completely replaced nationally in the last 20 years and even cable media (fibre optics) were laid in every part of Britain. Such pipe work can be done.

The Thatcher government, nor any since, took enough care to legislate the water companies effectively. The licensing system evolved with the introduction of the Water Resources Act 1991 and the Water Act 2003, but many licences remain unaltered since the 60s. Some licences were issued that we now know are harming the environment and most licences were issued without a time limit making review impossible.

Most licences (83 per cent in England) do not even include any conditions to reduce or stop abstraction when water availability decreases. If water flows drop but abstraction

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<sup>8</sup> There was no Environmental Agency then.

continues in accordance with the licensed volume, abstractions upstream leave less for those downstream and risk damage to the environment and important species and habitats being lost.

Another nonsense is that not all of the water that is licensed is taken and the Environment Agency cannot make it available to someone else. Holding unused licences can prevent other abstractors from gaining access to water in a catchment. Environment Agency research found that, in 2008, only 40 per cent of licensed volume in England was actually abstracted, despite crying needs elsewhere. Water supply companies abstracted 62% of their licensed volume. All other users abstracted an average volume of just 29%. Retaining licences or parts of licences without abstracting the water restricts others from using it.

The government has little power to stop water companies doing what they like in most circumstances without new laws or regulations, and these have significant on costs.<sup>9</sup> This is a most foolhardy scheme.

### **The ruthless unrighteousness of water companies**

When water meters began to be introduced some years ago there were astonishing stories of deprivation and cruelty. I saw a BBC film, at the time,<sup>10</sup> showing one case. It concerned a single parent mother with a severely disabled boy. His disability required constant bathing and she did a sterling job looking after him on a very limited income. How she coped I'll never know. When a water meter was introduced her bills went from a small part of her rates to hundreds of pounds. She was unable to pay this; her choice was food or paying bills. Despite going out of her wits trying to balance the books she got into the red and the water company promptly cut off her water supply, threatening both of their lives.

It was as a result of many stories of needy people being cut off, requiring appeal to social services to survive, that the government changed the law to prevent water companies doing this again. New benefit systems were gradually introduced by various governments to help such people so it should not happen again. But the point is that the water companies saw no problem with cutting of water supplies to very needy people. If the law wasn't changed, people could have died from their actions. This is gross wickedness and shows what we are dealing with. Laws were required to restrict the wickedness of water companies.

### **The inefficiency and greed of water companies**

The attitude of the water companies is clearly demonstrated in their priorities, which are profits and dividends. They care little about seriously replacing and upgrading the infrastructure but rape the natural resources to send money out of the country. This is why there are so many leaks. The attitude of the water companies is fire-fighting – stop leaks when they appear, rather than pre-emptive policy – gradually build new pipe systems bit by bit. The water companies receive **£8.6bn** a year in water bills; more than enough to do the work.

We could talk about the failures of water companies, such as allowing whole communities to be poisoned through lack of care<sup>11</sup> or for the many individuals whose water supply is

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<sup>9</sup> The overall process, from investigation to issue of a single licence change, can take at least two years and cost between £50,000 and £100,000 per scheme in staff time and legal costs. In one case in East Anglia, where the Environment Agency proposed revised conditions to four licenses to improve water supply, it was estimated that it will take between eight and 15 years to collect sufficient revenue to fund compensation for all further potential licence changes in the Anglian region.

<sup>10</sup> It is impossible to remember the date of this, but there were many stories like this at the time.

<sup>11</sup> The most striking example is one involving the lead up to privatisation where reduction in staffing levels led to the case of Britain's worst water pollution event in Camelford, Cornwall. 20 tonnes of aluminium sulphate were put into the drinking water in July 1988, 3,000 times the acceptable level. As this broke down

temporarily stopped through failure to do work properly. Apart from serious and high profile failures, there are many cases of families with babies and young children having no water for several days after failures in putting in water meters. I have witnessed homes damaged through the failure of engineers to work to official guidelines in installing meters, resulting in serious problems for the elderly which required getting a plumber to fix several issues.

However, let's focus on the question of infrastructure issues.

