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Water Act 1989

BULK ENTITLEMENT (LATROBE – YALLOURN MINE REHABILITATION) ORDER 2026

I, the Hon. Michaela Settle MP, Minister for Water, Minister administering the **Water Act 1989**, make the following Order –

PART 1 – PRELIMINARY MATTERS

1. CITATION

This Order may be cited as the Bulk Entitlement (Latrobe – Yallourn Mine Rehabilitation) Order 2026.

2. AUTHORISING PROVISIONS

This Order is made under Division 1 of Part 4 of the **Water Act 1989**.

3. COMMENCEMENT

This Order comes into effect on the day on which it is published in the Victoria Government Gazette.

4. PREAMBLE

The Order provides access to water in the Latrobe Headworks System up to a Maximum Annual Volume of 27 GL for up to a maximum period of 30 years (from the date the Entitlement Holder first takes water under this Order) for the purpose of the rehabilitation of the Yallourn Mine. Access to water is subject to the limitations specified for each mine rehabilitation phase provided for in the Order. The Order provides for different limitations on rights under this Order, dependent on whether and when the Yallourn Power Station terminates the classifications of last remaining generating units at the Yallourn Power Station (closure date). There is no right to take or use water during Mine Rehabilitation Phase 1, when Yallourn Power Station is generating electricity. Following the closure date of Yallourn Power Station, the Order provides for access up to the Maximum Annual Volume of 27 GL of water during Mine Rehabilitation Phase 2. No rights to take or use water are provided under this Order after the end date of Mine Rehabilitation Phase 2, which includes no share of flow or storage.

5. DEFINITIONS

In this Order –

'Act' means the **Water Act 1989**;

'Adjusted Access Price' means the amount determined in accordance with paragraph 3 of Schedule 3;

'AEMO' means the Australian Energy Market Operator;

'AHD' means the Australian Height Datum

'Annual Entitlement Payment' means the amount determined in accordance with Schedule 3, and payable in accordance with clause 20, for the economic value of the entitlement granted under this Order;

'Annual Entitlement Payment Notice' means a notice issued by the Minister for Water setting the Annual Entitlement Payment for a given year and the date by which payment should be made under sub-clause 20.2;

'Blue Rock Entitlement Holder' means any person holding a bulk entitlement or environmental entitlement in respect of Blue Rock Reservoir;

'CPI' means the Consumer Price Index ABS Cat No.6401.0 Series ID A2325846C published quarterly by the Australian Bureau of Statistics or, if the Consumer Price Index ABS Cat No.6401.0 Series ID A2325846C ceases to be published:

(a) if the Australian Bureau of Statistics publishes an index which is identified as a replacement of the Consumer Price Index ABS Cat No.6401.0 Series ID A2325846C, that replacement index (to be applied on and from 1 July in the year which immediately precedes the replacement of the Consumer Price Index ABS Cat No.6401.0 Series ID A2325846C); or

(b) if the Australian Bureau of Statistics does not publish another index which replaces the Consumer Price Index ABS Cat No.6401.0 Series ID A2325846C, a revised index will be specified in the Annual Entitlement Payment Notice after the Consumer Price Index ABS Cat No.6401.0 Series ID A2325846C ceases to be published;

'Declared Mine Rehabilitation Plan' has the same meaning as in the **Mineral Resources (Sustainable Development) Act 1990**;

'Entitlement Holder' means EnergyAustralia Yallourn Pty Ltd (ABN 47 065 325 224) (a generation company within the meaning of the **Electricity Industry Act 2000**);

'Gazettal' means the date of publication in the Victoria Government Gazette;

'Headworks Storages' means the water supply works of Blue Rock Reservoir, Lake Narracan and Yallourn Weir;

'Latrobe Headworks System' means –

(a) Headworks Storages; and

(b) the System Waterway;

'internal spill' means the redistribution of inflow which occurs where a Latrobe Headworks Entitlement Holder's share of inflow is in excess of the volume required to fill its share of storage capacity;

'Latrobe Headworks Entitlement Holder' means any person holding a bulk entitlement or environmental entitlement in respect of the Headworks Storages;

'Licence' means any licence granted under Part 4 of the Act;

'**Maximum Annual Volume'** means the maximum volume the Entitlement Holder may take at the pumping station each year for Mine Rehabilitation Phase 2 (being 27,000 ML, as specified in clause 7);

'Mine Rehabilitation Phase 1' means the period of time from commencement of this Order until the commencement of Mine Rehabilitation Phase 2;

'Mine Rehabilitation Phase 2' means the period of time commencing on the Yallourn Power Station Closure Date and which ends:

