
22 October 2007

EXECUTIVE RESPONSE TO THE INDEPENDENT PANEL'S STRAND ONE REPORT

Regional Development Minister, Conor Murphy MP MLA, today set out the Executive's response to the Independent Water Review Panel's first report on the review of water and sewerage services. The first report focuses on the fundamental issues of financing water and sewerage services and the level of funding required.

In opening his statement the Minister took the opportunity to pay tribute to the Panel and said:

"Through the collective application of their knowledge and experience they have produced a report which offers us an opportunity to reform our water and sewerage services in a better way than direct rule ministers were proposing."

Referring to Panel Chair, Professor Paddy Hillyard's key message, the Minister said:

"We agree with the panel's message that we need to reduce our carbon footprint and develop sustainable ways of delivering clean water and disposing of our sewerage. As a society we will have to pay more in the short term to achieve these objectives: but we must do so for the sake of future generations."

"This is an important message and one we must not, and cannot, duck. We were elected because our people have had enough of being governed from a distance. We were elected because our people had confidence in our ability to take hard decisions on their behalf."

Turning to the detail of the Report, the Minister said: **"The Executive has welcomed the finding that householders have paid a substantial annual contribution towards the costs of the Water Service."**

"The Executive has accepted the recommendation that, from 2008/09, there should be full recognition that domestic regional rates revenue makes a contribution to the funding of water and sewerage services. In 2008/09, this will be households' only contribution to the services; the balance will be paid from the NI Block. This represents the Executive's commitment to tackling the inequity of double charging."

Noting the panel's conclusion that the revenue from the regional rate did not cover the full costs of the Water Service, Mr Murphy said: **"The Executive accepted the case made by the report that without an uplift in what people currently contribute, other public services would be deprived of funding."**

He said, the Executive has recognised this and agreed that from 2009/10 there will need to be additional contributions from householders.

"We have concluded that these additional contributions should be phased in with domestic households paying two thirds of their full liability in 2009/10 and full liability the year after. The amount due to be collected from domestic households will be reduced by the amount of the contribution that households are already making via the rates (£109m or an average of £160 per rates bill). This means there will be no double payment."

Turning to the issue of non-domestic customers, where the panel recommends the introduction of increased payment from 2008/09, the Minister said: **"The Executive recognises the challenges and difficulties faced by the non-domestic sector and has decided to phase in the new charges more slowly at 50% of the full charge in 2008/09 and 100% in 2009/10."**

"The Executive will also be endeavouring to reduce the burden on the consumer, both domestic and non-domestic through delivering efficiencies and by attracting further revenue sources."

There are a number of areas where the Executive needed time to assess the recommendations properly before arriving at a concluded position: **"The position I am outlining today on behalf of the Executive provides a firm basis for delivering a better deal for all water customers than the Direct Rule administration. However there is still a great deal of work to be done by the Executive, the Independent Panel, the Regional Development Committee and all the stakeholders. With goodwill and commitment by all parties I am confident we will achieve our goal of better services at an affordable cost."**