### *Chlorine*

All the fish on an aquarium will die within minutes if you add tap water to the tank that does not employ a de-chlorinator. If this is the case what is tap water doing to us?

Drinking water is disinfected by adding chlorine but how many realise that this leads to a risk of stillbirth? Pregnant women drinking tap water have a 21% greater risk of a stillborn baby according to researchers at Imperial College London.<sup>12</sup> The amounts of chlorine vary in different areas, the worst being the United Utilities area.

Other researchers around the world have suggested that the chlorine in tap water leads to cancer and spina bifida.<sup>13</sup> The problems of chlorine are now being taken so seriously that the UK government has ordered an independent study on chlorine-treated drinking water. The Norwegian government has also ordered more studies into this.

The water companies use chlorine because it is cheap. There are much safer alternatives, such as filtration, ozone gas and ultra-violet light to clean water, but this would reduce profits.

### *Fluoride*

This is a big subject, which cannot be fully treated here. Suffice to say that some water companies have introduced fluoride into the drinking water without any mandate from the people who drink it. Ten per cent of the UK population, or six million Britons, already have their water fluoridated; one example is the drinking water in the West Midlands. The supposed benefit is the eradication of dental problems, though it has been proved that

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it produced sulphuric acid, which wiped out chemicals from the water network and corroded piping in people's homes. The result was that many people suffered both long and short-term health effects. Some died and were found to have high levels of aluminium in the brain. Immediately after the contamination water authorities said that the water was safe to drink, despite an unpleasant taste. In 2012 a coroner stated that South West Water Authority had been 'gambling with as many as 20,000 lives' (i.e. locals, not including 10,000 tourists) when they failed to inform the public about the poisoning for 16 days. 60,000 salmon and trout were killed in the Camel and Allen rivers. There were also allegations of a cover-up and some people are still instigating the incident today. Without doubt the actions of the water company directly led to sickness and death. The problem was compounded by the failure of the authority to carry out the required six-monthly cleaning of the tank, which had not been cleaned for three years leading to a build up of sludge. The National Union of Public Employees said that the initial problem was caused by reduced staffing levels and privatisation plans. ['Unintentional drinking-water contamination events of unknown origin: surrogate for terrorism preparedness'; Gary Winston and Alex Leventhal; *Journal Of Water And Health*; 06.51, 2008; IWA Publishing. 'Boiling water: Will a new inquiry on the Camelford poisoning get any nearer to the truth?' *The Guardian* (22 August 2001) p7. 'Still thirsting for justice'; *The Guardian* (9 June 1999) p4. *BBC News*; 'Camelford water poisoning: Authority "gambled with lives"'. [bbc.co.uk](http://bbc.co.uk). 14 March 2012.]

<sup>12</sup><http://www.dailymail.co.uk/health/article-323171/Tap-water-linked-higher-risk-stillbirths.html#ixzz1sm1RrJNU>

<sup>13</sup> Dr. Janet Hull: <http://www.janethull.com/newsletter/0904/chlorine-tap-water.php>

there is little genuine evidence for this.<sup>14</sup> While there is possible value in topical applications like brushing your teeth with fluoride toothpaste, the evidence that swallowing fluoride reduces tooth decay is surprisingly weak.

What it certainly does do is introduce toxins into the water supply that have a range of effects, including inducing apoptosis, which causes neurological disorders such as autism.<sup>15</sup> New research also links fluoride to brain, bones, and kidney damage and reduction in brain function. The chemicals used to fluoridate water are not pharmaceutical grade, but hazardous waste products of the phosphate fertiliser industry; it is illegal to dump these into rivers and lakes or release the parent gases into the atmosphere.

The practice of putting medicine into the water supply (even if it were beneficial) is hazardous since you cannot control the dose to individuals. But putting poison into the water supply to provide a financial advantage to companies that would otherwise have to pay to get rid of industrial effluent (which is what happened) is iniquitous.

We cannot develop this further here and I do recognise the joint responsibility of government ministers in this.

