LOWER MURRAY WATER

Corporate Plan
2026 - 2027

Contents

ACKNOWLEDGEMENT OF COUNTRY

Lower Murray Water acknowledges the Traditional Owners of the land on which we work and reside. We recognise their continuing connection to land, waterways, and community.

We pay our respects to Elders past, present and future. The Traditional Owner groups within Lower Murray Water's service region lie within the traditional lands of First Nations Peoples, from upstream at Koondrook moving downstream along the Murray River (Mil) through to the western edge of our region at the South Australian border.

They are the Barapa Barapa Peoples, Wemba Wemba Peoples, Wadi Wadi Peoples, Tatti Tatti Peoples, Latji Latji Peoples, Nyeri Nyeri Peoples, Ngintait Peoples and the Wergaia Peoples.

The First Nation Peoples' connection to land and water is the living cultural knowledge that is passed down from generation to generation. The stories that connected the ancestors to their culture still live through the First Nations Peoples of today.'

Acknowledgement of Country written by Stephanie Sloane*.

** Stephanie works at LMW as a Diversity and Inclusion Officer. She is a proud Ngiyampa woman and has a strong connection to her culture, history and the land. Stephanie has brought not only her experience and passion for people to this role but also a commitment to inspire and mentor others wishing to pursue a career at LMW.*

Image 1: *Kerang ways* **by Tobie Cameron**

1. CHAIR AND MANAGING DIRECTOR'S INTRODUCTION

On behalf of the Board and Executive of Lower Murray Water, we are pleased to present our Corporate Plan for the year ahead.

LMW is operating in a time of real change and increasing pressure. Climate impacts are becoming more frequent, infrastructure across the sector is ageing, costs are rising and customers are facing affordability challenges. The spectre of Commonwealth buyback program continues to contribute to uncertainty and expectations of public services are also increasing, particularly around transparency, performance and long-term planning.

This Corporate Plan explains how we will respond over the year ahead. It sets out where we will focus to keep services safe and reliable, manage risk responsibly and make decisions that support the long-term needs of our region.

This requires careful balance as we deliver day-to-day services while preparing for future challenges. We must invest in infrastructure and organisational capability without placing unreasonable pressure on customers. We must also meet our obligations as a public entity while staying closely connected to the communities we serve.

The Board's role is to provide oversight and direction, and to ensure LMW remains well governed, financially sustainable and resilient. Our staff then bring the direction to life through our new Corporate Strategy which places an emphasis on understanding the risks and opportunities associated with an ever-changing operating environment. Moving to a more agile approach enables us to better adapt and prioritise to suit the conditions and prepare us for what lies ahead.

Customers remain at the centre of our work as we continue to build trust through reliable services, clear communication and meaningful engagement. Over the coming year, we will continue to strengthen how we listen to customers, respond to issues and use customer feedback to inform planning and decisions. This is particularly important as we prepare for the next regulatory period and the development of Pricing Submission 2028 (PS28).

PS28 will shape service levels, investment decisions and customer outcomes for many years and our focus for the year ahead is on developing a robust and transparent submission. We recognise that not all pressures can be absorbed indefinitely, however being transparent about choices, engaging meaningfully with customers and planning early are essential to maintaining trust and confidence as we move forward.

Another significant focus is the continued delivery of the Victorian Murray Floodplain Restoration Project (VMFRP) which represents a major milestone of this multi-government project as it enters construction phase. Our priority is to deliver VMFRP safely, responsibly and in a way that creates strong environmental benefits for floodplains within Hattah Kulkyne National Park, Nyah and Vinifera.

We are also progressing important strategic work through Rural Masterplan 2050 (RM2050). As we conclude phase one of this long-term rural strategy, RM2050 will move into an implementation phase to further inform planning, investment and risk decisions, and supporting a more forward-looking approach to how we manage our systems and ensure a prosperous future for our irrigation customers.

Supporting our people and strengthening the way we work remains a priority. Our workforce is central to delivering reliable services and responding to change. Through continued investment in leadership, safety, wellbeing and capability, and the ongoing implementation of the Technology Uplift Project, we are improving how work gets done across the organisation. Better systems and clearer information support staff to make good decisions, work more efficiently and provide a more consistent and reliable experience for customers.

Financial sustainability underpins everything we do. We are committed to managing resources carefully and transparently, delivering value for money and ensuring today's decisions do not place undue pressure on future customers. This requires clear priorities and, at times, difficult choices.

This Corporate Plan is not static. Conditions will continue to change and new challenges will emerge. We will monitor progress closely, listen to feedback and adjust our approach where needed. The Board and Executive remain accountable for the outcomes we deliver and for being open about progress.

As we head into this next period, we acknowledge the contribution of our people, customers, partners and stakeholders in shaping this plan. Their insights, challenge and collaboration are essential to our success.

We are confident that this Corporate Plan provides a clear and realistic roadmap for the year ahead. It reflects our shared commitment to strong governance, practical delivery and outcomes that support the long-term wellbeing of our communities and region.

Sharyon Peart
Chair

Paul Northey
Managing Director

2. MANNER OF ESTABLISHMENT

Lower Murray Water (LMW) is a statutory water corporation established under the *Water Act 1989* (Vic). It assumed the full responsibilities, assets and functions of the former Lower Murray Region Water Authority and Sunraysia Rural Water Authority.

The *Water (Governance) Act 2006* (Vic) introduced significant reforms to the governance of Victorian water authorities. Effective from 1 July 2007, this legislation formally changed the structure and title of LMW, transitioning it from the Lower Murray Urban and rural Water Authority to the Lower Murray Urban and Rural Water Corporation, with updated governance arrangements to support improved accountability and performance.

On 19 August 2008 the (then) Minister for Water, The Hon. Tim Holding MP, issued a determination for LMW to take over the whole of the functions, powers, and duties of the First Mildura Irrigation Trust (FMIT).

From 15 April 2026 our relevant Minister is the Hon. Harriet Shing, Minister for Water.

Image 2: Lake Hawthorn, Cabarita

2.1 OUR REGULATORS AND STAKEHOLDERS

We are regulated by the following Victorian Government and industry regulators:

Regulator	Responsibility
Victorian Minister for Water and the Department of Energy, Environment and Climate Action (DEECA)	Monitors our business performance.
Victorian Treasurer and Department of Treasury and Finance (DTF)	Monitors our financial performance.
Department of Health (DH)	Ensures the protection of public health by supplying safe drinking water in compliance with legislative requirements and regulatory standards.
Environment Protection Authority (EPA)	Monitors our compliance with the requirements of the *Environmental Protection Act 2017* (Vic) and associated regulations, and the Operating License's for our assets.
Essential Services Commission (ESC)	Approves the prices that we charge our customers and monitors our service standards.
Energy and Water Ombudsman Victoria (EWOV)	Resolves any customer complaints about us.
Australian Competition and Consumer Commission (ACCC)	Monitors us regarding rural services within the Murray Darling Basin, and participation with Debt Collection Guidelines.
Department of Families, Fairness and Housing (DFFH)	Facilitates customer support for those in need through concession discounts, water and sewer rebates, and utility relief grants, and the making of services more affordable for Victorian customers.

Table 1: Regulators

We collaborate with many stakeholders to achieve the best outcomes for customers and communities. This includes:

Traditional Owners	Local Government	Industry Representatives	Other
First People of the Millewa Mallee	Mildura Rural City Council	Water Service Association of Australia	Mallee Catchment Management Authority (CMA)
Wergaia Peoples (Lake Cullulleraine area)	Swan Hill Rural City Council	Institute of Water Administration	Sunraysia Institute of TAFE (SuniTAFE)
Nyeri Nyeri and Ngintait Peoples (Mildura area)	Gannawarra Shire Council	VicWater	Community and Local Heritage groups
Tatti Tatti and Latji Latji Peoples (Robinvale area)		Intelligent Water Network	Landcare groups
Wadi Wadi Peoples and Wamba Wemba Peoples (Swan Hill area)		Australian Water Association	Parks Victoria
Barapa Barapa Peoples and Wamba Wemba Peoples (Kerang area)			

Table 2: Stakeholders

2.2 OUR GOVERNANCE

The LMW Board comprises nine directors, eight of which are non-executive directors appointed by the Minister for Water and the ninth being the LMW's Managing Director, appointed by the Board.

The Board is appointed to ensure the strategic planning and direction of the Corporation complies with government objectives for the provision of reliable and secure water for urban, irrigation and domestic and stock purposes, wastewater, and drainage services. The Board is required to meet expectations for the region to deliver Water for Victoria.

Our directors come from diverse backgrounds and bring a complementary mix of skills and expertise which ensure the Board focuses on LMW achieving optimal strategic, environmental, operational, and financial corporate governance.

The LMW Board is committed to the uplift of our organisation's governance practices and adheres to its role and responsibilities within its Board Charter.

Our current Board comprises:

- Sharyon Peart, Chair
- Kate Hughes, Deputy Chair
- Dr Anne-Maree Boland
- Paul Thompson
- Adam Christou
- Marcus Horwood
- Mandy Whelan
- Tony Alessi
- Andrew Arden, Independent Aboriginal Delegate
- Paul Northey, Managing Director

The LMW Board has established two committees to support the delivery of its responsibilities, and to provide an opportunity for directors to consider issues in more detail. These are the Finance, Risk and Audit Committee, and the Stakeholder, Technology, Environment and People Committee. Terms of Reference have been developed for each committee with a director nominated as Chair. All committees are formed in accordance with section 122C of the *Water Act 1989* (Vic) that provides for committees to be established by a water corporation.

We are led by the Executive Leadership Team that supports and advises the Board. The current team comprises:

- Paul Northey, Managing Director
- Hannah Yu, General Manager Business Services
- Stuart Mensch, General Manager Infrastructure Services
- Darren Raeck, General Manager Service Delivery and Operations
- Nardia Sheriff, General Manager Customer, Partnerships and Strategy

2.3 OUR OBLIGATIONS

As a statutory water corporation, with our functions and powers defined in the *Water Act 1989* (Vic) we have specific requirements stated in our Statement of Obligations, and our Letter of Expectations.

We operate under the following legalisation, regulation and standards:

Legislation		Regulation	Standard
Copyright Act 1968 (Cth)	*Financial Management Act 1994* (Vic)	Australian Drinking Water Guidelines	Environment Reference Standard
Environment Protection and Biodiversity Conservation 1999 (Cth)	*Flora and Fauna Guarantee Act 1988* (Vic)	Ministerial Directions for Public Construction	ESC Water Industry Standards, codes and guidelines
Fair Work Act 2009 (Cth)	*Freedom of Information Act 1982* (Vic)	National Construction Code of Australia	Victorian Government Purchasing Board Policies
Income Tax Assessment Act 1997 (Cth)	*Gender Equality Act 2020* (Vic)	Standing Directions 2018	Victorian Government Sponsorship Policy
Modern Slavery Act 2018 (Cth)	*Health (Fluoridation) Act 1973* (Vic)		Victorian Protective Data Security Framework and Standards
Payment Times Reporting Act 2020 (Cth)	*Local Jobs First Act 2003* (Vic)		Water for Victoria Water Plan
Security of Critical Infrastructure Act 2018 (Cth)	*Occupational Health and Safety Act 2004* (Vic		WSAA Water Industry Standards
Aboriginal Heritage Act 2006 (Vic)	*Planning and Environment Act 1987* (Vic)		
Audit Act 1994 (Vic)	*Privacy and Data Protection Act 2014* (Vic)		
Building Act 1993 (Vic)	*Project Development and Construction Management Act 1994* (Vic)		
Borrowing and Investment Powers Act 1987 (Vic)	*Public Administration Act 2004* (Vic)		
Catchment and Land Protection Act 1994 (Vic)	*Public Interest Disclosures Act 2012* (Vic)		
Charter of Human Rights and Responsibilities Act 2006 (Vic)	*Public Records Act 1973* (Vic)		
Climate Change Act 2017 (Vic)	*Residential Tenancies Act 1997* (Vic)		
Constitution Act 1975 (Vic)	*Safe Drinking Water Act 2003* (Vic)		
Emergency Management Act 2013 (Vic)	*Water Act 1989* (Vic)		
Environmental Effects Act 1978 (Vic)	*Water Industry Act 1994* (Vic)		
Environment Protection Act 2017 (Vic)			
Emergency Management Act 2013 (Vic)			

