

Introduction

Ireland's ability to remain competitive depends on the country having a world-class water system. This infrastructure is critical for Ireland's citizens, businesses, visitors and future foreign direct investment. The development of a new water source can be of significant benefit, not only for Dublin and the East and Midlands Region, but for the entire Irish economy for decades to come.

This submission builds on Dublin Chamber's response to the Project Need consultation for the Water Supply Project – East and Midlands Region (WSP). Dublin Chamber supports the conclusion from the consultation that the WSP is essential to meet the demand for water in the East and Midlands region into the future.

In this submission, the Chamber responds to the questions laid out by Irish Water in relation to the four technically viable options identified for the WSP:

- Desalination
- Lough Derg (Direct)
- Lough Derg and Storage
- Parteen Basin (Direct)

The constraints proposed for the evaluation of the four options above are:

- Ecology
- Archaeology, Cultural Heritage and Architectural Heritage
- Soils, Geology and Hydrogeology
- Water Quality
- Landscape and Visual
- Population and Infrastructure

1. What other national, regional or locally important Constraints should Irish Water take into account when locating the infrastructure associated with each water supply option?

Irish Water should account for another nationally important constraint – economic. A WSP option should be disregarded if the final cost per litre of water produced is out of line with international averages. Dublin Chamber acknowledges the '*Capital and Operating Costs*' assessment criterion, but considers that the estimated final cost of delivering water from the completed option must be considered as a constraint.

2. Have you any comments on the proposed Constraints and the approach to their use?

Archaeology, Cultural Heritage and Architectural Heritage; Ecology; Soils, Geology and Hydrogeology; Landscape and Visual

Ireland is renowned for the quality of its landscapes and heritage, which are important both for the people of Ireland and for the country's tourist and FDI offering. Our natural resources must be protected, and all new infrastructural projects should endeavour to respect and preserve them.

Water Quality

Companies that are considering development or expansion depend on the knowledge that the quality of their water supply is assured for the years to come. This is particularly true for companies whose business activity implies high levels of water use, such as hotels, manufacturers and those in the pharmaceutical and ICT sectors. Security of supply of high quality water is essential for Irish businesses to plan their future. In this way, a reliable water

supply directly sustains jobs and investment. Although the proposed Water Supply Project is not expected to deliver new water before 2022, the demonstration that Irish Water is preparing to secure future supply in the Region is essential for businesses in their planning.

Population Settlements

Population settlements could pose a constraint to the delivery of the WSP in that the Eastern and Midlands Region is forecast to grow significantly in the coming years, but it is not certain where and how this growth will occur. Possible scenarios include Dublin's commuter belt continuing to expand into Kildare, Meath and Wicklow; or Dublin increasing its density and height such that the city's population, and therefore demand for water, grows.

In light of these possible future scenarios, Dublin Chamber urges Irish Water to carefully consider population forecasts for the Eastern and Midlands Region. The global trend towards urbanisation strongly suggests that growth in and around the Dublin region will be significantly ahead of non-urban areas. Land use planning will determine the specific settlement patterns into the future and the National Planning Framework when published may be an important consideration in this regard.

Dublin Chamber would also remind that the East and Midlands Region is critical for the economic wellbeing of the State. Of the 1.93 million people employed in the State as a whole, 825,000 are employed in Dublin and Mid East regions.¹ The Region therefore accounts for 43% of people in employment. Conversely, Dublin and the Mid East account for just 36% of all unemployed people.

The strategic importance of this Region for the national economy means that an adequate, reliable water supply is crucial for the continued wellbeing of existing, indigenous businesses. The delivery of a new supply is also a prerequisite for future growth and investment.

- Water and Wastewater Treatment Plants

The WSP must be aligned with Irish Water's efforts to consolidate and rationalise the number of water and wastewater treatment plants across the country (at present, Irish Water controls 856 water treatment facilities across Ireland).

3. Are there any Assessment Criteria other than those proposed which should be used in the next phase of options appraisal?

Irish Water has indicated that the 'people related' and environmental criteria which will be applicable to the EIA assessments are as follows:

- Biodiversity, Flora and Fauna
- Fisheries
- Air/Climatic Factors
- Material Assets (Energy)
- Sustainability
- Cultural Heritage (including Architecture & Archaeology)
- Landscape & Visual
- Material Assets (Land use)
- Tourism

Dublin Chamber's comments on some of these assessment criteria are included below.

Material Assets (Energy)

Ireland imports about 90% of its energy, meaning that security of energy supply is a strategic risk for the country. As such, due consideration must be given to the amount of energy each WSP option is likely to require. Project options that use a disproportionate amount of energy relative to the others should be carefully considered. For example, desalination is renowned for

¹ CSO QNHS Q4 2014 -

<http://www.cso.ie/en/releasesandpublications/er/qnhs/quarterlynationalhouseholdsurveyquarter42014/#.VQbuv46sUiY>

being an energy-intensive process. The assessment criteria should recognise this, and evaluate the risks posed by Ireland's energy insecurity.

