

6 November 2025

The Hon Gayle Tierney MP
Minister for Water
Level 1, 2 Treasury Place
EAST MELBOURNE VIC 3002

Dear Minister

Applications for a new bulk entitlement and revocation of existing bulk entitlements to implement the South-Central Pool arrangements

I write to you to apply for the entitlement actions relevant to Yarra Valley Water needed to implement the transition from the Greater Yarra System – Thomson River Pool entitlement arrangements to the proposed South-Central Pool entitlement arrangements. This change is being made as a result of the commitment to increase consistency and simplify water sharing arrangements for all urban water corporations with access to the Melbourne Supply System in Action 9.3 of the Central and Gippsland Region Sustainable Water Strategy.

The proposed South-Central Pool entitlement arrangements are the South-Central Pool bulk entitlements held by Yarra Valley Water, Barwon Water, Gippsland Water, Greater Western Water, South East Water, South Gippsland Water and Westernport Water supplied by Melbourne Water using its existing Yarra, Thomson, Bunyip-Tarago and Silver-Wallaby Creek surface water bulk entitlements and a new bulk entitlement for desalinated water from the Victorian Desalination Project.

The South-Central Pool will comprise surface water previously available to the Greater Yarra System – Thomson River Pool bulk entitlement holders plus the desalinated water available from the Victorian Desalination Project. The South-Central Pool bulk entitlement will allow Yarra Valley Water to access water from the South-Central Pool as needed to meet annual demand. The South-Central Pool resources will be shared with the other South-Central Pool bulk entitlement holders, and will be subject to infrastructure constraints and water availability.

Creation of the South-Central Pool would provide the required flexibility in water sharing arrangements to meet changing water demand and supply across the south-central region of Victoria. It also ensures more equitable sharing of water security and cost, including any future water supply augmentation.

In accordance with section 36 of the *Water Act 1989* and section 27 of the *Interpretation of Legislation Act 1984*, to support an application for a new bulk entitlement to water from the South-Central Pool, Yarra Valley Water applies for–

- Revocation of the Bulk Entitlement (Desalinated Water – Yarra Valley Water) Order 2014 to come into effect on the commencement date of a Melbourne Water Corporation bulk entitlement for desalinated water if granted. Yarra Valley Water applies for this revocation on the understanding that you will consider it alongside all actions required to implement the South-Central Pool arrangements. This is critical to preclude the risk of Yarra Valley

Water's desalinated water bulk entitlement being revoked without the corresponding grant of a South-Central Pool bulk entitlement providing us with continued access to desalinated water (via Melbourne Water); and

- Revocation of the Bulk Entitlement (Greater Yarra System – Thomson River Pool – Yarra Valley Water) Order 2014 to come into effect on the commencement date of a South-Central Pool bulk entitlement if granted.

The draft revocation orders are enclosed.

In accordance with section 36 of the *Water Act 1989*, Yarra Valley Water applies for a new bulk entitlement to support the proposed South-Central Pool on the terms and conditions that have been outlined in the draft Bulk Entitlement (South-Central Pool – Yarra Valley Water) Order enclosed. Yarra Valley Water is seeking for this to come into effect at the start of the next water year on 1 July 2026.

Yarra Valley Water also makes these applications subject to your receipt of the bulk entitlement applications from Barwon Water, Gippsland Water, Greater Western Water, South East Water, South Gippsland Water, Westernport Water and Melbourne Water which are necessary for implementation of the new South-Central Pool entitlement arrangements.

The proposed South-Central Pool arrangements, including the new bulk entitlement and revocation orders under this application, are not changing Melbourne Water's existing share of surface water in the Thomson, Yarra, Silver-Wallaby and Bunyip-Tarago Systems, including its share of inflow and storage, and its location, maximum annual volume, and daily maximum rates of take. Therefore, the proposal if approved by you will have no impact on the environment or other users in these systems.

Yarra Valley Water has worked with the Department of Energy, Environment, and Climate Action, Barwon Water, Gippsland Water, Greater Western Water, South East Water, South Gippsland Water, Westernport Water, and Melbourne Water to prepare the draft new South-Central Pool bulk entitlements and applicable revocation orders which contain the details to support this application.

