



**Australian Government**

**Department of the Environment, Water, Heritage and the Arts**

Our reference: 2009/04052

Senator Anne McEwen  
Chair  
Senate Standing Committee on Environment,  
Communications and the Arts  
Parliament House  
CANBERRA ACT 2600



Dear Senator McEwen

On 20 October 2009 I appeared as a witness before the Senate Standing Committee on Environment, Communications and the Arts for the 2009-10 Supplementary Budget Estimates Hearing.

During the hearing, Senator Xenophon asked the following question in relation to the water market rules that have been made under the *Water Act 2007*: “Finally, given these rules are due to come into force on 31 December 2009 but that you have requested that the ACCC report by March 2010, will implementation of these rules be suspended pending that review by the ACCC?” (Hansard, page 128). The Senator added to this question asking “But, given the minister’s request that the ACCC report by March 2010, is it likely that there will be a further transition period until that time when the rules come into force?” (Hansard, page 129).

I answered Senator Xenophon by saying “There will need to be a further transition period.”

This answer was not correct. There is no requirement for the transition period for the water market rules to be extended beyond 1 January 2010.

Yours sincerely

Tony Slatyer  
First Assistant Secretary  
Water Reform Division  
27 October 2009