

Water for Life

Water and the green economy



The Water White Paper – *Water for Life*

[Water for Life](#) describes a vision for future water management in which the water sector is resilient, in which water companies are more efficient and customer focused, and in which water is valued as the precious and limited resource it is. And it explains that we all have a part to play in making this happen.

What will this mean for business?

The Government's top priority is economic growth: green economic growth. This means businesses growing sustainably, saving money, strengthening their brands and ensuring their longevity by using resources more efficiently, cutting their carbon emissions and reducing their impact on the environment. It also means the business sector taking advantage of the new markets for

environmental goods and services, creating green jobs at home and becoming global leaders in these new markets. We want British companies to innovate and develop expertise, for example, in leakage detection, water efficient technologies and treatment of water and wastewater; and to take advantage of the US\$300 billion worldwide market in water products and services.

Water is essential for economic growth. The green economy needs a sustainable, resilient, affordable water supply. It also needs an energised, innovative, competitive water industry.

A water sector that focuses on its customers

It is crucial that the water sector remains attractive to investors, so that it can maintain

and develop infrastructure for the future. But we also need change to stimulate innovation and growth, encourage efficiency and improve the quality of services water companies offer to customers.

[Water for Life](#) introduces a reform package to extend competition in the water sector by increasing choice for business customers and making the market attractive to new entrants. For details see the [Technical Document](#).

We are also supporting changes to help developers receive higher standards of service from water companies, and we will increase the transparency of the infrastructure and requisition charges.

Securing water resources

We know that it can be difficult for a business wanting to start or increase water abstraction to

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obtain a year-round reliable licence. This could become a significant barrier to economic activity in parts of the country as water availability decreases.

A better market in abstraction licences would make it easier for businesses to access water in the volume and the location they want. So we will reduce the barriers to trade in abstraction licences. [Water for Life](#) details our plans for reform of the abstraction regime.

The planning regime for the water sector is effective, but we need to ensure we are planning for the long-term and doing as much as we should to conserve water in the supply system, in business and at home. Water companies' planning role is limited to the public water supply and many water users draw their supplies from other sources.

We need a broader understanding of future demand so we can assess the resilience of our water supplies. Individual sectors and businesses need to identify the risks to their own operations. The Environment Agency will work with sectors, such as the energy generation industry, to develop a shared understanding of future water demand and risks to both the abstractors and the environment. [Water for Life](#) sets out our approach to planning for a resilient infrastructure to meet future demand for water.

Conserving water

Given the pressures on our water resources it is crucial that businesses manage their water use, and adopt new technologies over time to improve their water efficiency and cut costs. But businesses also need to take a broader view of water use. Around two-thirds of all

water we use is imported in the form of water used to make the goods we buy. Pressures on water supply from population growth and climate change will be felt across the world. "Water footprinting" can help businesses consider any risks to their supply chain by considering the hidden use of embedded water. [WRAP \(Waste and Resources Action Programme\)](#) is working on integrating the measurement of direct and embodied water use into business decisions.

Water for Life – the other key reforms

[Water for Life](#) also looks at protecting our rivers and other water bodies from over-abstraction and pollution, helping vulnerable customers with affordability problems and ensuring our supply and drainage systems are resilient and flexible for the long term.