

Water Services Training Group

21st. Annual Conference

Progressing a Single Water Utility Approach

Lyrath Estate Hotel, Kilkenny



An Roinn Tithíochta, Pleanála
agus Rialtais Áitiúil
Department of Housing, Planning
and Local Government

Maria Graham – Assistant Secretary, Water Division,
Department of Housing, Planning & Local Government

New Legislative and Funding Arrangements



**An Roinn Tithíochta, Pleanála
agus Rialtais Áitiúil**
Department of Housing, Planning
and Local Government

Outline of Presentation

- * Recap on developments
 - * Confidence and Supply Arrangement commitments
 - * Joint Oireachtas Committee on Future Funding of Domestic Water Services
- * Legislative agenda
- * Hallmarks of new Funding model
- * Improving Transparency and Accountability
- * Conclusions

Confidence & Supply Arrangement

- * Irish Water will be retained as a single national utility in public ownership responsible for the delivery of water and waste water services
- * External advisory Body to be established to build public confidence in Irish Water, improve transparency and accountability and report on performance on the implementation of its Business Plan
- * Set out mechanism to examine the future funding of domestic water services;
 - * Charges suspended for nine months from July last year, and extended recently to end December 2017;
 - * Expert Commission reported in November 2016;
 - * Joint Oireachtas Committee reported in April 2017, adopted by both Houses of the Oireachtas

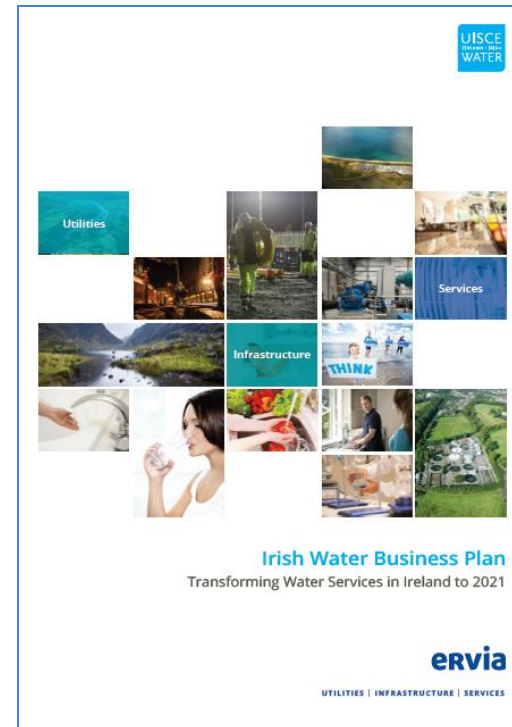
JOC on Funding of Water Services

- * Water conservation to be embedded in water services policy
- * Domestic water services to be funded through taxation
- * Funding certainty and long-term stability for the utility to deliver on its business plan
- * CER & EPA have key central roles in regulation of costs and environmental standards.
- * Recommendations on

