Public Consultation - List of Submissions Received

December 2012
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Introduction and Background

Overview
The Government has indicated its intention to take a national approach to water, to significantly improve the quality of service, increase the cost efficiency associated with water provision and conserve our national resource. To equip the sector to meet the challenges of the future, the Government has embarked upon a series of reforms for the water sectors, which comprise three inter-related components:

1. **New Organisational Model**
   - The establishment of a new public utility, Irish Water as an independent subsidiary of Bord Gáis Éireann to take over the responsibility for the delivery of water services from local authorities.

2. **Sustainable Financial Model**
   - Irish Water will be able to access third party finance with the objective of becoming self-financing in time. Water charges to be introduced for domestic users based on usage. Metering programme to be rolled out.

3. **Economic Regulation**
   - The introduction of independent economic regulation of the water sector to be assigned to the CER who will be responsible for determining the cost of water services to the consumer and driving efficiencies.

An implementation strategy to guide the rollout of this reform has now been published and is available at www.environ.ie. This is an overarching strategy to guide the work of all the parties involved in implementation of these reforms. Its development has been advanced by the Department of the Environment, Community and Local Government (DECLG) with the active involvement of the County and City Managers’ Association (CCMA), NewERA, the Commission for Energy Regulation (CER), the Environmental Protection Agency (EPA) and Bord Gáis.

The development of this implementation strategy was informed by a public consultation undertaken in early 2012 in tandem with the publication of the report on the independent assessment on the establishment of Irish Water and a position paper setting out the reforms. The six week period of public consultation ran from 16 January 2012 to 24 February 2012 and a considerable number of organisations, elected representatives and other individuals made submissions as part of the process.

Almost 300 submissions were received, 80 from organisations, 34 from companies, 33 from local and regional authorities and the balance from individuals. These submissions were taken into consideration in developing this implementation strategy. The submissions are all available on the Department’s website (www.environ.ie) and some of the key points raised are set out below. A list of submissions received is set out in this document.

**Organisational Model**
There was a general consensus, where raised in submissions, on the need for increased investment in the sector, as well as improved strategic planning at a national and regional level reflecting river basin catchments. Many respondents welcomed the proposed establishment of a public utility in a regulated environment as a beneficial move. Some of the organisations, particularly environmental NGOs, felt that the proposed role of Irish Water was not sufficiently broad and should encompass a greater role in overall water governance. The
view was also expressed that Irish Water should be established in a manner which allowed for competition for services in the future. On the other hand, many local authority representatives and the Irish Congress of Trade Unions (ICTU) favoured a more limited organisational change based on forms of the agency model where assets and operational responsibility would remain with local authorities. This latter view arises from concerns about the loss of local authority experience, privatisation, the removal of functions from local authorities and the impact on synergies between services. A number of submissions also related to the naming of the organisation.

The Government is satisfied that the public utility model which integrates operations and capital planning, would have greater capacity to raise third party finance, achieve economies of scale and improve the efficiency of operations than other models explored during the independent assessment, and securing best value for money and a sustainable future funding source is a critical requirement in ensuring that the costs of water, which will ultimately be passed on to customers, are minimised. The proposed phased transition is designed to guard against the disruption of service or loss of expertise by pairing the skills of an existing utility, Bord Gáis Éireann with the skills within the local government sector. While the independent assessment envisaged that the service level agreements between Irish Water and local authorities would end in 2017, the strategy now acknowledges potential scope for local authorities to continue to act as agents of Irish Water beyond 2017, if arrangements are working well. The legislative provisions establishing Irish Water will empower local authorities to continue to act as agents of Irish Water beyond the transition phase.

While Irish Water will play an important role in the broader water environment, it will be in co-operation with a range of other actors, and it is not considered appropriate to expand the role to incorporate a range of functions that are better delivered by other bodies, including the Environmental Protection Agency. That said, the need for a more integrated approach to water management raised by a number of organisations is acknowledged. Reflecting on these issues, the broader context and the role to be played by Irish Water is set out in Work-Stream (WS) 2 Policy Framework and Sector Governance, and the associated funding issues will be advanced by the finance and funding (WS 11) and economic regulation work-streams (WS 10). The tasks to be undertaken in relation to the environmental regulation of Irish Water are set out in WS 5.

**Privatisation**

Many submissions emphasised the importance of water services remaining in public ownership with concerns raised by ICTU and others that the establishment of Irish Water could be a precursor to privatisation. In this context, a related concern was the potential lien over water services assets and their transfer from local authorities to Irish Water.