(a) 30 years after the date the Entitlement Holder first takes water under this Order; or

(b) 30 years from 11.59 pm on the second 31 May after the Yallourn Power Station Closure Date; or

(c) on 1 December 2065;

whichever occurs earlier;

'Minister' means the Minister administering the Act;

'**National Electricity Rules'** means the National Electricity Rules made under the National Electricity Law, as contained in the Schedule to the **National Electricity (South Australia) Act 1996** and the **National Electricity (Victoria) Act 2005**;

'passing flow' means an amount of flow referred to in the Bulk Entitlement (Latrobe – Southern Rural) Conversion Order 1996 which the Storage Manager is obliged to pass at nominated points in the System Waterway;

'Pumping Station 1' means the works to take water from the System Waterway located adjacent to the Latrobe River at co-ordinates -38.176259, 146.339681;

'Pumping Station 2' means the works to take water from the System Waterway located adjacent to the Latrobe River at -38.171828, 146.353894;

'regulated release' means any release from Blue Rock Reservoir or Lake Narracan excluding releases made by the Storage Manager to –

(a) provide passing flows; or

(b) pass floodwaters; or

(c) pass flows which cannot be stored; or

(d) secure the safety of the Headworks Storages under emergency situations;

'reserve' means Bulk Entitlement (Latrobe Reserve) Order 2013;

'river regulation costs' means those costs attributed to the accounting and operating arrangements, established under the Bulk Entitlement (Latrobe – Southern Rural) Conversion Order 1996, to manage the sharing of unregulated flow;

'State' means the State of Victoria;

'storage management costs' means the total annual cost to –

(a) operate, maintain and administer the Latrobe Headworks System; and

(b) make releases from the Latrobe Headworks System (excluding the river regulation costs); and

(c) undertake any new or enhancement works on Lake Narracan and Yallourn Weir; and

(d) meet the financial and regulatory depreciation charges on expenditure on any new or enhancement works associated with the Latrobe Headworks System, except Lake Narracan and Yallourn Weir, using the calculation methodology adopted by Gippsland and Southern Rural Water Corporation and approved by the Essential Service Commission; and

(e) manage the catchment for water supply purposes to protect the quality of water diverted to, and stored in, the Latrobe Headworks System; and

(f) manage the stream gauging stations necessary to operate the Latrobe Headworks System; and

(g) implement the program established under the Bulk Entitlement (Latrobe – Southern Rural) Conversion Order 1996, to manage the environmental effects of the Latrobe Headworks System;

(h) the storage management costs associated with Bulk Entitlement (Latrobe Reserve) Order 2013;

'Storage Manager' means any person appointed by the Minister under section 122ZK of the Act to be Storage Manager for the Latrobe Headworks System to carry out the functions specified in the Act and in respect of bulk entitlements and environmental entitlements in the waterway;

'System Waterway' means the Tanjil River between Blue Rock Reservoir and the Latrobe River, and the Latrobe River downstream of its confluence with the Tanjil River to Lake Wellington, including the pools formed by, and immediately upstream of, the Blue Rock and Narracan Dams and Yallourn Weir;

'unregulated flow' means any flows in the waterway which cannot be attributed to a regulated release or discharge from the works of an industrial company, generation company or water corporation;

'Willow Grove Gauge' means the gauging station on the Latrobe River at Willow Grove, Site ID 226204, Lat -38.088505520 Lon 146.159657200;

'Yallourn Mine' means the coal mine within the boundaries of Mining Licence MIN5003, MIN5216 and MIN5304 issued under the **Mineral Resources (Sustainable Development) Act 1990** as at the date of commencement of this Order;

'Yallourn AEMO Notice' means the latest in time of –

(a) any valid notice given in accordance with clause 2.10.1(a)(2) of the National Electricity Rules; and

(b) any valid updated notice given in accordance with clause 2.10.1(c1)(2) of the National Electricity Rules

to AEMO by the operators of Yallourn Power Station of their intention to terminate the classifications of generating units at Yallourn Power Station in circumstances where the Notice is in respect of the last remaining generating unit at Yallourn Power Station;

'**Yallourn Power Station Closure Date**' means the date specified in the **Yallourn AEMO Notice** as the date by which the classification of the last remaining generating unit at Yallourn Power Station will be terminated;

'year' means the 12 months between 1 July and 30 June inclusive.

PART 2 – ACCESS TO WATER DURING MINE REHABILITATION PHASE 1

6. ACCESS TO WATER DURING MINE REHABILITATION PHASE 1

6.1 The Entitlement Holder is not entitled to take water under this Order during Mine Rehabilitation Phase 1.

6.2 During Mine Rehabilitation Phase 1, the Entitlement Holder is not entitled to any share of storage capacity under this Order.