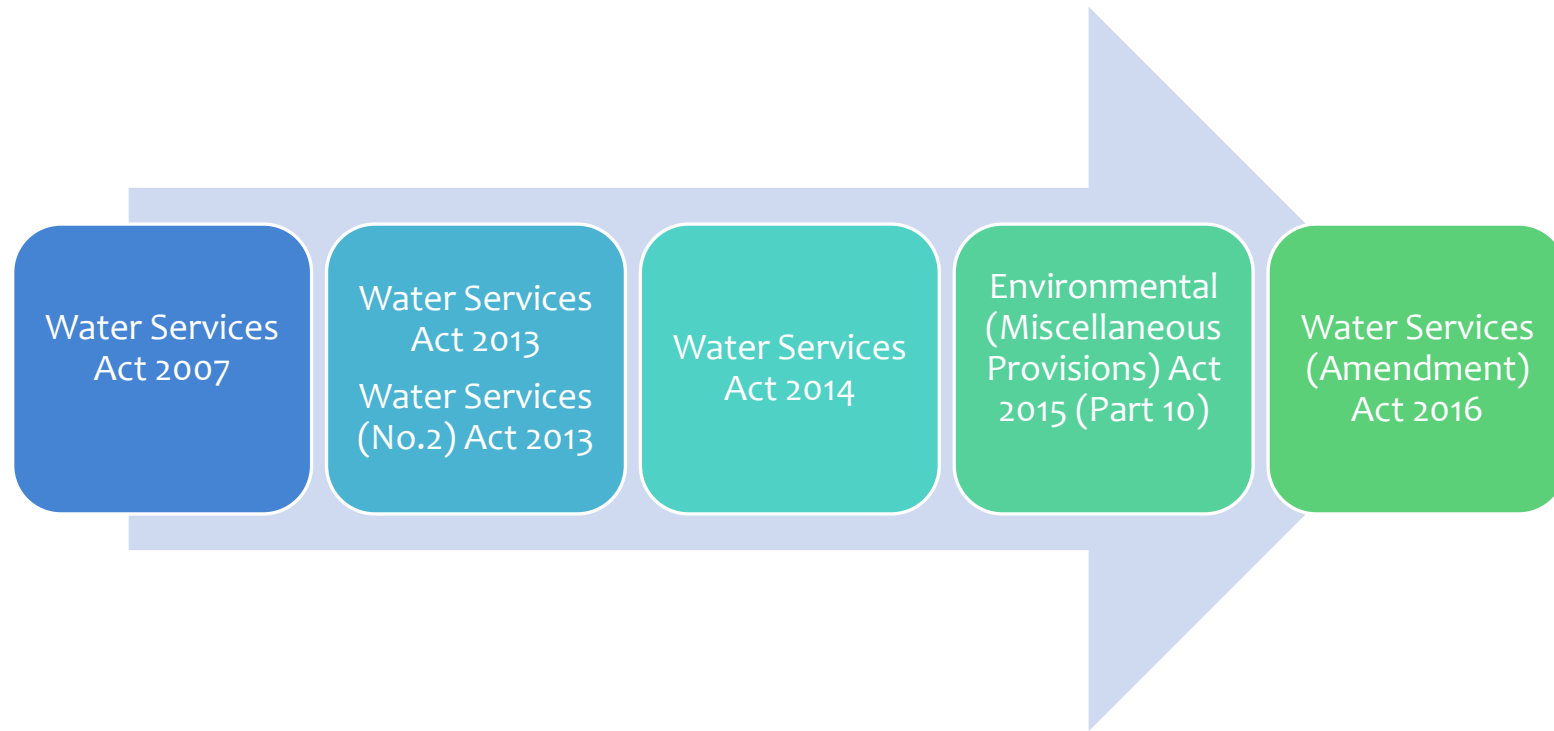
Public Ownership	Funding
Public Engagement & Transparency	Role of regulators & compliance with EU law
Conservation measures	Metering
Equity and Fairness	

Irish Water Business Plan

- * Plan to 2021
- * Supported by Government subject to budgetary & regulatory review
- * Capital investment of €5.5 billion
- * Operational efficiencies of €1.1 billion



Current Legislation



Legislation in progress/planned

Water Services Bill, 2017

- Reflecting recommendations of the JOC on future funding of Domestic Water Services

