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MEDIA RELEASE

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Heffernan's call for Commonwealth to take over water needs closer scrutiny

Let's taste before we drink!!

Independent Member for New England, Tony Windsor, has called for closer scrutiny of Liberal Senator Bill Heffernan's call for the Commonwealth Government to take over control of water from the States.

"Senator Heffernan's call for the Commonwealth to take over control of water from the States needs closer scrutiny as the Commonwealth has had the whip hand over the States for many years.

Senator Heffernan has neglected to tell the public that since 1995, the Commonwealth has given nearly \$5 Billion of National Competition payments to the States to implement changes to a number of industries with certain conditions to be met.

This included the water industry with a condition to receive National Competition payments being the establishment of a property right for water.

The Commonwealth is as guilty as the States for their non-compliance with the prescribed conditions.

The Commonwealth has had the ability to withhold these National Competition payments from the States that did not comply with this agreed condition," Mr Windsor said.

Mr Windsor said that since 1995, the Commonwealth Government has allowed the States to get away with non-performance in the water industry by continuing to pour money into the States coffers.

"For Senator Heffernan to now suggest that the Commonwealth should takeover water policy on the basis that the States have failed is an indictment on the limp attitude of the Commonwealth Government.

The Commonwealth has had the power to force the States to do what they agreed to do in establishing a property right back in 1995 instead of rewarding them for thumbing their noses at the Commonwealth Government, knowing that they would still receive their money.

National control of water policy is a worthy goal however the Commonwealth Government must show that it has the intention of doing things differently from what the States have done.

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The Commonwealth's track record when it has had the whip hand through its control of National Competition payments has left a lot to be desired.

For example, where the Commonwealth has entered into an agreement with the NSW Government on compensation payments to groundwater users for the loss of water entitlement for environmental purposes, the Commonwealth has decided to tax the compensation payment as income.

The Commonwealth has to prove its bona fides as a genuine player in delivering environmental outcomes by taking into account the impact on people if it wants to take over water policy entirely from the States.

Let's taste before we drink, Senator Heffernan," Mr Windsor said.