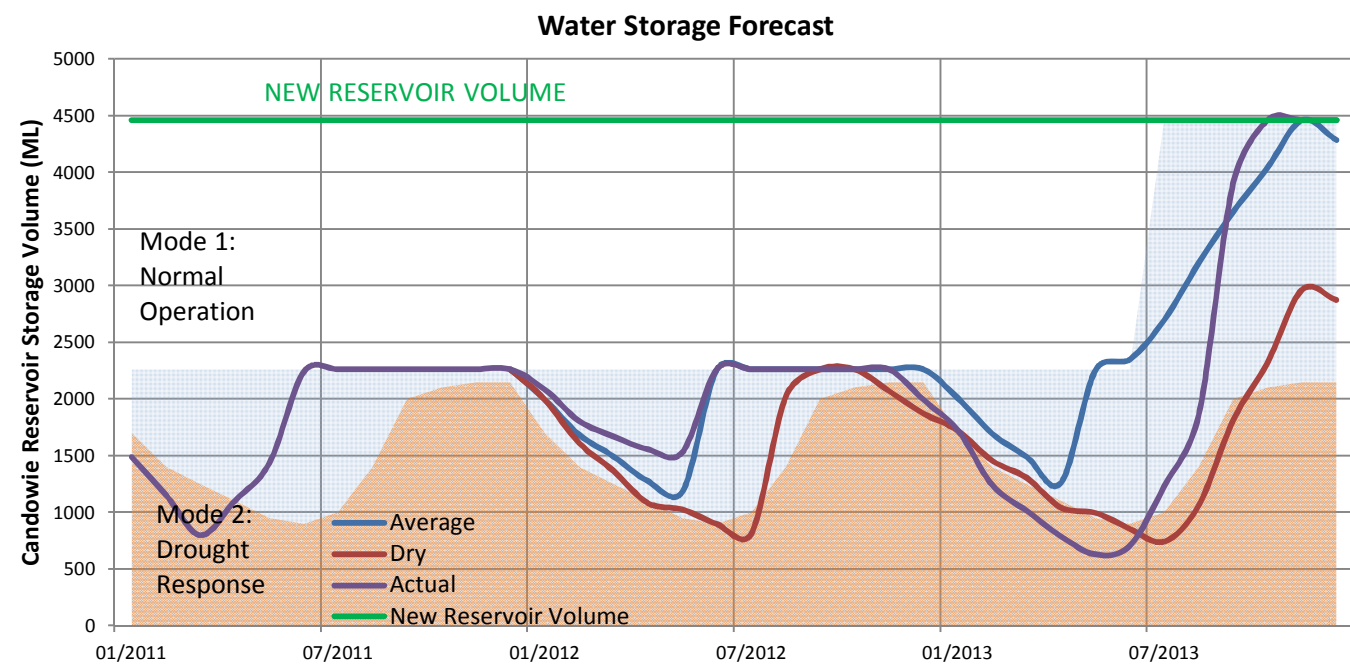


Westernport Water Security Outlook (Prepared: November 2013)

Supply Outlook



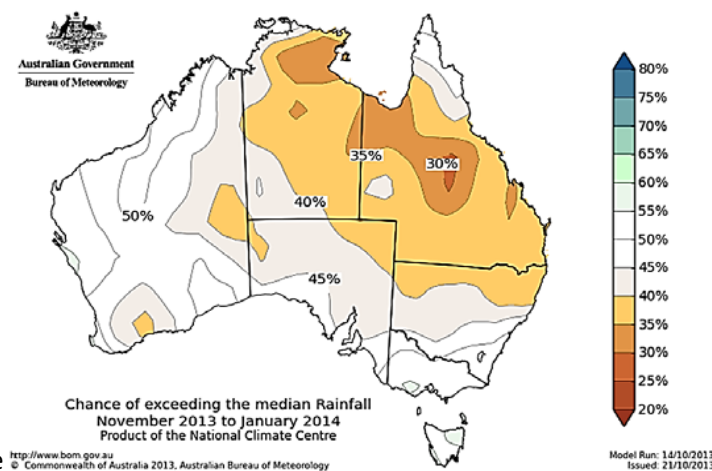
NOTE: Candowie Reservoir was augmented during 2012 -2013 raising the full supply level from 2,263 ML to 4,463 ML providing a drought reserve.

Forecast Scenarios:

Average: Average long term inflow, low demand
 Dry: Average inflow 1997 - 2009 , high demand

Seasonal Rainfall Outlook:

The chance of receiving a wetter or drier than normal November to January period is roughly equal (i.e., close to 50%) over Victoria, Tasmania and southern New South Wales. The tropical Pacific has remained ENSO neutral and is likely to persist through spring and summer. The Indian Ocean Dipole (IOD) is neutral, and is expected to remain so and will not influence this outlook. All of the leading climate models predict current patterns and trends will continue, with the neutral pattern forecast to continue until at least April. For routine updates and comprehensive discussion on any developments regarding El Niño and La Niña, please