If you require further information or clarification, please do not hesitate to contact me. Alternatively your team can contact Cindy Kozel, Water Resources and Regulatory Economist at [REDACTED] or on [REDACTED].

Yours sincerely



Natalie Foeng
Managing Director
Encl.

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Water Act 1989

**BULK ENTITLEMENT (DESALINATED WATER – YARRA VALLEY WATER)
REVOCATION ORDER 2026**

I, Gayle Tierney MP, Minister for Water and Minister administering the **Water Act 1989**, make the following Order -

1. CITATION

This Order may be cited as the Bulk Entitlement (Desalinated Water – Yarra Valley Water) Revocation Order 2026.

2. AUTHORISING PROVISION

The revocation is made in accordance with section 34A of the **Water Act 1989** and section 27 of the **Interpretation of Legislation Act 1984**.

3. COMMENCEMENT

The revocation comes into effect on the commencement of a bulk entitlement granted to Melbourne Water Corporation authorising the take and use of Desalinated Water from the Victorian Desalination Project.

4. PURPOSE

The purpose of this Order is to revoke the Bulk Entitlement (Desalinated Water – Yarra Valley Water) Order 2014 as part of implementation of the transition from the existing Greater Yarra System – Thomson River Pool bulk entitlement arrangements to the new South-Central Pool bulk entitlement arrangements.

5. DEFINITIONS

In this Order –

“**Desalinated Water**” means the treated seawater produced by the Victorian Desalination Project;

“**Victorian Desalination Project**” means the construction and carrying out of the works, facilities and services and all ancillary and incidental activities associated with the development and operation of a seawater desalination plant in the Bass Coast region.

6. REVOCATION OF BULK ENTITLEMENT (DESALINATED WATER – YARRA VALLEY WATER) ORDER 2014

The Bulk Entitlement (Desalinated Water – Yarra Valley Water) Order 2014 granted to Yarra Valley Water Corporation upon publication in the Victoria Government Gazette on 30 June 2014, and any amendments made by Order or Notice, which includes:

- (a) Bulk Entitlement (Desalinated Water – Yarra Valley Water) Minor Amendment Notice 2018; and
- (b) Bulk Entitlement (Desalinated Water – Storage Manager Changes) Minor Amendment 2022

are revoked.

GAYLE TIERNEY MP
Minister for Water

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OFFICIAL

Water Act 1989

**BULK ENTITLEMENT (GREATER YARRA SYSTEM – THOMSON RIVER POOL –
YARRA VALLEY WATER) REVOCATION ORDER 2026**

I, Gayle Tierney MP, Minister for Water and Minister administering the **Water Act 1989**, make the following Order -

1. CITATION

This Order may be cited as the Bulk Entitlement (Greater Yarra System – Thomson River Pool – Yarra Valley Water) Revocation Order 2026.

2. AUTHORISING PROVISION

The revocation is made in accordance with section 34A of the **Water Act 1989** and section 27 of the **Interpretation of Legislation Act 1984**.

3. COMMENCEMENT

The revocation comes into effect on the commencement of a bulk entitlement granted to Yarra Valley Water Corporation authorising the take and use of water from the South-Central Pool.

4. PURPOSE

The purpose of this Order is to revoke the Bulk Entitlement (Greater Yarra System – Thomson River Pool – Yarra Valley Water) Order 2014 as part of implementation of the transition from the existing Greater Yarra System – Thomson River Pool bulk entitlement arrangements to the new South-Central Pool bulk entitlement arrangements.

5. DEFINITIONS

In this Order –

“**South-Central Pool**” means the water available under the following Melbourne Water Corporation bulk entitlements specified for supply to the South-Central Pool Bulk Entitlement Holders:

- (a) Bulk Entitlement (Thomson River – Melbourne Water) Order 2014
- (b) Bulk Entitlement (Yarra River – Melbourne Water) Order 2014
- (c) Bulk Entitlement (Tarago and Bunyip Rivers – Melbourne Water) Order 2014
- (d) Bulk Entitlement (Silver & Wallaby Creeks – Melbourne Water) Order 2014
- (e) Bulk Entitlement (Desalinated Water – Melbourne Water) Order 2026;

“**South-Central Pool Bulk Entitlement Holder**” means a water corporation who holds a bulk entitlement authorising the take and use of water from the South-Central Pool.

