

Statement to Parliament

HOUSE OF REPRESENTATIVES: *WATER ACT 2007* s98(6) - STATEMENT OF REASONS FOR DEPARTING FROM AUSTRALIAN COMPETITION AND CONSUMER COMMISSION ADVICE ON AMENDMENTS TO THE *WATER MARKET RULES 2009*

In March 2010, in accordance with the *Water Act 2007* (Water Act) the Australian Competition and Consumer Commission (ACCC) provided advice on amendments to the *Water Market Rules 2009*, including draft amendments, to the former Minister for Climate Change, Energy Efficiency and Water, Senator the Hon Penny Wong.

In most respects the amendment rules follow the ACCC's advice. In accordance with section 98(6) of the Water Act, this statement identifies the areas in which the rules depart from the ACCC advice.

In its advice, the ACCC recommended an amendment to rule 16 to broaden the prohibition on irrigation infrastructure operators preventing or unreasonably delaying transformation. This amendment has not been made as the issues that have been identified with the rule as it stands do not justify the associated increase in cost and uncertainty for operators.

The former Minister also requested advice from the ACCC on an amendment to the rules to provide Murray Irrigation Limited (MIL) with protection from possible legal action regarding a variation of its members' irrigation rights which MIL made to comply with the *Water Market Rules 2009*. No decision has been taken regarding a possible amendment to address this matter.