6.3 During Mine Rehabilitation Phase 1, the Entitlement Holder is not entitled to any share of flow under this Order.

PART 3 – ACCESS TO WATER DURING MINE REHABILITATION PHASE 2

7. TAKE DURING MINE REHABILITATION PHASE 2

7.1 During Mine Rehabilitation Phase 2, the Entitlement Holder may, subject to clauses 8 and 9, and Part 4 of this Order, take from the System Waterway up to a maximum volume of 27,000 ML/year.

7.2 Sub-clause 7.1 only applies where the permitted take of water under clause 6 of the Bulk Entitlement (Latrobe – Yallourn) Conversion Order 1996 is reduced to zero.

8. SHARE OF CAPACITY DURING MINE REHABILITATION PHASE 2

During Mine Rehabilitation Phase 2, the Entitlement Holder is entitled to –

(a) a 15.72% share of the total storage capacity of Blue Rock Reservoir, where the total storage capacity is 198,280 ML at a full supply level of 140.00 metres AHD; and

(b) a 29.94% share of the total storage capacity of Lake Narracan, where the total storage capacity is 7,230 ML at a full supply level of 47.7 metres AHD; and

(c) all water stored in its share of the storages specified in this sub-clause less a share of losses. Losses are to be assessed as specified in Schedule 1;

where any entitlement to a share of total storage capacity under clause 7 of the Bulk Entitlement (Latrobe – Yallourn) Conversion Order 1996 is reduced to zero.

9. SHARE OF FLOW DURING MINE REHABILITATION PHASE 2

During Mine Rehabilitation Phase 2, the Entitlement Holder may –

(a) after the passing flows requirements have been met, store 15.72% of all the inflow into Blue Rock Reservoir from the catchment up to that amount required to fill its share of storage capacity;

(b) after the passing flows requirements have been met, store 22.41% of unregulated inflow into Lake Narracan to fill its share of storage capacity;

(c) store a greater proportion of the inflow where part of that inflow is assessed by the Storage Manager, as specified in Schedule 1, as an internal spill;

(d) take via either or both Pumping Station 1 and/or Pumping Station 2 up to a combined total limit of 148 ML/day, subject to the following limitations –

(i) only during the period of 1 June to 30 November inclusive;

(ii) any flow released from the Entitlement Holder's share of Lake Narracan or Blue Rock Reservoir as ordered by the Entitlement Holder, where the total annual amount of regulated releases from the Entitlement Holder's share of Blue Rock Reservoir must not exceed 17,900 ML; and

(iii) when flow at Willow Grove gauge is greater than or equal to 447 ML/day,

(1) 22.41% of the unregulated flow passing Lake Narracan; and

(2) additional unregulated flow passing Lake Narracan subject to the additional flow in excess of the Entitlement Holder's flow share specified in sub-clause 9(d)(iii)(1) –

(A) not being used by any other bulk entitlement or environmental entitlement holder holding an entitlement to that additional flow; and

(B) being shared with other bulk entitlement or environmental entitlement holders holding a share of unregulated flow at this point in proportion to each of the holders' shares of unregulated flow;

where entitlement to take or store any inflow into Blue Rock Reservoir, unregulated inflow into Lake Narracan, or unregulated flow passing Lake Narracan, as specified in clause 8 of the Bulk Entitlement (Latrobe – Yallourn) Conversion Order 1996 is reduced to zero.

PART 4 – GENERAL CONDITIONS

10. OBLIGATION TO PROVIDE NOTICE TO THE MINISTER

10.1 The Entitlement Holder must provide a copy of the Yallourn AEMO Notice to the Minister no later than 30 business days after, either –

(a) the date of Gazettal of the Amendment Order where the Yallourn AEMO Notice was provided to AEMO prior to Gazettal of the Amendment Order; or

(b) the day on which the Yallourn AEMO Notice is provided to AEMO, where the Yallourn AEMO notice is provided to AEMO after the Gazettal of the Amendment Order.

10.2 The Entitlement Holder must provide the Minister and the Storage Manager with a minimum of two weeks prior written notification of the date that the Entitlement Holder will first take water under this Order.

10.3 If prior to the date specified pursuant to sub-clause 10.2, the Entitlement Holder wishes to amend the date, it must provide written notification to the Minister and the Storage Manager specifying the new date that the Entitlement Holder will first take water under this Order in accordance with sub-clause 10.2.