Table 3: Obligations

2.4 OUR POLICIES, STRATEGIES AND PLANS

To enable LMW to meet our obligations, we have policies, licences, agreements, strategies, procedures and guidelines in place. This includes the following which are linked to our Letter of Expectations areas:

Letter of Expectations	Policies and Strategies	Other Key Documentation
LOE 01: Climate Change	• Drinking Water Quality Policy • Environmental Policy • Procedure for Allocation or Water Share by Lower Murray Water • Trading in Water Share and Seasonal Allocation Policy	• Drinking Water Quality Management Plan • Drinking Water Storages and Land Management Plan • Emergency Management Framework • Statement of Obligations (Emissions Reduction) • Water Quality Monitoring
LOE 02: Customer, Community and Engagement	• Communication and Engagement Framework • Customer Support Policy • Customer Family Violence Policy • Communications and Engagement Strategy • Procurement Policy • Sponsorship and Donations Program Policy	• Community Engagement Program • Customer Complaints Procedure • Customer (Urban and Rural) Charters • Family Violence Guidelines for Managers/Staff • Communications and Engagement Toolkit • Stakeholder and Customer Research • Utility Relief Grant Scheme – Standard Operating Procedure
LOE 03: Recognise Aboriginal Values	• Reconciliation Action Plan • Native Title Policy	• Aboriginal Cultural Heritage Procedure
LOE04: Recognise Recreational Values	• Communications and Engagement Framework • Communications and Engagement Strategy	• Community Engagement Program
LOE 05: Resilient and Liveable Cities and Towns	• Asset Management Framework • Asset Management Policy • Urban Water Strategy 2017-2066	• Asset Management Accountability Framework • Asset Management Improvement Plan • Asset Renewal Programs • Asset Management Communication Plan • Strategic Asset Management Plan
LOE 06: Leadership, Diversity and Culture	• Diversity, Equity and Inclusion Policy • Health Safety and Wellbeing Strategy • Internal Family Violence Policy • Leadership and Talent Management Framework • Occupational Health and Safety Policy	• Cultural Diversity Values • Gender Equality Framework and Action Plan • Leadership and Talent Management – PDP documentation • Occupational Health and Safety Manual • Staff Recognition Program Procedure
LOE 07: Performance and Financial Management	• Budgeting Policy • Financial Management Policy • Fraud Corruption and Other Losses Control Policy • Gifts, Benefits and Hospitality Policy • Privacy and Data Protection Policy • Procurement Policy • Procurement Framework • Risk Management Policy • Social Procurement Strategy • Treasury Management Policy	• Annual Report • Corporate Plan • Fraud and Corruption Control Framework • Governance Operating Model • Internal and External Audit • Price Submission 2023-2028 • Risk Management Framework • Risk Management Procedure • Risk Appetite Statement
LOE 08: Compliance and Enforcement	• Compliance and Enforcement Policy	• Bulk Entitlement (Water) Licences • Drought Preparedness Plans • Compliance and Enforcement Procedure • Take and Use Water Licences

Table 4: Policies, strategies and plans

2.5 OUR SERVICE REGION

LMW operates in a remote and arid area of Victoria, Australia extending along the Murray River from Kerang to the South Australian border. Our region makes up a large part of Victoria's food supply and agricultural industry, with our key industries of irrigated horticulture and dryland farming relying on the delivery of a clean and reliable supply of water. Other industries include food and beverage manufacturing, transport and logistics, retail, health, and community services as well as tourism which relies heavily on the Murray River landscapes.

We provide this extensive region with urban water and sewerage treatment, river quality water for stock and irrigation, and collection and disposal of subsurface irrigation drainage. We operate the collection, treatment, storage, and delivery of water to approximately 35,000 households along the Murray River, from Koondrook to Merbein, servicing 14 townships including Mildura and Robinvale, Swan Hill and Kerang. We provide wastewater collection, treatment and effluent re-use and disposal services to more than 76,000 customers.

We provide 2,666 irrigation and 2,240 stock and domestic customers with river quality water in the pumped irrigation districts of Mildura, Merbein, Red Cliffs and Robinvale, as well as the Millewa rural district and some areas of the waterworks district of Yelta. Our region is serviced by nine water treatment plants and ten wastewater treatment facilities. In early 2024, we extended our services to the residents of Ultima (which sits outside of our region) through a pipeline from our Swan Hill Water Treatment Plant to provide fully treated drinking water to this community.

We currently employ approximately 233 staff, based at various locations, including our head office in Mildura and offices in Swan Hill and Kerang.

Image 3: LMW Service Region

2.6 OUR SERVICES

2,666 Irrigation Customers.
2,240 Stock and Domestic customers.

12 Yelta Waterworks District Customers.
297 Millewa Waterworks District Customers.

9 Water Treatment Plants.
10 Waste Water Treatment Plants.

Lead agency for the Victorian Murray Floodplain Restoration Project (VMFRP).

1,313 Private diversion licences under management.

Assessment and approval of licensing, water share and allocation trade applications.

Collection and disposal of subsurface drainage water from the pumped irrigation districts as well as from private diverters in Nangiloc, Colignan, Robinvale and Boundary Bend.

Raw (river quality) water services in the pumped irrigation districts of Mildura, Merbein, Red Cliffs and Robinvale.

14 townships supplied with urban water.

Customers along the Murray River from Koondrook to Merbein.

Management of the region's urban and rural bulk water entitlements.

Water supply delivery to important environmental and recreational sites.

Reclaimed water for third party use.

Oversight of irrigation and drainage design in new agricultural developments ensuring conformity with salinity management plans and development guidelines.

3. OUR STRATEGY

In 2025–26, LMW refreshed its Corporate Strategy to provide clearer direction, stronger integration across the organisation, and a more disciplined approach to planning and delivery. This refreshed strategy sets the foundation for how we prioritise investment, manage risk, engage with customers and build organisational capability.

The 2026–27 year is about putting that strategy into practice to support a high-quality Pricing Submission 2028 (PS28) to the Essential Services Commission.

We will concentrate on:

- **Strengthening the strategic and analytical base**
  Improving the quality of data, forecasts, asset planning, financial assumptions and risk assessments that underpin PS28 and longer-term decision making.
- **Deepening customer and stakeholder engagement**
  Ensuring customer priorities, affordability considerations and community expectations are clearly understood and meaningfully reflected in proposed outcomes and service levels.
- **Embedding integrated planning and governance**
  Aligning corporate strategy, asset management, financial planning, climate and risk considerations into a coherent and well governed pricing narrative.
- **Building organisational capability and discipline**
  Clarifying roles, accountabilities and ways of working to support PS28 delivery and leave a lasting uplift in how we plan, prioritise and execute.

By maintaining a clear focus on PS28 in 2026–27, we are positioning LMW to submit a robust, credible and customer centred proposal that balances affordability, service performance, resilience and long-term regional prosperity.

Our Corporate Strategy on a page

VISION
A thriving future where water sustains people, nourishes land and enables prosperity.

PURPOSE
To realise the full value of water for healthy people and productive landscapes.

OUR COMMITMENTS
Four commitments setting the high-level priorities that guide everything we do

HOW WE MAKE IT HAPPEN
Key focus areas will direct our actions and resources to support the delivery of our commitments

4. OUR PERFORMANCE

LMW has an obligation to report monthly and provide annual data to the ESC against a suite of performance indicators which benchmark us against the 15 non-metro water corporations (metro water corporations are benchmarked separately). An annual Water Performance Report provides the compiled data which identifies opportunities for improvements across the business. Many of the initiatives for the 2026-27 period have been identified by utilising this data.

A summary of our performance in the 2024-25 ESC Urban Water Performance Report is as follows, highlighting our position out of 15 Victorian Water Corporations (urban).

LMW result (out of 15)	Indicator Description
Highest	Average household water use (kilolitres per household)
10th of 15	Typical household bills, owner occupiers
78%	Utility Relief Grants initiated that are approved
2nd of 2	Legal actions for non-payment of bills per 100 residential customers
14th of 15	Payment complaints made to water businesses per 100 customers
13th of 15	Average minutes off water supply per customer

Table 5: Performance indicators

Our services and priorities are outlined in each water plan and include the outcomes we seek to achieve based on feedback from our customers. In Pricing Submission 5 (PS5), we have committed to delivering a set of proposed outcomes for our urban and rural customers, which are similar but refined to reflect the different nature of services, and the customer base:

Urban Outcomes	Rural Outcomes
Services provide customers value for money	Services provide customers value for money
Provide customers reliable and safe drinking water	Provide customers water when they need it
Provide customers reliable sewerage services	Provide customer service avenues that are responsive to resolve requests and enquiries
Provide customer service avenues that are responsive to resolve requests and enquiries	Service our communities in a socially responsible and environmentally sustainable manner
Service our communities in a socially responsible and environmentally sustainable manner	

Table 6: Outcomes

5. ADDRESSING OUR LETTER OF EXPECTATIONS

The 2026-27 Corporate Plan addresses the expectations set out by the Minister for Water as an entity that delivers government objectives within the context of the *Water Act 1989* (Vic) regarding the following Indicators from DEECA:

Letter of Expectations	Description
LOE 01	Climate Change and Energy
LOE 02	Customer, Community and Engagement
LOE 03	Recognise Aboriginal Values
LOE 04	Recognise Recreational Values
LOE 05	Resilient and Liveable Cities and Towns
LOE 06	Leadership, Diversity and Culture
LOE 07	Performance and Financial Management
LOE 08	Compliance and Enforcement

Table 7: Letter of Expectations

We also acknowledge the additional areas of focus:

- Cyber security
- Customer protection, including prevention of harm from family violence

5.1 LOE 1: CLIMATE CHANGE AND ENERGY

Water corporations are required to undertake activities and provide services which reduce exposure to climate risks, reduce greenhouse gas emissions, increase renewable energy use, adapt to climate change, and demonstrate reasonable progress in integrating climate change adaptation into planning and decision making across their business.

<table>
<tr><th colspan="9">Emissions Reduction
Total Scope 1 and 2</th></tr>
<tr><th rowspan="2">Indicator Code</th><th rowspan="2">Indicator description</th><th rowspan="2">Reporting Period</th><th colspan="6">Measure or Narrative (t CO2-e)</th></tr>
<tr><th>2026-27</th><th>2027-28</th><th>2028-29</th><th>2029-30</th><th>2030-31</th><th>2031-32</th></tr>
<tr><td>1.1.3.025</td><td>Projected total emissions for each year subsequent to the current reporting year until, and including, the Water Corporation's net-zero Scope 1 and Scope 2 target year.</td><td>CP Target and subsequent 4 FYs Forecast</td><td>5887.72</td><td>5952.19</td><td>6012.5</td><td>6073.53</td><td>6135.14</td><td>6197.63</td></tr>
<tr><td>1.1.3.027</td><td>Qualitative explanation of projects or initiatives to reduce Scope 1 and/or 2 emissions (including emissions reductions achieved per project in t CO2-e where feasible).</td><td>CP Target and subsequent 4 FYs Forecast</td><td colspan="6">LMW are improving the way we manage and reduce our Scope 1 and 2 emissions by improving data quality, enhancing operational efficiency and embedding emissions considerations into the way we plan, design and operate our assets. Consistent with FRD24 requirements, we continue to uplift our systems for collecting, analysing and reporting fuel use, electricity consumption and greenhouse gas emissions to ensure our disclosures remain transparent, accurate and support continuous improvements across our operations.

Building on the direction set in previous years, we are advancing the investigations needed to reduce our direct and indirect operational emissions.

