

Water industry action on water efficiency

When I chaired the first Waterwise conference last year, I talked about how human attitudes and behaviour are absolutely central if we're serious about promoting water efficiency. Today my message is the same – if anything I'm even more convinced.

We can design efficient fittings and houses. We can regulate and legislate and incentivise, but ultimately we must remember that it is people who use water and people who save water. We all know only too well that there is nothing simple about the interaction between water and people.

For instance when we're promoting efficient use we have to take account for the difference between use and waste. And obvious as it seems we must never forget that water and sanitation are the foundations of public health and always have been.

2006 was a good year for promoting water efficiency. The drought gave us a higher profile than we might have wished. But like it or not, we now have a unique opportunity to build on this profile. Water companies will not shy away from this opportunity.

CC Water's research shows that the public is more willing to act on water efficiency messages if others including water companies are taking a lead – and yes that means particularly on reducing leaks. There is no defence for missed targets. That's why Ofwat's review of leakage is so important. We all want an approach that is robust, credible and, most importantly, well-communicated – which will mean a common message from all the key stakeholders.

So this morning I would like

- to talk about the work water companies are already doing; because I've been asked to do that!
- to repeat my call for better understanding of consumers;
- to underline the importance of everyone working together; and
- to set the overall question of people and water in the context of health and sustainable development

So first, the industry.

Water company activity

We've often been criticised for not doing enough to promote water efficiency, even by those who work most closely with us.

I'd like to set the record straight. It is a fact that companies dramatically raised their game during the drought. But the industry was already fully committed to the cause.

In the past 2 years all companies increased their baseline activity. They shared data and ideas a lot more. And most have begun or are planning large-scale water efficiency pilots and

programmes. I'm certain that these projects will make a big contribution to the economic case for water efficiency in the next price rounds.

If we take a longer term perspective it has been changes in personal washing that have been the biggest drivers of higher domestic water consumption.

The industry is active here in the form of United Utilities working with Liverpool John Moore's University to study showering. They're looking at the appliances available and customer perceptions and motivation for buying particular units. This is going to be extended to more detailed studies with other companies and will build on the UKWIR 'Traces of Water' research completed last year.

Scottish Water is running a community campaign on the back of their leakage programme and working on a dual-flush toilet retrofit programme with Glasgow Housing Association targeting around 2,000 high-rise properties.

Essex and Suffolk has consistently been active in promoting water efficiency. They have an amazing track record.

The company is working on several initiatives including the 'Home movers box', 'Water wise meter readings', a 'Water MOT', 'Sustainable water audits' and a project with two universities that is studying water-efficient technology and people's perception of their own water use. Essex and Suffolk's Thurrock Home Self-Audit project, involving 9,000 homes, was a winner in this year's water efficiency awards organised by the Environment Agency. And the company's Water Saving Toolkit allows customers to choose their own approach to water efficiency – they can select from a 'credits' system which offers a range of self-audit and 'Visit and Fix' options.

More details of these and a lot more projects are in your packs. Later on Richard Aylard will be highlighting some of the work they're doing at Thames.

All this gives the lie to the idea that companies don't take water efficiency seriously. But one thing we do accept is that we can't succeed on our own. We really do need the engagement and support of people.

This brings me to my second theme, the need to understand consumer behaviour.

Understanding human behaviour

Thanks to CCWater's research, we know a lot more about consumers than we used to. But there's still a long way to go.

We can learn from other countries such as Australia, where water efficiency is part of the national psyche. But let's remember that compared with Australia we're starting from a very low base. And let's not make the mistake of pretending that cultures and histories count for nothing. In fact when we're talking about water and behaviour these things can be the crucial factors.

We can also learn from the awareness programmes that were effective in other areas – such as smoking, recycling and seatbelts. We know that blanket campaigns don't work. And nor do those based simply on fear and guilt. We need targeted help and practical messages – messages that take account of individual circumstances – messages that are tailored for families of different sizes, different age and social groups, for individuals, for real people.

You can only do this if you understand the people you are trying to communicate with. So, the straightforward thing is that we need to work together to test what works and we need to accept that we're in this for the long haul.

Working together

This brings me to my next point.

If we want to make better use of water, and get the benefits for business, the environment, wildlife and carbon reduction – then we'll have to agree a programme in which all opinion-formers play a part.

In my experience when it's a question of winning hearts and minds...in other words influencing and advising – it has to be done with all the key players on the same side.

For example water companies can't dictate how much water people should use. Our role lies in providing reliable information and helping people make informed choices. But we can and must take steps to help this happen. This is why the water industry established Waterwise – and why we made it independent. We all want to achieve the same end – more efficient use of water and less waste of water. Where we sometimes differ is over how to achieve these goals.