10.4 The date notified by the Entitlement Holder under sub-clause 10.2 (or sub-clause 10.3 (whichever applies)) will be the date that the Entitlement Holder is deemed to have first taken water under this Order, even if no water is taken on that date.

11. LIMITATIONS ON PURPOSE FOR TAKE AND USE OF WATER

The Entitlement Holder may only take and use water under this Order for the purpose of mine rehabilitation of the Yallourn Mine consistent with an approved Declared Mine Rehabilitation Plan and any necessary approvals under the **Environment Protection Act 2017**.

12. PROHIBITION OF TAKE OF PASSING FLOWS AND OTHER ENTITLEMENT HOLDERS' WATER

At any time, the Entitlement Holder must not take from the System Waterway or store as part of its bulk entitlement any flow –

(a) which is specified as a passing flow by the Storage Manager; or

(b) which is being released or transferred by the holder of any other bulk entitlement, environmental entitlement or Licence.

13. BLUE ROCK RESERVOIR OUTLET CAPACITY SHARING

13.1 Subject to sub-clause 13.2 the capacity of the outlet works of Blue Rock Reservoir is to be shared in proportion to inflow shares between the Blue Rock Entitlement Holders.

13.2 The Entitlement Holder may use more than its share of the capacity of the outlet works specified in sub-clause 13.1 –

(a) with the agreement of the Storage Manager and all other Blue Rock Entitlement Holders; or

(b) with the agreement of only the Storage Manager when there is no competing demand between Blue Rock Entitlement Holders for the available capacity.

13.3 Where all parties cannot agree under paragraph 13.2(a), the Entitlement Holder may act to resolve the matter in accordance with clause 22.

14. SUPPLY OF WATER

14.1 At the time of commencement of Mine Rehabilitation Phase 2, the Entitlement Holder and the Storage Manager must agree and have in place operational arrangements –

(a) for the supply of water from the storages mentioned in clause 8; and

(b) to allow the Storage Manager to borrow storage capacity and/or volume in Lake Narracan for operational purposes.

14.2 If the Entitlement Holder and the Storage Manager have not reached agreement under sub-clause 14.1, either party may give written notice to the other party requiring the matter to be determined in accordance with clause 22.

15. METERING PROGRAM

15.1 To demonstrate compliance with this Order, the Entitlement Holder must –

(a) ensure there is adequate metering to determine compliance with the provisions of this Order;

(b) maintain, or enter into an agreement to maintain, the required metering equipment and associated measurement structures to ensure they are fit for purpose and fully functioning; and

(c) in accordance with any guidelines issued from time to time by the Minister, implement and maintain a metering program which demonstrates how the Entitlement Holder complies with the requirements of this Order.

15.2 The Minister may at any time require the Entitlement Holder to –

(a) review the metering program if, in the Minister's opinion, it is no longer appropriate; and

(b) provide an amended metering program to the Minister.

15.3 Any application by the Entitlement Holder to the Minister for amendment to this entitlement must address any implications of the proposed amendment for the metering program.

16. REPORTING REQUIREMENTS

16.1 Where the Minister makes a written request to the Entitlement Holder to report on all or any of the matters specified in subclause 16.3, the Entitlement Holder must respond to a request –

(a) in the form requested by the Minister; and

(b) in the time specified by the Minister, which must be no less than 14 business days.

16.2 The Entitlement Holder must, for the period of the preceding year, report, by 1 August each year, to the Minister on each of the matters set out in sub-clause 16.3, except paragraph (a) and (c) of sub-clause 16.3.

16.3 For the purposes of sub-clauses 16.1 and 16.2, the matters may include –

(a) the daily amount of water taken by the Entitlement Holder from the System Waterway at its pumping stations;

(b) the annual amount of water taken by the Entitlement Holder from the System Waterway at:

(i) Pumping Station 1; and

(ii) Pumping Station 2.

(c) the daily amount of water returned to the System Waterway or tributary streams from the works of the Entitlement Holder;

(d) a summary of the purposes for which the water taken under the Order has been used;

(e) the annual volume of water returned to the System Waterway or tributary streams from the works of the Entitlement Holder;

(f) the annual volume of water taken from the Entitlement Holder's share of Blue Rock Reservoir;

(g) the work undertaken as part of the metering program under clause 15;

(h) any transfer of all or part of this Order or assignment of all or part of a water allocation available under this Order;

(i) any transfer of all or part of a bulk entitlement, or assignment of all or part of a water allocation available under a bulk entitlement, to the Entitlement Holder.