Key initiatives for 2026-27 guided by our Energy and Emissions Strategy 2026-2035 include:
• Investigating Scope 1 and Scope 2 asset and market options
• Identifying energy-efficiency opportunities across operations
• Strengthening our emission and energy understanding through the identification of organisational skills and capability needs for the future
• Embedding climate thinking into our everyday decision making through activities such as improved forecasting tools to assess the emissions and energy impacts of capital projects; and
• Commencing the development of a Fleet and Plant Strategy.

We continue to utilise sector partnerships to meet our obligations and build our capability as founding members of the following projects:
• ZEW (Zero Emissions Water) to procure LGCs via a sector Power Purchase Agreement; and
• ZEWCO (Zero Emissions Water Carbon Offsets - Special Purpose Vehicle) to explore a range of high-quality carbon offset projects from a diversified portfolio to secure trusted Australian Carbon Credit Units (ACCUs) that support credible emissions reductions.

In 2026–27, we will continue to focus on transitioning towards our 2035 net-zero emissions goal guided by our Path to Net-Zero Framework. Our key focus areas include maintaining low emissions, improving data quality, and preparing for long-term decarbonisation, supported by:
• Investigating solutions to reduce direct Scope 1 emissions across operations
• Exploring high-quality offset pathways for hard-to-abate residual emissions including involvement in Carbon Offsets Special Vehicle (ZEWCO) to secure sector-level offset opportunities
• Commencing the development of our Plant and Fleet</td></tr>
</table>

			Strategy • Maintaining LMW's 100% renewable electricity status for Scope 2 emissions • Continuing active participation as a member of Zero Emissions Water (ZEW), ensuring responsible management of our residual Scope 2 emissions through the collective purchase and surrender of renewable energy certificates • Explore emerging technologies including behind-the-meter renewable generation and storage options that support a balanced portfolio of market and asset-based solutions to meet our emissions targets • Improving energy and emissions forecasting, including tools that assess long-term impacts of capital projects.

Table 8: Emissions reduction

Scope 3			
Indicator Code	**Indicator description**	**Reporting Period**	**Narrative**
1.1.4.009	Qualitative explanation of projects or initiatives to better understand, calculate, influence or directly reduce Scope 3 emissions (including emissions reductions achieved per project in tCO_2-e where feasible).	CP Target and subsequent 4 FYs Forecast	We are strengthening our understanding of Scope 3 emissions so we can better support a net-zero future for our customers and community. Guided by our Energy and Emissions Strategy 2026-2035, a key focus for 2026-27 will be to support the building of climate-related capability of our Procurement Team to help us more accurately identify and assess the emissions associated with the goods and services we purchase. Reflecting last year's direction, the addition of our dedicated Energy and Emissions Officer to the broader Customer, Partnerships and Strategy Division places us in a stronger position to understand, plan and prioritise initiatives aimed at reducing our operating emissions, including Scope 3 (the indirect emissions that occur in our supply chain). The increased capability also positions us to meet forthcoming reporting requirements with greater confidence and clarity. Together, these actions ensure we continue to progress our current sustainability goals while actively preparing for future regulatory and reporting requirements. This approach reinforces our commitment to a lower-emissions and more resilient future for our customers and the communities we serve.

Table 9: Scope 3

Increasing Renewable Energy Total Renewable Electricity			
Indicator Code	**Indicator description**	**Reporting Period**	**Narrative**
1.2.2.029	Qualitative explanation of projects or initiatives to increase renewable electricity consumption and/or generation (including renewable generation capacity increased per project where feasible).	CP Target and subsequent 4 FYs Forecast	We are continuing to expand our use of renewable electricity to lower emissions and deliver reliable, sustainable services. Our transition to the State Electricity Commission's (SEC's) 100% renewable energy contract in 2025 provides a strong baseline for future planning, complemented by: • Onsite generation through 16 solar photovoltaic (PV) arrays; and • Number individually solar-powered regulators that operate independently off the grid, removing the need for installing additional electricity infrastructure. These assets reduce our reliance on the grid, improve the resilience of our operations, and support our long-term emissions reductions efforts. Guided by our Energy and Emissions Strategy 2026-2035, we are investigating both asset-based and market-based options to expand our renewable energy use. This includes using our renewable electricity analysis to identify the most effective pathways to reduce Scope 2 emissions and analysing the performance data we collect from our solar assets. These insights will help us assess where new renewable generation or potential storage solutions could provide the greatest operational benefit. Our shift to renewable energy is also shaping the way we plan, design and deliver future infrastructure. As we progress new capital projects, we are increasingly considering the integration of onsite renewable generation, energy-efficient equipment, low-emissions technologies and climate-resilient design principles early in the concept and design stages to improve long-term performance. As a member of ZEW, we are working collaboratively with water corporations across the State to access shared renewable energy opportunities and support coordinated progress towards net-zero outcomes across the sector. These initiatives enhance operational efficiency, strengthen system reliability and resilience, and support our commitment to a more sustainable future.

Table 10: Total renewable energy

Adapting to Climate Change Adaptation			
Indicator Code	**Indicator description**	**Reporting Period**	**Narrative**
1.3.1.002	Description of the current and anticipated impacts of climate-related risks on the organisation's business, strategy, and service delivery where such information is material.	CP Target and subsequent 4 FYs Forecast	In 2025-26 we strengthened the integration of climate-related risks into our enterprise risk management, capital planning and service delivery frameworks and continue to embed this work across the organisation in 2026-27. As climate variability increases the likelihood and severity of extreme weather events, impacts such as asset degradation, operational disruptions, increased energy demand, and supply chain uncertainty continue to affect how we plan, operate and deliver essential water services. These physical and transition risks influence both our long-term strategic direction and our day-to-day operational decisions. A key focus for the year is the finalisation of our overarching Path to Net-Zero Framework which brings together our emissions reduction planning, enterprise-wide emissions accounting and reporting, and climate adaptation strategy into a single integrated framework. This framework will embed climate-related risks and considerations into all major planning, investment and operational decisions. Building on the risk uplift work undertaken in 2025-26, we will embed our enhanced climate and adaptation risk classifications across corporate and divisional risk reviews. This will support more consistent identification, monitoring and escalation of material climate-related risks including the impacts of extreme heat, flooding, storms and evolving policy and market expectations – and will strengthen the quality of information used to inform capital planning and prioritisation. Our understanding of climate-driven emergency risks will also continue to evolve. Scenario planning and emergency exercise programs will be used to test the organisation's preparedness for more frequent and severe emergency events, ensuring our ability to maintain service continuity and meet the needs of customers and communities during disruptions. Ongoing collaboration with DEECA and our water sector peers and participation in decarbonisation and adaptation initiatives will continue to strengthen our understanding of emerging climate risks and support resilient, reliable and sustainable services for our customers and communities.
1.3.1.003	Description of the metrics used by the organisation to monitor relevant climate-related risks and opportunities.	CP Target and subsequent 4 FYs Forecast	We monitor key climate-related metrics including greenhouse gas (GHG) emissions, electricity and fuel consumption, water use, and operational indicators sensitive to climate variability. This data informs our annual report and supports decisions to improve energy efficiency, reduce emissions and strengthen service reliability. In 2026-27, we will embed the enhanced climate and adaptation risk classifications developed through last year's enterprise risk uplift, enabling more consistent monitoring of physical risks such as extreme heat, storms and flooding and transition risks linked to evolving policy and market expectations. We integrate these metrics into corporate and divisional risk reviews and strategic planning to improve our ability to anticipate and manage emerging climate-related risks. Through our developing Path to Net-Zero Framework, we strengthen the quality and governance of our environmental data and expand our forecasting tools to assess emissions and energy impacts of projects. These improvements enhance transparency, support ongoing reporting uplift and improve our capability to monitor climate-related risks and opportunities across the entire business.

Table 11: Adapting to climate change

5.2 LOE 2: CUSTOMER, COMMUNITY AND ENGAGEMENT

All aspects of service delivery will be customer and community-centred and we will continue to build extensive and effective community engagement and partnerships in planning and implementation of service delivery.

Please note:

- for Billing Indicators please refer to Section 6. Our Financial Performance
- for Urban and Rural Tariff information please refer to Appendix D

Customer Satisfaction							
Indicator Code	**Indicator description**	**Reporting Period**	**Measure or Narrative**				
			2026-27	**2027-28**	**2028-29**	**2029-30**	**2030-31**
2.1.1.001	Provide annual target for customer ratings of 'Overall Satisfaction' against customer perception/reputation surveys that will be undertaken over the planning period.	CP Target and subsequent 4 FYs Forecast	Urban – 89 Rural – 82	Urban – 90 Rural – 83	Urban – 90 Rural – 83	Urban – 91 Rural – 84	Urban – 91 Rural – 84
2.1.1.002	Narrative describing how water corporation's target for customers' rating of 'Overall Satisfaction' will be met over the planning period.	CP Target and subsequent 4 FYs Forecast	We are currently undertaking a communication and engagement uplift to strengthen the way that we engage authentically with our customers and key stakeholders. We have aligned our communication and engagement team with our customer team to ensure greater integration of customer insights and data into our planning and decision-making processes. We continue to conduct annual customer satisfaction surveys across our urban and rural customer base to evaluate customer perception and our performance. In this current corporate planning period, we are utilising our Price Submission to test, adapt and embed our new communications and engagement approach to build capability and systems integration across the organisation to ensure that we meet our target rating for Overall Satisfaction.				

Table 12: Customer satisfaction

Customer and Community Engagement Customer Responsiveness			
Indicator Code	**Indicator description**	**Reporting Period**	**Measure**
			2026-27
2.4.1.001	Customer responsiveness – water quality complaints (per 100 customers).	CP Target	0.1926
2.4.1.006	Customer responsiveness – number of payment issue complaints (per 100 customers).	CP Target	0.023
2.4.1.011	Customer responsiveness – total complaints (per 100 customers).	CP Target	0.347

Table 13: Customer responsiveness

Customer and Community Engagement			
Indicator Code	**Indicator description**	**Reporting Period**	**Narrative**
2.4.2.001	Development and delivery of a Customer Engagement Strategy/Plan/Policy that is also published on the corporation's website (Yes/No).	CP Target and subsequent 4 FYs Forecast	We have a Communications and Engagement Strategy published on our website which was approved in 2022 and are currently developing a new Communications and Engagement Strategy, Framework and Toolkit as a part of a project to uplift our Customer and Engagement capability across the organisation. This is anticipated to be completed by the end of the 2025-26 period and will be published when completed. The new strategy and framework will be utilised in the development of our Price Submission 2028.
2.4.2.002	If the Customer Engagement Strategy/Plan/Policy is under development and yet to be published, what is the corporation's timing to complete it and to publish on its website?	CP Target and subsequent 4 FYs Forecast	We intend to publish a new framework, strategy and toolkit in July 2026.
2.4.2.003	How will the water corporation measure success against outcomes of its Customer Engagement Strategy/Plan/ Policy?	CP Target and subsequent 4 FYs Forecast	As part of our communications and engagement uplift, our strategy will include an implementation plan that will identify and document the relevant measure of success that will be monitored in the next period. The key measure of success in our revised strategy and the accompanying framework is to build engagement capability across our organisation for the benefit of both staff and our customers. This includes strengthening our systems and tools to enable more effective monitoring and evaluation of our engagement objectives.

Table 14: Customer and community engagement

Image 4: Koorlong Waste Water Treatment Plant

5.3 LOE 3: RECOGNISE ABORIGINAL VALUES

Promote self-determination of Traditional Owners, including by supporting the Treaty process as required. Support the implementation of Water is Life: Traditional Owner Access to Water Roadmap by enabling increased access to water entitlements under current frameworks and increased cultural benefits from the way we store, deliver, and use water.