6. REVOCATION OF BULK ENTITLEMENT (GREATER YARRA SYSTEM – THOMSON RIVER POOL – YARRA VALLEY WATER) ORDER 2014

The Bulk Entitlement (Greater Yarra System – Thomson River Pool – Yarra Valley Water) Order 2014 granted to Yarra Valley Water Corporation upon publication in the Victoria Government Gazette on 30 June 2014, and any amendments made by Order or Notice, which includes:

- (a) Bulk Entitlement (Greater Yarra System - Thomson River Pool - Yarra Valley Water) Amendment Order 2017;
- (b) Bulk Entitlement (Greater Yarra System – Thomson River Pool – Storage Manager Changes) Minor Amendment Notice 2022; and
- (c) Notice of Transfer of Part of Bulk Entitlement (Greater Yarra System – Thomson River Pool – Yarra Valley Water) Order 2014 and Determination of Entitlement and Conditions Upon Transfer.

are revoked.

GAYLE TIERNEY MP
Minister for Water

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**BULK ENTITLEMENT (SOUTH-CENTRAL POOL – YARRA VALLEY WATER) ORDER
2026**

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Water Act 1989

**BULK ENTITLEMENT (SOUTH-CENTRAL POOL – YARRA VALLEY WATER) ORDER
2026**

I, the Hon Gayle Tierney MP, Minister for Water, as the 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 (South-Central Pool – Yarra Valley Water) 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 it is published in the Victoria Government Gazette or 1 July 2026, whichever is later.

4. PURPOSE

The purpose of this Order is to grant a bulk entitlement to Yarra Valley Water to take and use water from the South-Central Pool.

5. DEFINITIONS

In this Order –

“**Act**” means the **Water Act 1989**;

“**Authority**” means Yarra Valley Water;

“**Annual Operating Plan**” means the plan developed for the purposes of operating the Melbourne Headworks System to meet the requirements of the relevant entitlement holders each year;

“**Annual Report**” means an annual report prepared by the water corporation under Part 7 of the **Financial Management Act 1994**, and Part 6 of the **Water Act 1989**;

“**Bulk Water Supply Agreements**” means an agreement which set out the operational arrangements between the Authority and Storage Manager for the take of water under this Order;

“**Department**” means the Department of Energy, Environment, and Climate Action;

“Desalinated Water” means the treated seawater produced by the Victorian Desalination Project;

“Desalinated Water Order Advice” means the recommendation made by Melbourne Water to the State’s Principal Representative about the volume of desalinated water to be ordered for the year, made in accordance with the Water Interface Agreement;

“Gippsland Water’s and Southern Rural Water’s Tarago River Bulk Entitlements” means the Bulk Entitlement (Tarago River – Gippsland Water) Conversion Order 2009 and the Bulk Entitlement (Tarago River – Southern Rural Water) Conversion Order 2009;

“Interface Point” means any physical location where a South-Central Pool Bulk Entitlement Holder takes water from the South-Central Pool

“Melbourne Headworks System” means Thomson, Upper Yarra, Maroondah, O’Shannassy, Sugarloaf, Silvan, Cardinia, Toorourrong, Yan Yean, Greenvale and Tarago Reservoirs and the associated weirs, tunnels, transfer conduits, treatment plants and associated water supply works owned by Melbourne Water, and includes the water harvested by the headworks and sourced from the Victorian Desalination Project inclusive of the Transfer Pipeline;

“Melbourne Water” means Melbourne Water Corporation;

“Minister” means the Minister administering the Act;

“North-South Pipeline” means the water transmission pipeline between the off-take point, which is the pump station on the Goulburn River near Killingworth Road in Yea, and Sugarloaf Reservoir;

“Project Deed” means the Victorian Desalination Project – Project Deed between the State and AquaSure Pty Ltd, dated 30 July 2009 as amended from time to time;

“South-Central Pool” means the water available under the following Melbourne Water bulk entitlements specified for supply to the South-Central Pool Bulk Entitlement Holders:

- (a) Bulk Entitlement (Thomson River – Melbourne Water) Order 2014
- (b) Bulk Entitlement (Yarra River – Melbourne Water) Order 2014
- (c) Bulk Entitlement (Tarago and Bunyip Rivers – Melbourne Water) Order 2014
- (d) Bulk Entitlement (Silver & Wallaby Creeks – Melbourne Water) Order 2014
- (e) Bulk Entitlement (Desalinated Water – Melbourne Water) Order 2026;

“South-Central Pool Bulk Entitlement Holder” means a water corporation who holds a bulk entitlement authorising the take and use of water from the South-Central Pool as set out in Schedule 1;

“Southern Rural Water’s Thomson River Bulk Entitlement” means the Bulk Entitlement (Thomson/Macalister – Southern Rural Water) Conversion Order 2001;

“State’s Principal Representative” means the person appointed in accordance with the Water Interface Agreement as the State’s Principal Representative;

“**Storage Manager**” means Melbourne Water as appointed by the Minister under section 122ZK of the Act;

“**System Management Rules**” means any rules that are adopted for the operation of the Melbourne Headworks System in accordance with clause 13;

“**Transfer Pipeline**” means the water transmission pipeline between the site of the Victorian Desalination Project’s seawater desalination plant in the Bass Coast region and Melbourne Water’s infrastructure at Soldiers Road Berwick (including the Delivery Points), which is to be utilised for the transportation of either Desalinated Water or water from Cardinia Reservoir in accordance with the provisions of the Project Deed;

“**Victorian Desalination Project**” means the construction and carrying out of the works, facilities and services and all ancillary and incidental activities associated with the development and operation of a seawater desalination plant in the Bass Coast region;

“**Water Interface Agreement**” means the agreement relating to Desalinated Water between the Minister for Water for the State of Victoria, the Secretary to the then Department of Sustainability and Environment, and Melbourne Water Corporation dated 28 March 2012;

“**Yarra Valley Water**” means Yarra Valley Water Corporation;

“**year**” means the 12-month period between 1 July and 30 June.

PART 2 – ENTITLEMENT

6. BULK ENTITLEMENT

- 6.1 The Authority is entitled to take water from the South-Central Pool, subject to the conditions set out in this Order.
- 6.2 The volume of water available for the Authority to take, collectively with the other South-Central Pool Bulk Entitlement Holders, from the South-Central Pool in any year is determined by the Storage Manager in accordance with clause 8.

7. TAKE OF WATER

- 7.1 The Authority, collectively with the other South-Central Pool Bulk Entitlement Holders, can only take water determined to be available for the South-Central Pool by the Storage Manager in accordance with clause 8.
- 7.2 The Authority is only authorised to take water from the South-Central Pool via Interface Points.

8. OBLIGATION ON STORAGE MANAGER TO CALCULATE AVAILABLE WATER

- 8.1 The Storage Manager must determine the water available for the South-Central Pool Bulk Entitlement Holders to take in that year using the method outlined in Schedule 2.

9. OBLIGATION TO PROVIDE ANNUAL TAKE ESTIMATE

- 9.1 The Authority must provide the Storage Manager with an estimate of the volume of water the Authority is expecting to take from the South-Central Pool in the forthcoming year based on agreed scenarios (take estimate), before the commencement of that year.
- 9.2 The Authority must agree the scenarios which will apply for sub-clause 9.1 with the Storage Manager and other South-Central Pool Bulk Entitlement Holders.
- 9.3 If any circumstances arise within the year which will materially change the take estimate provided under sub-clause 9.1, the Authority must notify the Storage Manager of the circumstances and the revised take estimate as soon as practicable.
- 9.4 The Authority must provide a copy of any information supplied to the Storage Manager under sub-clauses 9.1 and 9.3 to the other South-Central Pool Bulk Entitlement Holders at the same time.

PART 3 – SYSTEM MANAGEMENT ARRANGEMENTS

10. SOUTH-CENTRAL POOL GOVERNANCE PRINCIPLES

- 10.1 Within 12 months of the date of commencement of this Order, the Authority must agree a set of principles with the other South-Central Pool Bulk Entitlement Holders and the Storage Manager that will guide how the Authority takes water under this Order and fulfils obligations as specified in this Order, in relation to -
- (a) the Authority’s interactions with the other South-Central Pool Bulk Entitlement Holders to manage collective responsibilities; and
 - (b) the Authority’s decision-making with a view to collective responsibility and optimum long-term outcomes for the South-Central Pool.
- 10.2 The Storage Manager must provide a copy of the finalised agreed principles under sub-clause 10.1 to the Minister (for noting only).