Private Members Bill – 35th amendment to Constitution

- Proposing a referendum on the public ownership of water services

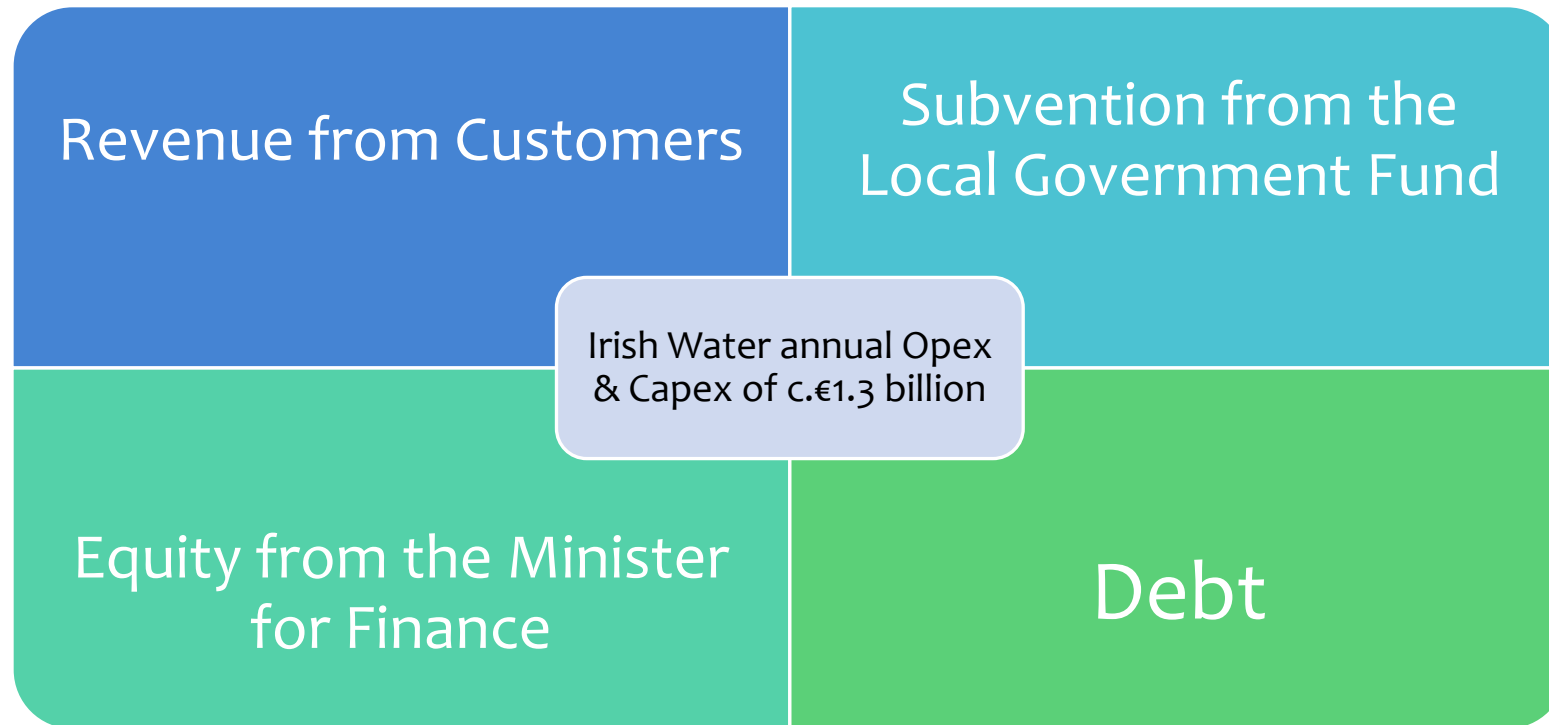
Planning & Development

- Planning & Development (Amendment) Bill 2016
- Exempted Development
- Proposed s.28 Guidelines

Water Framework Directive

- Water Abstraction register
- Guidance on relationship between physical planning and river basin management plans

Present Funding Model for Irish Water



New Funding Model

- * JOC recommended looking at feasible options to
 - * to introduce funding certainty over the long-term from existing general taxation
 - * Provide funding to the utility specifically for investing in water infrastructure to meet WFD obligations
- * Key principles
 - * Providing certainty over multi-annual period balanced with Oireachtas annual budget role;
 - * Supporting the regulatory process;
 - * Improving transparency of funding flows;
 - * Compliance with the Water Framework Directive

Hallmarks of new approach

- * Providing as much certainty as possible prior to the commencement of the regulatory process
- * Approving of costs by the CER
- * State paying for normal domestic usage – all channelled through the Department's Vote



Other Water Funding

Rural Water Sector

- * working group to follow up on JOC recommendation on additional investment requirements of this sector
- * focus on sustainable improvements in water quality.