### *Sewage*

There are continual complaints of sewerage in the sea faced by bathers and surfers. The problem is so bad that it has led to the creation of a pressure group, 'Surfers against sewage'. Studies have repeatedly demonstrated that those using beaches and rivers for sports are most at risk of being ill from sewage polluted water. There are still towns that discharge raw sewage into the sea or a river, such as Brighton, Guernsey, The Thames and Northern Ireland. Recent changing weather patterns have resulted in increased flows of water into and out of the sewage works without treatment because there is not enough capacity to store the sewage. It is therefore discharged through combined sewer overflows. This is an example of insufficient capital investment in infrastructure to cope with actual necessity.

### *Leaks*

The figures are shocking. At a time when most of the country is in serious drought, water is being squandered by bad management.

The mains network wastes **3.3 billion litres a day** – a day! That is enough to supply water to every home in Bristol, Birmingham and Manchester combined. Paris and New York only lose around 10%; Singapore is below 5%. England and Wales leakage rates, at about 25%, are higher than a decade ago.

Thames Water currently loses nearly a third of the water it puts into the mains – 200 litres a day for every customer [665 million litres every day, i.e. 25.7 per cent of its daily input]. The company on 20 April 2012 announced a 6.7 per cent price increase, even though it banked £600 million last year. In 2008 Thames Water gave its three executive directors a total of £1 million just in bonuses.

Thames Water was owned by German energy giant RWE, which it acquired in 2001. RWE sold it five years later having done virtually nothing to fix leaky pipes but enriched its German shareholders by £1bn.

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<sup>14</sup> In 2000, the UK government commissioned York University to review all the evidence around the world from the last 50 years and work out once and for all whether fluoride was good for us or not. It concluded that all the evidence was sub-standard, open to bias and therefore it was not possible to conclude anything.

<sup>15</sup> Other substances which cause this are radiation, mercury and anti-cancer drugs.

FTSE 100-listed Severn Trent reported in its annual report that for 2010/11, 'against a backdrop of economic recovery, it has chosen to adopt a policy of 2% increase for the base salaries of the executive directors.' As a result, the chief executive's base salary will be increased from £450,000 to £500,000 for 2010/11.<sup>16</sup>

In East Anglia the water firms lose 500 million litres a day; enough to fill an Olympic sized swimming pool every 8 minutes. Despite claiming that extra money is spent of fixing leaks, Anglian Water failed to meet its government target and loses 230 million litres a day. Note this; it has failed to complete the task set by the government but despite this utter failure, Anglian water paid out £1m in management bonuses and £300m to investors. In 2010 former chief executive of Anglian Water, Jonson Cox, took home £9.5 million in salary, pension payouts and bonuses from the company.

Water companies that have imposed a hosepipe ban have the following current daily leak figures of total input: Thames 25.7%; Veolia Water Central 21.0%; Anglian 19.4%; Veolia Water Southeast 17.7%; South East 17.0%; Southern 16.0%; Sutton & East Surrey 15.1%. Companies at medium risk of a ban: Severn Trent 26.8%; South West 19.7%; Bristol 18.1%; Cambridge 18.0%; Portsmouth 16.5%.

While 23 million people were put under a hosepipe ban, South East Water was opening more than a thousand hydrants, letting water gush into the gutter, at up to ten litres a second in order to clean sewer pipes. More than five million litres [enough for 62,000 baths] went down the drain, according to figures seen by The Sun newspaper.<sup>17</sup> This has been done at midnight for several months but experts say that the practice has no health benefits. A water industry worker said of the flushing: '*It is morally wrong and even employees with 30 years' experience have been outraged.*' This demonstrates the cynical attitude of water companies that are using water from Ardingly reservoir which is at two fifths its normal level requiring the diversion of river water, whose levels are already low.

### *Projects*

Some water companies make a public relations show of doing a few small capital projects, usually something that is required to keep the supply going, but in general they spend a tiny proportion of income on necessary infrastructure and most goes in profits to shareholders. Foreign investment speculators see British water companies as a cash cow to be milked without care or consideration. Sometimes their projects are unnecessary and wasteful. The Environment Agency told Parliament that the water companies in south-east England could save half a billion pounds by 2035 if they shared supplies. Instead, the companies were planning to waste £760bn for unnecessary new reservoirs.

