

**Media Release
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Faster Progress Necessary in Water Reform

Frustration at the slow progress in water reform was expressed by business groups, following the Government's release of its water policy initiatives earlier this week.

In 2003, the Government identified the allocation, use and quality of water as priority areas requiring attention and set up a "Water Programme of Action".

Some three years later, little progress has been made. The major initiative announced by the Government earlier this week is the establishment of a new committee to look into the issues. This committee will take three months to get established, with results reported back in another year.

The groups are pleased that the committee is tasked with investigating and developing methods for transferring water consents, but "this should have been done years ago", they said.

"New Zealand is being left behind by other countries that have got on with water reform and are now reaping the benefits.

"Australia established tradable property rights for water several years ago and is now experiencing environmental and economic benefits as a result. England and Wales privatised their water delivery systems 17 years ago. The results, in terms of quality, service delivery and efficiency, according to *The Economist*, are excellent.

"Meanwhile, in New Zealand we are setting up another committee.

"The reality is the country is facing real and growing problems in the area of water management. Water quality standards are not being met and water is becoming increasingly scarce in many parts of the country. Moreover, the environment is being damaged as a result of poor price signals, inefficient use of water, poor supply systems and mismanagement" the groups said.

Mr. Currie noted that the electricity industry in New Zealand relied on the efficient use of water. "I hope we don't have to wait for a crisis in water supply before the government is prepared to act" said Mr. Currie.

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