

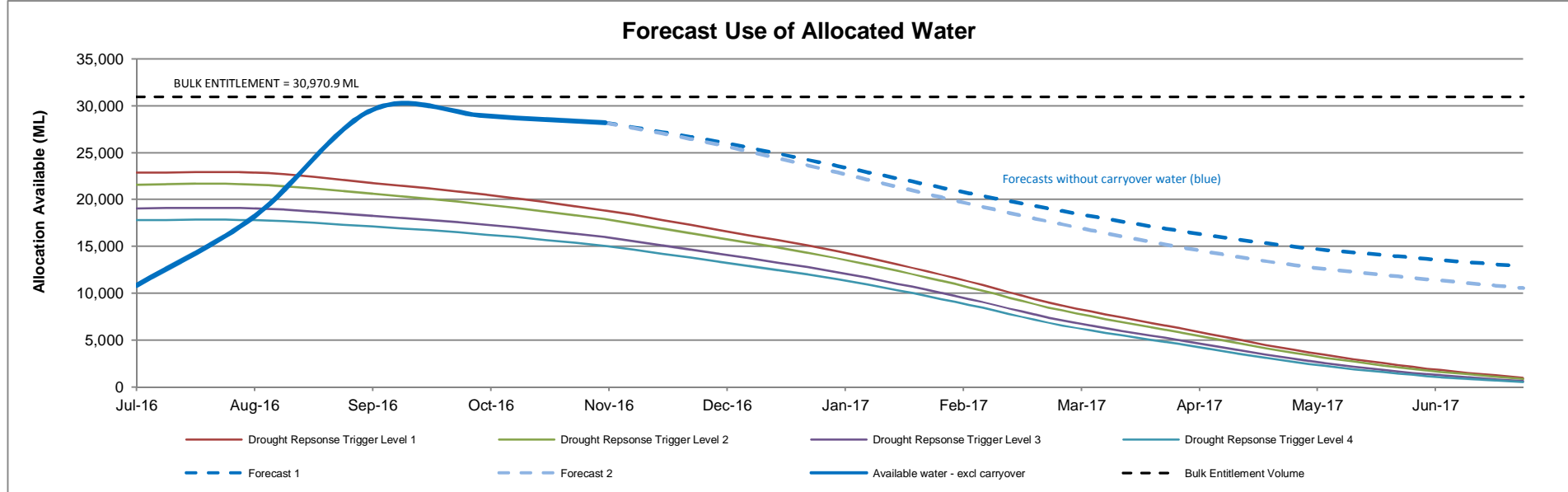
Annual Water Outlook - November 2016 to June 2017

Covering water supply to: Mildura, Red Cliffs, Robinvale, Murrabit, Kerang, Piangil, Koondrook and Swan Hill

System Summary

Lower Murray Water sources about 97% of all raw water from the River Murray, with about 3% (on average) being supplied from the Loddon River and GMW Channel system. Lower Murray Water currently holds 30,971 ML of high reliability water shares in the Murray Regulated system. The large storage capacity in the Murray system relative to Lower Murray Water's small demands makes the system relatively secure, and the system is considered to have a low water security risk profile.

Water Year Allocation Outlook (July 2016 - June 2017)



Forecast Assumptions
Forecast 1 = High demand (24,380 ML/a), 100% Murray Allocation without carryover
Forecast 2 = Average demand (21,200 ML/a), 100% Murray Allocation without carryover

Allocation Forecast

Murray system high reliability determinations commenced at 1% on 1 July 2016 and increased to 100% on 3 October 2016.

The Resource Manager Northern Victoria announced on 10 October 2016 that all of the water held in spillable water accounts in the Murray system has been deducted due to the volume of water that has spilled from Lake Hume.

Sources:
<http://www.nvrn.net.au/outlooks.aspx>
<http://www.nvrn.net.au/risk-of-spill.aspx>

Overview of System Status

6 month Outlook

The Mildura region has experienced wetter than average climatic conditions since July 2017 with water consumption being approximately 45% lower than the same time last year. LMW will have sufficient allocation available to meet the expected demand over the next 6 months, irrespective of further changes in water consumption.

12 Month Outlook

Based on the current resource situation and the expected demands throughout the remainder of 2016/167 LMW systems are expected to be secure over the next 12 months.

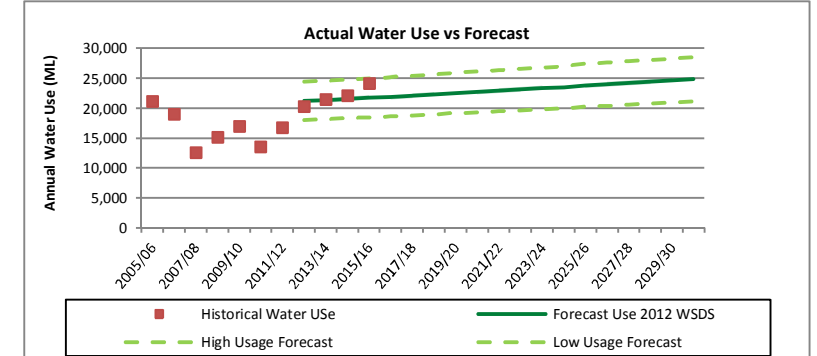
Action Plan

Actions	Timing	Responsibility
Continue to support uptake of recycled water in Industry and Municipalities and will identify further opportunities with Councils for localised reuse.	2014+	General Manager Technical Services
Implement a range of additional conservation and efficiency measures to reduce per capita consumption.	2013 - 2017	General Manager Technical Services
Investigate system losses and if economically justifiable upgrade related infrastructure.	2014 - 2020	General Manager Technical Services
Commence investigations to assess the feasibility of alternative supply options such as groundwater or desalination.	2020 - 2040	General Manager Technical Services

Lower Murray Water

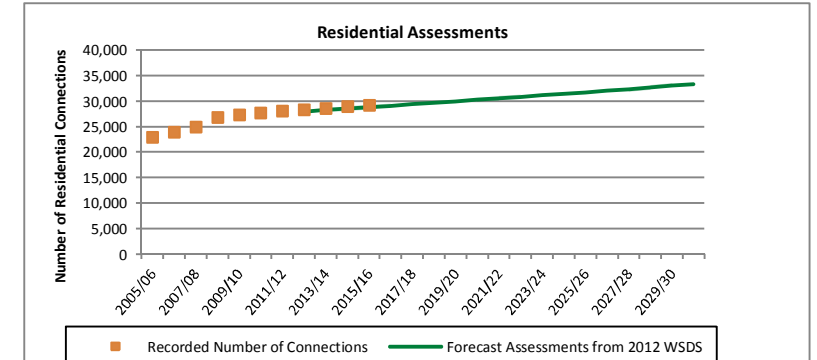
Monitoring Areas of Uncertainty

Water Use



Water use in 2015/16 increased by about 9% compared to the previous year. Total water use remains within the range forecast in the 2012 Water Supply Demand Strategy.

Number of Residential Assessments



Steady growth in connections has been experienced in the Lower Murray area in line with the growth rates forecast in the 2012 Water Supply Demand Strategy.