



Comhshaol, Pobal agus Rialtas Áitiúil
Environment, Community and Local Government

Oifig an Aire
Office of the Minister
11 July, 2012.

Ms. Mary Maguire,
South Dublin County Council,
Town Centre
Tallaght,
Dublin 24.



RE: REP2642/PH/12

Dear Ms. Maguire,

I have been asked by Mr. Phil Hogan T.D., Minister for the Environment, Community and Local Government to refer further to your recent letter in connection with Irish Water.

The Government decided, based on the recommendations of an independent assessment and in line with the commitment in the Programme for Government, to establish a public water utility company, Irish Water, to take over the operational and capital delivery functions of local authorities in the water services area. The independent assessment concluded, based on an analysis of the strengths and weaknesses of the current system, international experience and stakeholder soundings, that a public utility offers the best opportunity to improve the efficiency and effectiveness of water services delivery, provide access to new funding sources, and improve strategic planning and accountability. No other model examined by the consultants would offer the same advantages.

While the local government system has served the country well in providing necessary water and sewerage infrastructure, the fragmentation of the current structures, the inability to achieve real economies of scale in delivery and operation, and the major investment challenge that remains at a time of severe constraints on the public finances, means that new approaches are necessary.

Following further analysis by my Department together with NewERA, the Government has decided that Irish Water should be established as an independent State owned subsidiary within the Bord Gáis Éireann Group. In the initial phase, Irish Water will work largely through service level agreements with local authorities, and these arrangements will not end until 2017 at the earliest. The skills within the Bord Gáis Group will also be paired with the experience and commitment to service in local authorities and the specific water and wastewater capabilities and expertise that exist in local government to build the new organisation, and ensure its successful establishment and operation.

Work is now focused on the finalisation of an implementation strategy which will address transformation planning in more detail. The implementation strategy is being developed in collaboration with other relevant Government Departments, local authorities, BGE and NewERA. This strategy will provide the platform for dealing with a broad range of implementation issues during the transitional phase, including dealing with matters which cross the boundaries between Irish Water functions in relation to water services and those functions which will remain the

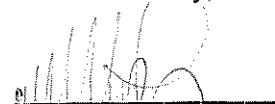
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responsibility of local authorities or other State bodies which impact on the water environment. The rollout of the strategy will also involve co-operation with local authorities and staff to ensure that the change is managed well. The strategy will focus on maintaining the delivery of a critical public service during and following a restructuring process, and will give further clarity on the next steps that will be taken in this reform process.

Yours sincerely,


Eddie Kiernan,
Private Secretary