Partnership with Traditional Owners							
Indicator Code	**Indicator description**	**Reporting Period**	**Measure or Narrative**				
			2026-27	**2027-28**	**2028-29**	**2029-30**	**2030-31**
3.1.1.001	Provide the number of formal partnership agreements with Traditional Owners/ Traditional Owner Groups.	CP Target and subsequent 4 FYs Forecast	0	0	0	0	0
3.1.1.002	Describe the nature of the formal partnership agreements entered into with Traditional Owner Groups.	CP Target and subsequent 4 FYs Forecast	Although we have not yet entered into formal partnership agreements with Traditional Ownership Groups in our service region, we are committed to building strong, respectful and enduring relationships. In 2026-27, we will continue to take steps to lay the foundations for future formalised partnerships, including: • Strengthening relationships with Traditional Owner Groups through ongoing engagement across our geographical footprint • Integrating reconciliation commitments into strategic planning				
3.1.1.003	Demonstrate that Traditional Owners had the opportunity to review and/or endorse, all sections of the most recent annual report that included specific reference to Traditional Ecological Knowledge, values and well-being.	CP Target and subsequent 4 FYs Forecast	We are committed to strengthening our relationships with our Traditional Owners and through delivery of the actions in our Reflect Reconciliation Action Plan (Reflect RAP), our focus is to understand and create opportunities and value to engage Traditional Owners to review such publications. In addition to our Reflect RAP, we have since welcomed a Director to our Board who was our previous Independent Aboriginal Delegate and will soon welcome a new Independent Aboriginal Delegate to the Board. We will seek their counsel and support for initiatives that enable us to progress opportunities for further Traditional Owner participation.				
3.1.1.004	Demonstrate how water corporations have informed relevant Traditional Owners of opportunities to access water entitlements or allocation within their Country.	CP Target and subsequent 4 FYs Forecast	As a part of our discussions with Traditional Owner groups, we have begun dialogue about opportunities for cultural water usage. This focuses on the region's water bodies and floodplains.				

Table 15: Partnership with Traditional Owners

Supporting Aboriginal self-determination							
Indicator Code	Indicator description	Reporting Period	Measure or Narrative				
			2026-27	2027-28	2028-29	2029-30	2030-31
3.2.1.001	Provide the number of formal partnership agreements with Aboriginal Community Controlled Organisations.	CP Target and subsequent 4 FYs Forecast	0	0	1	1	1
3.2.1.002	Describe the nature of the partnership agreements with Aboriginal Community Controlled Organisations.	CP Target and subsequent 4 FYs Forecast	We currently have no formal partnership agreements with Aboriginal Community Controlled Organisations (ACCOs). We have focused our efforts on maintaining key relationships with our Traditional Owner groups and representatives despite changing circumstances and personnel. This has been undertaken through regular meetings at a number of levels including engagement via our Managing Director and Chair, as well as at an officer level through initiatives identified in our Reflect RAP including collaboration on a joint project to create an indigenous garden at LMW's Mildura office. We have also undertaken associated cultural education activities including the development of artwork and visual media and sharing of Traditional Ecological Knowledge (TEK) with our customers, community and staff members.				
3.2.1.003	Provide commentary on strategies implemented to provide procurement opportunities to Aboriginal businesses to supply goods and services to water corporations, including addressing any procurement barriers.	CP Target and subsequent 4 FYs Forecast	Consistent with practices now embedded across the Victorian water sector, we are progressively adopting structured procurement approaches that create clearer opportunities for ACCOs and Aboriginal-owned businesses, including those providing trade services to participate in our request for quote process. We continue to strengthen procurement capability by increasing staff awareness of Aboriginal supplier directories such as Supply Nation, improving understanding of cultural procurement principles, and embedding RAP actions into procurement planning. In 2026-27, we will continue to expand opportunities, for Aboriginal suppliers including ACCOs, cultural knowledge providers and Aboriginal-owned trade businesses by reducing participation barriers and supporting culturally responsive procurement. Recent initiatives include procuring original artwork created by Aboriginal and Torres Strait Islander artists, engaging FPMMAC staff as one of the keynote contributors at community events, and deepening partnerships that support cultural knowledge sharing. We also partnered with the First People of Millewa Mallee Aboriginal Corporation (FPMMAC) to identify local Indigenous plant species with cultural and medicinal significance and to establish these within a new native garden at our Mildura office.				

Table 16: Supporting Aboriginal self-determination

5.4 LOE 4: RECOGNISE RECREATIONAL VALUES

Support the wellbeing of communities by considering recreational values in water management.

Consideration of recreational values in business operations Recreational Values			
Indicator Code	**Indicator description**	**Reporting Period**	**Measure or Narrative**
4.1.1.001	Provide the number of site-based projects planned/delivered to improve recreational enjoyment of water storages.	CP Target	To support safe and enjoyable recreational use of Lake Cullulleraine and nearby waterways, we will continue regular monitoring, sampling and reporting of blue-green algae, supported by timely public communication via our website, social media and media releases. We will also continue working with the community group Cabarita Inc to support land management activities around Lake Hawthorn.
4.1.1.002	Provide a brief description on how site-based projects will improve/have improved recreational enjoyment of water storages.	CP Target	We contribute to recreational access and enjoyment of the Murray River and surrounding waterways by supporting waterway safety, environmental monitoring and coordinated land and water management. This work is undertaken in collaboration with Mildura Rural City Council, Millewa-Carwarp Landcare Group and DEECA, reflecting shared responsibility for recreational use and ecological values. This collaborative approach will continue through 2026–27.
4.1.1.003	Provide the number of water storage recreational areas with Recreational Area Management Plans in place.	CP Target	At this time, none of our water storage recreational areas require a Recreational Area Management Plan.

Table 17: Consideration of recreational values in business operations

Engagement processes with community or stakeholders Recreational Values			
Indicator Code	**Indicator description**	**Reporting Period**	**Narrative**
4.2.1.001	Provide evidence of community engagement processes that identified and considered recreational objectives relating to: - waterway health and environmental land - water planning and management.	CP Target	Recreational values are considered through our ongoing engagement with communities, councils, sporting organisations and government partners as part of water planning and operational decision-making. As part of Price Submission 2028 (PS28), we will engage with customers and stakeholders to understand community values, including recreational use of waterways, open space and sporting facilities, and to consider how these values are reflected in service outcomes, investment priorities and system operations. We also work directly with local councils and community organisations to support recreational land uses through water supply and land management arrangements. This includes the provision of Class C recycled water from the Mildura West Water Treatment Plant and Mildura Wastewater Treatment Plant to irrigate Mildura Rural City Council-managed ovals and a local sporting complex used for soccer, cricket and school-based sport. We also work closely with the Mildura Golf Club, which receives recycled water to support the ongoing viability of its greens and fairways. In 2025–26, we developed an Integrated Water Management (IWM) funding proposal to deliver a project in the 2026-27 period that enhances climate resilience for local golf courses through the use of rural irrigation drainage water. This project will reduce reliance on raw irrigation supplies while supporting recreational values by helping golf

			courses and adjacent green spaces remain usable during drought and water restrictions. The outcome of the funding won't be known until July 2026. Lake Hawthorn is another example where water planning and community use intersect, and this will continue in the next period. The lake receives rural drainage water and is surrounded by a growing residential area. Engagement with nearby residents, community groups and partner agencies reflects its role as a recreation site for activities such as rowing, kayaking and walking, as well as its environmental importance as habitat for native bird species.

Table 18: Engagement processes with community of stakeholders

Improvement to information sources Recreational Values			
Indicator Code	**Indicator description**	**Reporting Period**	**Narrative**
4.3.1.001	Provide evidence of actions taken to improve information sources to help recreational users plan their activities.	CP Target and subsequent 4 FYs Forecast	We have a 'recreational water bodies' page on our website to provide community information on each of the recreational water bodies within our service region. This page includes information on fishing and marine licensing. We will continue to make updates to this webpage to further enhance access to recreational information. We actively promote this webpage on our social media and will continue to in 2026-27. We have made enhancements to our BGA webpage to now include the dates when sampling occurs. Further improvements will be made to provide the community with the most up to date information in 2026-27. We actively share information about BGA on social media during peak BGA season. We will continue to keep the community informed in 2026-27.

Table 19: Improvement to information sources

Collaboration with stakeholders Recreational Values			
Indicator Code	**Indicator description**	**Reporting Period**	**Narrative**
4.4.1.001	Provide evidence of actions taken to collaborate with other organisations and government agencies to explore and progress opportunities to support recreational objectives.	CP Target and subsequent 4 FYs Forecast	We work with communities, councils and partner organisations to build shared understanding of waterway health, climate impacts and the role of good water management in supporting recreational assets across the region. Alongside targeted engagement on blue-green algae monitoring and communication, our community and school engagement activities support education on water conservation and the importance of sustainable water management in maintaining safe and accessible recreational environments over time. We collaborate with local agencies including Mildura Rural City Council, Mallee Catchment Management Authority, Parks Victoria and Western Landcare NSW to deliver education programs and ecosystem-based learning activities for students and community groups. We have recently extended our collaboration to include local golf courses in a joint partnership to apply for Integrated Water Management funding to fund a project that seeks to improve climate resilience by using rural irrigation drainage water to support golf courses and surrounding green spaces. This project, if successfully funded, reduces pressure on raw irrigation supplies while helping recreational facilities remain viable during drought and water restrictions.

Table 20: Collaboration with stakeholders

Image 5: View of Lake Hawthorn foreshore

5.5 LOE 5: RESILIENT AND LIVEABLE CITIES AND TOWNS

Contribute to healthy communities by supporting safe, affordable, high-quality services and resilient, liveable environments, and recovery from emergency events that builds back with improved resilience against future risks and manage water resources in a sustainable manner that enhances environmental outcomes and amenity in urban and rural landscapes.

Integrated Water Management			
Indicator Code	**Indicator description**	**Reporting Period**	**Narrative**
5.1.1.006	Actively participate and promote stakeholder collaboration with other organisations through IWM Forums, to help facilitate IWM.	CP Target and subsequent 4 FYs Forecast	In 2026–27 we will continue to play an active role in the Northern Mallee Integrated Water Management (IWM) Forum, which brings together local government, water corporations, Traditional Owners and state agencies to coordinate shared water-cycle opportunities across Victoria. This collaborative structure is designed to identify regional priorities, align partner actions and deliver integrated outcomes that improve resilience, environmental health and community wellbeing. Our organisation provides key leadership within the Forum. Our Board Chair has been appointed as the Forum Chair, our Managing Director is a member of the Northern Mallee IWM Executive, and one of our staff members is the Northern Mallee IWM Champion - reflecting our commitment to collaborative regional governance. The strength of the Forum lies in its diverse membership, broad range of technical and strategic skillsets, and strong shared commitment to working together to deliver outcomes for a region facing significant climate-related pressures. This collaborative capability is critical given the vast geographic area the Forum covers, and the complex water-management challenges that come with serving dispersed communities and landscapes. Throughout 2026–27 we will keep promoting strong stakeholder collaboration by contributing to shared planning, championing integrated approaches in regional discussions and supporting the development of actions that deliver multiple benefits across the water cycle -such as better use of water resources, improved liveability and healthier landscapes – consistent with the goals of integrated water management.
5.1.1.009	Progress towards development or review, update and implementation of strategic forum-owned IWM plans, outcomes and/or targets, as applicable to its region.	CP Target and subsequent 4 FYs Forecast	We are committed to ongoing participation in and contribution to the Northern Mallee IWM Forum as it delivers its first Strategic Directions Statement. The NM IWM Forum includes local government, Traditional Owners, and catchment management authorities to identify and coordinate shared opportunities across the water cycle and improve regional outcomes. Established in July 2024, the Forum is shaping regional priorities that respond to a drying climate, strengthen community resilience and incorporate Traditional Owner cultural values into water planning. Our planning and operational decisions will align with these emerging directions to support sustainable and liveable communities across the Northern Mallee. The Forum has identified a set of complementary priority projects designed to improve water security, enhance environmental health and support community resilience. These projects reflect the core aims of integrated water management, which seeks to coordinate water, wastewater, stormwater and alternative sources to deliver broader social, environmental and economic benefits.
5.1.1.010	Progress towards the implementation of IWM actions, projects and or other activity with IWM approach achieving shared	CP Target and subsequent 4 FYs Forecast	We will continue advancing priority Integrated Water Management (IWM) actions that have been identified through the Northern Mallee IWM Forum, in collaboration with our Forum partners. Our work in 2026–27 will focus on aligning our planning, projects and decision making with these emerging priorities to ensure our actions support the region's long-term resilience.

	benefits, as applicable to the region.		As the Forum finalises its first Strategic Directions Statement, we will align our planning and project development with the region's emerging priorities, which focus on resilience under a drying climate, healthier landscapes and recognition of cultural values. During the year, we will support the progression of complementary IWM projects that strengthen water security, improve local environments and enhance community wellbeing. These projects reflect the statewide goals of integrated water management, including better use of alternative water sources and coordinated action to deliver social, environmental and economic benefits.