Industry regulator Ofwat's report in February announced that water and sewage bills in England and Wales will increase by 5.7% in 2012 so that water companies can invest approximately £22 billion in infrastructure over the next five years. Why is this increase necessary when the companies are making such massive profits already?

### *Infrastructure*

That this is a massive problem seems to have eluded most people. The amazing infrastructure built by Victorian engineers with cheap navy labour has lasted far longer than it was intended and it is now beginning to collapse, especially in large urban areas of Victorian and older buildings. The brickwork sewers in a place like Brighton, for instance,

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<sup>16</sup> 'Drought, leaks and flowing bonuses for water companies', By Ruya Niazi; *Interactive Investor*, 05/04/2012.

<sup>17</sup> *The Sun*, 21.4.12.

are well over a 100 years old. The investment required to replace or repair them is enormous. It is common, in an old central Brighton area like Hanover, to have constant serious problems with the sewers, which are designed badly and are crumbling.<sup>18</sup> The pipework, especially in large urban areas, is again very old and it all needs replacement; 20% of London's water pipes are over 150 years old. No one is planning to do this or even making a plan to attempt a small start.

The reason is stated as the huge cost, in tens of billions. This was again stated by a water company spokesman last week on the radio.<sup>19</sup> But the water companies receive nearly £9bn a year so that a 20 year plan to replace the national network, or even build a national grid, is easily within capability, which still enables shareholders to receive a decent dividend. The reason it is not done (which leads to the constant leaks) is because the vast majority of this is filtered out in excessive administration costs, fat-cat bonuses and the greed of foreign investors.

We could go through large amounts of facts and figures about profiteering but there is a bigger, potential future problem, and it is not just drought.

## Future dangers

### *Drought*

There have always been occasional droughts since the water supply was introduced; it is a fact of life. However, originally there was a perceived surplus of water in most areas and this was recognised in the licensing system introduced in the 60s. However, this surplus is now recognised to have decreased and the dangers associated with the abstraction of water on the environment have become better understood.

It is recognised that some of the licenses issued to water companies result in damage to the environment. *'The Environment Agency is investigating 263 schemes in England and Wales where there is a risk of damage to important conservation sites under the Restoring Sustainable Abstraction (RSA) programme. Investigations may lead to changing abstraction licences, including reducing volumes licensed for abstraction.'*<sup>20</sup> The government anticipates that severe droughts like 1976 will increase in the future. Furthermore, population increases (an extra 9.6 million people by 2030) will mean that overall consumption will grow. The government has expressed its fears:

Our current understanding of the likely impact of climate change on water resources in England is based on the latest UK Climate Projections 2009 (UKCP09). The effect of projected changes in rainfall and evaporation mean that natural river flows during the summer may decrease by the 2050s almost everywhere across England, with little change in average annual rainfall. Drier, warmer summers could increase seasonal soil moisture deficits. This may extend into the autumn, shortening the winter recharge season for groundwater, reducing groundwater storage and increasing vulnerability during subsequent drought.<sup>21</sup>

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<sup>18</sup> For instance, on the hill in Hanover the 130-year-old terraced houses, originally built as cheap cottages for workers building the railway (costing £40 in 1880) have insufficient sewers designed so that four houses are channelled to one main sewer under a fifth house, going downhill. If you are the unlucky one, it is a common occurrence that the waste from the previous five blocks your sewer and erupts. In some cases the sewer inspection chamber is actually in the house. I knew a man who repeatedly had sewerage erupt into his kitchen.

<sup>19</sup> Radio 2; Jeremy Vine programme; 20 April 2012. See <http://www.bbc.co.uk/programmes/b01g4f1b>

<sup>20</sup> *The case for change – reforming water abstraction management in England*; Report GEHO1111BVEQ-E-EThe case for change – reforming water abstraction management in England. OfWat. Executive Summary.

<sup>21</sup> Ibid. 3.2.

Climate change could increase total demand for water. Some activities, such as irrigation or electricity generation, may need more water, as lower average summer rainfall and higher temperatures mean power stations need more water for cooling.<sup>22</sup>

Like many of the energy companies, the water companies are largely owned by foreign investors; sometimes by a plethora of investors but at other times by one investment holding company. If there is a future crisis whereby water resources are in severe demand and a drought hits many countries, it is a logical fear that the water companies will not have Britain as their highest priority. It would be possible for water companies to export water to their home country at the cost of Britain's indigenous customers.

