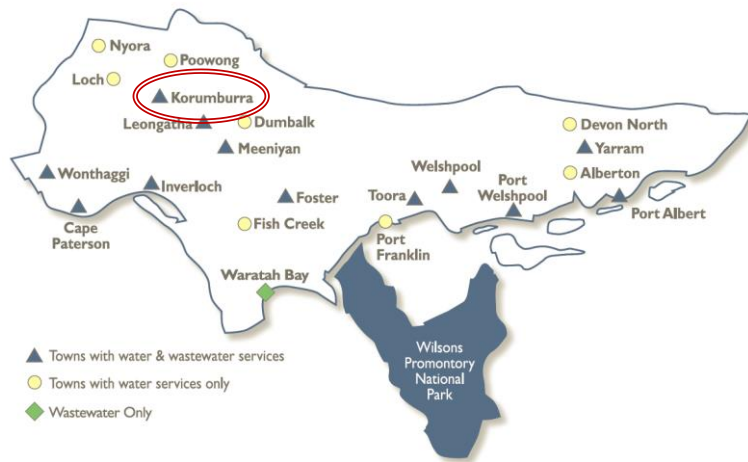


Korumburra Water Supply System



The town of Korumburra is will be connected to the Lance Creek system, receiving its water from Lance Creek Reservoir which has a capacity of 4,200 ML. Until recently, Korumburra received its water from Coalition Creek, Ness Gully and Bellview Creek Reservoirs which have a combined capacity of 575 ML.

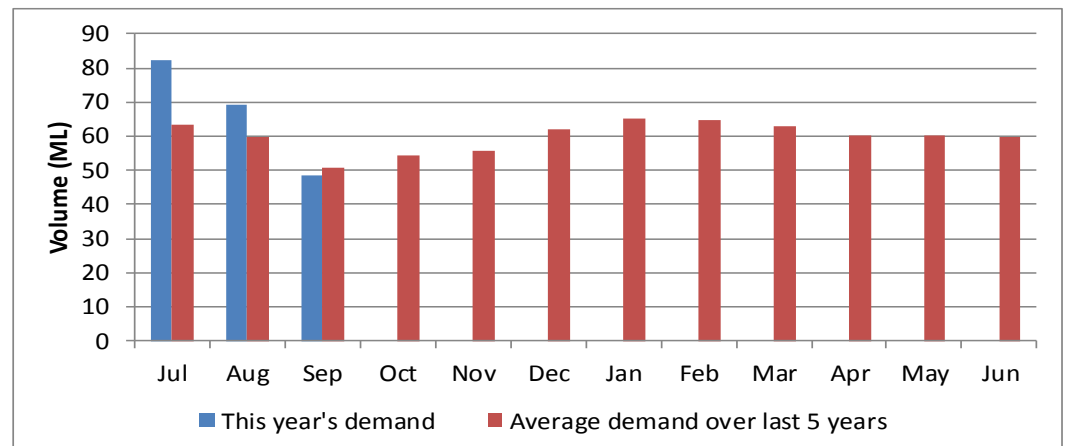
Water Supply Information

Water resources held by South Gippsland Water for the Korumburra Water Supply System are shown below. 20% of the available annual entitlement from the Korumburra storages has been used in the current year to date (Jul-Oct 2018). It is unlikely that the remaining Bulk Entitlement volume will be used due to connection to the Lance Creek system. This entitlement is a legal right to access water, subject to availability. No water has been diverted over this period to the Korumburra storages from the alternative supplies of the Tarwin River West Branch and Groundwater.

| Water Component | Maximum Annual Entitlement | Volume Extracted 2018-19 | Volume Remaining 2018-19 |
|---|----------------------------|--------------------------|--------------------------|
| Coalition Creek, Ness Gully and Bellview Creek Reservoirs | 1000 ML | 200 ML | 800 ML |

Water Consumption

Monthly water consumption for the Korumburra Water Supply System was much higher than the 5 year average demand in July and remained above average until the end of August. Water use by major customer Burra Foods was 124% greater than the current 5 year average.



South Gippsland Water

1300 851 636

www.sgwater.com.au

Further Information:

- The Lance Creek Reservoir was 99.5% full at the end of October.
- Volumes shown in the storage outlook are start of month values in megalitres (ML), where 1 ML is equivalent to 1 million litres (or roughly one Olympic sized swimming pool).