(j) any Licence in respect of the System Waterway temporarily or permanently transferred to the Entitlement Holder;

(k) any amendment to this Order;

(l) any failure by the Entitlement Holder to comply with any provision of this Order; and

(m) any existing or anticipated difficulties experienced by the Entitlement Holder in complying with this Order and any remedial action taken or proposed by the Entitlement Holder.

17. STORAGE MANAGEMENT COSTS

17.1 Subject to clause 18, sub-clause 17.2, and sub-clause 17.3, the Entitlement Holder must pay the Storage Manager an annual storage management charge which will be determined according to Schedule 2.

17.2 The Entitlement Holder is not required to pay an annual storage management charge during Mine Rehabilitation Phase 1 or after Mine Rehabilitation Phase 2 ends.

17.3 The annual storage management charge must be paid by the Entitlement Holder each year whether or not water has been taken by the Entitlement Holder in that year.

18. DUTY TO KEEP ACCOUNTS AND FIX PROPORTIONS

18.1 The Entitlement Holder is not obliged to make any payment to the Storage Manager under sub-clause 17.1 unless the Storage Manager chooses to comply with the provisions of this clause relevant to those payments.

18.2 Separate accounts of all costs and payments must be kept by the Storage Manager in respect to clause 17.

18.3 The Storage Manager must consult with the Entitlement Holder on any proposal to undertake new or enhancement works on a Headworks Storage, providing reasonable detail and the need for those works, prior to undertaking those works.

18.4 The Entitlement Holder may object to any proposal referred to in sub-clause 18.3 and may give written notice to the other party requiring the matter to be determined in accordance with clause 22.

18.6 In any year, by a date agreed with the Entitlement Holder, the Storage Manager must provide the Entitlement Holder an estimate of the annual storage management charge referred to in sub-clause 17.1 for the ensuing year.

18.7 Accounts required to be kept under this clause must be made available for inspection by the Entitlement Holder upon request.

19. DUTY TO MAKE PAYMENTS

Any amount payable by the Entitlement Holder under clause 17 –

(a) is to be based on the actual expenditure for the period specified in paragraph 19(b) and include an adjustment from a previous period to reflect the actual cost of the work; and

(b) must be paid monthly in arrears, within 28 days of the Entitlement Holder receiving an invoice for amounts payable,

unless the Entitlement Holder and the Storage Manager agree otherwise.

20. ANNUAL ENTITLEMENT PAYMENT

20.1 The Entitlement Holder must pay the Annual Entitlement Payment to the State, in accordance with the terms of this clause.

20.2 The obligation under sub-clause 20.1 commences from either:

(a) the date that the Entitlement Holder first takes water under this Order in accordance with the provisions of clause 10; or

(b) 11.59 pm on the second 31 May after the commencement of Mine Rehabilitation Phase 2;

whichever occurs earlier.

20.3 The Entitlement Holder must pay the Annual Entitlement Payment to the State by the date specified in the Annual Entitlement Payment Notice.

20.4 If the Entitlement Holder wants Mine Rehabilitation Phase 2 to end on a date that is earlier than provided in the Order, it must submit a relevant application to the Minister in line with the Act seeking that change to the Order.

20.5 The end date specified in an application submitted in accordance with sub-clause 20.4 must be 30 June of the relevant year.

20.6 Any relevant application under sub-clause 20.4 must be submitted by the Entitlement Holder to the Minister at least two years prior to the earlier end date being sought in the application.

20.7 The obligation under sub-clause 20.1 ceases to apply from the end date specified in an application made for the purposes of sub-clause 20.4, but –

(a) the obligation will resume if the Entitlement Holder takes water under the Order after that end date;

(b) the obligation will not cease if the application is refused by the Minister before that end date; and

(c) the obligation will resume if the application is refused by the Minister after that end date, from the date of the refusal.

21. DATA

The Entitlement Holder must provide the Storage Manager with any data required by the Storage Manager to meet its obligations under this Order or the Storage Manager obligations under any other bulk entitlement or environmental entitlement held by a Latrobe Headworks Entitlement Holder, within the timeframe agreed between the Entitlement Holder and the Storage Manager.

22. DISPUTE RESOLUTION

22.1 Where the Entitlement Holder considers the Storage Manager and/or another Latrobe Headworks Entitlement Holder has not met its obligations under this, or another bulk entitlement or environmental entitlement, and which the Entitlement Holder considers materially impacts on the Entitlement Holder's rights, or its ability to meet its obligations under this Order or the Act, the Entitlement Holder may provide written notice to the other party identifying:

(a) the obligation that it considers is not being complied with;

(b) the basis on which the Entitlement Holder believes the obligation has not been complied with;

(c) the remediation action sought by the Entitlement Holder; and

(d) the time for response to the notice.