It remains one of the craziest policies ever to imagine that Thatcher could have sold off such a vital human resource to foreign investors who can hold us at their mercy. It is for this reason that most countries in the world have held on to the control of their own water. Only the most stupid country could consider selling it off; yet we did.

The only way out of this mess is for a future radical government to take back control of the water supplies and re-nationalise the industry, writing off all debts. It has been done before (e.g. Argentina's national debts) it can be done again.

### **The official position**

This paper is not scaremongering or exaggeration; the official water watchdog and the government department responsible are so concerned about the water companies that they have produced a special paper seeking change.<sup>23</sup> Its opening statement says, '*The way water abstraction is currently managed is not responsive or flexible enough to address ... future pressures. Government has therefore committed to reforming the abstraction management regime. The Environment Agency and Ofwat support the proposals set out in Defra's Water White Paper and look forward to continuing to work with Government towards a more sustainable future. ... In this report, the Environment Agency and Ofwat set out evidence for the need to reform water abstraction management.*'

In the face of future demands, the government position is that water abstraction is not responsive or flexible enough to cope and regulatory challenges cannot fix this. The government now recognises that the water companies have no incentive whatsoever to use water efficiently, consider its scarcity or bother about the impact on the environment. It says that there is, '*a very real risk of further environmental damage, the wrong choices and investments by abstractors, and water shortages at some times and in some places. Without reform it will not be possible to deliver sustainable use of water resources*'.<sup>24</sup> In other words, the current water companies do not regulate themselves in a way to ensure that water resources are sustainable in the future; to say nothing of individual failures to supply taps.

The system used to manage water today will not be able to provide access to secure supplies of water efficiently and effectively in the future whilst also protecting the environment. It encourages unsustainable responses. We believe it is time to reform the system following a full assessment of the options. The new system must provide clearer signals to abstractors to make decisions and investments to meet water users' needs and while protecting the environment.<sup>25</sup>

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<sup>22</sup> Op. cit. 3.3.

<sup>23</sup> *The case for change – reforming water abstraction management in England*; Report GEHO1111BVEQ-E-EThe case for change – reforming water abstraction management in England. OfWat.

<sup>24</sup> Ibid. Executive Summary.

<sup>25</sup> Op. cit. 5.

Thus the government has produced proposals in the Natural Environment White Paper and the Water White Paper proposals for a fundamental reform of the abstraction management regime by the 2020s.

## **Conclusion**

What is the attitude of Christians to be on this matter?

Firstly, profligate profiteering from providing a basic human resource is to be condemned. It is the responsibility of government to provide basic human requirements at a reasonable cost, as it used to when water rates were part of the whole household rates. To make the water supply an object for international corporate greed is an act of gross wickedness. The politicians responsible for water privatisation should be castigated and never supported. People can survive without electricity or gas but they cannot survive without water.

Where water companies impose hardship upon the poor and needy they are to be condemned. There are many cases of this which have not looked at in this paper, being focused on infrastructure issues.

Christians should be intrinsically opposed to the privatisation of vital natural resources and should uphold the principle that they are to be made available to all as cheaply as humanly possible.

The opinion that the water companies are doing a good job to sustain the environment and are justified in charging high prices is both naïve and foolish.

Where possible people should prepare themselves for the future droughts that will arise by water saving projects, such as introducing large water butts to catch all possible rainwater. Even the rainwater from a shed roof can be considerable. New build homes should consider basement water tanks and pumps. Some homes that have already done this have provided all their necessary water, with the exception of drinking water, saving themselves hundreds of pounds a year. Gardeners should consider the wisdom of planting items that require little water.

Making vast profits from privatising the water supply is unrighteous.

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## Ownership of the water companies

Water companies do not usually advertise the details of the corporate ownership on their websites and it can be difficult to find out who actually does own the company.<sup>26</sup> In fact some of the official information on some water company websites is out of date. In some cases a group is the sole owner but in others various foreign interests own proportions of the company. What is certain is that, like the energy companies, most of the owners are foreign. In the following table I have done some research to find a few details. I simply do not have the time to waste to find out all the details – it would take days.

