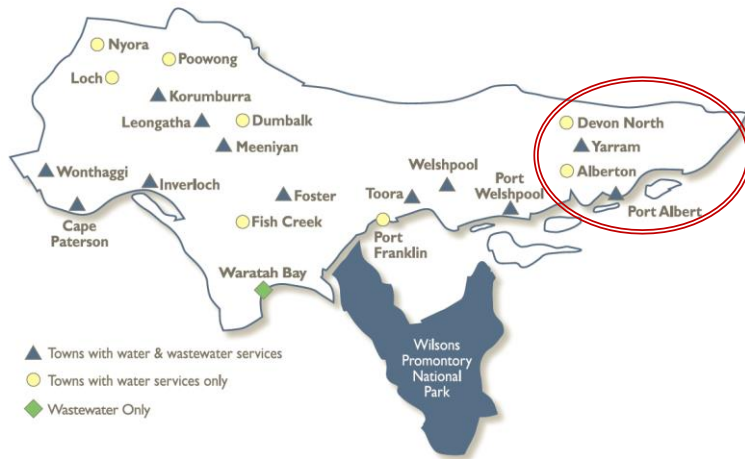


Tarra River Water Supply System



The Tarra River Water Supply System supplies water to the townships of:

- Yarram;
- Alberton;
- Port Albert; and
- Surrounding rural communities.

Primary supply is from a diversion weir on the Tarra River, with backup supply from a groundwater bore. Both sources of water are transferred to a storage basin, with a capacity of 30 ML. This storage allows water supply to be maintained during short periods of low river flow during drought.

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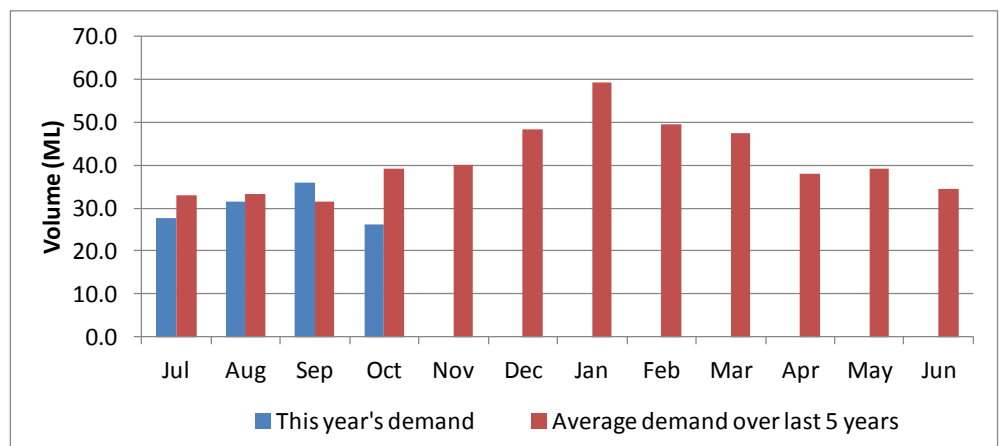
Water Supply Information

Water resources held by South Gippsland Water for the Tarra River Water Supply System are shown below. Only 14% of the available annual entitlement has been used from the Tarra River in the current year to date (Jul-Oct 2016), with none of the annual groundwater bore entitlement used over the same period. This entitlement is a legal right to access water, subject to availability.

| Water Component | Maximum Annual Entitlement | Volume Extracted 2016-17 | Volume Remaining 2016-17 |
|------------------|----------------------------|--------------------------|--------------------------|
| Tarra River | 853 ML | 122 ML | 731 ML |
| Groundwater Bore | 214.2 ML | 0 ML | 214.2 ML |

Water Consumption

Monthly water consumption for the Tarra River Water Supply System in the year to date has been generally lower than the average demand over the last five years.



