

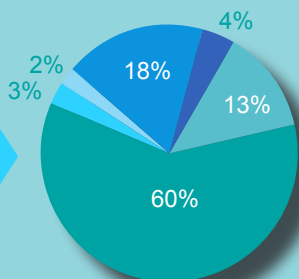
# Water Abstraction Reform

Water abstraction is the process of taking water from the environment for use. An abstractor taking more than 20 cubic metres of water per day requires a licence.

Total freshwater abstracted in 2012 was over 14 billion cubic metres. Broken down by sector, it looks like this:

TIDAL AND FRESHWATER ABSTRACTION LICENCES BY SECTOR (2012)

THERE ARE CURRENTLY OVER  
**20,000**  
LICENCES FOR WATER  
ABSTRACTION



- Agriculture
- Amenity
- Environmental
- Industrial, Commercial and Public Services
- Production of Energy
- Water Supply



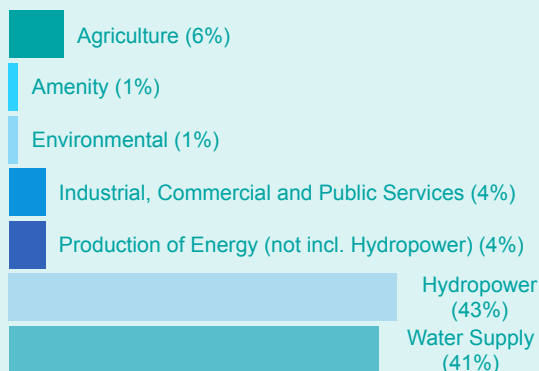
FARMERS



MANUFACTURERS



POWER GENERATING COMPANIES



In 2011-2012 only **45%** of the annual total of water licensed for abstractions in England and Wales was actually abstracted, leaving **55%** of licensed water unused.

Between 2008 – 2012 **3,299** licences were not used at all



**Average time**  
= it takes to trade  
a licence



This is not very flexible, meaning those who want water quickly may not be able to access it.

Increasing pressures on water resources from population growth and climate change mean we need an abstraction management system which is flexible and fit to deal with future challenges.

## REFORM PROPOSALS – THE TWO OPTIONS

### CURRENT SYSTEM PLUS

- Improves on regulatory tools used in the current system
- Links water availability and permitted abstraction
- Some pre-approved low-risk trading

### WATER SHARES

- Abstractors hold “shares” in available water
- Improved link between water availability and abstraction
- Increased number of pre-approved trades possible

### For both options we will:

- Remove seasonality from licences
- Introduce a regulatory minimum level
- Consider expanding two part tariff charging
- Remove time limits from licences

### Why change?

- Increased flexibility for abstractors ✓
- Linking water abstraction to availability ✓
- Protecting the environment ✓
- Easier and quicker trading ✓