The Government is committed to maintaining Irish Water in public ownership. This would generally be in line with international practice. The existing prohibition on the privatisation of water services assets included in the Water Services Act 2007 will be retained and strengthened as necessary. Further consideration will be given to the approach to and the timing of asset transfer, subject to optimising the funding available to Irish Water. This is provided for within the funding and financing (WS 11) and the policy framework and sector governance (WS2) work-streams and will ultimately be reflected in the legislative approach work-stream (WS 3).

**Engagement with staff**

The need for ongoing communication and engagement with staff and trade unions, given the substantial nature of the change was highlighted.

A specific work-stream of the implementation strategy (WS 9 People, Skills and Change Management) sets out the proposed approach in this regard, and acknowledges the criticality of such engagement to the success of the overall reform programme and to addressing any concerns staff may have as the implementation strategy rolls out.

**Relationship with local authorities**

A concern raised particularly by elected members was the potential loss of input by local authorities into investment decisions and the consequent impact on local and regional planning and development. A further aspect raised by many local authority submissions was the critical link between local authority water services and fire/emergency services, as was the need to ensure that the proven track record of local authorities in responding to emergency issues was maintained.
The work-stream on the policy framework and sector governance includes a specific section on the long-term relationship between Irish Water and local authorities (WS2). This chapter also outlines the approach to strategic planning for the sector, including the need to take account of the national spatial strategy, regional planning guidelines and local development plans in framing Irish Water’s investment plans; the chapter also recognises the need to deal with a range of boundary issues. The legal and legislation chapter reflects the need to review planning and development legislation as part of the development of comprehensive legislation to establish Irish Water in 2013 (WS3). The operations work-stream which deals with service level agreements between Irish Water and local authorities provides the framework for ensuring continuity of service, and effective response to emergencies (WS 7 Operations).

**Democratic Accountability**

Local authority submissions also raised concerns about accountability in the light of the move of water services from local government to a commercial Semi-State body.

The appropriate governance and accountability of Irish Water to the Oireachtas will be dealt with in the comprehensive legislation establishing it, and the various tasks involved are set out in WS6 Corporate Development of Irish Water.

**Local authority finances**

Some authorities raised concerns about the treatment of financial liabilities which they incurred over the years on the delivery of water services.

The Department has already provided clarification in relation to the financial liabilities arising for local authorities in relation to water services capital projects in Circular L4/12 of March 2012. The funding and financing work-stream will progress matters in relation to financial due diligence, establishing the cost base for Irish Water and the scale and nature of financial liabilities of local authorities to be taken over by Irish Water (WS 11). This work-stream will be progressed not only from the perspective of ensuring that Irish Water is established on a sound financial footing, but also examining the impact of any decisions on the Governmental and local authority balance sheets.

**Group Water Sector**

Some submissions noted the important partnerships between local authorities and the group water sector, and expressed concerns that the quality improvements made over the past decade in the sector might be negatively impacted through the organisational changes proposed.

The important advances made by this sector, based largely on voluntary effort, but also on the professionalism of the National Federation of Group Water Schemes and the local authorities must be sustained. It is appropriate to consider the future challenges and appropriate strategies for the sector before finalising the appropriate delivery mechanisms, which may include service level agreements between the EPA and Irish Water or Irish Water and local authorities. A specific work-stream (WS4) will address these issues for incorporation in a broader policy framework for the water sector.

**Water charges and metering**

A number of submissions supported the introduction of charges for domestic users, with an emphasis on the need for the charges to be fair and transparent. Many submissions from individuals related their willingness to pay charges to an improvement in the quality of service, because of problems in particular areas. Some submissions argued against the introduction of charges on the basis that water services should be funded from general taxation. Submissions made in relation to the development of the tariff structure reflected matters such as consideration of block tariffs, standing charges and charges based on water availability. There was significant support for the setting of a single national charge. A number of submissions expressed concern that assessed charges should not penalise households from lower income groups or those with larger families. Submissions were received both in favour and against providing a free allowance of water. Where submissions were not in favour of such an allowance the issues raised related to the administrative difficulties or a preference for targeted measures for households with an affordability issue. Many submissions focussed on affordability for low income households and people with disabilities or medical conditions necessitating high
water usage. Some submissions also referred to the potential impacts on business and industry from the proposed changes arguing that costs to business should not be increased and must remain affordable.

