



# **MEDIA RELEASE**

**Senator the Hon Penny Wong**

*Minister for Climate Change and Water*

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## **WATER MARKET AND TERMINATION FEE RULES SIGNED**

Minister for Climate Change and Water, Senator Penny Wong, today announced that she has signed the water market (transformation) rules and termination fee rules applicable in the Murray-Darling Basin.

“Our overarching challenge is to put the future of the Murray Darling Basin onto a sustainable footing, and that requires a combination of investments in irrigation efficiency and water purchase, and a commitment to Basin and water market reform,” Senator Wong said.

“By ensuring that the water market is fairer and more efficient for all, we will help to secure a vibrant and profitable future for irrigated agriculture.”

Both sets of rules contain transitional periods to allow the irrigation industry time to adjust their existing arrangements to comply with the rules.

“I have decided to extend this transition period to allow stakeholders further time to adjust to these important changes. The water market rules will now commence on 1 January 2010 and the termination fee rules will start on 1 September 2009,” Senator Wong said.

The new rules:

- Will enable individual farmers to apply to transform water held as a share of a group licence into an individual statutory entitlement that can be freely traded; and
- Establish a consistent basis for setting termination fees, to provide for the ongoing costs of maintaining irrigation networks, when an irrigator terminates access to the network.

Irrigation infrastructure operators can seek approval from the Australian Competition and Consumer Commission (ACCC) to charge termination fees in excess of the ‘ten times multiple’, (provided for in the termination fee rules), from now.

The ACCC will shortly release guidance material to assist operators and irrigators in applying the new rules.

Further information about the water market rules and termination fee rules can be found at [www.environment.gov.au/water](http://www.environment.gov.au/water).

A copy of the rules and associated explanatory statements will be available on the Federal Register of Legislative Instruments website at [www.frli.gov.au](http://www.frli.gov.au) upon registration.