

## **RE: Uisce Éireann's Non-Domestic Tariff Framework**

17<sup>th</sup> April, 2025

To whom it may concern,

Cork Chamber welcomes the opportunity to contribute to the public consultation on Uisce Éireann's Non-Domestic Tariff Framework.

Cork Chamber represents 1,200 members together employing 130,000 people throughout the city, metropolitan area and county. Our vision is to lead a transforming and ambitious Cork City and County, and our purpose is to unite, represent and support our members and community. Our direction is guided by our formal pledge to uphold the United Nations Sustainable Development Goals. Cork Chamber has also been designated an SDG Champion by the Department of the Environment, Climate and Communications for 2024 – 2025.

As a representative of the business community, we recognise the critical importance of maintaining, upgrading, and future-proofing water and wastewater infrastructure. However, the proposed tariff increases come at a time of great uncertainty for the business community who are already struggling with the increasing cost of doing business as well as the potential implications of the U.S administration's recent tariff measures on the world and Irish economy. Therefore, it is vital that any increases to non-domestic water and wastewater tariffs are introduced in a way that is fair, transparent, and manageable for businesses of all sizes, especially in the current economic climate.

In this regard, Cork Chamber is supporting 'Option 1' (1.7%) to minimise the impact on businesses. We also believe that government should cover the projected increase of €35 million from exchequer funding in order to ensure Uisce Éireann is capable of covering their investment programme and operations.

We also recommend the Government consider increasing the capital allocation for Uisce Éireann to allow the utility provider to make essential investments in the network as the shortfall in services is posing issues for residential and commercial investment and development in many areas and poses a threat to Ireland's competitive edge. Large-scale infrastructural projects, such as the Eastern and Regional Water Supply Project and the Greater Dublin Drainage Scheme should be financed through multi-annual government capital investment, not by transferring the cost onto the business community through tariff hikes.

Government should also consider reviewing the proposed water tariff increases due in 2026 as the challenges posed by the current economic climate may last beyond 2025.

In February 2024, Cork Chamber responded to the CRU consultation on Uisce Éireann's Non-Domestic and Trade Effluent Tariff Framework<sup>1</sup>. Some of the points made in this submission are relevant to this particular consultation. It is essential that businesses receive adequate support to navigate any changes being imposed upon them, measures must be in place to help businesses adjust to bill increases, especially sectors already under pressure. As recommended in our 2024 submission, we suggest that any changes to bill caps are introduced on a phased approach, rather than ending bill caps abruptly a gradual, sector-sensitive approach would provide reassurance for businesses. While there are no material changes to the 2024 bill capping arrangements in question from October 1<sup>st</sup>, 2025 they are due to be removed in 2026. This continues to be an area of concern for businesses who will suddenly no longer have this buffer.

Under the proposals by both Uisce Éireann and the CRU in this consultation, there are four options;

- Uisce Éireann's Alternative Option 1: the 2025 projected harmonised index of consumer prices (HICP) - **1.7%**
- Uisce Éireann's Alternative Option 2: the average annual change in allowed revenues from 2019 to 2024 - **6.9%**.
- CRU Proposed Decision: applying a historically informed adjustment to Uisce Éireann's 2025 tariff request - **9.8%**
- Uisce Éireann's Proposal: The percentage difference between Uisce Éireann's projected 2025 revenue and the 2024 allowed revenue used to set 2024 tariffs - **13%**

While each proposal has its merits, all of them will lead to significant bill increases for many businesses that are already facing the challenges of rising operational costs and the current economic climate.

The CRU's proposed 6.9%, 9.8% and 13% increases would represent a significant cost jump for many businesses, particularly SMEs and those in sectors such as retail, food production, agriculture, and hospitality. We are concerned that these increases could have an impact on competitiveness and the capacity for investment. We are in a critical period economically where maximising competitiveness and increasing investment are essential to differentiate ourselves from our competitors. In addition, these increases may disproportionately affect SMEs.

Therefore, the Alternative Option 1 of 1.7% would have less negative impacts for business in terms of affordability, it would also enable businesses to better plan and budget. As outlined

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<sup>1</sup>[Cork Chamber's 2024 response to the CRU consultation on Uisce Éireann's Non-Domestic and Trade Effluent Tariff Framework](#)

in the CRU's consultation document it is also a simple, pragmatic, and easily understood approach for stakeholders, and will avoid overpayments by customers.

Cork Chamber recognises some of the 'cons' associated with this option as outlined in this consultation namely, the potential for substantial bill increases for customers in 2026 and the potential for significant under-recovery of costs, requiring additional government subvention. It is therefore important at this point to explore some mitigation strategies should this option be considered. Some measures that would help to mitigate the impacts of a 1.7% increase in tariffs are:

- Transparency and consultation: Ongoing consultation between Uisce Éireann, the CRU, and business stakeholders can help to monitor the impact of tariff changes, ensuring that any future price adjustments are based on the actual economic and financial impact on businesses.
- Incentivise water efficiency: Further incentivising water efficiency such as introducing rebates/incentives for those who implement more water-saving technologies or adopt more efficient water usage practices. This would help to reduce the overall impact of tariff increases, especially for high-usage businesses.
- Government support and incentives: If under-recovery of costs is a concern as a result of this option, targeted Government supports should be considered for businesses in certain sectors that are most affected by future water and wastewater tariff increases.

In conclusion, Cork Chamber acknowledges the urgent need to future-proof Ireland's water and wastewater infrastructure. However, it is equally critical that the transition to increased tariffs is designed with fairness, transparency, and economic sensitivity at its core. Of the options presented, Uisce Éireann's Alternative Option 1 of a 1.7% increase offers the most balanced and manageable approach for businesses in the current economic climate. Should further revenue generation be necessary, Alternative Option 2 (6.9%) presents a more proportionate and stable path forward than the higher increases proposed.

Ultimately, any increase must be accompanied by proactive mitigation measures, including continued stakeholder engagement, incentivisation of efficiency measures, and targeted government supports for the most affected sectors. We welcome the opportunity to contribute to this consultation, and we look forward to the outcome. We hope that our observations and recommendations will be taken into consideration.

Yours sincerely,



Conor Healy

CEO