22.2 Where the party notified under sub-clause 22.1 does not agree to the proposed remediation action sought under the Notice, the parties must enter into genuine negotiation with the aim of:

(a) agreeing on whether the relevant obligations have been complied with; and

(b) if necessary, agree to alternative remediation action to be undertaken.

22.3 If the notice provided under sub-clause 22.1 has not been responded to within the time specified in the Notice or an alternative timeframe which was agreed between the parties, or an agreement cannot be reached under sub-clause 22.2, it is open to the Entitlement Holder to write to the Minister to notify of the issue for further resolution.

Dated 5 October 2026

THE HON. MICHAELA SETTLE MP
Minister for Water

SCHEDULE 1 – EVAPORATION LOSSES AND INTERNAL SPILLS

1. Evaporation Losses

Evaporation losses from –

(a) Lake Narracan are calculated using the formula

$$e = A \times E \times 0.01 \times (s1/s)$$

(b) Blue Rock Reservoir are calculated using the formula

$$e = A \times E \times 0.01 \times (s1/s)$$

where:

e = evaporation loss in ML

s = volume of water in ML in either Lake Narracan or Blue Rock Reservoir as appropriate

A = surface area in hectares corresponding to s

E = pan evaporation in mm

s1 = volume of water in ML in the Entitlement Holder's share of Lake Narracan or Blue Rock Reservoir as appropriate

2. Internal Spills

The amount of internal spill cannot exceed a volume equal to the amount by which the volume held in the other Latrobe Headworks Entitlement Holders' shares of storage are below their full shares. Any internal spill is to be redistributed to those Latrobe Headworks Entitlement Holders whose shares of storage capacity are not full, in the same proportion their share of inflow to the reservoir.

3. Storage Accounts

The storage accounts maintained by the Storage Manager will be adjusted for –

(a) the share of inflow apportioned to the Entitlement Holder;

(b) any internal spill;

(c) any release directed by the Entitlement Holder to meet its water supply requirements including any allowances for in-transit losses; and

(d) any allowance for the Entitlement Holder's share of rainfall falling directly on the storage and evaporation losses or seepage losses from the storage.

SCHEDULE 2 – STORAGE MANAGEMENT COSTS

1. The amount the Entitlement Holder must pay the Storage Manager under sub-clause 17.1 during Mine Rehabilitation Phase 2 is to be calculated by the Storage Manager as –

(a) a percentage of the annual storage management costs (S) and river regulation costs (r) for Lake Narracan and Yallourn Weir as follows –

Cs = $ [0.2994 x S x (1+m)] + [0.2241 x r x (1+m)]

and

(b) a percentage of the annual storage management costs (S_{BR}) for Blue Rock Reservoir as follows –

Cs = $ [0.1572 x S x (1+m) x (1+F)]

where

Cs = the annual storage management charge;

S = the storage management costs for the year for which charges are prepared;

S_{BR} = the storage management costs associated with Blue Rock Reservoir for the year for which charges are prepared;

r = the river regulation costs for the year for which charges are prepared;

m = a business margin set at no more than 10%. Any variation to the margin is to be mutually agreed between the Storage Manager and the Entitlement Holder; and

F = a factor representing the Entitlement Holder's contribution to the cost of the reserve and adjusted to reduce the Entitlement Holder's contribution if there has been a sale of water from the reserve.

and is subject to approval by the Essential Services Commission in accordance with Part 1A of the **Water Industry Act 1994**.

SCHEDULE 3 – ANNUAL ENTITLEMENT PAYMENT

1. The calculation for establishing the Annual Entitlement Payment is set out in this Schedule.
2. The Annual Entitlement Payment that the Entitlement Holder must pay to the State under clause 20 is calculated as follows –

$$A = (P \times V)$$

Where:

A	means the Annual Entitlement Payment in dollars;
P	means the Adjusted Access Price in dollars per megalitre;
V	Means the Maximum Annual Volume in megalitres.

3. For the purposes of paragraph 2 in this Schedule, the Adjusted Access Price (P) is to be calculated as follows –

$$P = B \times \frac{C}{D} \times (1 + E)^{(N-M)}$$

Where:

P	is the Adjusted Access Price in dollars per megalitre;
B	means $230 per megalitre (2025 dollars)
C	means the CPI released in the quarter ending immediately prior to 1 July of the year to which the Annual Entitlement Payment relates;
D	means the CPI released for the quarter ending June 2025;
E	Means 0.00 (equating to a 0% real escalation rate);
N	means the calendar year at the end of the relevant year for which the Annual Entitlement Payment is payable; and
M	means 2025.

