An Bille um Sheirbhísí Uisce (Leasú), 2016
Water Services (Amendment) Bill 2016

Meabhrán Mínitheach agus Airgeadais
Explanatory and Financial Memorandum

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EXPLANATORY AND FINANCIAL MEMORANDUM

General

The Water Services Act 2014 provided for a revised domestic public water charging system, which commenced on 01 January 2015. Irish Water began charging in respect of dwellings receiving its services from 01 January 2015, with quarterly bills issuing from April 2015 for the previous quarter (e.g. customers received a bill in Quarter 2 2015 in respect of Quarter 1 2015).

This Bill provides for the suspension of domestic water charges for nine months, from 01 April 2016 to 31 December 2016, to provide time for an extensive deliberative process to be undertaken on the funding of domestic water services.

Firstly, the Government will establish an expert commission, which will make recommendations on a sustainable long-term funding model for the delivery of domestic water and wastewater services by Irish Water. Secondly, a special Oireachtas committee on the funding of domestic water services will then consider these recommendations and endeavour to make its own recommendations. Finally, the Oireachtas will consider and vote on these recommendations.

Financial Implications

The suspension of domestic water charges from the beginning of Quarter 2 2016 to the end of Quarter 4 2016 will result in customer revenue losses for Irish Water requiring additional Exchequer subvention in 2016. Due to the suspension of the 2016 Water Conservation Grant, for which €110 million was originally allocated, the net additional cost of suspending water charges for nine months is unlikely to exceed €20 million in 2016.

Section 1

Definitions

This section sets out the definitions for terms used in the Bill.

Section 2

Suspension of domestic water charges

This section provides for the suspension of domestic water charges (except for connection charges) for a period of nine months, commencing on 01 April 2016. The section also provides for a prohibition on Irish Water billing domestic customers for water services between the commencement of the Act and 31 March 2017 (i.e. the billing period for 01 April 2016 to 31 December 2016), or at any future time, in respect of the nine month period of suspension.

The section also provides that the Minister for the Environment, Community and Local Government shall extend the nine month period of suspension by way of Ministerial Order for a further period if he or she is satisfied that an Oireachtas committee, established to examine the issue of funding of domestic public water services, will not conclude its work by 31 March 2017.

The Minister may also extend the suspension, by order, to enable the Government to consider the recommendations of the Oireachtas committee.

Under the section, Irish Water shall be prohibited from billing domestic customers for water services during any period of extension of the suspension of water charges (i.e. any period of suspension beyond 31 December 2016), from the commencement of the Act to 31 March 2017 (i.e. the billing period for 01 April 2016 to 31 December 2016), or at any future time.

The section also provides that Irish Water shall not include the period of suspension of domestic water charges in calculating the time period of unpaid water charges, for which a late payment charge applies.

Section 3

Short title

This is a standard provision to provide for the short title.

An Roinn Comhshaoil, Pobail agus Rialtais Áitiúil,
Meitheamh, 2016.

Wt. _. 614. 6/16. Essentra. (59672). Gr. 30-15.