Water Company Name	Corporate Business	Owner of the corporate business
Anglian Water	AWG plc group	Water companies attract interest from private equity. The infrastructure arm of 3i has a 10 per cent share of Anglian Water Group as well as a junior debt position in Thames Water.
Bristol Water	Bristol Waterworks Company	Grupo Agbar - (Sociedad General de Aguas de Barcelona, SA, BMAD: AGS), a Spanish company with headquarters in Barcelona.
Cambridge Water	Cambridge Water PLC	The group is owned by Cheung Kong Infrastructure Holdings Ltd. Owned by Hong Kong billionaire Li Ka-shing.
Cholderton and District Water	Cholderton and District Water Company Limited	
Dee Valley Water	Dee Valley Water	
Dwr Cymru Cyfyngedig (Welsh Water)	Welsh Water	
Essex and Suffolk Water	Northumbrian Water Group	
Northumbrian Water	Northumbrian Water Group	As of August 2011 it was bought by a Hong Kong tycoon. Cheung Kong Infrastructure, which is backed by Hong Kong billionaire Li Ka-shing.
Portsmouth Water	Portsmouth Water	
Scottish Water	Scottish Water	
Sembcorp Bournemouth Water Ltd	Sembcorp Bournemouth Water Ltd	Sembcorp Utilities: Sembcorp Industries is a leading energy, water and marine group based in Singapore with operations on six continents worldwide.
Severn Trent Water	Severn Trent Group	
South East Water	South East Water	Hastings Diversified Utilities Fund (HDF) and the unlisted Utilities Trust of Australia (UTA). Both HDF and UTA are managed by Hastings Fund Management Limited.
South Staffordshire Water	South Staffordshire Water PLC	
South West Water	South West Water	
Southern Water	Southern Water	Greensands Holdings, the parent company of Southern Water, is part owned by UBS bank and IIF International SW UK Investments, which is in turn advised by investment bank JP Morgan.
Sutton and East Surrey Water	Sutton and East Surrey Water	
Thames Water	Thames Water Kemble Water Holdings is majority owned by investment bank Macquarie's European infrastructure funds with private equity firm AMP Capital and sovereign	Germany's RWE sold Thames Water, Britain's largest water company, to Macquarie, the Australian bank, for £8bn in 2006. At the time, Macquarie also owned South East Water, but it was sold

<sup>26</sup> For instance a water company is owned by a parent company. This parent company is owned by a larger corporation, sometimes this is discreetly hidden. Then the owner of the larger corporation (major shareholder) may be hard to discover, as well as who actually owns the minority shares, sometimes distributed throughout many individuals, corporations and groups worldwide.

	wealth funds the Queensland Investment Corporation and the Alberta Investment Management Corporation also holding stakes.	on to Australia's Hastings Funds Management when Macquarie bought Thames. April 2012 - China's sovereign wealth fund is buying 8.7per cent of Thames Water in a deal that could be worth £1billion.
United Utilities Water	United Utilities	
Veolia Water	Veolia Water UK	Veolia Environnement (France). Veolia, the French utility giant, plans to sell €5bn (£4.3bn) of assets, including its three UK-regulated water companies.
Veolia Water East	Veolia Water East Ltd	Veolia Environnement (France).
Veolia Water Southeast	Veolia Water Southeast Limited	Veolia Environnement (France).
Wessex Water	Wessex Water	
Yorkshire Water	The Kelda Group	The Kelda Group was delisted from the London Stock Exchange on February 12th, 2008, following acquisition in a £3.04 billion deal by the infrastructure fund, Saltaire Water. Saltaire Water is a consortium of investment companies including Citigroup (American) and HSBC (shares in HSBC Holdings plc are held by over 220,000 shareholders in 132 countries and territories).

Even a cursory bit of research shows that British water supply is owned by foreign investment groups from France, Singapore, Spain, Australia, America, China and elsewhere. Clearly, the British water companies are considered as hot businesses to take over since they constitute a guaranteed continual generation of money. There is no likelihood of a crash since people must have water.

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