4. If the transition from Mine Rehabilitation Phase 1 to Mine Rehabilitation Phase 2 occurs part way through a year, the applicable Maximum Annual Volume is the higher Maximum Annual Volume available during that year.
5. If the date determined in accordance with sub-clause 20.2 occurs part way through the year, then the first Annual Entitlement Payment must be calculated pro-rata based on the number of days between 1 June to 30 November remaining as at that date in that year.

Note:

1. The 1 June to 30 November period occurs in two parts in any given year, being from 1 July to 30 November, and 1 June to 30 June.
2. 1 June to 30 November totals 183 days in the year.
3. As an example, if the relevant date is 1 June, then the pro-rata payment would apply for 30 days out of a possible 183 days, being 16.4% of the full payment.

Water Act 1989

BULK ENTITLEMENT (LATROBE – YALLOURN) AMENDMENT ORDER 2026

I, the Hon. Michaela Settle MP, Minister for Water, as Minister administering the **Water Act 1989**, make the following Order –

Title

1. This Order is called the Bulk Entitlement (Latrobe – Yallourn) Amendment Order 2026.

Purpose and Preamble

2. The purpose of this Order is to make an amendment to the Bulk Entitlement (Latrobe – Yallourn) Conversion Order 1996 to clarify that the right to water under the Bulk Entitlement Order may only be exercised until the Yallourn Power Station Closure Date. Consistent with section 9(3)(c) of the Act, the right to water under the Bulk Entitlement Order is limited by the express conditions set out in the Bulk Entitlement Order. The limitation applies from the Yallourn Power Station Closure Date, so the Entitlement Holder is not permitted to take water under the Bulk Entitlement Order after the Yallourn Power Station Closure Date. The amendment also makes some minor changes to improve clarity of the Bulk Entitlement Order by removing redundant references to the Resource Manager appointment which no longer exists.

Authorising provision

3. This Order is made in accordance with section 44 of the Act.

Commencement

4. This Order comes into effect on the day it is published in the Victoria Government Gazette.

Definitions

5. In this Order –

'Bulk Entitlement Order' means Bulk Entitlement (Latrobe – Yallourn) Conversion Order 1996 (as amended); and

'Act' means the **Water Act 1989**.

Amendments to Clause 4 Definition

6. In clause 4 of the Bulk Entitlement Order, **insert** the following definitions:

(a) **'AEMO'** means the Australian Energy Market Operator;';

(b) '**Amendment Order**' means the Bulk Entitlement (Latrobe – Yallourn) Amendment Order 2026;';

(c) **'Gazettal'** means the date of publication in the Victoria Government Gazette;';

(d) **'National Electricity Rules'** means the National Electricity Rules made under the National Electricity Law, as contained in the Schedule to the **National Electricity (South Australia) Act 1996** and the **National Electricity (Victoria) Act 2005**, as amended or replaced from time to time;'; and

(e) **'Yallourn AEMO Notice'** means the latest in time of –

(a) any valid notice given in accordance with clause 2.10.1(a)(2) of the National Electricity Rules; and

(b) any valid updated notice given in accordance with clause 2.10.1(c1)(2) of the National Electricity Rules

to AEMO by the operators of Yallourn Power Station of their intention to terminate the classifications of generating units at Yallourn Power Station in circumstances where the Notice is in respect of the last remaining generating unit at Yallourn Power Station;';

(f) **'Yallourn Power Station Closure Date**' means the date specified in the **Yallourn AEMO Notice** as the date by which the classification of the last remaining generating unit at Yallourn Power Station will be terminated;'.

7. In Clause 4 of the Bulk Entitlement Order, the definition of **'Resource Manager'** is **revoked**.

Insertion of new Clause 5A – Obligation to Provide Copy of Final Yallourn AEMO Notice

8. **Insert** the following new Clause 5A in the Bulk Entitlement Order:

'**5A OBLIGATION TO PROVIDE COPY OF FINAL YALLOURN AEMO NOTICE**

5A.1 The Entitlement Holder must provide a copy of the Yallourn AEMO Notice to the Minister no later than 30 business days after, either –

(a) the date of Gazettal of the Amendment Order where the Yallourn AEMO Notice was provided to AEMO prior to Gazettal of the Amendment Order; or

(b) the day on which the Yallourn AEMO Notice is provided to AEMO, where the Yallourn AEMO notice is provided to AEMO after the Gazettal of the Amendment Order.'

