



## PRIME MINISTER

### **NATIONAL COMPETITION POLICY PAYMENT PENALTY FOR WESTERN AUSTRALIA 2005-06 – WATER REFORMS**

The Australian Government has accepted the National Water Commission's recommendation to suspend five per cent (or \$3.97 million) of Western Australia's 2005-06 National Competition Policy payments due to lack of progress with water planning.

This decision follows an independent assessment by the National Water Commission (NWC) of progress made by Western Australia in implementing its National Competition Policy (NCP) water reform commitments.

As a non-signatory to the National Water Initiative at the time of the assessment, Western Australia's reform obligations remain those stipulated by the 1994 Water Reform Framework. Western Australia undertook to have all of its water planning completed by June 2005. Only one plan was completed in 2005 and in total only a quarter of water plans were complete at the time of the NWC's assessment.

The NWC will reassess Western Australia's progress with water planning before July 2007 and the suspended amount may be recoverable in 2007-08, subject to satisfactory assessment by the NWC and the agreement of the Commonwealth.

Western Australia's signing of the National Water Initiative earlier this year completed the national coverage and commitment to Australia's important reform agenda for water into the next decade.

Progress on water reform has been made by the States and Territories since the COAG water reforms were linked to NCP in 1995. This has resulted in better outcomes for water users, the environment and the community.

Other NCP-related water assessments were announced on 20 April and details of these assessments can be found in the earlier media release ([http://www.pm.gov.au/news/media\\_releases/media\\_Release1891.html](http://www.pm.gov.au/news/media_releases/media_Release1891.html)).

Details of the 2005 assessments are available on the NWC's website ([www.nwc.gov.au](http://www.nwc.gov.au)).

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