

# **PRESS RELEASE**

## **Department for Regional Development**

**Strictly embargoed until 9.30am, Tuesday 11 March 2003**

### **MINISTER LAUNCHES PUBLIC CONSULTATION ON WATER REFORM**

**Options for the most radical reform in decades of Northern Ireland's water and sewerage services were unveiled today by Parliamentary Under Secretary of State, Angela Smith, MP.**

The Minister stated that public consultation on the reform options will run until 20 June and underlined the importance of as many people as possible putting forward their views.

She said: **"The reform programme will consider the most appropriate basis for charging for water and sewerage services, the most effective business model for delivering these services and how best to promote the customer interest and protect the environment under the new charging regime.**

**"I am acutely aware of the need for massive investment in Northern Ireland's water and sewerage services. It is one of the top priorities in the Strategic Investment Programme, announced by my colleague Ian Pearson last month.**

**"With the assistance of the new Strategic Investment Board, we will embark on a major programme of water and sewerage projects over the next three years. This is essential as we work towards full compliance with EU standards, a task which will take several years.**

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**“However, we need to find a sustainable and long-term funding solution for water and sewerage services. This is why we have taken the decision to move these services on to a self-financing basis”.**

The Minister explained that self-financing arrangements would require the introduction of domestic water and sewerage charges for Northern Ireland households. To ensure they are fair and affordable, reform of the current arrangements for the delivery of these services was essential.

**She said: “If domestic water and sewerage charges were introduced today, Northern Ireland households would have to pay up to £400 on average each year. Charges would continue to rise as investment levels increase and, without a major programme of reform and cost reductions in the delivery of services, Northern Ireland households would pay the highest water and sewerage charges in the UK. I want to ensure that the future charges are as fair and affordable as possible. This will require changes in the way that services are managed and delivered.**

**“The consultation paper considers the relative advantages and disadvantages of five possible business models. It is vital that all possible options are the subject of an open and informed debate before final decisions are taken.”**

The Minister said that reform will require cost savings to be made if charges are to be affordable and may require the rationalisation of facilities, different working practices, and greater investment in and use of technology.

**She said: “It is too early to be specific about what the precise impact will be until the preferred business model is identified. However, it is important to point out that the process may result in the closure of some offices and depots and the relocation or reductions in the number of some posts across the organisation. There will be full and open consultation with staff and trade unions on all proposals for change.”**

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The Minister recognised that households will be asked to pay for their water and sewerage services at a time when rates bills are also likely to rise.

**She said: “Rating and water issues will continue to be looked at together. The fact is Northern Ireland households do not contribute enough toward the cost of public services. Households in England and Wales contribute, on average, £1,032 toward the cost of local services through the Council Tax and water and sewerage charges, which is over and above the level of national taxation. In comparison, Northern Ireland households contribute on average £445 per year through rates – some 57% less. Even allowing for some differences in the comparative cost of living and in average income levels, this is still a significant disparity.”**

The Minister said that the consultation paper is seeking views on how best to protect vulnerable groups, such as low-income customers, and that she wanted to ensure customers have a voice within the new arrangements.

She also outlined her commitment to full and open consultation and said: **“All households across Northern Ireland will receive a leaflet summarising the reform options in early April and it will explain how to obtain a copy of the consultation paper and how to input your views and comments. We will publish details of a number of public meetings at locations across Northern Ireland during April and May.”**

The Minister underlined her desire to see Devolution return to Northern Ireland, but explained the need to press on with the reform agenda in the interim. She said:

**“I sincerely hope that Devolution will return to Northern Ireland again soon so that the complex and difficult issues set out in this consultation paper can be addressed by the local Executive, Assembly, and its Committees. But the need for investment and reform in water and sewerage services is so pressing and**

**clear that I am convinced that the options for reform should be set out now, and that the people of Northern Ireland should be given the opportunity to input to this reform process”**

Copies of the consultation paper can be obtained by contacting the Water Reform Unit or by accessing the Water Reform website at [www.waterreformni.gov.uk](http://www.waterreformni.gov.uk).

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## **Notes for Editors:**

1. The consultation paper, *The Reform of Water and Sewerage Services in Northern Ireland* was launched by Angela Smith MP on 11 March 2003. The consultation period ends on 20 June 2003.
2. The paper seeks views on the following:
  - The basis on which domestic water and sewerage charges should be set.
  - Possible business models for a reformed Water Service.
  - How best to protect the consumer interest.
3. A series of public meetings to explain the Water Reform options will take place during April and May 2003.
4. A leaflet summarising the reform options will be issued to all households across Northern Ireland in early April 2003.
5. Copies of the consultation paper can be obtained from:

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6. Further information on the Water Reform can be obtained from the Water Reform web site:

[www.waterreformni.gov.uk](http://www.waterreformni.gov.uk)

7. Further information on the Reinvestment and Reform Initiative can be obtained at [www.ofmdfmni.gov.uk/rri/](http://www.ofmdfmni.gov.uk/rri/)

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