Varying views on the metering programme were expressed during the public consultation. Some submissions received were not in favour of metering, either on the basis of its cost or a view that funding should be focusing on mains rehabilitation and water conservation rather than metering and in some cases submissions suggested flat charges would be preferable. A number of submissions suggested that a decision on the water metering programme should be the responsibility of Irish Water or that the regulator should have a role in considering the programme. The issue of metering multi-unit developments was raised in a number of submissions. Other issues raised on metering related to the positioning of meters, the technology available or the potential synergies with the smart metering programme being developed for the gas and electricity utilities by the CER.

The general thrust of the points raised in the submissions have reinforced the Government view that the introduction of charges must be fair and equitable and that charges based on usage, with appropriate measures to address affordability issues for particular groups, is the best way of achieving this objective. The metering programme will be a large and complex capital project, with significant employment potential at SME level. The key tasks involved are set out in WS 13. Key decisions in relation to Exchequer funding of Irish Water, including the approach to free allowances and affordability measures will be progressed as set out under the tasks in the finance and funding (WS11) and economic regulation work-streams (WS10). The tariff regime will be defined by CER, and the process of setting the tariffs will provide an opportunity for further public consultation.

**Water efficiency and conservation**
A number of submissions were made in relation to water efficiency actions, with support for increased efficiency measures such as water saving devices, rainwater harvesting and increased use of grey water.

There will be an incentive for users to invest in such devices when charges are introduced based on usage. It is also envisaged that investment in water conservation measures on the public network will be accelerated by Irish Water and specific goals in relation to leakage reduction are likely to be set by the economic regulator.

**Economic regulation**
The consultation process did point to a high degree of support for the separation of economic and environmental regulation, but it was noted that there may be conflicts which would have to be resolved. The new regulatory economic framework should support enterprise development and national competitiveness while also taking account of the social and environmental implications. While many submissions agreed with the economic regulation being sited in CER as the most efficient approach, some of the commentary on economic regulation did raise issues about the approach to be adopted in the water sector. ICTU proposed that the Government not the regulator should approve the charges as part of the budgetary process.

The Government will have a role in supporting Irish Water financially for a considerable period, which will have an important impact on the level of charges. Decisions in this regard will have to be taken as part of the budgetary process. However, it is considered appropriate that the sector is independently regulated to ensure the most efficient operational costs, the sustainability of investment plans, the protection of consumers and to support the capacity of Irish Water to borrow on the markets.

**Consumer interests**
A number of submissions were made in relation to communications with customers, expectations as to the quality of service, consumer protection and the manner in which the needs and interests of consumers should be demonstrably incorporated into the decision making process. There were some calls for this process to be separate to the economic regulator.

It is intended that a key duty of the economic regulator will be the protection of consumer interests. This will be reflected in the legislation establishing the water economic regulation function within CER. As part of the economic regulation work-stream (WS 10) consideration will be given to the appropriate customer protection measures and how and by whom these should be delivered noting that the independent assessment suggested that a consumer representative role could be taken on by the National Consumer Agency to supplement the consumer protection role of the CER.
**Fluoridation of water**
A number of submissions were made objecting to the current practice of fluoridation of water.

The fluoridation of water arises for public health reasons and is funded by the Health Service Executive. The level of fluoride in drinking water is governed by the Fluoridation of Water Supplies Regulations 2007. The Irish Expert Body on Fluorides and Health, established by the Minister of Health in 2004, advises that the balance of scientific evidence worldwide confirms that water fluoridation, at the optimal level, does not cause any ill effects and continues to be safe and effective in protecting the oral health of all age groups. The report of the EU Scientific Committee on Health and Environmental Risks published in June 2011, has not made any findings of negative health or environmental effects concerning fluoridation of water. There are no plans to discontinue the policy of fluoridation of public water supplies, which continues to make an effective contribution to oral health in Ireland.

**Enterprise and employment opportunities**
A number of organisations representing businesses and the construction sector highlighted the importance of the investment in sustaining and creating jobs in Ireland. The development agencies, particularly Enterprise Ireland suggested that the potential for Irish Water to have an international dimension should be provided for in the future.