What are the best methods? Regulation? Economic incentives? Voluntary initiatives? Campaigns? Targets? Benchmarks? The reality is that all of these have a role to play and we shouldn't focus on one at the expense of others.

There is no single silver bullet. Just as there wasn't in tobacco control. Banning advertising alone was never the answer, but it played an essential part, along with pricing, availability, smoke-free areas and quit clinics.

There's a lot of interest at the moment in setting targets for household consumption – and in making water companies responsible for meeting them. Witness the IPPR report 'Every Drop Counts' and the Water Saving Group's 'Targets and Benchmarks' project.

We aren't against targets where they can help achieve the desired outcome. Look at leakage. We'd all agree that leakage targets have helped focus minds, drive investment and get results. But don't let's make the mistake of thinking that changing consumer behaviour is anything like

turning round leakage levels. Water companies don't own enough of the essential mechanisms to deliver.

In fact I'd go further. It's probably a mistake to speak about human behaviour *at all* in mechanistic terms. It's tempting, because we can then fall back on time-honoured levers of regulation like targets and benchmarks. Or show how active we are by commissioning blanket advertising campaigns.

Yes, water companies have an important part to play – but that part will best be played as part of a team. If you make one group responsible you inevitably let everyone else 'off the hook'. And this extends even to consumers and the media themselves who would blame 'those in charge' if targets are not met. This would achieve the opposite of what we all want.

As many in the health service and elsewhere know only too well, targets can distort policy by focusing too much effort on a single variable at the expense of the overall objective.

And funnily enough even the IPPR has suggested that focusing on leakage targets stopped the industry doing all it should have done to promote water efficiency in the home. Perverse outcomes like this aren't just likely but probable when single priorities are locked into a system or an organisation as hard targets.

Changing behaviour on water use depends on different groups pulling together and contributing where they are best able. Water companies should work to reduce leakage and promote wise use of water throughout the customer base. Government should influence through legislation, guidance to regulators and procurement policy. And public bodies, especially local authorities, can use their role in the community and in supplementary planning guidance.

And Ofwat needs some smarter thinking when it comes to its role on sustainability and incentivising water efficiency.

A lot of research backs the idea of working together. For example CCWater have shown that whilst companies certainly need to lead by example, they don't count as the most trusted sources for helping to change behaviour – that takes friends, family, media and celebrities!

I'm not suggesting for a moment that the industry shouldn't shoulder part of the responsibility or take action. We must help provide the tools that enable people to act differently. A box in a hole at the bottom of your drive is not what I'd call smart metering. Nor is the disconnect between metered charging and paying by direct debit.

Setting up Waterwise to drive us to greater action has been so successful that our members now complain about them on a regular basis! As an independent body, Waterwise has a set aim - to reduce pcc - and a date - by 2010. In addition they aim to create the conditions in which pcc stays down. This is more meaningful and actually more challenging than a numerical 'target'.

Waterwise doesn't see delivery as *top-down* It needs a rounded approach that requires action from a host of actors, yes the water industry is there, but so are retailers, media, regulators, Governments, individuals ... everyone!

My final point is about the wider context of water efficiency. I want to mention two points – sustainability and health.

Sustainability

Water efficiency is an important part of sustainable development. It has obvious social, environmental and financial benefits for customers, the industry and the UK. Efficiency is closely linked with sustainability and has to be a shared responsibility. We need to make this message heard at all levels – when we talk to policy makers, the media, the public and each other.

Reducing the carbon footprint of the water sector is entirely compatible and consistent with water efficiency, but not many of us are yet making this link. We must make the case that there are economic and environmental wins to be had. And the excellent work by waterwise on embedded water shows that we are just scratching the surface.

Health

And health. Let's not forget that any definition of the efficient use of water must include access to wholesome drinking water. The use of water coolers in our workplaces, in schools, hospitals and elsewhere means safe, reliable and chilled water for drinking, without the need for running the cold tap, buying in bottled water, or anything else.

The water industry provides huge benefits in terms of hydration and health. We must never give the impression that we are against using water. It's become a cliché but it's true - Use it, don't waste it!

Most of you, right now, are mildly dehydrated and this improves your ability to concentrate, so you will be glad to know I'll take no more than 2 further minutes your attention.

Summing up

I have talked about the actions that all water companies are taking to promote the more efficient use of water. We all know that more can be done and they are not the whole solution. But they are a contribution and water companies can only deliver part of the solution. Individual water consumption is just that, it is individual consumption and influencing individual behaviour requires understanding messages at a variety of levels from a range of different sources as well as practical action and help. It would be arrogant of the companies to think that we could influence pcc on our own and foolish of others to leave it to us.

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