Table 21: Integrated Water Management

Water Use and Efficiency Urban Water Efficiency			
Indicator Code	**Indicator description**	**Reporting Period**	**Narrative**
5.2.1.001	Projects or initiatives to deliver urban water efficiency, including residential and non-residential, and any projects delivering on water efficiency outcomes in Water for Victoria and relevant urban and sustainable water strategies.	CP Target and subsequent 4 FYs Forecast	We are continuing implementation of our Urban Water Strategy 2022–2071 through delivery of the Water Plan 5 Capital Works Program, with a focus on improving urban water efficiency and advancing Integrated Water Management (IWM) outcomes in the Northern Mallee region. These investments strengthen supply reliability, reduce water losses and balance supply and demand in response to water quality challenges, climate variability and population growth. Recently completed projects include filter media replacements at the Kerang, Mildura and Mildura West Water Treatment Plants, recoating of the Mildura West 18ML Treated Water Storage, and refurbishment of the Kerang Vaughan Street Water Tower. These works extend asset life, reduce leakage risks and maintain water quality. Current upgrades to the Red Cliffs Water Distribution System, including a new pump station and rising main, along with planned water main upgrades in Mildura, will further improve service reliability and support urban growth. Collectively, these initiatives enhance network efficiency and ensure sustainable service delivery for our communities.

Table 22: Urban water efficiency

Urban Water Consumption			
Indicator Code	**Indicator description**	**Reporting Period**	**Narrative**
5.2.3.044	Please provide commentary on non-revenue water attributed to leakages.	CP Target	LMW continue to explore savings in non-revenue water through pressure monitoring, improved metering programs and targeted assessments at urban water assets to identify major losses, followed by implementing controls or improvements to reduce those losses. This includes delivery of the Urban Water Mains Renewal Program, which proactively prioritises pipeline replacements based on asset condition and consequence of failure, ensuring investment is directed to areas of highest risk and potential water savings. We have also equipped our urban civil teams with metered hydrants to accurately measure water used during mains flushing, improving our understanding of operational water use and reducing unaccounted for losses. These actions strengthen our ability to track performance and confirm that implemented strategies are delivering measurable reductions in leakage related water losses.

Table 23: Urban water consumption

Circular Economy Outcomes							
Indicator Code	**Indicator description**	**Reporting Period**	**Measure or Narrative**				
			2026-27	**2027-28**	**2028-29**	**2029-30**	**2030-31**
5.3.1.001	Provide commentary on projects or initiatives that adopt circular economy principles and/or contribute towards identified targets in "Recycling Victoria: A New Economy".	CP Target and subsequent 4 FYs Forecast	A key initiative is the ongoing siting assessment for the new Swan Hill Water Treatment Plant, which is exploring opportunities to co-locate the facility adjacent to the Swan Hill Rural City Council landfill and an established solar farm. This approach has the potential to unlock multiple circular economy benefits, including beneficial reuse of waste materials, improved resource recovery pathways, reduced transport emissions, and opportunities to harness renewable energy to power operations. By considering precinct level synergies at the planning stage, we are positioning the project to contribute to waste diversion, energy efficiency and emissions reduction targets, while delivering long-term value for the community. The recently developed Corporate Strategy commitment to Building a Safe and Sustainable Future, which includes zero emissions, zero harm and zero waste, will provide clear guidance for future projects and investment decisions. This commitment supports the embedding of circular economy principles into planning, design and delivery processes, ensuring we reduce waste, optimise resource use and lower carbon impacts across the asset lifecycle. This approach reinforces LMW's commitment to delivering reliable, affordable and environmentally responsible services for our customers and communities.				

Table 24: Circular economy outcomes

Sustainable Water Management Sustainable Water Strategies			
Indicator Code	**Indicator description**	**Reporting Period**	**Narrative**
5.5.2.001	Progress of actions taken in the development and implementation of Sustainable Water Strategies applicable to the region.	CP Target and subsequent 4 FYs Forecast	We have undertaken several major infrastructure projects have been driven by the Northern Region Sustainable Water Strategy (SWS) and related Murray-Darling Basin commitments over the last few years. These projects have focused on modernising infrastructure to reduce water losses and improve efficiency of our irrigation supply systems. To further complement this work, we will have finalised the development of the Rural Masterplan 2050 Strategy (RM2050) in the 2025-26 period with the view to developing the implementation plan and utilise this work to inform our Price Submission 2028-33. The long-term planning approach of RM2050 for our 4 declared irrigation districts – Mildura, Merbein, Red Cliffs, and Robinvale – ensures that we are able to remain flexible in a changing environment and enables the viability of our rural system and services.

Table 25: Sustainable water strategies

Environmental Statutory Obligations **Environmental Obligations**			
Indicator Code	**Indicator description**	**Reporting Period**	**Narrative**
5.4.1.001	Water corporations should manage impacts to water quality in their operations including managing risks posed to water quality in special water supply catchment areas and provide commentary on specific actions that deliver targeted outcomes to satisfy these environmental obligations.	CP Target and subsequent 4 FYs Forecast	Risk Management and Monitoring Plans have been developed for our Wastewater Treatment Plants enabling us to manage identified risks posed to waterways and the environment. These plans will be reviewed annually to ensure compliance with regulatory and policy frameworks. LMW does not discharge reclaimed water from wastewater into surface waters.
5.4.1.002	Report on performance against the Obligations for Managers of Land or Infrastructure (Water) (OMLI) under the *Environment Protection Act 2017* and the Statement of Obligations (General) (in relation to sewerage services and connections) under the *Water Industry Act 1994* (Vic).	CP Target and subsequent 4 FYs Forecast	LMW will continue to collaborate with Swan Hill Rural City Council (SHRCC) to provide input into their Onsite Wastewater Management Plan for non-sewered properties. We will continue our collaboration with MRCC to: • Manage the rabbit population at Lake Cullulleraine, a freshwater lake used for on water recreation. • Provide input to the Mildura Landfill Community Reference Group. LMW is a continued member of the North Central CMA's Ramsar Site Coordination Committee.
5.4.1.003	Water corporations are to undertake specific actions that deliver targeted outcomes to satisfy their environmental obligations, consistent with the actions and intended outcomes contained in the: a) Regional Catchment Strategy b) Victorian Waterway Management Strategy and Regional Waterway Strategy c) Port Phillip Bay Environmental Management Plan (MW Only); and d) Other environmental activities or general projects that help implement catchment/waterway health objectives.	CP Target and subsequent 4 FYs Forecast	LMW conduct regular monitoring of blue green algae in the Murray River and Lake Cullulleraine to inform the community of warnings and advice relating to recreational water use in collaboration with DEECA, Murray Darling Basin Authority and Goulburn Murray Water. We continue to collaborate with the Mallee Catchment Authority (CMA) and other stakeholders to develop Environmental Water Management Plans for two key Mallee region wetland sites: 1. The Cardross and Koorlong Lakes system are located 15km southwest of Mildura and listed in the Australian Directory of Important Wetlands. The lakes provide a range of local and regional environmental, social and cultural values. Importantly, Koorlong Lake provides habitat for a local population of the critically endangered Murray hardyhead (*Craterocephalus fluviatilis*), a small-bodied fish which is now only found in isolated populations in Northern Victoria. The maintenance of permanent shallow brackish habitat at Koorlong Lake allows the local Hardyhead population to continue to grow and thrive. 2. Lake Hawthorn located on the northwestern edge of Mildura is a valuable and productive saline wetland environment that supports salt tolerant flora species, water-dependent fauna and provides habitat for a wide range of migratory shorebirds, waders and other waterbird species. We continue to work with our partners to coordinate the delivery of environmental water using our existing drainage infrastructure to maintain the health of these sites and endangered populations. Supported key land manager partnerships, including: • Mallee CMA Catchment Partnership Committee • Mallee Regional Innovation Centre • Mallee Regional Partnership • Mildura Rural City Council • Parks Victoria

Table 26: Environmental statutory obligations

Sustainable Water Management Sustainable Water Use			
Indicator Code	**Indicator description**	**Reporting Period**	**Narrative**
5.5.1.002	Provide commentary on projects or initiatives undertaken to deliver improved efficiency of irrigation systems.	CP Target and subsequent 4 FYs Forecast	We are progressing a long-term and coordinated approach to improving the efficiency of our irrigation systems through the development of the Rural Masterplan 2050 Strategy (RM2050). RM2050 is a 25-year strategic program that builds on the gains of our recent modernisation works and establishes a clear pathway for continued efficiency, resilience and service reliability across our four declared irrigation districts: Mildura, Merbein, Red Cliffs and Robinvale. Development of RM2050 commenced in early 2025 and responds to the need for a flexible, future-proof irrigation network that meets changing customer expectations, supports agricultural productivity and manages the impacts of climate variability and population growth. The program identifies system-wide opportunities to reduce water losses, enhance operational performance and ensure our rural network remains efficient and fit for purpose over the long term. Comprehensive engagement approach is central to the staged development of RM2050 Alongside customers, local government, regional agencies and Traditional Owners, we have also actively engaged our internal staff, including those involved in Infrastructure Planning, Capital Delivery, Operations, Service Delivery, Asset Management and Financial Management. Their technical insights, operational experience and strategic perspectives ensure that efficiency opportunities are practical, evidence-based and aligned with organisational capability and long-term priorities. This internal–external engagement model strengthens the robustness of the Strategy and ensures that future investments are well-targeted and deliver measurable efficiency outcomes. Prioritisation and timing of implementation will be established through the development of Price Submission 2028-33, utilising the RM2050 strategy as the cornerstone rural customer engagement. This will then enable us to build on the outcomes of previous major irrigation modernisation programs, ensuring that a long-term planning approach drives the viability, resilience and sustainability of our rural business and the economy that it is built around.

Table 27: Sustainable water use

Housing Statement Developer and Council Engagement			
Indicator Code	**Indicator description**	**Reporting Period**	**Narrative**
5.6.1.002	Describe the strategies to be employed to engage with applicable entities, including developers and Councils, before a planning permit referral is received, including to understand potential blocks and/or delays created by processes and systems.	CP Target and subsequent 4 FYs Forecast	Continued engagement with the industry, key stakeholders and Councils will include quarterly strategic coordination meetings with LGA's. A dedicated engagement program will be undertaken to ensure the continued collaboration within the developer community, including landowners, consultants and contractors. Developers can apply for servicing advice prior to planning approvals in place. LMW will assess the needs of the development, determine its servicing strategy and provide details on the infrastructure sizing and connection location within 28 days of receipt of the application. The Development Team contact details are published on LMW website and KPI's set to acknowledge enquiries within 2 business days.
5.6.1.003	Describe the strategies employed to engage with applicable entities, including developers and Councils, during the planning permit process.	CP Target and subsequent 4 FYs Forecast	Planning Referrals will be responded to within statutory timeframes. Where additional time is required to assess an application, timely discussions with the Applicant and Council will be held. LMW have implemented new applications for the development industry to request servicing advice and costings, design approval and consent to Statement of Compliance. Timeframes for LMW responses have been implemented.
5.6.1.006	Describe progress and/or any blocks in reporting on current annual report Housing Statement indicators.	CP Target and subsequent 4 FYs Forecast	Reporting against the current Annual Report Housing Statement indicators is progressing, supported by the implementation of streamlined development application processes. These systems enable improved and consistent data capture across servicing advice, design approvals, and Statements of Compliance, strengthening the accuracy and efficiency of reporting. Early performance data has been provided to VicWater on development process timelines, including established targets and performance against those targets. This demonstrates LMW's capacity to systematically collect, monitor and report on relevant data. At this stage, no significant blocks have been identified in relation to data availability; however, ongoing refinement of reporting processes will continue to ensure alignment with indicator requirements and continuous improvement in data quality.