11. DESALINATED WATER ORDER ADVICE

- 11.1 The Authority must provide any information necessary to support the preparation of the Desalinated Water Order Advice to the Storage Manager within the timeframe agreed by the Storage Manager and South-Central Pool Bulk Entitlement Holders in the Desalinated Water Order Advice Method.
- 11.2 The Authority must, in response to the Storage Manager consulting on a draft Desalinated Water Order Advice, do the following -
- (a) advise the Storage Manager whether the Authority agrees or disagrees with the draft Desalinated Water Order Advice;
 - (b) if the Authority disagrees, outline the basis on which the draft Desalinated Water Order Advice is not supported; and
 - (c) identify any recommended changes to the draft Desalinated Water Order Advice.
- 11.3 The Authority must provide a copy of the information provided to the Storage Manager under sub-clauses 11.1 and 11.2 to the other South-Central Pool Bulk Entitlement Holders at the

same time.

12. DESALINATED WATER ORDER ADVICE METHOD

- 12.1 The Authority must support the Storage Manager in establishing a method for the preparation of the Desalinated Water Order Advice (the Desalinated Water Order Advice Method).
- 12.2 The Storage Manager must obtain written agreement from each of the South-Central Pool Bulk Entitlement Holders to the Desalinated Water Order Advice Method.
- 12.3 The Authority must provide any information necessary to support the establishment of the Desalinated Water Order Advice Method to the Storage Manager within the time agreed by the Storage Manager and South-Central Pool Bulk Entitlement Holders.
- 12.4 The Authority must do the following in response to requests from the Storage Manager in relation to the Desalinated Water Order Advice Method, within the time agreed by the Storage Manager and South-Central Pool Bulk Entitlement Holders -
- (a) advise the Storage Manager in writing whether the Authority agrees or disagrees;
 - (b) if the Authority disagrees, outline the basis for the disagreement; and
 - (c) identify any recommended changes.
- 12.5 The Authority may make a request to the Storage Manager in writing for an amendment to the Desalinated Water Order Advice Method.
- 12.6 The Authority must provide a copy of the information provided to the Storage Manager under sub-clauses 12.3, 12.4 and 12.5 to the other South-Central Pool Bulk Entitlement Holders at the same time.

13. SYSTEM MANAGEMENT RULES

- 13.1 The Authority must provide any information requested by the Storage Manager to support the development or amendment of System Management Rules for managing the Melbourne Headworks System.
- 13.2 The Authority must review any draft System Management Rules prepared by the Storage Manager and provide a response to the Storage Manager detailing the following -
- (a) whether the Authority agrees or disagrees with the draft rules;
 - (b) if the Authority disagrees, outline the basis on which the draft rules is not supported; and
 - (c) identify any recommended changes to the draft rules and supporting material.
- 13.3 The Authority may make a request to the Storage Manager in writing for an amendment to System Management Rules for the Melbourne Headworks System.
- 13.4 The Authority must provide a copy of the information provided to the Storage Manager under sub-clauses 13.2 and 13.3 to the other South-Central Pool Bulk Entitlement Holders at the same time.
- 13.5 The Authority must comply with any rules regarding actions it must take relating to demand management as specified in the System Management Rules.

14. ANNUAL OPERATING PLAN

- 14.1 The Authority must provide any information requested by the Storage Manager to support the development or update of an Annual Operating Plan for the purposes of operating the Melbourne Headworks System.
- 14.2 The Authority must review any draft Annual Operating Plan for the Melbourne Headworks System prepared by the Storage Manager and provide a response to the Storage Manager detailing the following -
- (a) whether the Authority agrees or disagrees with the draft Annual Operating Plan;
 - (b) if the Authority disagrees, outline the basis on which the draft Annual Operating Plan is not supported; and
 - (c) identify any recommended changes to the draft Annual Operating Plan and supporting material.
- 14.3 The Authority must provide a copy of the response to the Storage Manager under sub-clause 14.2 to the other South-Central Pool Bulk Entitlement Holders at the same time.
- 14.4 The Authority may make a request to the Storage Manager in writing for an amendment to Annual Operating Plan for the Melbourne Headworks System.

