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

Oifig an Ard-Rúnaí
Office of the Secretary General

December 2019

Ms. Éilis Fallon,
Committee Secretariat,
Committee of Public Accounts,
Leinster House,
Kildare Street,
Dublin 2.

Re: Ref: PAC32-I-1686

Dear Ms. Fallon,

I am writing to you in response to your letter of 22 November last, on behalf of the Public Accounts Committee, concerning the oversight and governance of Irish Water, having regard to matters raised in correspondence received by the Committee.

Irish Water was established by the Oireachtas to be responsible for all aspects of water services planning, delivery and operation at national, regional and local level. Irish Water is independent in the exercise of its statutory functions and in relation to day-to-day operational matters. However, Irish Water operates within a policy and financial framework laid down by Government and is subject to significant oversight in the performance of its functions.

The Government’s Water Services Policy Statement 2018-2025 identifies the high-level objectives and priorities for the delivery of water and waste water services in Ireland over the period to 2025. It provides the context within which necessary funding and investment plans by Irish Water are framed and agreed and the high-level objectives to be pursued by Irish Water when producing plans for infrastructural investment or day-to-day expenditure on water services.

The Water Services Policy Statement provides details of the oversight and accountability arrangements for the water sector. It outlines details of the roles of the various stakeholders with governance responsibilities in the field of water services policy. These include the Ervia Board, the Commission for Regulation of Utilities (who independently review Irish Water costs benchmarked against other utilities), as well as the Minister for Housing, Planning and Local Government. The Minister is also advised by NewERA, who statutorily provide financial and commercial advice to Ministers in relation to their functions with respect to shareholding in State companies, including Irish Water.

The Water Services Act 2017 strengthened the arrangements in place for stakeholder engagement in the overall oversight of the water sector. In particular, the Water Advisory Body (WAB) was established and empowered to report to the relevant Oireachtas Committee with respect to the performance of Irish Water in the implementation of its business plan.
That work is complemented by An Fóram Uisce, which provides a platform for public engagement and debate on all matters relating to water as an environmental, social and economic resource, including an oversight role in relation to Irish Water. In addition, Irish Water is subject to other Government codes including the Code of Practice for Governance of State Bodies.

In response to the Water Services Policy Statement and in accordance with statutory requirements, the Minister approved the Irish Water Strategic Funding Plan 2019-2024 in November 2018, following its consideration by Government. This Strategic Funding Plan outlines the multi-annual strategic funding business planning requirements for investment in infrastructure/assets and in respect of the operating costs of providing domestic and non-domestic water services and the recovery of those costs. Actual expenditure is also subject to the process laid down by the Commission for Regulation of Utilities, which ensures that Irish Water delivers its services in an economical and efficient manner. In this regard, the Commission has recently published its decision on Irish Water’s 3rd Revenue Control Period for the 5 years 2020 to 2024.

The specific issues which were raised in the correspondence with the Committee are properly a matter for Irish Water. However, it is important to note that the infrastructure provided in recent years, including meters, continues to provide a very important service in managing water, identifying leaks and supporting the excess charging regime. This accords with the recommendations of the Joint Oireachtas Committee on the Future Funding of Domestic Water Services, including by ensuring that, “the amount of household water consumption is clear to users and as a means of effective leak detection and conservation.”

In relation to awareness raising, the Joint Oireachtas Committee report also recommended that, “a much more proactive approach be taken to promoting awareness of domestic water conservation in Ireland”. It mentioned proactive initiatives in schools and on social media. In this regard, Irish Water has in place an extensive communications programme, proactive and reactive media engagement, and public engagement on projects, schools’ education and campaigns.

Finally, Irish Water publishes an Annual Report and Financial Statements each year, outlining details of its operating and financial activities and high level outputs during the previous financial year. A copy of the 2018 report was laid before both Houses of the Oireachtas earlier this year and is also available on Irish Water’s website, www.water.ie.

I trust that this information is of assistance to the Committee. If the Committee requires further information, please do not hesitate to contact my office.

Yours sincerely,

John McCarthy
Secretary General