Table 28: Housing statement

5.6 LOE 6: LEADERSHIP, DIVERSITY AND CULTURE

Water corporations reflect the needs of our diverse communities and develop strategies and goals that will increase cultural diversity in the workforce and gender equity in both executive leadership and throughout the organisation.

Diversity and Inclusion			
Indicator Code	**Indicator description**	**Reporting Period**	**Measure or Narrative**
6.1.1.001	Is a Diversity Inclusion Plan/s published on entity website (Y/N).	CP Target	The Water Industry Equity, Diversity and Inclusion Strategy is published.
6.1.1.002	Is a Gender Equality Action Plan published on entity website (Y/N).	CP Target	Our Action Plan is incorporated into our Gender Equality Framework and is published on our website.
6.1.1.003	Provide the number of executive officers who identify as women.	CP Target	Our executive team consists of 5 people, of which 2 (40%) identify as female.
6.1.1.004	Actions taken to improve participation by Traditional Owners and Aboriginal Victorians in Board committees and/or other organisational committees.	CP Target and subsequent 4 FYs Forecast	The first Independent Aboriginal Delegate to the LMW Board, Mr Marcus Horwood, was appointed in November 2024. Mr Horwood has now been successful in being appointed to a full Board Director position with LMW by the Minister for Water from 1 October 2025. LMW and the Board are progressing to the appointment of a new Independent Aboriginal Delegate.
6.1.1.005	Percentage of staff participation in the Victorian Public Sector Commission (VPSC) People Matter Survey.	CP Target	We had a participation rate of 91% in the 2025 People Matter Survey.
6.1.1.006	Number of staff within the water entity who have undertaken a cross-cultural training course facilitated by a suitably experienced provider.	CP Target	214 employees have undertaken Connecting with First Nations People delivered by genU.
6.1.1.007	Number of Aboriginal staff employed.	CP Target	There are currently 4 FTE staff members identified within their employment records as being Aboriginal and/or Torres Strait Islander, representing just over 1.5% of our workforce.
6.1.1.008	Summary of progress against LOE Priority Area Leadership, diversity and culture.	CP Target and subsequent 4 Fys Forecast	We continue to focus on building the leadership capabilities at all levels of our organisation. We have implemented onboarding with a 30/ 60/ 90 day plan. At Division Level we have undertaken two workforce planning studies which has provided actions and outcomes for implementation in 2026-27. Following the amalgamation of the People team into the Business Services division we will review our current strategies and focus areas for 2026-27 streamlining processes, and strategies where possible to ensure they remain relevant for the organisation. Monthly reports are being provided to the Board regarding improved safety and wellbeing metrics through the Balanced Scorecard process. An internal safety culture survey has been undertaken with any arising actions being reviewed for implementation with a shift into preventative injury modelling occurring.

Table 29: Diversity and inclusion

5.7 LOE 7: PERFORMANCE AND FINANCIAL MANAGEMENT

Improve efficiency and consistency in the reporting of performance while delivering safe and cost-effective water and wastewater services in a financially sustainable manner.

Please note:

- for Additional Financial Performance Indicators please refer to Section 7. Financial Statements.

Statement of performance Financial Performance							
Indicator Code	**Indicator description**	**Reporting Period**	**Measure or Narrative**				
			2026-27	**2027-28**	**2028-29**	**2029-30**	**2030-31**
7.1.2.001	Financial Performance - Cash Interest Cover.	CP Target and subsequent 4 FYs Forecast	3.3	3.0	3.7	3.5	3.1
7.1.2.006	Financial Performance - Gearing Ratio.	CP Target and subsequent 4 FYs Forecast	9.3%	11.3%	12.8%	15.3%	18.7%
7.1.2.011	Financial Performance - Internal Financing Ratio.	CP Target and subsequent 4 FYs Forecast	39.6%	38.4%	56.7%	44.3%	37.1%
7.1.2.016	Financial Performance - Current Ratio.	CP Target and subsequent 4 FYs Forecast	146.2%	131.2%	157.1%	138.8%	147.8%
7.1.2.021	Financial Performance - Return on Assets.	CP Target and subsequent 4 FYs Forecast	-2.1%	-2.0%	-1.2%	-1.1%	-1.1%
7.1.2.026	Financial Performance - Return on Equity.	CP Target and subsequent 4 FYs Forecast	-2.4%	-2.4%	-1.8%	-1.8%	-2.0%
7.1.2.031	Financial Performance - EBITDA Margin.	CP Target and subsequent 4 FYs Forecast	24.3%	25.6%	28.2%	34.7%	36.0%

Table 30: Statement of performance

Operational performance							
Indicator Code	**Indicator description**	**Reporting Period**	**Measure or Narrative**				
			2026-27	**2027-28**	**2028-29**	**2029-30**	**2030-31**
7.1.3.001	Water and Sewerage Network Reliability - Water Service – minutes off supply (planned and unplanned).	CP Target	10	10	10	10	10
7.1.3.006	Water and Sewerage Network Reliability - Unplanned water supply interruptions.	CP Target	0	0	0	0	0
7.1.3.011	Water and Sewerage Network Reliability - Sewerage Service – sewer blockages.	CP Target	15	15	15	15	15
7.1.3.016	Water and Sewerage Network Reliability - Sewerage Service – sewer spills.	CP Target	4	4	4	4	4
7.1.3.021	Water and Sewerage Network Reliability - Sewerage Service - containment of sewer spills.	CP Target	97%	97%	97%	97%	97%
7.1.3.026	Water Service - Rural water supply deliveries.	CP Target	98%	98%	98%	98%	98%
7.1.3.031	Water Service - Transfer of Water Shares - applications completed within agreed timeframes.	CP Target	85%	85%	85%	85%	85%
7.1.3.036	Water Service - Unavailability of Domestic and Stock supply.	CP Target	N/A	N/A	N/A	N/A	N/A
7.1.3.041	Water Service - Groundwater supply.	CP Target	N/A	N/A	N/A	N/A	N/A
7.1.3.046	Water Reuse - Recycled water – effluent treatment and reuse.	CP Target	60%	60%	60%	60%	60%

Table 31: Operational performance

5.8 LOE 8: COMPLIANCE AND ENFORCEMENT

Apply a consistent, transparent, and risk-based approach to manage compliance and enforcement of the *Water Act 1989* (Vic).

Apply an effective zero-tolerance approach to unauthorised take **Unauthorised take**			
Indicator Code	**Indicator description**	**Reporting Period**	**Narrative**
8.1.1.001	Provide commentary on actions taken to demonstrate effective zero-tolerance strategies towards unauthorised water take by ensuring no more than 1% of volume of total water take is taken without authorisation at any time.	CP Target and subsequent 4 FYs Forecast	LMW will continue to monitor usage on a daily basis for our telemetered customers and quarterly for our mechanical metered customers. Where there is a high-use customer still on a mechanical meter, we will monitor their usage more regularly. Our current communications follow the trends in water usage throughout the season and are adjusted to reflect times of higher usage and warmer days. We use all tools available to us to assist in ensuring compliance – education pieces, infringement notices, prosecution and locking down of outlets.
8.1.1.006	Provide commentary on actions taken to demonstrate effective zero-tolerance strategies towards unauthorised water take by ensuring no more than 3% of Allocation Bank Accounts (ABAs) are in negative at any time.	CP Target and subsequent 4 FYs Forecast	As above.

Table 32: Apply an effective zero-tolerance approach to unauthorised take

Image 6: Robinvale

Demonstration of continuous improvement towards implementation of compliance and enforcement strategies, frameworks and reporting Compliance and Enforcement (C&E) Strategies			
Indicator Code	**Indicator description**	**Reporting Period**	**Narrative**
8.2.1.001	Develop and implement a strategic compliance and enforcement strategy and annual compliance and enforcement work program.	CP Target and subsequent 4 FYs Forecast	In 2025 the Compliance and Enforcement Strategy was reviewed and rebranded as the Rural Customer Guide for Compliance and Enforcement. This review has seen changes to bring LMW in line with DEECA's escalation pyramid and enable us to continue supporting compliance through proactive education and awareness activities. We will meet obligations under the Victorian Non-Urban Metering Plan and Murray-Darling Basin Compliance Compact and have developed a Metering Action Plan.
8.2.1.002	Implement a structured approach to monitoring and reporting on compliance and enforcement functions against strategic and annual work plans, as appropriate to the level of risk.	CP Target and subsequent 4 FYs Forecast	LMW follow a clearly identified process which involves assessing non-compliance utilising a defined risk-based approach.
8.2.1.003	Implement metering action plans in line with the Victorian Non-urban Water Metering Policy and the Murray-Darling Basin Compliance Compact metering requirements.	CP Target and subsequent 4 FYs Forecast	LMW completes a comprehensive review of its non-urban meter fleet annually, providing a report to DEECA with the detailed findings. Through this we are able to identify any previous non-compliant meters that now meet the usage criteria to justify immediate replacement. We use a combination of techniques and endeavour to ensure all meters are reading accurately and reliably through installation standards, tamper evident seals, maintenance and validation schedules and reviews of water use. When a faulty meter is identified we will work with the landowner to assess and account for any water use not recorded. In line with requirements: • All new or upgraded extraction sites will be fitted with AS compliant meters. • Meters installed on existing sites that meet a contemporary (interim) standard will be replaced at the end of their operational life by an AS compliant meter. • Any meter that does not comply with contemporary standards will be replaced by an AS compliant meter, unless otherwise exempt. • Telemetry will be installed on all new or upgraded extraction sites used for irrigation purposes. (Excludes domestic & stock use) • Unmetered D&S connections will be metered at the point of property sale.
8.2.1.004	Maintain an up-to-date compliance and enforcement communications plan and deliver this to ensure customers are adequately informed about: x compliance requirements how Victoria applies a zero-tolerance approach to unauthorised take.	CP Target and subsequent 4 FYs Forecast	LMW will continue to undertake the following: • Website promotion advises strict adherence to our C&E strategy. • Direct mail out to our rural customers at season start through our annual Rural Water Guide. • Welcome letters for new rural customers to advise of compliance and enforcement protocols. • Proactive focus on customer reporting for any suspicious activity. • New comms regarding compliance during shortfall events • SMS and social promotion as required, dependent on the season. • Review our communications plan on an annual basis.

Table 33: Demonstration of continuous improvement towards implementation of compliance and enforcement strategies, frameworks and reporting

5.9 ADDITIONAL AREAS OF FOCUS

5.9.1 CYBER SECURITY

Cyber	
Indicator description	**Narrative**
The State Emergency Management Plan – Cyber Security Sub-Plan states that entities should adopt one or, or a combination of two, internationally recognised approaches to reduce their cyber security risk: • Essential Eight Maturity Model provided by the Australian Cyber Security Centre (ACSC). • Cyber Security Framework by the National Institute of Standards and Technology, USA.	The alignment and integration of LMW's cybersecurity governance is an identified priority for our organisation as we build our capability and resilience towards best practice. This is largely centered on alignment with the Essential Eight Maturity Model, Level 1 but has also incorporated the development of incident-related documents. We will continue to embed risk, emergency management and business continuity across the organisation and work closely with the Victorian water sector on projects that strengthen our approach to cyber-related risks.
Demonstrate progress and an ongoing commitment to integrating cyber risk management capacity, capability, process and system improvements into planning and decision making across the business. This includes activities and actions that will reduce the business exposure to cyber-attack, minimise the impacts of service disruption to customers, and restore services promptly following an attack.	LMW has updated its cybersecurity incident management plan which includes a refreshed set of playbooks for common cybersecurity issues. A schedule of simulation topics for testing during LMW's annual exercise and other appropriate times has also been developed to ensure cyber-related incidents are tested and practiced, identifying gaps and continuous improvement opportunities.

