

Prioritisation of investment required for key centres which are likely to require additional water and water treatment capacity - Forfás

“Focused investment in water provision and waste water treatment is important for current and future enterprises in key growth centres” commented Martin Cronin, Chief Executive, Forfás - the national policy advisory body for enterprise and science on the launch of the body’s report assessing Ireland’s performance in meeting the water and waste water needs of enterprise.

“Secure and competitively priced water supplies and treatment services are essential for business and particularly for a number of sectors of strategic importance to the Irish economy including the biopharma and food sectors. Forfás analysis has found that a number of key urban centres could experience water and waste water treatment capacity deficits by 2013. We need to prioritise investments focusing on the services available in the National Spatial Strategy gateways and hubs,” he continued.

“We need to adopt a national approach to the delivery of water and waste water services. Currently 34 local authorities are involved in the provision of these services. Moving to a river basin district provision of services would maximise the potential for economies of scale and enable greater strategic planning and prioritisation of capital investment projects. Additionally, reducing the levels of water leakage occurring and encouraging greater water conservation among businesses and domestic users has the potential to reduce the level of capital investment required,” concluded Cronin.

Key Findings

- Water supply shortages are forecast for a number of key urban centres over the next five years in the absence of additional investment by 2013, namely Athlone, Dublin, Galway and Letterkenny. These towns could also face shortages of waste water treatment by 2013, as could Mallow and Wexford.
- Ireland has relatively high levels of unaccounted for water. Approximately 43 percent of the total volume of treated drinking water produced in the Gateways and Hub towns is lost before it reaches the final consumer.
- There is a lack of transparency as to how local authorities charge for water and waste water services for the business sector.
- The average combined charge for water and wastewater services in Ireland’s gateways and hubs is €2.03 per m³. Costs vary across local authorities from a low of €1.50 per meter cubed in Galway County to the most expensive of €2.71 in Wexford. Average water costs in the largest five Irish cities are competitive with those of other countries - €3.24 per m³ in Europe compared with €1.67 per m³ in Ireland.
- Water quality in Ireland is generally high, particularly in the main urban centres. The outbreak of cryptosporidium in Galway City in March 2007 has served to highlight the importance of having adequate infrastructure in place to prevent contamination of water supplies. However, there are a lack of metrics for adequately monitoring and assessing the quality of the services provided to business.

Conclusions and Recommendations

1. Capacity

- Prioritise future water investment programmes in the Gateway and Hub towns to ensure that these locations can accommodate future enterprise development and population growth needs.
- Reduce unaccounted for water levels, which are high in many of the hubs and gateways. Reducing leakage to economically viable levels will require a reprioritisation of the planned expenditure under the Water Service Investment Programme 2007-2009.
- Move to a river basin district basis of provision of water services to maximise potential economies of scale, both in the building of infrastructure and the operation and delivery of services;
- Develop a long term strategic approach to water services policy and planning at national level. To date, only Dublin has developed a long term perspective for its future water services requirements. Future planning and developments in water services should be consistent with national objectives as set out in the National Spatial Strategy and take into account the needs of future enterprise development and climate change.

2. Costs

- Introduce greater transparency and consistency on how the cost of water and waste water services are calculated by local authorities. It is currently not possible to determine if water charges for business are fully cost reflective.
- The full cost of providing water services for domestic users needs to be clearly identified to ensure the requisite funding levels are provided from central government. Having established the cost of delivering water services to domestic users, an analysis of the merits of retaining the current EU derogation on domestic water charges needs to be undertaken to determine how best to fund water provision between user and Exchequer sources.

3. Quality

- In relation to quality, a customer charter including service level guidelines needs to be developed and monitored by the Department of Environment, Heritage and Local Government to ensure a consistent approach across local authorities.