The employment opportunities arising from the reform process arise in the construction sector from the accelerated capital programme, including metering and in the longer-term across the economy by providing greater security of supply and increased capacity required to meet the needs of growing sectors including the agri-food, pharma-chem and technology sectors. There are also opportunities for indigenous SMEs to participate in the roll-out of the metering programme or the development of new technologies for the sector. The potential role for Irish Water to provide consultancy advice internationally, similar to other Irish Utilities, will be considered in the context of the comprehensive legislation.
List of Submissions from Organisations

1. ACEI Part 1,2
2. An Taisce
3. CCMA
4. Chambers Ireland
5. Chartered Institution of Water & Environmental Management
6. CONSENSUS Research Project - TCD Part 1,2
7. Construction Industry Federation
8. CSO
9. Curam
10. Department of Environmental Science, Institute of Technology, Sligo
11. Dublin City Council Environment & Engineering Strategic Policy Committee
12. Dublin Region Telemetry and GIS Office
13. Dunmanway Enterprise Network
14. ERSI
15. Engineers Ireland – Part 1,2,3,4,5
16. Engineers Ireland West
17. Environmental Protection Agency
18. Environmental Research Institute UCC
19. Fianna Fáil
20. Fine Gael Group on Dublin City Council
21. Fis Nua
22. Fluoride-Free Water
23. Forfás, IDA Ireland and Enterprise Ireland
24. Friends of the Environment
25. Geological Survey of Ireland
26. Green Party
27. HSE Part 1,2,3
28. IBEC
29. ICMSA
30. ICTU
31. IFA
32. Institute of Geologists of Ireland and International Association of Hydrogeologists (Irish Branch)
33. IMPACT Part 1, 2
34. Irish Dairy Industries Association
35. Irish Hardware & Building Materials Association
36. Irish Landscape Institute
37. Irish Property and Facility Management Association
38. Irish Water Safety Part 1,2,3
39. LAMA
40. LAPO section of SIPTU
41. LASTNG
42. Marino Residents
43. National Consumer Agency
44. National Federation of Group Water Schemes Part 1,2,3
45. National Forum on Addressing Functionality
46. Oifig an Choimisinéara Teanga
47. Offaly County Development Board
48. OPW
49. Ordnance Survey Ireland
50. publicpolicy.ie
51. Sinn Féin
52. South Dublin Chamber
53. Spatial Ireland Part 1,2
54. SWAN
55. TASC
56. The Competition Authority
57. The Society of St. Vincent de Paul
58. The Workers Party
59. UCD Earth Institute
60. UNITE
61. Utility Regulator
62. Vintners’ Federation of Ireland
63. VOICE of Irish Concern for the Environment
64. Water Technology Research Group
65. Western Development Commission (WDC)
66. Westmeath Environmental Group
List of Submissions from Local Authorities and Regional Authorities

1. Clare County Council
2. Cork City Council
3. Cork County Council
4. Donegal County Council
5. Dublin City Council
6. Dun Laoghaire Rathdown County Council
7. Fingal County Council
8. Galway City Council
9. Galway County Council
10. Kerry County Council
11. Kildare County Council
12. Kilkenny County Council
13. Laois County Council
14. Longford County Council
15. Louth County Council
16. Mayo County Council
17. Mayo County Council
18. Meath County Council
19. Midland Regional Authority
20. Mid-West Regional Authority
21. Monaghan County Council
22. North Tipperary County Council
23. Offaly County Council
24. Roscommon County Council
25. Roscommon County Council
26. South Dublin County Council
27. South Tipperary County Council
28. South West Regional Authority
29. Tullamore Town Council
30. Westmeath County Council
31. Wexford County Council
32. Wicklow County Council
33. Wicklow County Council
List of Submissions from Companies

1. Accu-rate Technologies
2. Actac
3. Aecom Design Build Ireland
4. Amberley Q&E Services Ltd
5. Bentley Systems
6. BPM Property
7. Chemifloc Ltd
8. Cylon Controls Ltd
9. E NET Part1-7
10. EPS Group
11. GridComms Limited
12. Irish Civil Engineering Products Ltd
13. IMGS
14. Itron
15. Jacobs
16. Kelda
17. Kevin Murray Ltd
18. Killarney Telecoms Ltd
19. Lally & Associates
20. Manor Court Flat Management Company
21. Mouchel
22. Progressio Ireland
23. RF Property Management
24. S. W. Carty & Son Ltd
25. SCFI Group
26. Seery Drilling
27. Sensus
28. Siemens Limited
29. SM Bennet & Co Ltd
30. Temetra
31. Tensile Testing Services
32. Watersave
List of Submissions from Individuals

There were 139 submissions received from individuals, these can be viewed on the Departments website, however, it should be noted that personal details have been removed in the interest of data protection and an individual’s right to privacy.