Table 34: Cyber security

5.9.2 CUSTOMER PROTECTION, INCLUDING PREVENTION OF HARM FROM FAMILY VIOLENCE

Customer protection, including prevention of harm from family violence	
Indicator description	**Narrative**
Activities and actions identified within the Victorian Data Security Framework, including plans to improve the information security and maturity of the business, and protect customer information from loss or exploitation by employees, contractors or malicious third parties. Also, plans in place for response to a data breach that has, or had potential to compromise customer information.	LMW his progressing with its Protective Data Security Plan (PDSP) in 2026. The PDSP is the organisation's formal statement to the Office of the Victorian Information Commissioner highlighting that we understand our information security risks, have assessed our current capability against the Victorian Protective Data Security Standards, and have an agreed plan to address identified gaps.
Work collaboratively with DEECA on family violence governance guidelines and consider development of Key Performance Indicators.	We work collaboratively with the ESC and water section more broadly on the development and implementation of family violence guidelines and services that best support our customers. Our strong relationship with DEECA extends to the development of these new requirements regarding governance guidelines and key performance indicators for future reporting.

Table 35: Customer protection, including prevention of harm from family violence

6. OUR FINANCIAL PERFORMANCE

Delivering safe and cost-effective water and wastewater services in a financially sustainable manner is crucial and our financial performance is key to achieving this. The following section provides an overview of our future intentions in alignment with the Minister's LOE and associated guidelines.

6.1 PRICING

Urban and rural pricing structures are assumed to remain unchanged over the Corporate Plan period from 2026–27 to 2030–31. All urban townships have common pricing, and locational pricing is applied for rural customers. LMW's pricing is regulated by the ESC who undertake a periodic review of urban and rural revenue requirement based on a Pricing Submission from LMW. The ESC published its price review final determination for the 2023-24 to 2027-28 period, also referred to as Water Plan 5 (WP5), in June 2023. Corporate Plan pricing for 2026-27 and 2027-28 is based on the ESC's determination.

6.1.1 URBAN

Urban pricing for WP5 follows the price path determined by the ESC. The annual price path adjustment includes a 0.6% real price increase, and annual adjustments for the change in CPI, bulk water charges and average cost of debt. After applying an estimated 3.8% CPI, 0.3% reduction for cost a debt, and 0.4% reduction for bulk water charges, the average price increase for urban water services is expected to be 3.9% in 2026-27. The annual bill impact of this change for urban reference customers is presented in the table below.

Note that the 2026-27 tariffs will be approved by the ESC in June 2026 and will be based on the published March quarter CPI.

Urban Service	2025-26	2026-27	$ Change	% Change
Water Service Charge	$247.48	$256.62	$9.14	
Water Usage (480kL)	$337.18	$349.62	$12.44	
Sewerage Service Charge	$586.40	$610.49	$24.09	
Total Reference Customer Owner Occupier Bill	**$1,171.06**	**$1,216.73**	**$45.67**	**3.9%**

Tenant Occupier	2025-26	2026-27	$ Change	% Change
Total Reference Customer Tenant Occupier Bill	$337.18	$349.62	$12.44	3.7%
Non-Residential	**2025-26**	**2026-27**	**$ Change**	**% Change**
Water Service Charge	$247.48	$256.62	$9.14	
Water Usage (3ML)	$2,933.70	$3,042.00	$108.30	
Sewerage Service Charge	$586.40	$610.49	$24.09	
Total Non-Residential Bill	**$3,767.58**	**$3,909.11**	**$141.53**	**3.8%**

Table 36: Annual bill impact of this change for urban reference and non-residential customers

6.1.2 RURAL

Revenue from rural business customers for regulated services is capped at the required revenue amount approved by the ESC in its final determination for the WP5 period.

Each rural district has its own tariffs. Prices reflect forecast demand of volumetric water deliveries, growth, planned operations and maintenance expenditure and capital investment. In determining the tariff price requirements, costs that are incurred by an individual district are directly attributed to that service area.

Rural pricing has been adjusted to reflect an assumed increase in the CPI of 3.8%. No adjustment has been made for the potential impact of the rural buyback scheme.

The annual bill impact of the charges for rural reference customers is presented in the table below:

Rural District	2025-26	2026-27	$ Change	% Change
Mildura (100ML)	$16,995.99	$17,476.92	$480.93	2.83%
Mildura HP (100ML)	$23,300.95	$22,811.97	-$488.98	-2.10%
Merbein (100ML)	$14,017.67	$14,662.71	$645.04	4.60%
Red Cliffs (100ML)	$14,027.07	$14,411.02	$383.95	2.74%
Robinvale (100ML)	$22,543.79	$21,936.75	-$607.04	-2.69%
Private Diverters (1,000ML)	$13,164.99	$13,274.99	$110.00	0.84%
Millewa Water Works - Rural (4,300kL)	$8,437.45	$8,402.53	-$34.92	-0.41%
Millewa - Urban (400kL)	$1,069.86	$1,117.42	$47.56	4.45%
Yelta Water Works (3ML)	$1,858.43	$1,890.88	$32.45	1.75%

Table 37: Annual bill impact of this change for rural reference customers

6.2 OPERATING, MAINTENANCE AND ADMINISTRATION EXPENDITURE

Total operating expenditure, before depreciation and interest expense is budgeted to decline by $1.5m in 2026-27, compared with the 2025-26 forecast reflecting savings of $5.2m from the conclusion of the Technology Uplift Program, partly offset by:

- Operating, maintenance and administrative labour expenses attributable salary escalation and the full year impact of vacant positions being filled during 2026-27.
- Electricity cost increases due mainly to higher energy prices.
- Increased Information Technology expenses related to cyber security, software licensing and TUP hyper care support.

The following section provides an overview of forecast urban and rural operating expenditure.

6.2.1 URBAN

Table 38 below sets out the Corporate Plan budget and forecast for urban operating expenditure for water and wastewater services over the forthcoming five-year period. Goulburn Murray Water (GMW) bulk water charges and the environment contribution are shown separately as these expenses are not controllable by LMW. Total expenditure excludes depreciation and interest expense.

Urban Service Category ($'000)	Current Period	Corporate Plan 5 Year Period					
	Forecast 2025-26	Budget 2026-27	Planned 2027-28	Planned 2028-29	Planned 2029-30	Planned 2030-31	TOTAL $
Water	24,910	23,403	23,823	24,374	24,983	25,608	122,190
Wastewater	14,012	14,960	15,167	15,508	15,896	16,293	77,825
External bulk water charges and water allocation purchases	745	716	732	749	766	784	3,746
Environmental contribution	1,776	1,776	1,776	1,820	1,820	1,820	9,012
Total	**41,443**	**40,855**	**41,498**	**42,451**	**43,465**	**44,505**	**212,773**

Table 38: Urban forecast, budget, and planned operating expenditure 2025-26 to 2030-31

6.2.2 RURAL

Table 39 sets out the Corporate Plan budget and forecasts for each major rural service category for the forthcoming five-year period. Total expenditure excludes depreciation and interest expense.

District ($'000)	Current Period	Corporate Plan 5 Year Period					
	Forecast 2025-26	Budget 2026-27	Planned 2027-28	Planned 2028-29	Planned 2029-30	Planned 2030-31	TOTAL $
Irrigation and drainage	19,382	18,343	18,626	19,049	19,525	20,013	95,556
Domestic and stock districts	1,286	1,314	1,310	1,336	1,369	1,403	6,732
Surface water diversions	1,895	1,915	1,972	2,022	2,072	2,124	10,106
External bulk water charges and water allocation purchases	3,260	3,361	3,450	3,530	3,612	3,696	17,648
Environmental contribution	464	464	464	475	475	475	2,354
Total	**26,287**	**25,397**	**25,822**	**26,411**	**27,053**	**27,711**	**132,395**

Table 39: Rural forecast, budget and planned operating expenditure 2025-26 to 2030-31

6.3 CAPITAL EXPENDITURE

Development of the Corporate Plan capital works program has followed a process to build a prudent and efficient works program to meet agreed customer outcomes, our commitments to Government, compliance obligations, and management of business risk within acceptable levels.

Ahead of the FY27 budget LMW has taken action to reinforce our ability to deliver the capital works program efficiently and effectively. Changes have been made across asset management, capital planning and project delivery areas and include improved program oversight, scheduling, forecasting and monitoring. Further improvements to the capital delivery framework will be undertaken through 2026-27 to ensure LMW maintains the capability and capacity to deliver a growing capital works program efficiently.

For the purposes of the FY27 budget, the delivery of the Victorian Murray Floodplain Restoration Project (VMFRP) is excluded from our capital works program.

We will continue working toward best practice in an evolving operating environment.

6.3.1 URBAN

The urban capital works budget for 2026-27 is centred on delivering the agreed service level outcomes as outlined in WP5 including the Mildura Water Mains upgrade program.

Urban capital expenditure for the Corporate Plan period across each service category is set out in Table 40 below

Service Category ($'000)	Current Period	Corporate Plan 5 Year Period					
	Forecast 2025-26	Budget 2026-27	Planned 2027-28	Planned 2028-29	Planned 2029-30	Planned 2030-31	TOTAL $
Water	13,860	10,388	12,587	21,323	29,378	39,568	113,245
Sewerage	5,540	10,356	10,821	7,078	9,078	6,363	43,697
Corporate	1,683	2,691	2,779	2,781	2,850	2,921	14,022
Recycled water	0	0	0	0	0	0	0
Gifted assets	4,271	2,700	4,500	4,500	4,500	4,500	20,700
Total Capital Urban	**25,355**	**26,136**	**30,687**	**35,683**	**45,807**	**53,352**	**191,664**

Table 40: Forecast, budget and planned urban capital expenditure 2025-26 to 2030-31

Major urban capex works to be delivered in 2026-27 are outlined in Table 41.

Major Water Projects	Budget 2026-27 ($'000)
Mildura Urban Water Mains Upgrade	3,185
Main Replacements program	1,000
Red Cliffs - Improve Reticulation Pressure for Town - Pump Station	900
Red Cliffs - Improve Reticulation Pressure for Township - Pipeline	600
Swan Hill - New WTP Design	588
Major Sewer Projects	**Budget 2026-27 ($'000)**
KLG - Construction of Wet Weather Storage (400ML)	4,748
Mildura - Koorlong Rising Main Duplication (Design & Construct)	840
Mildura - Sewerage Pump Station SPS 15 Renewal	640
Minor Capital Works Replacement Program	555
House Service Line Replacements	509

Table 41: Major urban 2026-27 capital works program

6.3.2 RURAL

The capital works budget for 2025-26 is centred on delivering the agreed service level outcomes outlined in WP5.

Total proposed rural capital expenditure for the Corporate Plan period across each service category is set out in the table below.

District ($'000)	Current Period	Corporate Plan 5 Year Period					
	Forecast 2025-26	Budget 2026-27	Planned 2027-28	Planned 2028-29	Planned 2029-30	Planned 2030-31	TOTAL $
Irrigation and Drainage	7,284	8,709	8,662	6,089	12,066	19,057	54,583
Domestic and stock	723	207	505	0	1,500	0	2,212
Surface water diversions	83	521	535	382	172	142	1,751
Corporate	846	1,321	1,391	1,383	1,418	1,453	6,966
Total Capital Expenditure	**8,935**	**10,759**	**11,093**	**7,854**	**15,155**	**20,651**	**65,512**

Table 42: Forecast, budget, and planned rural capital expenditure 2025-26 to 2030-31

Major rural capex works to be delivered in 2026-27 are outlined in the table below:

Major Irrigation projects	Budget 2026-27 ($'000)
Mildura - Dow Ave Bridge replacement (Siphon/Pipes Installation)	672
Mildura Irrigation Drainage Pipe replacement	558
Private Divertors Metering Program	496
Mildura – 17 St HP Pump Station Low Flow Pumps	490

Table 43: Major rural 2026-27 capital works program

6.4 WATER AVAILABILITY

LMW has adopted a forecast of 85% seasonal determination to Murray High Reliability Water Shares (HRWS) for the 2026-27 and 2027-28 seasons. This has been based on the April 2026 Northern Victoria Resource Manager (NVRM) outlook which includes an expectation that the Murray system will be impacted by below average rainfall and that the Murray and Goulburn systems will not be at full (100%) allocation until mid-February 2027 under an average year rainfall scenario.