Amendment to Clause 6 – Bulk Entitlement

9. In sub-clause 6.1 of the Bulk Entitlement Order, for the words 'The Entitlement Holder may', **substitute** 'Until the Yallourn Power Station Closure Date, the Entitlement Holder may'.

10. In Clause 6 of the Bulk Entitlement Order, **insert** new sub-clause 6.5 –

'6.5 For the avoidance of doubt, the Entitlement Holder may only exercise the rights under sub-clause 6.1 until the Yallourn Power Station Closure Date. This is a limitation on the rights of the Entitlement Holder to take water under the Order, such that the Entitlement Holder is not permitted to take water under sub-clause 6.1 of this Order after the Yallourn Power Station Closure Date.'

Amendment to Clause 7 – Share of Capacity

11. In sub-clause 7.1 of the Bulk Entitlement Order, for the words 'The Entitlement Holder is', **substitute** 'Until the Yallourn Power Station Closure Date, the Entitlement Holder is'.

12. In Clause 7 of the Bulk Entitlement Order, **insert** new sub-clause 7.2 –

'7.2 For the avoidance of doubt, the Entitlement Holder may only exercise the rights under sub-clause 7.1 until the Yallourn Power Station Closure Date. This is a limitation on the rights of the Entitlement Holder to take water under the Order, such that the Entitlement Holder is not entitled to any share of total storage capacity of Blue Rock Reservoir or share of total storage capacity of Lake Narracan under sub-clause 7.1 of this Order after the Yallourn Power Station Closure Date.'

Amendment to Clause 8 – Share of Flow

13. In sub-clause 8.1 of the Bulk Entitlement Order, for the words 'The Entitlement Holder may', **substitute** 'Until the Yallourn Power Station Closure Date, the Entitlement Holder may'.

14. In Clause 8 of the Bulk Entitlement Order, **insert** new sub-clause 8.5 –

'8.5 For the avoidance of doubt, the Entitlement Holder may only exercise the rights under sub-clause 8.1 until the Yallourn Power Station Closure Date. This is a limitation on the rights of the Entitlement Holder to take water under the Order, such that the Entitlement Holder is not entitled to take or store any inflow into Blue Rock Reservoir, unregulated inflow into Lake Narracan, or unregulated flow passing Lake Narracan under sub-clause 8.1 of this Order after the Yallourn Power Station Closure Date.'

Amendment to Clause 13 – Reporting Requirements

15. Sub-clause 13.4 of the Bulk Entitlement Order is **revoked**.

16. Sub-clause 13.5 of the Bulk Entitlement Order is **revoked**.

Revocation of Clause 14 – Water Resource Management Costs

17. Clause 14 of the Bulk Entitlement Order is **revoked**.

Amendment to Clause 15 – Storage Manager Costs

18. In sub-clause 15.1 of the Bulk Entitlement Order, for the words 'Subject to sub-clause 16.1 the Entitlement Holder must', **substitute** 'Subject to subclause 16.1, until the Yallourn Power Station Closure Date the Entitlement Holder must'.

19. In sub-clause 15.2 of the Bulk Entitlement Order, for the words 'The amount the Entitlement Holder must', **substitute** 'Until the Yallourn Power Station Closure Date, the amount the Entitlement Holder must'.

20. In Clause 15 of the Bulk Entitlement Order, **insert** new sub-clause 15.4 –

'15.4 For the avoidance of doubt, from the Yallourn Power Station Closure Date, the Entitlement Holder is not liable for any annual storage management charge or any other charges or fees, and accrues no financial obligations of any nature, under this bulk entitlement, other than to the extent to which such charges, fees or obligations were incurred or accrued prior to the Yallourn Power Station Closure Date.'

Amendment to Clause 16 – Duty to Keep Accounts and Fix Proportions

21. Paragraph 16.1 (a) of the Bulk Entitlement Order is **revoked**.

22. Paragraph 16.2 (a) of the Bulk Entitlement Order is **revoked**.

23. Sub-clause 16.5 of the Bulk Entitlement Order is **revoked**.

Amendment to Clause 17 – Duty to Make Payments

24. In Clause 17 of the Bulk Entitlement Order, for the words 'under clauses 14 and 15', **substitute** 'under clause 15'.

Amendment to Clause 19

25. In sub-clause 19.1 of the Bulk Entitlement Order, the words 'or the Resource Manager,' are **revoked**.

26. In sub-clause 19.2 of the Bulk Entitlement Order, the words 'or the Resource Manager,' are **revoked**.

Dated 5 October 2026

THE HON. MICHAELA SETTLE MP
Minister for Water

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