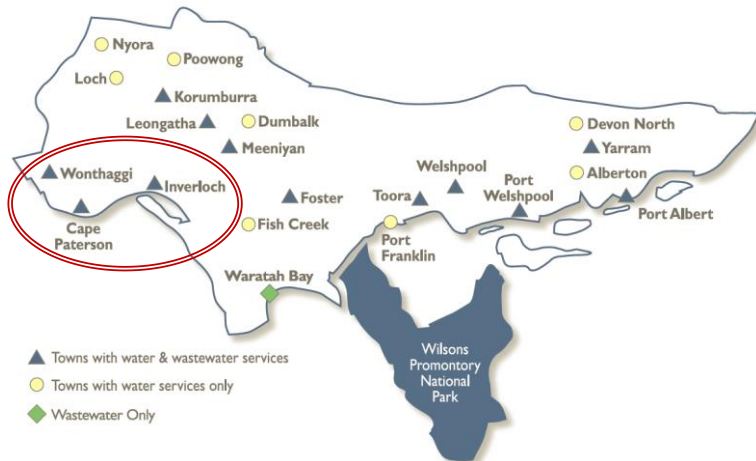


Lance Creek Water Supply System



Lance Creek Water Supply System supplies water to the townships of:

- Wonthaggi
- Cape Paterson
- Inverloch

The Lance Creek Supply System includes the following water sources:

- Lance Creek Reservoir: 4200ML capacity
- Melbourne Supply System: Back-up Supply

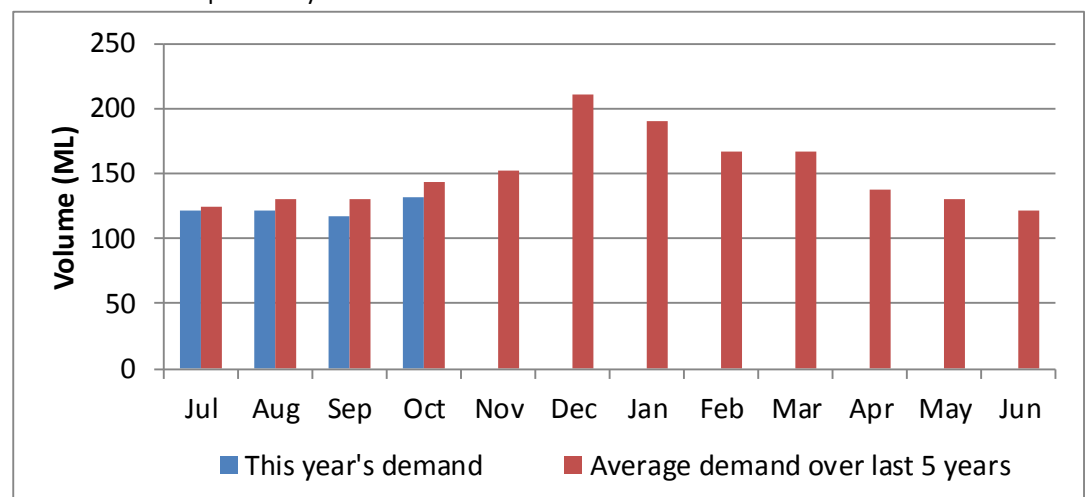
Water Supply Information

Water resources held by South Gippsland Water for the Lance Creek Water Supply System are shown below. Only 13% of the available annual entitlement has been used from Lance Creek Reservoir in the current year to date (Jul-Oct 2017), with no use from the Melbourne Supply System. These entitlements are a legal right to access water, subject to availability.

Water Component	Maximum Annual Entitlement	Volume Extracted 2017-18	Volume Remaining 2017-18
Lance Creek Reservoir	3,800 ML	491 ML	3,309 ML
Melbourne Supply System	1,000 ML	0 ML	1,000 ML

Water Consumption

Monthly water consumption for the Lance Creek Water Supply System in the year to date has been below the average demand over the last five years. Water use by major customers has declined recently, with 80% less water consumed in the year to date than the average consumption in July – October from the past five years.



Further Information:

- Lance Creek Reservoir was 100% 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).

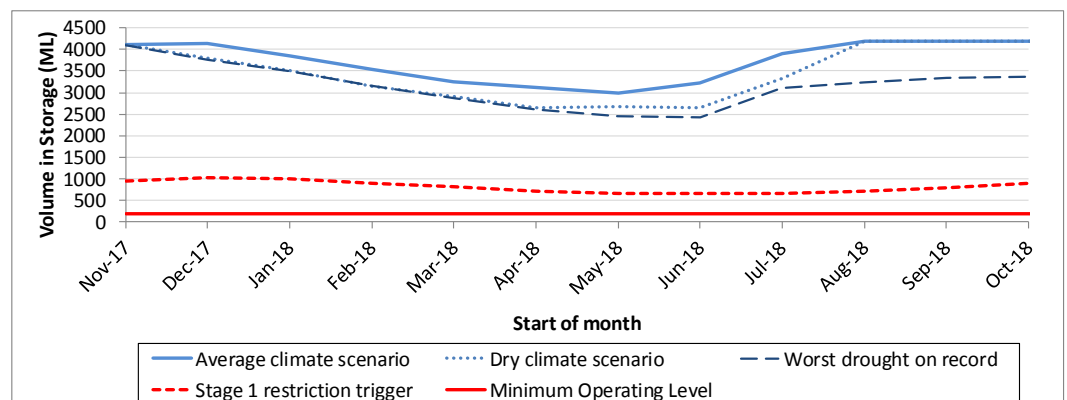
Climate Conditions

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 similar to the long-term average. Winter/spring rainfall in the year to date has been average to slightly above average. 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 into Lance Creek Reservoir 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
55-60%	65-70%	Average	Average

Urban Water Restrictions Outlook

The volume in storage outlook for Lance Creek Reservoir for the period November 2017 to October 2018 indicates that storage levels are expected to remain high relative to water restriction triggers over the coming year.



Based on the volume in storage outlook 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 Jan 2018	1 Apr 2018	1 Jul 2018
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 is presented below. 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	Ongoing
Reduce leaks and wastage	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.