



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

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MEDIA RELEASE

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PM indicates Commonwealth will withhold Competition Policy Payments from non-complying States

Independent Member for New England, Tony Windsor was pleased to hear today that the Commonwealth Government is putting in place appropriate benchmarks that will allow it to withhold National Competition Policy (NCP) Payments from those States that have not adhered to the Council of Australian Government's principles in relation to water reform.

Mr Windsor said that the Prime Minister's answer to his question in Parliament was a recognition that the Commonwealth was in fact going to withhold the NCP Payments.

"The withholding of NCP payments will be welcome news for the Namoi Groundwater users and other water entitlement holders across Australia who are being adversely effected by National Water Reform processes," Mr Windsor said.

The Water Reform process that was put in place in April 1995 by agreement between the States and the Commonwealth had at the time allowed for tranche payments from the Commonwealth to the States to aid with the reform process and further, linked NCP payments to, among other things, the implementation of water industry reforms.

"For years now, myself and others have argued that the Commonwealth should stop handing over hundreds of millions of dollars to the States in full knowledge that the States had no intention of compensating those effected by the reform process.

As recently as 2 months ago, the Prime Minister and the Minister for Agriculture and the Deputy Prime Minister presented New South Wales with a cheque for \$198m from the National Action Plan for Salinity and Water Quality.

The Prime Minister's answer in question time yesterday is the most encouraging indication yet that the Federal Government may at last be getting serious about this very important issue," Mr Windsor said.

"I believe it will require the involvement of the Prime Minister as attempts through the National Competition Council to withhold funds have failed in the past," Mr Windsor concluded.

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