Submission to Irish Water

Consultation on Water Services Strategic Plan Issues Paper and Environmental Scoping Report

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1st September 2014

Executive Summary

Dublin Chamber welcomes the opportunity to contribute to the Irish Water's public consultation on the Water Services Strategic Plan. This submission is based on engagement with the many national and regional companies that compose our membership.[1]

This submission paper addresses the six draft objectives for the Strategic Plan to 2040.

The Chamber fully supports Irish Water's high-level objective of delivering a "world-class water infrastructure that ensures secure and sustainable water services, essential for our health, our communities, the economy and the environment."

Dublin Chamber therefore makes the following recommendations in regard to the Water Services Strategic Plan in order to realise this objective.

1. Businesses have been paying for water for decades, and it is important that they are clear on the services they receive in return.

2. A regional approach to the Water Services Strategic Plan to better assess and address the projected drivers of consumption and supply in each region.

3. Investment is necessary to realise the potential of water security and supply as a key point of competitiveness for attracting and retaining businesses in Ireland.

4. The capital investment needed is high due to a legacy of under-investment. In order to achieve operational efficiencies and cost savings while increasing service quality, prioritisation must be driven by the business case for projects.

[1] Dublin Chamber is the largest chamber of commerce in Ireland with over 1,300 member companies. It is the most representative and broadly-based business group in the Greater Dublin Area, providing representation and networking services. Its policy work focuses on developing the Dublin region's infrastructure & transport, promoting competitiveness and improving local governance. Dublin Chamber is also one of the oldest chambers of commerce in the world, tracing its origins back to 1782.

What is the Water Services Strategic Plan?
Section 33 of the Water Services (No. 2) Act 2013 (the Water Services Act) requires Irish Water to prepare a Water Services Strategic Plan (WSSP). The WSSP will outline the strategic direction for Irish Water over the short, medium and long-term time frames up to 2040. The WSSP will identify what areas of water services require focus and development in order to meet mandate set out by government. It will be a strategic framework which will identify and prioritise the key objectives required to ensure the public water system can meet the challenges of the future. This framework will inform future capital investment plans to be developed by Irish Water and approved by the CER.

1. Meeting Customer Expectations

Irish Water has responsibility for providing a clean safe water supply to current and future customers connected to the network. Since its inception, it has repeatedly expressed an aim of engaging with customers and providing excellent service. The Chamber supports this commitment to quality customer service.

However, there must be sufficient opportunity for redress should Irish Water fall short of its responsibilities in this regard. Businesses have been paying for water for decades, and it is important that they are clear on the services they receive in return.

The Chamber welcomes the assurance that customers will be "required to pay only for planned and sustainable development". The aim to ensure that investment is not "wasted" on premature or oversized water services is also a positive step towards ensuring value for money.

Nevertheless, Irish Water must provide communication channels for customers who have concerns about development plans in their area, or who are dissatisfied with the service they receive.

2. Ensuring a safe and reliable water supply

2.1. Need for regional approach

The Greater Dublin Area (GDA) currently accounts for 39% of the State's population. 1.8 million people currently live in the GDA with this figure set to grow to 2.2 million by 2031.

Projected population growth together with a number of other risk factors (including climate change, which could cause summer water shortages) threaten future water supply in the Dublin Region. Dublin Chamber urges Irish Water to prioritise efforts to address the situation, from the Dublin Water Supply Project (Shannon) to the Ringsend Wastewater Treatment Plant upgrade to the Water Mains Rehabilitation Project in the Dublin Region.

Irish Water has acknowledged the strain on infrastructure in the Dublin Region, yet the Chamber is concerned by the indication in the Environmental Scoping Report that

geographical context is not likely to be applied to WSSP strategies. Dublin Chamber is of the view that, in line with the Regional Planning Guidelines, a regional approach is necessary for the drafting and implementation of the WSSP.

Although it is envisaged that subsequent Implementation Plans will detail how strategies will be carried out at a regional and county level, the WSSP itself must take account of the significant disparity in the water resources and services available across the country. Generalisation across Ireland's greatly varying water systems is unlikely to produce the best possible plan over next 25 years. This point is further developed in Section 5, *Supporting future social and economic growth.*

2.2. Developing a Water Demand Management System

Over half of the world's population lives in urban areas, a proportion expected to increase to 66 per cent by 2050.[2] Supplying water to these people is a complex challenge, a key component of which is meeting the increased demand generated by new city-dwellers.

The four water treatment plants which supply the Dublin Region operate at about 99% capacity on a day-to-day basis. While it is clear that a new water supply is needed, Dublin Chamber proposes that a Demand Management System could be implemented in tandem with the relevant capital projects (i.e. the Dublin Water Supply Project).

The demand management approach aims to get the maximum out of the water supply already available. This approach could be of huge benefit to the Dublin Region as the area set to be most affected by supply shocks in coming years. The GDA's population will continue to grow, but demand could be managed in such a way as to reduce pressure on the system. This can be done sustainably and without harming business or domestic activity.

In the context of constrained funding for investment, there is significant scope for Ireland to position itself as a world leader in the area of water conservation and demand management. Ireland is well-placed in this regard given the abundance of water in the country and the fact that a low pressure pipe system is in place.

