

# **Oireachtas Committee Report on Funding of Water Services**

## **Frequently Asked Questions**

### **1. What changes have the Joint Oireachtas Committee on the Future Funding of Domestic Water Services proposed?**

The committee has published its report, which is available at the link below:

<http://www.oireachtas.ie/parliament/media/committees/futurefundingofdomesticwaterservices/report/2017-04-11-Future-Funding-of-Domestic-Water-Services-Report.pdf>

The special Oireachtas committee has made recommendations in a range of areas regarding funding of water services, including:

- Funding domestic water services through general taxation, with such funding clearly identifiable within existing taxation;
- Long-term funding certainty for Irish Water through multi-annual budgetary cycles;
- A link between revenue provided to Irish Water from the Exchequer and services that such revenue pays for;
- Public ownership of water services: support for a referendum to enshrine public ownership;
- An expanded role for the Public Water Forum;
- The setting by the Commission for Energy Regulation (CER) of an average consumption level for domestic water customers, setting the threshold at 1.7 times the average household use;
- The curbing of wastage of water through an approach based on incentives, levies and other measures;
- Enhanced measures to increase water conservation, including a proactive retrofitting programme and ambitious amendment to existing building standards and regulations;
- The use of district metering, existing domestic meters and modern technology to support leakage reduction, including bulk metering for multi-unit developments such as apartment blocks and the use of meters in new dwellings and dwelling refurbishments requiring full planning permission;

- A review of the strategy based on the report after a five year period.

## **2. What happens next?**

Subject to the Oireachtas approving the report, the Department of Housing, Planning, Community and Local Government will then commence the drafting of a Bill on the basis of the report, and will engage with the Office of the Attorney General as part of this process. Minister Coveney intends bringing this legislation to the Oireachtas as soon as possible.

## **3. How will the levy on waste of water be calculated?**

Further detail will be provided in the legislation. The Oireachtas committee report proposes that the CER should determine average consumption levels, setting the threshold level at 1.7 times the average household use.

## **4. What customers will be levied for waste of water?**

Further detail will be available in the forthcoming legislation that Minister Coveney intends bringing before the Oireachtas as soon as possible. Customers using water above the threshold will be subject to the levy.

## **5. Will there be exemptions for certain categories of customers?**

Further detail will be provided in the forthcoming legislation. The Committee's report recommends that there should be appropriate allowances for extraordinary circumstances such as certain medical conditions and above average household size.

## **6. Will water meters continued to be used?**

Yes, existing meters will be used. Multi-unit developments will be metered, as will new builds and existing dwellings that are refurbished with full planning permission required.

**7. Will the domestic metering programme continue?**

'Phase one' of the metering programme was completed in early 2017. The Department of Housing, Planning, Community and Local Government, Irish Water and other relevant bodies will now examine the report's recommendations.

**8. Will Irish Water customers who paid water charges to date get refunds?**

Refunds are envisaged by the Report. In relation to refunds, the Minister, working with the Attorney General's office, will put together legislation that is consistent with the report recommendations, including that relating to those who have paid and not paid water charges.

**9. Will these proposed changes affect non-Irish Water customers?**

The report proposes that the Department of Housing, Planning, Community and Local Government conduct a review with relevant stakeholders to quantify what additional investment is required to equalise (funding) treatment between those on public water supplies and those on private supplies.

**10. Will there be changes to subsidies for group water schemes?**

See response to question 8.

**11. Will economic regulation of Irish Water continue?**

Yes, the Commission for Energy Regulation will continue to economically regulate Irish Water. The Environmental Protection Agency will remain its environmental regulator.

**12. How will water conservation be achieved?**

Greater water conservation will be achieved through the ongoing works performed by Irish Water, the curbing of waste of water by customers and greater public awareness. The report recommends a number of initiatives on conservation, including the development by the Government of a cross-departmental strategy.

### **13. What progress has Irish Water made to date in improving and upgrading the public water system?**

Among the achievements by Irish Water so far are:

- Investment in water core infrastructure: Irish Water's business plan forecasts investment of €533 million this year, a significant increase from the less than €300 million invested by local authorities in 2013.
- Improvements to water quality and supplies:
  - (1) It has prioritised the elimination of boil water notices, with its work resulting in the lifting of long-term boil water notices affecting thousands of people.
  - (2) It has removed the threat of contamination from four drinking water supplies in Dublin for 220,000 people.
  - (3) The utility has increased the spare supply capacity in Dublin, from 2% to approximately 10% of water supplied to the region. In most European capital cities, headroom is about 15%.
- A greater focus on reducing leakage. Irish Water 'First Fix Free' scheme for households has resulted in significant daily savings, with 77 million litres (the water supply of 210,000 homes) already saved by the end of Quarter 3 last year. It is developing a regional, shared service approach to leakage and has set annual targets.
- Communication to households about lead in drinking water - information to over 36,000 households with probable lead piping, identified through the national metering programme.
- A new approach to asset management and infrastructural delivery. Central strategic planning is now based on accurate asset performance data and full control of all investment decisions. It plans investment consistently across the asset base rather by large-scale, one-off investments.
- Greater economies of scale in running water services. It achieved 7% year-on-year reductions in operational costs during 2015-2016.
- Standardisation of operations: this is leading to benefits in performance and energy costs.