Current Status: Drought Response

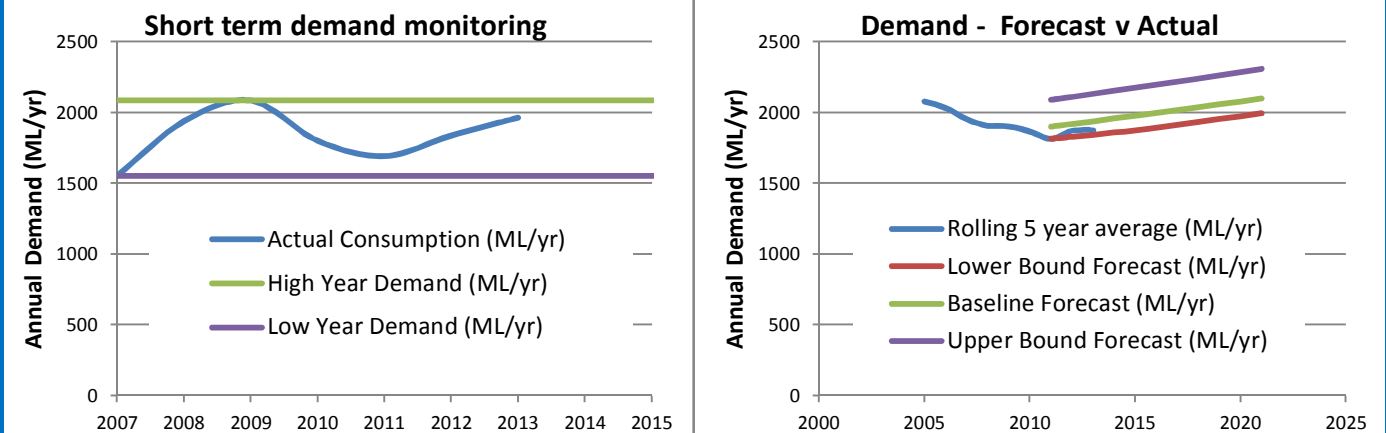
Likely Status Dec 2013: Normal Operation

Likely Status July 2014: Normal Operation

Based on current reservoir conditions (100% full at 1 November 2013) and recent rainfall events leading to a relatively wet catchment, Candowie Reservoir storage levels are likely to remain within the range shown in this outlook. The Bureau of Meteorology's seasonal outlook indicates a 50% chance of below average rainfall over the next 6 months, resulting in average inflows to the Candowie system. However, because of the strong starting position of the system, it is unlikely that storage levels will decrease significantly.

This outlook indicates that the system is unlikely to enter the Drought Response Mode, and Westernport Water should maintain monthly monitoring of the storage level in Candowie Reservoir to monitor the situation as detailed under 'Mode 1 - Normal Operation' in the Drought Response Plan.

Demand Indicators



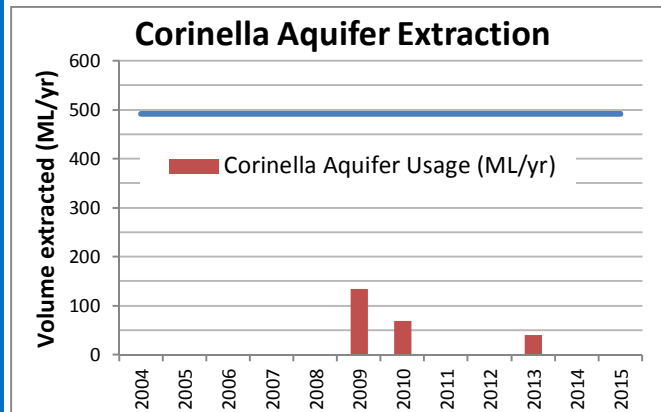
Demand Indicators:

Short term: Actual water consumption is tracking within the high annual and low annual demand scenarios used for the Water Storage Forecast. Demand has increased steadily over the past 2 years at an ave 135 ML.

Long term: The rolling 5 year average demand indicates that demand is trending upwards to the baseline forecast. Currently it is at the lower part of the band of the WSDS demand forecast range but is trending upwards to the average expected demand. Demand should continue to be monitored.

Environmental Flow Releases: Candowie Reservoir Upgrade provided for environmental flow releases downstream of the dam to improve river health, this will impact on water levels in the reservoir.

Supply Indicators



Supply indicators:

The 2 additional sources of water from Bass River and Corinella Aquifer were utilised to restore the water level in Candowie Reservoir after the level was kept low during the augmentation works. Only 41 ML from the aquifer and 201 ML from Bass River was pumped to the reservoir during May June 2013.

The inflow from the catchment of Tennent Creek enabled the reservoir to be refilled during July to September to the new storage volume of 4,463 ML.

Actions and Responsibilities

Water Supply Demand Strategy Actions:

- ❖ Ongoing monitoring of the implementation of the WSDS : *General Manager - Operations*
- ❖ Continuation of community consultation to better understand water use behaviours within the region: *General Manger - Customer Relations*
- ❖ Revise restriction levels, scenarios and drought response plan based on new reservoir volume : *General Manager - Operations*

Drought Response Plan Actions:

- ❖ Ongoing monitoring as detailed in Drought Response Plan under Mode 2 - Drought Operation: *General Manager - Operations*
- ❖ Monitoring of levels weekly, monitoring demand daily, operation of the bores and Bass River commenced to start restoring Candowie Reservoir after the works required the level to be kept lower in early 2013.
- ❖ Review Drought Response Plan following completion of system connection to Melbourne