Uisce Éireann's Non-Domestic Tariff Framework

Submission by Chambers Ireland

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Executive Summary

Government having agree not to levy domestic charges have now left effectively only two funding mechanisms for capital investment and operational expense for water – central Government funding and businesses. Businesses are currently facing great uncertainty and unpredictability and have also experienced extensive inflationary pressures, particularly in energy costs, supply chain uncertainties and potential for further disruption as a result of the global implications of current US Trade Policy.

Chambers Ireland fully recognises the urgent need for substantial investment in national water and wastewater infrastructure, we are clear that the business community can only shoulder a portion of the financial responsibility. It is essential that the majority of the required funding is met through increased and sustained Government capital investment.

We therefore support Uisce Éireann's proposed 1.7% increase to current tariffs, with the remainder of necessary funding to be provided through Government allocations. This measured approach strikes the appropriate balance—contributing to infrastructure development without exacerbating cost pressures on businesses already operating under challenging economic conditions.

We are not in favour of the 13% increase, as outlined in Uisce Éireann's preferred option, and the 9.8% increase, as suggested by the CRU's Proposed Decision. Both place a disproportionate financial burden on businesses and risk undermining competitiveness, particularly among SMEs. Similarly, the 6.9% increase does not offer meaningful relief and continues the trend of unfairly transferring national infrastructure costs onto the non-domestic sector.

Chambers Ireland calls for a fairer, more sustainable funding framework, one that prioritises long-term Government investment over excessive tariff hikes and enables Uisce Éireann to deliver critical projects such as the Eastern and Midlands Regional Water Supply Scheme and the Greater Dublin Drainage Project. These initiatives are of national strategic importance and must be funded accordingly.

Chambers Ireland
Advancing business together

Our position is clear: a modest 1.7% increase, supported by robust public funding, is the only equitable and economically sound approach.

About Chambers Ireland

Chambers Ireland is an all-island business organisation with a unique geographical reach. Our members are the Chambers of Commerce in the cities and towns throughout the country – active in every constituency. Each of our member Chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

Our Network has pledged to advocate for and support the advancement of the United Nations Sustainable Development Goals (SDGs). As SDG Champions, we use the Goals as a framework to identify policy priorities and communicate our recommendations. We have a particular focus on five of the goals encompassing decent work and economic growth (SDG 8), sustainable cities and communities (SDG 11), Gender Equality (SDG 5), Industry, Innovation, and Infrastructure (SDG 9) and climate action (SDG 13).[1]

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[1] The Chambers Ireland SDGs. Available at: https://chambers.ie/sustainable-development-goals/

Questions

Do you agree with the CRU's proposed decision on a transitionary approach to reduce tariff volatility by setting non-domestic water and wastewater tariffs commencing on 01 October 2025 based on a 9.8% increase to 2024 tariff rates? If not, please explain what approach you would prefer.

Chambers Ireland welcomes the opportunity to contribute to the Commission for Regulation of Utilities (CRU) consultation on Uisce Éireann's proposed approach to non-domestic water and wastewater tariffs. Reliable and efficient water services are essential to business operations across the country, and it is vital that any tariff framework strikes a balance between supporting necessary infrastructure investment and acknowledging the economic pressures faced by the business community.

In our review of the CRU's proposed transitional tariff increase of 9.8% and Uisce Éireann's alternative tariff adjustments, we recognise the intent behind the CRU's proposal to limit short-term volatility. However, we believe it does not sufficiently address the long-term financial and infrastructure needs of the system. Chambers Ireland supports Uisce Éireann's more measured approach of 1.7%, as it minimises the immediate impact on businesses while still facilitating critical infrastructure development. We maintain the view that while investment in water services is urgently needed, the responsibility for funding this investment must rest primarily with the government—not with businesses.

The CRU's Proposed Decision

The CRU's proposal to increase 2024 tariff rates by 9.8%, effective from 1st October 2025, places an excessive and disproportionate burden on businesses. While we acknowledge the intention to reduce tariff volatility for non-domestic water and wastewater customers, a jump of this magnitude represents a significant cost increase for businesses already facing economic pressures from inflation, rising energy costs, and broader operational challenges.

Chambers Ireland believes that such a sharp rise is not the appropriate mechanism to fund future investment in water infrastructure. This level of increase risks undermining business confidence and competitiveness, particularly for SMEs and industries heavily reliant on water services. A more balanced, transparent, and sustainable funding approach is urgently needed—one that recognises the role of business in driving Ireland's economic growth while also ensuring that essential infrastructure keeps pace with population growth and demand.

The responsibility for long-term investment in national water infrastructure must lie primarily with the Government, a logical corollary of decisions made in relation to not charging domestic tariffs. Projects such as the Eastern and Midland Regional Water Supply Scheme[2] and the Greater Dublin Drainage Project[3] are of strategic national importance and should be supported primarily through increased public capital investment, not disproportionately funded through non-domestic tariffs.