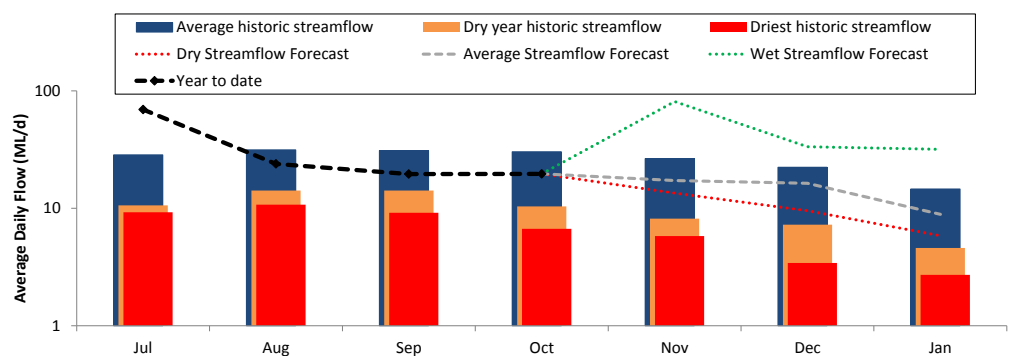
Climate Conditions

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 similar to the long-term average. Winter/spring rainfall in the year to date has been average to slightly below average, however rainfall in the most recent month (October) was more than 25% above average across much of South Gippsland. Air temperature is forecast over the next three months to be higher than the long-term average for this time of year, but any increase in demands from these higher temperatures is likely to be moderated by the anticipated rainfall. After taking these factors into account, South Gippsland Water is forecasting on the basis of an average climate scenario, which is characterised by streamflows in the Tarra River that are similar to long-term average values.

| Chance of Exceeding Median Rainfall | Chance of Exceeding Median Maximum Temperature | This Year’s Spring Rainfall | Likely Outlook Scenario |
|-------------------------------------|--|-----------------------------|-------------------------|
| 50-55% | 65-70% | Average | Average |

Streamflow Outlook

Streamflows in the Tarra River are naturally highly variable, but were generally below average in the current year period. Whilst precisely forecasting streamflow conditions is difficult, streamflows for the outlook period are currently expected to remain at or slightly below average if the climate conditions continue as expected. The Tarra River system can also utilise a ground water bore to supplement extractions from the Tarra River if required.



Further Information:

- The most recent records for the Tarra River upstream of the diversion weir show that it was flowing at an average of 20 ML/d during September. This is well above SGW’s restriction trigger of 5 ML/d, but still a relatively low flow (exceeded in 80% of Septembers).
- The Yarram storage basin was 100% full at the end of October.
- Unregulated river flows are difficult to forecast. SGW has only forecast the next 3 months due to low forecast skill beyond 3 months. The graph is formatted to highlight low flow behaviour.
- Units are in megalitres per day (ML/d), where 1 ML is equivalent to 1 million litres (or roughly one Olympic sized swimming pool).

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Urban Water Restrictions Outlook

Based on the streamflow outlook, the demands for water in the year to date, and the Bureau of Meteorology climate forecast, no water restrictions are anticipated for the remainder of the year at the current time. South Gippsland Water’s Permanent Water Savings Plan applies to all customers over the outlook period.

| Climate Scenario | Outlook | | |
|------------------|------------|------------|------------|
| | 1 Dec 2016 | 1 Jan 2017 | 1 Feb 2017 |
| Wet | PWSP | PWSP | PWSP |
| Average | PWSP | PWSP | PWSP |
| Dry | PWSP | PWSP | PWSP |

PWSP Permanent Water Savings Plan

Action Plan

A list of priority actions for this supply system prior to the next update of the Urban Water Strategy is presented below. Further information on actions can be found in the previous Urban Water Strategy (Water Supply Demand Strategy 2011) and Water Plan 3 publications on our website.

| Action Name | Timing |
|---|----------------|
| Demand management | Ongoing |
| Reduce leaks and wastage | Ongoing |
| Continue purchase of groundwater licences | Ongoing |
| Update water security outlook | Every November |

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.