15. BULK WATER SUPPLY AGREEMENT

- 15.1 The Authority and the Storage Manager must have in place a Bulk Water Supply Agreement for the take of water under this Order from the Melbourne Headworks System.
- 15.2 The Bulk Water Supply Agreement must set out the operational arrangements between the Authority and Storage Manager for the take of water under this Order and must address but is not limited to –
- (a) arrangements for provision of information to the Storage Manager about forecast take estimate as required by clause 9;
 - (b) arrangements to enable the Authority to take water at the Authority’s Interface Points, including delivery and withdrawal arrangements (including daily maximum rate of take where applicable);
 - (c) arrangements for coordination and liaison between representatives of the Authority and the Storage Manager with regard to operational matters; and
 - (d) emergency management arrangements.
- 15.3 The Authority must provide a copy of the signed Bulk Water Supply Agreement and any amendments to the Agreement as a consolidated copy to the Department.
- 15.4 The Bulk Water Supply Agreement may be amended from time to time, including as necessary to reflect any required changes in practical operations, as agreed between the Authority and Storage Manager.

PART 4 – GENERAL PROVISIONS

16. METERING PROGRAM

- 16.1 To demonstrate compliance with this Order, the Authority 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, or enter into an agreement with the Storage Manager to implement and maintain a metering program which demonstrates how the Authority complies with the requirements of this Order.

16.2 The Minister may at any time require the Authority to –

- (a) review the metering program if, in the Minister’s opinion, it is no longer appropriate; and
- (b) propose an amended program to the Minister.

16.3 Any application by the Authority to the Minister for amendment to this Order must address any implications of the proposed amendment for the metering program.

17. REPORTING REQUIREMENTS

17.1 Where the Minister makes a written request to the Authority for a report on one or more of the matters specified in sub-clause 17.3, the Authority 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.

17.2 The Authority must, in its Annual Report, report on each of the matters set out in sub-clause 17.3.

17.3 For the purposes of sub-clause 17.1 and 17.2, the matters may include –

- (a) the annual amount of water taken under this Order;
- (b) collectively, with the other South-Central Pool Bulk Entitlement Holders, the annual volume taken from the South-Central Pool;
- (c) the water resources in the South-Central Pool as determined by the Storage Manager;
 - (i) at the start of the year; and
 - (ii) the unused water at the end of the year.
- (d) the approval, amendment and implementation of the metering program approved under clause 16;
- (e) any amendment to this Order;
- (f) any failure by the Authority to comply with any provision of this Order and any remedial action taken or proposed; and
- (g) any difficulties experienced or anticipated by the Authority in complying with this Order and any remedial action taken or proposed.

17.4 The Authority must provide the data under sub-clause 17.3(a) to the Storage Manager and other South-Central Pool Bulk Entitlement Holders whenever this is requested by any of these parties in a timely way.

18. DATA

18.1 All hydrological and other data that is collected and held by the Storage Manager and which is required by the Authority to comply with this Order, must be provided by the Storage Manager to the Authority.

19. STORAGE MANAGEMENT COSTS

- 19.1 The Authority must pay the Storage Manager a share of the costs associated with the storage and supply of water under this Order.
- 19.2 The amount to be paid by the Authority under sub-clause 19.1 must be set in accordance with an applicable price determination made by the Essential Services Commission in accordance with Part 1A of the **Water Industry Act 1994** and Part 3 of the **Essential Services Commission Act 2001**.

20. DISPUTE RESOLUTION

- 20.1 Where the Authority considers the Storage Manager and/or any South-Central Pool Bulk Entitlement Holder and/or any other bulk or environmental entitlement holder within the Melbourne Headworks System has not met its obligations under this Order, or another entitlement, and which the Authority considers materially impacts on the Authority's rights, or its ability to meet its obligations, under this Order or the Act, the Authority 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 Authority believes the obligation has not been complied with;
 - (c) the remediation action sought by the Authority; and
 - (d) the time for response to the notice.
- 20.2 Where the party notified under sub-clause 20.1 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.
- 20.3 If the Notice provided under sub-clause 20.1 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 20.2, it is open to the Authority to write to the Minister to notify of the issue for further resolution.

