



WATER TRADING STRATEGY 2020/2021

Lower Murray Urban and Rural Water Corporation (LMW) holds an Urban Bulk Entitlement and Water Shares of approximately 32,500ML. On an annual basis, water allocations are derived from this Bulk Entitlement and Shares.

Depending on seasonal conditions and urban water demand (forecast to be in the order of 22,500ML), it is possible that LMW will sell surplus allocation in 2020-21. LMW will be less likely to sell allocation under drier scenarios and more likely to sell under wetter scenarios.

As water availability (via seasonal determinations) is largely known by the end of November of each season, decisions to sell allocation will typically take place from December onwards. This is expected to be the case again in 2020-21, though may be earlier should seasonal conditions allow it.

Proceeds from the sale will be used to assist maintain and improve LMW's service delivery to its urban customers.

Determination of the price for selling any surplus allocation shall be guided by the Victorian Water Register which records allocation trade prices and trends. LMW will also assess water market conditions at the time of the proposed sales to ensure that our trading won't have any significant adverse impacts on other market participants.

LMW will sell any surplus allocation via a panel of water brokers.