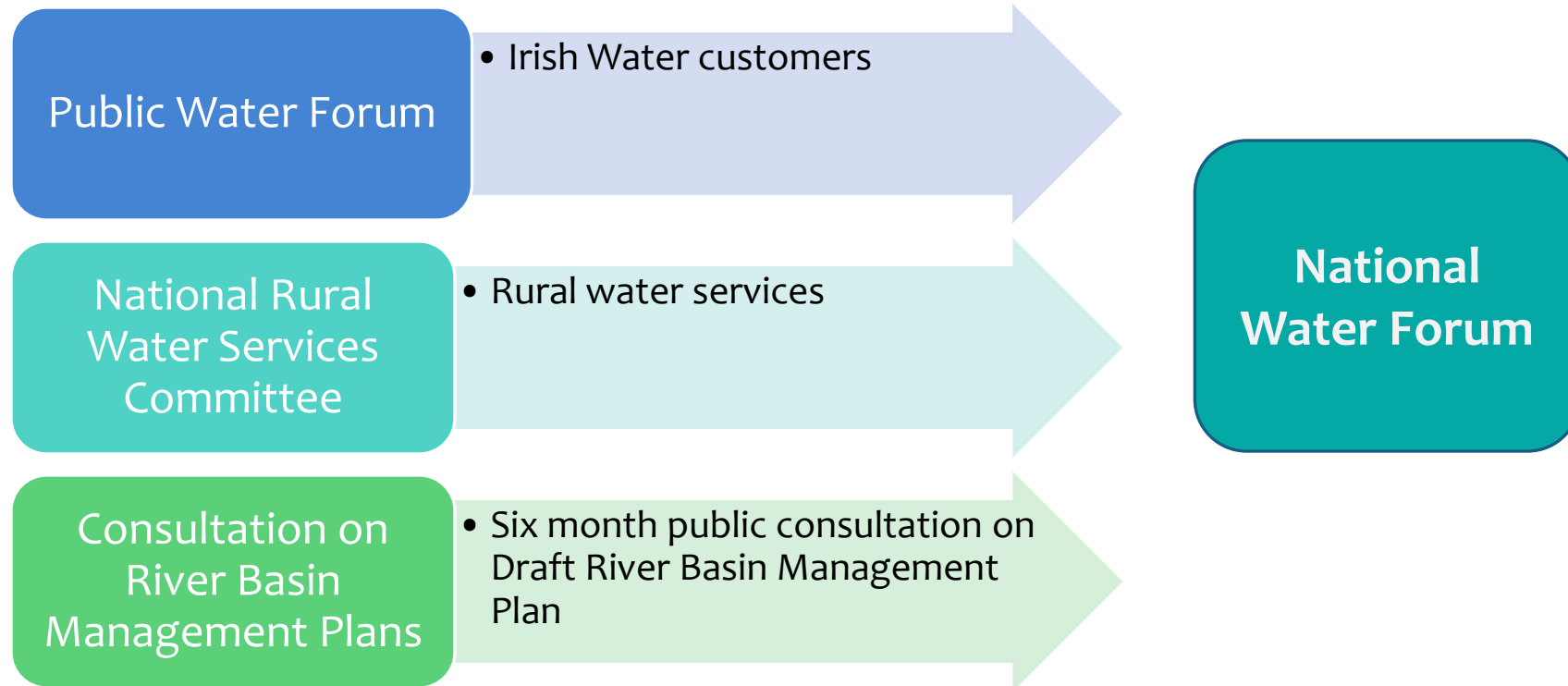
LA funding

- * WSTO and LAWCO
- * Rates compensation
- * Financing of non-HFA loans
- * Working through WSRIG on legacy issues
- * Looking at funding requirements for WFD and developer led infrastructure in context of Estimates.

Water Advisory Body

- * Advise on measures to improve transparency and accountability of Irish Water
- * Quarterly reports to an Oireachtas Committee on performance of Irish Water on the implementation of the Business Plan, with regard to
 - * Cost reduction & efficiency improvements;
 - * Procurement, remuneration & staffing policies;
 - * Infrastructure delivery & leakage reductions;
 - * Improvements in water quality, including elimination of boil water notices

Public engagement



Conclusion

- * Focus on providing clarity to Irish Water to deliver on its business plan (and successors to the plan)
- * Improvements to transparency & accountability
 - * Flows of funds
 - * Water Advisory Body
 - * National Water Forum
- * Range of other JOC recommendations of non-statutory nature eg water conservation, rural water sector.