21. REVIEW OF ENTITLEMENT ARRANGEMENTS

- 21.1 The Storage Manager must, in consultation with the South-Central Pool Bulk Entitlement Holders, undertake a review of the arrangements to support the South-Central Pool and the South-Central Pool Bulk Entitlement Holders, either-
- (a) five years after the commencement of this Order; or
 - (b) on the written agreement of the Storage Manager and all South-Central Pool Entitlement Holders if a review is deemed necessary before the five years specified under sub-clause 21.1(a) elapses.
- 21.2 The Storage Manager must advise the Minister of the outcome of the review including -
- (a) whether the arrangements to support the South-Central Pool and South-Central Pool Bulk Entitlement Holders-
 - (i) are effective and require no change; or

(ii) require change, including if any amendments are recommended to bulk entitlements held by Melbourne Water for the purpose of supplying the South-Central Pool or bulk entitlements held by a South-Central Pool Bulk Entitlement Holder;

(b) any views of a South-Central Pool Bulk Entitlement Holder in respect of the above.

21.3 The advice required under sub-clause 21.2 must be provided by 30 November five years after the commencement of this Order.

GAYLE TIERNEY MP
Minister for Water

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SCHEDULE 1 – SOUTH-CENTRAL POOL BULK ENTITLEMENTS

Table 1 lists the bulk entitlements and holders of entitlements in the South-Central Pool which comprises the South-Central Pool Bulk Entitlement Holders.

Table 1

Bulk Entitlement	Entitlement Holder
Bulk Entitlement (South-Central Pool – Greater Western Water) Order 2026	Greater Western Water Corporation
Bulk Entitlement (South-Central Pool – South East Water) Order 2026	South East Water Corporation
Bulk Entitlement (South-Central Pool – Yarra Valley Water) Order 2026	Yarra Valley Water Corporation
Bulk Entitlement (South-Central Pool – Barwon Water) Order 2026	Barwon Water Corporation
Bulk Entitlement (South-Central Pool – South Gippsland Water) Order 2026	South Gippsland Water Corporation
Bulk Entitlement (South-Central Pool – Westernport Water) Order 2026	Westernport Water Corporation
Bulk Entitlement (South-Central Pool – Gippsland Water) Order 2026	Central Gippsland Region Water Corporation

SCHEDULE 2- CALCULATING AVAILABLE WATER FOR THE SOUTH-CENTRAL POOL

1. PURPOSE

The purpose of this Schedule is to provide rules for how the Storage Manager determines the water available for the South-Central Pool.

2. CALCULATING AVAILABLE WATER

2.1 The Storage Manager must calculate the following in line with this Schedule each month:

- (a) The water resources that had been in the South-Central Pool in the current year to date is –
 - A. The observed volume of water stored in Upper Yarra, Thomson, Maroondah, O’Shannassy, Sugarloaf, Silvan, Cardinia, Toorourrong, Yan Yean, Greenvale and Tarago Reservoirs at the start of the month;
 - B. LESS: the volume in Southern Rural Water’s storage capacity share of Thomson Reservoir under Southern Rural Water’s Thomson River Bulk Entitlement;
 - C. LESS: The Victorian Environmental Water Holder’s volume of unused water held under their entitlements (carryover) in the Melbourne Headworks System at the start of the month;
 - D. LESS: Passing flow reserve volumes (including the reserve for Thomson Reservoir passing flows in excess of inflows in dry months);
 - E. LESS: The volume of water set aside in Tarago Reservoir for Gippsland Water’s and Southern Rural Water’s Tarago River Bulk Entitlements;
 - F. LESS: The volume of water held in the storages detailed in paragraph 2.1(a)A by an individual South-Central Pool Bulk Entitlement Holder which is not part of the South-Central Pool (for example water held under other bulk entitlements, or water traded from other entitlement holders, that is physically transferred into the storages, such as via the North-South Pipeline);
 - G. LESS: Water that is traded out of the South-Central Pool (i.e. from the South-Central Pool to another user);
 - H. LESS: The volume below Minimum Operating Level of the storages in paragraph 2.1(a)A (Note 1);
 - I. PLUS: Any water traded from another entitlement holder into the South-Central Pool in that year; and
 - J. PLUS: Any unused water volume under paragraph 2.1(a)F at the end of the previous year (see Note 2): and
 - K. PLUS: The measured total amount of water delivered to South-Central Pool Bulk Entitlement Holders from 1 July last to the start of the month;
- (b) The estimated water resource in the South-Central Pool for the remainder of the year, as at the current month, equals–
 - A. The volume calculated under paragraph 2.1(a) for that month;