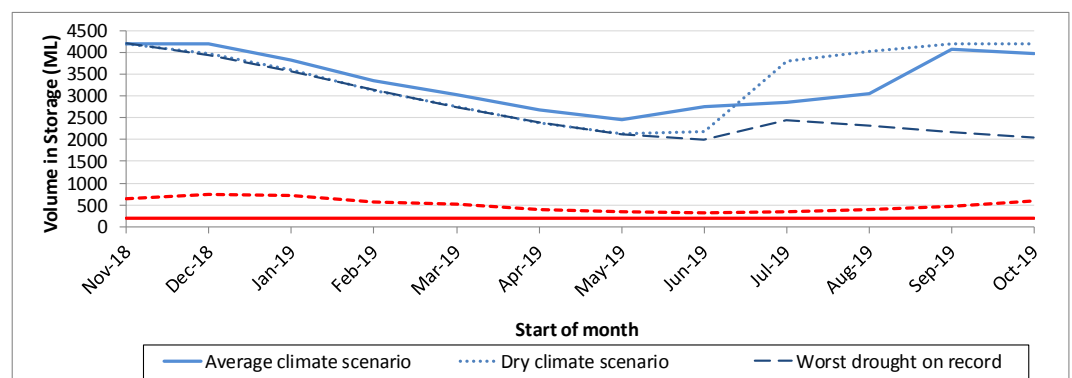
Climate Conditions

Forecast climate conditions for the coming three months have considered the Bureau of Meteorology’s seasonal climate forecast for the region and local climate conditions in the year to date. The Bureau’s climate outlook indicates that rainfall over the next three months is likely to be lower than long-term average. Winter/spring rainfall in the year to date has been below average. Air temperature is forecast over the next three months to be higher than the long-term average for this time of year. After taking these factors into account, South Gippsland Water is forecasting on the basis of a dry climate scenario, which is characterised by streamflows into the Korumburra storages and supply from the Tarwin River West Branch that are below long-term average values.

| Chance of Exceeding Median Rainfall | Chance of Exceeding Median Maximum Temperature | This Year’s Spring Rainfall | Likely Outlook Scenario |
|-------------------------------------|--|-----------------------------|-------------------------|
| 35-40% | 60-65% | Dry | Dry |

Urban Water Restrictions Outlook

The volume in storage outlook for the Korumburra Water Supply System, which is now the Lance Creek system for the period November 2018 to October 2019 is shown in the following figure. Storage levels are not expected to drop below the trigger for restrictions under the anticipated dry climate scenario.



South Gippsland Water’s Permanent Water Savings Plan applies to all customers during other months.

| Climate Scenario | Outlook | | | | | | | |
|------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 1 Dec 2018 | 1 Jan 2019 | 1 Feb 2019 | 1 Mar 2019 | 1 Apr 2019 | 1 May 2019 | 1 Jun 2019 | 1 Jul 2019 |
| Wet | PWSP | PWSP | PWSP | PWSP | PWSP | PWSP | PWSP | PWSP |
| Average | PWSP | PWSP | PWSP | PWSP | PWSP | PWSP | PWSP | PWSP |
| Dry | PWSP | PWSP | PWSP | PWSP | PWSP | PWSP | PWSP | PWSP |

PWSP Permanent Water Savings Plan

- South Gippsland Water has a short-term plan in place to manage supplies over the outlook period, and a long-term plan to reduce demand and improve the reliability of supply in future years

Action Plan

A list of priority actions for this supply system is presented below. This incorporates plans as specified in the previous Water Supply Demand Strategies, recent Urban Water Strategy and other ongoing management activities. Further information on actions can be found in the Urban Water Strategy published in 2017 and Water Plan 3 publications on our website. The next phase of our Water Plan and Pricing Review is currently underway.

| Action Name | Timing |
|--|--------------------------------------|
| Demand management | Stage 1 restrictions from March 2018 |
| Reduce leaks and wastage | Ongoing |
| Update water security outlook | Every November |
| Pipeline connection between Lance Creek Reservoir and Korumburra (and extending to Poowong) has been designed. Construction has been undertaken over the last 12 months. Anticipated project commissioning in November 2018. | November 2018 |
| Completed extension of temporary summer diversion licence from Tarwin River to allow pumping up to 30 June 2020 | Completed early 2015 |

The information provided in this water security outlook is intended as a guide only. An update will be issued if conditions change during the outlook period.