Ireland's population is expected to reach over 6.4 million by 2042, according to the CSO[4]. Without adequate public investment, our water and wastewater systems will struggle to maintain service quality, capacity, and resilience. Simply increasing tariffs on businesses will not resolve these structural challenges, it will only shift the burden onto a sector already contributing significantly to the economy.

Chambers Ireland is therefore opposed to the proposed 9.8% increase and calls on the Government to step up its investment in water infrastructure to safeguard future supply and ensure businesses are not unfairly penalised through steep tariff hikes.

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[2] https://chambers.ie/wp-content/uploads/2025/03/Submission-by-Chambers-Ireland-Consultation-on-the-Water-Supply-Project-Eastern-and-Midlands-Region-March-2025.pdf

[3] https://chambers.ie/wp-content/uploads/2024/06/Submission-by-Chambers-Ireland-regarding-the-Greater-Dublin-Drainage-Project-June-2024.pdf

[4] https://www.cso.ie/en/releasesandpublications/ep/p-rpp/regionalpopulationprojections2023-2042/

Uisce Éireann's Tariff Options

Uisce Éireann has proposed several tariffs increase options, each with different implications for businesses and infrastructure funding:

1. **Option 1 – 13% Increase (Uisce Éireann's Preferred Option)**: Uisce Éireann's preferred approach is a 13% increase in tariffs, which more accurately reflects the costs of providing water and wastewater treatment services, taking into account the need for large-scale infrastructure investment. This increase would allow Uisce Éireann to generate the necessary funds to meet its infrastructure needs, including projects like the Greater Dublin Drainage Project, the Eastern and Midlands Regional Water Supply Project, and other essential upgrades to water treatment and distribution systems. It would also allow Uisce Éireann to continue providing reliable services while planning effectively for future growth.

   However, a 13% increase represents a significant and immediate cost burden for businesses across all sectors, particularly SMEs, many of which are still recovering from recent economic pressures. This level of increase risks reducing competitiveness, limiting growth potential, and creating uncertainty at a time when stability is critical for long-term planning and investment. While this approach may offer Uisce Éireann more predictable funding and reduce the risk of future tariff shocks, it does so at the expense of the business community. It is not acceptable to prioritise utility balance sheets over the viability and sustainability of Irish enterprises. We urge the CRU and Government to reject this proposal and instead explore a more balanced, long-term funding model that supports infrastructure development without jeopardising Ireland's business competitiveness.

2. **Option 2 – 1.7% Increase**: This minimal increase is the most balanced and business-friendly option. This modest adjustment would ease immediate financial pressures on businesses, allowing them to plan with greater certainty during a time of rising input costs and broader economic challenges. For many SMEs, even small increases in utility costs can have a compounding impact on their bottom line, making the predictability and affordability of this option especially important.

While it is acknowledged that a 1.7% increase will not fully meet Uisce Éireann's capital funding requirements, Chambers Ireland maintains the view that it is not the role of the business community to underwrite the cost of national infrastructure projects.

3. **Option 3 – 6.9% Increase**: While the proposed 6.9% increase is a less severe option compared to the 9.8% and 13% alternatives, it still represents a considerable and sudden rise in costs for businesses. Although this level of increase may appear more moderate, it would nonetheless have a notable impact on businesses already dealing with inflation, rising energy costs, and economic uncertainty.

   This option may offer a partial solution in terms of supporting some infrastructure investment and reducing the likelihood of future tariff spikes, but it does not go far enough in addressing the broader funding challenges faced by Uisce Éireann. At the same time, it risks placing too much of the financial burden on non-domestic users without fully resolving long-term sustainability concerns.

4. **Option 4 – 9.8% Increase (as Proposed by the CRU)**: The proposed 9.8% increase is excessive and places an undue burden on the business community. While we acknowledge the CRU's intent to reduce tariff volatility and support a degree of capital investment, the scale of this increase is simply too steep, particularly for SMEs and sectors already grappling with rising operational costs.

   An increase of this magnitude risks undermining business planning and could have knock-on effects for competitiveness, especially in energy- and water-intensive industries. Despite the size of the increase, it still does not go far enough in addressing the long-term infrastructure investment needs of Uisce Éireann, meaning businesses could face further tariff hikes in the near future if the government do not take greater responsibility for infrastructure investment, rather than relying on sharp increases in non-domestic tariffs to close the funding gap.

Chambers Ireland's Preferred Approach

Chambers Ireland supports Uisce Éireann's proposal for a 1.7% tariff increase, as this modest adjustment offers a sensible path forward by easing immediate cost pressures on businesses while maintaining the delivery of reliable water services. At a time when many enterprises, particularly SMEs are already under strain from inflation, high energy prices, and broader economic uncertainty, a 1.7% increase provides much-needed stability and predictability. It avoids placing an excessive financial burden on businesses, many of which operate on tight margins and will help alleviate the cycle of unpredictable costs for businesses.