- B. MINUS: The measured total amount of water delivered to South-Central Pool Bulk Entitlement Holders from 1 July last to the start of the month;
 - C. PLUS: Estimate of harvestable water for the South-Central Pool for the remainder of the year, based on 2006/7 inflows or the worst recorded 12 months of inflows, whichever is lower;
 - D. PLUS: Estimate of remaining volume of Desalinated Water yet to be delivered to Delivery Points for the year;
- (c) The water available for the South-Central Pool Bulk Entitlement Holders to take for the remainder of the year, as at the current month, equals the water volume as calculated under paragraph 2.1(b) subject to the limitations on Melbourne Water’s ability to take water under its bulk entitlements to supply the South-Central Pool in accordance with the Diversion Limit (see Note 3) under each of Melbourne Water’s bulk entitlements.
- (d) For the avoidance of doubt, to note, the water available to take for each individual South-Central Pool Bulk Entitlement Holder is further limited due to-
- (i) capacity constraints in the infrastructure delivering water to their Interface Points within the Melbourne Headworks System; and/or
 - (ii) capacity constraints in their Interface Points’ infrastructure
- as applicable.

3. REPORTING TO THE SOUTH-CENTRAL POOL BULK ENTITLEMENT HOLDERS

- 3.1 The Storage Manager must provide the volume of water resources available for the South-Central Pool to take, as calculated under sub-clause 2.1 of this Schedule, to the South-Central Pool Bulk Entitlement Holders each month. This must include details of any forecast limitations on availability due to Melbourne Water’s Diversion Limits under its bulk entitlements.
- 3.2 The Storage Manager must also provide a report each month to the South-Central Pool Bulk Entitlement Holders that includes, but is not limited to, the data required under sub-clause 3.1, the volume of inflows into the South-Central Pool, the volume of water that is stored in the South-Central Pool, and the volume taken by the South-Central Pool Bulk Entitlement Holders each month.
- 3.3 The Storage Manager and the South-Central Pool Bulk Entitlement Holders may agree (and agree to vary from time to time) the frequency and contents of the Storage Manager’s report under sub-clause 3.2 of this Schedule.

Notes to Schedule:

1. The “Minimum Operating Levels” referenced in paragraph 2.1(a)H are specified in the System Management Rules.
2. For the avoidance of doubt any unused water under paragraph 2.1(a)F from the previous year becomes part of the South-Central Pool resource under paragraph 2.1(a)A at the start of the year i.e. unused water is not carried over into the next water year by that individual South-Central Pool Bulk Entitlement Holder.

3. “Diversion Limit” means the relevant volumetric limit that applies to take (maximum allowable take) under each of Melbourne Water’s bulk entitlements as follows:
- Bulk Entitlement (Silver & Wallaby Creeks – Melbourne Water) Order 2014 as defined in Clause 8 Diversion Limit of that bulk entitlement;
 - Bulk Entitlement (Thomson River – Melbourne Water) Order 2014 as defined in Clause 9 Diversion Limit of that bulk entitlement;
 - Bulk Entitlement (Yarra River – Melbourne Water) Order 2014 as defined in Clause 9 Diversion Limit of that bulk entitlement;
 - Bulk Entitlement (Tarago and Bunyip Rivers – Melbourne Water) Order 2014 as defined in Clause 5 Bulk Entitlement limit on take in that bulk entitlement;
 - Bulk Entitlement (Desalinated Water – Melbourne Water) Order 2026 as defined in Clause 6 Bulk Entitlement limit on take in that bulk entitlement.

For the avoidance of doubt, the Diversion Limit represents the volumetric limit of water that Melbourne Water is able to take to supply the South-Central Pool in accordance with each of its bulk entitlements.

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