Tourism

The total national revenue generated from tourism in 2014 was €6.45 billion, accounting for 4% of GNP, and an increase of 9% on the previous year. The growth in tourism seen in recent years is having a hugely positive effect on employment, with Fáilte Ireland figures indicating that 5,000 tourism jobs were created in 2014. A further 8,000 more jobs are anticipated in 2015. To build on this success, Fáilte Ireland is targeting ambitious growth in visitor numbers. For example, the Grow Dublin Alliance strategy aims to increase the number of tourists visiting Dublin by 60% by 2020, almost doubling tourism revenue to €2.5 billion.

However, the Region must ensure that it is equipped to deal with visitor numbers of this order. Hotel occupancy rates offer a valuable insight into the issue facing the Region. At present, occupancy in Dublin is at over 70%, with city centre hotels at around 90%. New hotel developments are therefore needed if Dublin is to accommodate more visitors. All new developments will naturally require a safe and secure water supply, bearing in mind that the hospitality sector uses large volumes of water.

A new water supply is needed to achieve the targets set out by Fáilte Ireland and ensure that all visitors can have a positive experience in the Region.

Indecon's research suggests that the daily cost of water shortages is likely to be upwards of €78 million. The economic and reputational damage caused by such shortages cannot be underestimated.

Technical and Risk Criteria

The technical criteria which will be applicable to the EIA assessments are as follows:

- Safety
- Planning Policy
- Engineering and Design
- Capital and Operating Costs
- Sustainability
- Risk

Dublin Chamber's comments on some of these assessment criteria are included below.

Planning policy

Dublin Chamber is concerned that the selected WSP option will be required to comply with the National Spatial Strategy (NSS), Regional Planning Guidelines and other dated planning documents. The NSS was originally drafted in 2002 and last updated in 2010. It is clear that the Irish context has changed dramatically since that time. A new National Planning Framework is currently being prepared with public consultation expected in July 2015, and new Regional Spatial and Economic Strategies will be prepared to succeed the Regional Planning Guidelines.

Capital and Operating Costs

As part of the cost estimate for the construction and operation of the WSP option, the Chamber recommends that specific variable operational costs (e.g. energy costs) be included at multiple cost scenarios. This will help in the risk assessment of each option.

Risk

In 2015, for the first time, the World Economic Forum's *Global Risk Report* identified water crises as one of the most pressing issues facing the global economy. By 2030, the world is expected to need 40% more water than will be available. Ireland is distinct from most countries due to the level of fresh water available, a benefit we can turn to our advantage by creating a world class

water sector that can attract water-intensive industries such as ICT, pharma-chem and agri-food to Ireland. These industries already sustain well over 200,000 jobs between them.²

The global trend is towards urbanisation. 54% of the world's population was living in urban areas in 2014. Europe is 73% urbanised. By 2050, 66% of the world's population is projected to be urban.³ As more people cluster in urban areas, pressure is placed on natural resources, especially the supply of fresh water. Urban water use has increased five-fold since 1950, as per capita consumption of water rises in tandem with living standards.⁴

If Ireland is to remain an attractive location for Foreign Direct Investment (FDI), the country needs to retain every possible competitive advantage and a lack of certainty over the future price of water is weakening the country's hand. FDI companies who may choose to commit to Ireland in the long-term need assurances on the cost of water and security of its supply. Many companies, particularly those in manufacturing, are highly sensitive to price changes in water.

The risk of water shortages in the Dublin Region was identified in the early 1990s. Dublin City Council commissioned the 'Greater Dublin Water Supply Strategic Study' as far back as 1995, which found that a new source of water was needed for Dublin and its neighbouring counties – and soon. Climate change compounds the issue, with wetter winters set to hit the West and drier summers forecast for the East. Despite the compelling evidence for this risk, no new supply has yet been delivered.

Given that the need for this project has already been broadly accepted among key stakeholders, Dublin Chamber considers that the risk of inaction or delay is significant for this project. Irish Water should consider all ways in which the Roadmap for delivery can be accelerated, in recognition of:

- the urgent need for a new water source;
- the non-delivery of this source to date, despite multiple studies;
- the potential political and planning uncertainties in the coming years.

4. How would you like to be communicated with, as the project progresses?

Dublin Chamber commends Irish Water's efforts to engage with stakeholders and considers that the communication to date and the information updates via the Water Supply Project's dedicated website are sufficient.

² Quote from Aodhán Ó Ríordán TD, 12th June 2015, Water Services (Amendment) (No. 2) Bill 2014: Second Stage [Private Members], accessible at <https://www.kildarestreet.com/debates/?id=2015-06-12a.5>

³ UN World Urbanization Trends 2014 <http://esa.un.org/unpd/wup/Highlights/WUP2014-Highlights.pdf>

⁴ Stanford study