Chambers Ireland strongly opposes the higher alternatives of 13%, 9.8%, and even 6.9%, as each would represent a significant and sudden rise in operational costs for businesses. These increases risk undermining competitiveness, stalling growth, and limiting the ability of companies to invest, hire, and expand. Moreover, while they may offer Uisce Éireann short-term revenue gains, they fail to offer a sustainable long-term solution that fairly distributes the cost of critical infrastructure investment.

We firmly believe that funding large-scale water and wastewater infrastructure is a national responsibility. Projects such as the Eastern and Midlands Regional Water Supply Project and the Greater Dublin Drainage Scheme serve the public good and should be financed primarily through robust and multi-annual government capital investment—not by transferring the cost onto the business community through steep tariff hikes.

As we outlined in our Local Election Manifesto[5], investment in water infrastructure is vital to meeting Ireland's housing and economic development goals. However, this investment must be delivered in a way that is equitable, sustainable, and does not compromise the viability of Irish businesses.

The 1.7% increase is the only option that protects business interests while still contributing, in a measured way, to Uisce Éireann's operational needs. It provides time for the Government to step up and put in place a strategic, publicly funded investment framework that supports long-term infrastructure delivery, without compromising business stability in the process.

[5] https://chambers.ie/wp-content/uploads/2024/03/Chambers-Ireland_Local-Elections-Manifesto-2024_Final.pdf

Addressing the Broader Infrastructure Needs

To ensure the continued provision of reliable water services, significant investments in water and wastewater infrastructure are essential. These investments are necessary to meet the growing demand from both residential and non-domestic sectors, especially in light of Ireland's ambitious housing delivery targets. Key projects, such as the Eastern and Midlands Regional Water Supply Project and the Greater Dublin Drainage Project, are critical to ensuring Ireland has the capacity to meet future water needs.[6]

However, these investments can only be realised if Uisce Éireann is provided with the necessary financial resources, which should not depend on tariff increases. In our submission to the Commission for Regulation of Utilities regarding Uisce Éireann's proposals to update the Non-Domestic Tariff Framework and introduce new National Trade Effluent Charging Arrangements[7], we emphasised how challenges like Covid-19, Brexit, and inflation have compounded the delays in addressing the infrastructure gap created by a decade of underinvestment, putting future growth at risk.

The increasing pressure on non-domestic tariffs is a direct consequence of the Government's continued failure to implement domestic water charges. By not establishing a broader and more equitable funding base, the burden of financing essential water infrastructure is now being unfairly shifted onto businesses. This approach is neither sustainable nor just expecting the commercial sector to shoulder a disproportionate share of national infrastructure costs undermines economic competitiveness and ignores the shared public responsibility for vital utilities.

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[6] https://chambers.ie/wp-content/uploads/2024/07/Chambers-Ireland_2025-Pre-Budget-Submission_Final.pdf

[7] https://chambers.ie/wp-content/uploads/2024/02/Submission-to-the-Commission-for-Regulation-of-Utilities-regarding-Uisce-Eireanns-Proposals-to-Update-the-Non-Domestic-Tariff-Framework-and-Introduce-a-New-National-Trade-Effluent-Charging-Arrangements.pdf

As such, significant capital investment is crucial, and the CRU must ensure that tariffs are kept to the minimum. The government must take responsibility for increasing the necessary funding levels to support Uisce Éireann's capacity to meet its infrastructure targets and improve services. Without appropriate investment increases, Uisce Éireann will struggle to implement key projects and maintain service reliability.

The new housing targets outlined in the Programme for Government, aiming for the completion of 300,000 new housing units by 2030[8], present significant challenges and Government support will be required to keep pace with those targets. The Government initially committed to investing €10.3 billion in critical water infrastructure between 2025 and 2029, which was deemed necessary to provide the drinking water and wastewater infrastructure to support the delivery of 33,000 housing units annually. However, this figure has now nearly doubled, and funding ought to be ring-fenced and allocated specifically for the development of essential water infrastructure to support housing and economic growth in key strategic areas.[9]

We recommend that multi-annual funding should be facilitated to enable long-term planning and streamlined delivery of infrastructure projects. A multi-annual funding approach would provide the financial flexibility required to ensure timely delivery, minimise delays, and support critical projects that are vital for future water needs.[10]

While we understand the CRU's goal of reducing tariff volatility, we strongly support Uisce Éireann's proposed 1.7% increase as the most effective solution for ensuring that businesses are not left responsible for providing the funding for essential infrastructure. This minimal increase would better address the need for government funding into large-scale infrastructure projects and providing the stability necessary for their long-term planning.

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[8] https://www.gov.ie/pdf/?file=https://assets.gov.ie/318303/2cc6ac77-8487-45dd-9ffe-c08df9f54269.pdf#page=null

[9] https://www.rte.ie/news/ireland/2025/0328/1504679-housing-uisce-eireann/

[10] https://chambers.ie/wp-content/uploads/2024/10/29.10.24_Chambers-Ireland_General-Election-Manifesto_Final.pdf