Innovations on the supply-side (e.g. rainwater harvesting) and the demand side (e.g. managing consumptive demand to postpone or avoid the need for new supply infrastructure) could go a long way to achieving Irish Water's goal of ensuring a safe and reliable water supply for Ireland. Irish Water may usefully look to other countries and regions with success in this field, such as Australia and Ontario.

3. Providing effective waste water management

Ireland is currently subject to a European Court of Justice Infringement case regarding wastewater treatment. We must live up to our international 'green' image by improving the environmental quality of our waters.

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[2] United Nations News Centre, 10 July 2014
http://www.un.org/apps/news/story.asp?NewsID=48240#.U_8tJfldUia

3.1. Sewer overflows and coastal water quality

Irish Water must ensure an effective system is in place to deal with heavy rainfall events (which are set to become more frequent) and the resulting overflow from sewers. The current situation impacts on water users and may also have adverse effects on tourism in Ireland. For example, in recent weeks several areas in the Dublin Region were forced to impose swimming bans following sewer overflows and the subsequent contamination of bathing areas. A disruption during a peak summer period affects regular local swimmers, but may also lead tourists to believe that Ireland's bathing waters are unsafe. The Destination Dublin Strategy, which aims to double tourism revenues in the Dublin Region by 2020, has identified coastal areas as having significant potential for growth. This analysis remains true throughout Ireland, and every effort must be made to protect and enhance our coastal amenities for residents and tourists alike.

3.2. Pipe and sewer rehabilitation and replacement

In the process of rehabilitating deficient sewers and pipes, minimising the impact on customers and road users must be a top priority. Interruption to water supply greatly affects business competitiveness, while road works disrupt connectivity and pedestrian footfall, which is important to retailers.

Dublin Chamber fully welcomes Irish Water's commitment to "investigate, develop and adopt best practices and technologies for the rehabilitation and replacement of underground infrastructure". Once identified, Dublin Chamber recommends that these best practices be developed into a code of conduct for projects likely to cause this type of disruption. The code of conduct could then be made publicly available such that customers are aware of projects in their locality and have a guide for what impacts or disruptions they can expect.

4. Protecting the environment

Major water infrastructure projects such as the Dublin-Shannon pipeline pose significant environmental impacts. While these projects are essential for the development of Ireland's water infrastructure, Irish Water must aim to realise its capital projects in the most environmentally-friendly way possible.

Dublin Chamber suggests that Irish Water look to other countries for best practice in this regard, perhaps employing environmental impact clauses in tenders for projects.

5. Supporting future social and economic growth

Dublin Chamber recognises that predicting when and where growth will occur is an uncertain science. However, as Irish Water acknowledges: "all scenarios indicate that the Dublin and Mid East Regions will continue to grow significantly faster than other regions".

This is reflected in the recently-published figures on the need for housing in the Dublin Region. Of the 90,000 new housing units needed in Ireland by 2021, 60,000 are required

in Dublin.[3] Commuter belt counties Louth, Meath, Kildare and Wicklow will require a further 26% of new units.

Housing needs in Ireland vary greatly on a county-by-county basis: some counties have a surplus while others are severely undersupplied. Analysing the national figures alone would mask this reality and obscure the areas in greatest need.

The same can be said for water. All new housing developments will require water services. If they are likely to be concentrated in the GDA, it follows that the WSSP should focus specifically on this area. This approach would not ignore Irish Water's national remit, nor would it be implemented at the expense of other regions. A regional perspective simply recognises the areas which will see the greatest demand for water services into the future and aim to develop plans accordingly.

6. Investing in our future

6.1. Integrating data from Local Authorities and collecting future data

The data migration process from Local Authorities to Irish Water was due to begin in July 2014 and is scheduled for completion in January 2015. The process poses considerable challenges given the complexity of the former billing arrangements, lack of uniformity in the data and expected gaps therein.

Dublin Chamber expects that Irish Water's national remit will allow it to adopt a more uniform approach to the collection of data in the future. The Chamber also recommends that Irish Water research and implement international best practice in the collection and analysis of water data. The more knowledge available regarding customer consumption patterns etc., the more effective the policies that Irish Water will be able to develop.

6.2. Engagement with Customers and Stakeholders

In line with its aims of engaging customers, Irish Water should aim to foster a culture of ownership of water services. Active 'water citizenship' could be an important part of the development of a Water Demand Management System as recommended in Section 2.2.

Leakage reduction efforts in the Dublin Region offer a useful example. Between 1996 and 2002, leakage in the Dublin Region was reduced from 42% to 28%. Further progress has been achieved since 2007 via the Water Mains Rehabilitation Project but the current leakage levels are not readily available.

If leakage levels were published more frequently, perhaps on a regional basis, customers could be encouraged to take an interest in and ownership of the state of their local water infrastructure. Increased transparency in this regard would also allow domestic and non-domestic customers to see if they are getting value for money. Similar initiatives in other areas of water services could add to this improved engagement.

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[3] Olivia Kelly, *Irish Times*, 6th August 2014. http://www.irishtimes.com/news/environment/almost-60-000-houses-needed-in-dublin-by-2021-1.1888601