Inflow Conditions	July 2026	August 2026	October 2026	February 2027
Wet	49%	79%	100%	100%
Average	37%	49%	92%	100%
Dry	17%	38%	54%	73%
Extreme Dry	12%	32%	38%	41%

Table 44: Murray system outlook for seasonal determination of HRWS

6.5 WATER DEMAND

6.5.1 URBAN

The forecast seasonal determinations to Murray HRWS are assumed to provide adequate water availability to LMW to satisfy expected urban usage. Therefore, our urban water demand requirements will be met with Permanent Water Saving Rules (PWSR) remaining in place with no forecast staged water restrictions.

Residential customer growth equates to approximately 390 new connections per year over the Corporate Plan period, with the average customers' water usage assumed at 480kL per annum. Urban water demand is outlined in the Table 45 below.

Service	Corporate Plan 5 Year Period				
	2026-27 Budget	2027-28 Planned	2028-29 Planned	2029-30 Planned	2030-31 Planned
Residential Demand	15,921	16,096	16,273	16,452	16,633
Non-residentialdemand	4,714	4,766	4,819	4,872	4,925
Total water demand	**20,635**	**20,862**	**21,091**	**21,324**	**21,558**

Table 45: Urban water demand (ML)

6.5.2 RURAL

Rural usage is forecast to be generally in line with the respective WP5 district volumes in 2025-26, apart from Merbein and Red Cliffs which will be below the WP5 volumes, primarily due to lower growth than that assumed in WP5.

Private Diverters do not get billed on water usage and their water usage is controlled by the Annual Use Limit (AUL) as a condition of their Water Use Licence. The current level of AUL held combined with the projected growth aligned to current plantings and future plantings has been used to forecast water usage for the Private Diverters required for their maturing crops.

Rural water demand for pumped irrigation districts and Private Diverters AUL is outlined in tables 46 and 47:

Seasonal Determination	85%	85%	100%	100%	100%
Service/District	2026-27 Budget	2027-28 Planned	2028-29 Planned	2029-30 Planned	2030-31 Planned
Pumped Irrigation - Metered Usage					
Mildura	31,425	31,425	31,425	31,425	31,425
Mildura HPS	3,509	3,509	3,509	3,509	3,509
Merbein	18,840	19,030	19,220	19,410	19,600
Red Cliffs	34,340	34,680	35,030	35,380	35,730
Robinvale	19,500	19,000	19,000	19,000	19,000
Total Irrigation	**105,934**	**106,454**	**106,974**	**107,504**	**108,044**
Diverters - Annual Use Limit					
Diverters	685,204	685,204	688,600	692,000	695,500

Table 46: Rural water demand (ML) – Private Diverters

Seasonal Determination	85%	85%	100%	100%	100%
Service/District	2026-27 Budget	2027-28 Planned	2028-29 Planned	2029-30 Planned	2030-31 Planned
Stock & Domestic - Metered Usage					
Millewa Urban	68	68	68	68	68
Millewa Rural	816	816	816	816	816
Yelta Water Works District	3	3	3	3	3

Table 47: Rural water demand (ML) – Millewa

6.6 WATER TRADING PLAN

LMW holds an urban bulk entitlement of 30.9GL plus water shares totalling another 3.0GL mostly Murray HRWS, with only 21GL on average used annually. Historically, the surplus allocation is either carried over or traded on the annual allocation market. Income varies each year depending on the market price and water availability.

We have undertaken trades of surplus allocation throughout 2025-26 and are forecasting trading revenue of $3.0m. We consider strategies to ensure security of supply for customers as the priority before trading any excess allocation, however as the seasonal determination forecast we have assumed to be for 2026-27 is 85% for Murray HRWS, we have planned to have excess allocation water available to trade even with a sub 100% allocation.

We are budgeting for $2.2m in revenue from trading surplus allocation in 2026-27, based on a lower volume of trading compared with 2025-26.

The amount of water trading revenue will be dependent on market and climactic conditions.

7. FINANCIAL STATEMENTS

The financial statements in Appendix A have been prepared in accordance with the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards, and other mandatory professional reporting requirements. The financial statements reflect the combination of the previous sections, demand, pricing, operating expenditure and capital expenditure.

The operations of the Victorian Murray Floodplain Restoration Project (VMFRP) have been excluded from the core business of Lower Murray Water to ensure Lower Murray Water customers are not affected. The corporate plan financial statements only include LMW's core business.

LMW continues to forecast statutory deficits due to the revaluation of assets and associated depreciation calculations compared with the ESC's PREMO parameters which are used to set prices. An asset revaluation exercise is underway and will be completed by 30 June 2026. The 2026-27 budget forecasts assume a 10% increase in asset values following the revaluation.

Plan forecasts assume a step up in prices from the commencement of the next regulatory period to provide funding for growth in the capital works program and ongoing cost of operating and maintaining infrastructure assets. LMW, in close consultation with its customers and key stakeholders will work on its regulatory price review proposal to be submitted to the ESC in September 2027.

Net income ($'000)	Current Period	Corporate Plan 5 Year Period				
	Forecast 2025-26	Budget 2026-27	Planned 2027-28	Planned 2028-29	Planned 2029-30	Planned 2030-31
Revenue	89,428	90,080	94,931	106,899	111,808	116,581
Expenses						
Operating, Maintenance, Administration	67,730	66,251	67,321	68,862	70,518	72,216
Depreciation	43,458	48,511	50,261	51,670	53,440	55,570
Finance	4,527	6,053	7,161	8,372	9,937	12,361
Taxation	(7,886)	(9,220)	(8,944)	(6,601)	(6,626)	(7,070)
Total expenses	107,829	111,594	115,800	122,302	127,269	133,077
Net result	**(18,401)**	**(21,514)**	**(20,868)**	**(15,403)**	**(15,460)**	**(16,497)**

Table 48: Financial overview 2025-26 to 2030-31

Strong cash flows from operating activities enables LMW to satisfy debt servicing and long-term financial viability indicator targets and provide significant funding for the capital works program. The cash interest cover ratio is expected to exceed the target of 2.5 times and gearing will remain well below the 50% target maximum.

These indicators demonstrate LMW's capacity to meet interest expense, debt service obligations and finance the capital works program from cash flows and borrowings. See Appendix B for the performance report outlining all the financial indicator forecasts and targets.

$'000	Current Period	Corporate Plan 5 Year Period				
	Forecast 2025-26	Budget 2026-27	Planned 2027-28	Planned 2028-29	Planned 2029-30	Planned 2030-31
Net cash flows from operating activities	14,398	15,030	15,816	23,621	26,524	27,268
Internal Financing Ratio (%)	39%	40%	38%	57%	44%	37%
Cash Interest Coverage (Times)	3.8x	3.3x	3.0x	3.7x	3.5x	3.1x
Asset Gearing ratio (%)	8%	9%	11%	13%	15%	19%

Table 49: Financial performance 2025-26 to 2030-31

7.1 DIVIDEND

As our financial statements show deficits after tax over the planning period, no dividend payment has been forecast. However, the Corporate Plan includes efficiency savings payments, to be paid as a Contributed Capital repatriation, as summarised in table 50 below:

	Corporate Plan 5 Year Period				
$'000	**2026-27 Budget**	**2027-28 Planned**	**2028-29 Planned**	**2029-30 Planned**	**2030-31 Planned**
Efficiency Savings Payment	2,500	1,500	1,500	1,500	1,500

Table 50: Efficiency savings

7.2 BORROWINGS

The large capital works program to be undertaken over the Corporate Plan period is driving the requirement for further increases in net borrowing, as presented in table 51 below. Total borrowings are forecast to increase by $133.8m from $91.0m at the end of 2025-26 to $224.8m by the end of the plan period in 2030-31.

	Corporate Plan 5 Year Period				
$'000	**2026-27 Budget**	**2027-28 Planned**	**2028-29 Planned**	**2029-30 Planned**	**2030-31 Planned**
Proceeds from borrowings	28,000	30,400	26,400	39,100	53,900
Repayment of borrowings	7,746	7,820	9,899	7,982	10,571
Net Borrowings	**20,254**	**22,580**	**16,501**	**31,118**	**43,329**

Table 51: Net borrowings

7.3 KEY ASSUMPTIONS

The financial forecasts are based on assumptions of escalation and interest rates. These assumptions are subject to uncertainty and to the extent they change there could be material variances to the financial outlook.

A revaluation of LMW's fixed assets is underway. The results of this activity will not be available until the end of 2025-26. Our forecasts assume a 10% uplift in the carrying value of fixed assets and depreciation expenses of these assets.

The inflation rate is assumed to gradually decline from current levels to the mid-point of the RBA target band by 2028-29. The rate of inflation has a direct impact on tariff revenue and certain expenses.

Corporate Plan financial key assumptions are shown in table 50 below.

Assumption	**Current Period**	**Corporate Plan 5 Year Period**				
	Forecast 2025-26	**Budget 2026-27**	**Planned 2027-28**	**Planned 2028-29**	**Planned 2029-30**	**Planned 2030-31**
Inflation	2.4%	3.8%	3.0%	2.5%	2.5%	2.5%
Electricity costs	10%	CPI	CPI	CPI	CPI	CPI
Base interest rates	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
FAL	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%
Asset revaluation	10%	0%	0%	0%	0%	0%

Table 52: Key assumptions

7.4 SENSITIVITY ANALYSIS

LMW's financial performance may be affected by a range climatic and economic factors. Unexpected variations in key assumptions may have a significant impact on the business's financial results. The budget is expected to be most sensitive to changes in water usage, which may be associated with seasonal patterns and climate change. Chart 01 below shows the sensitivity of the 2026-27 borrowing requirements to changes in a range of factors.

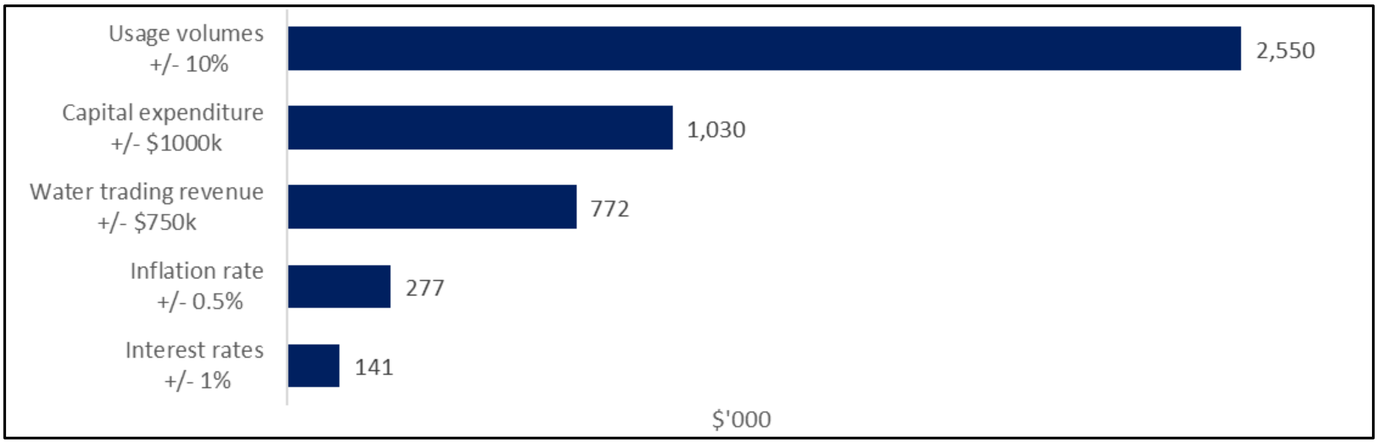

Chart 01: 2026-27 borrowing sensitivities

With recent developments overseas, the price and availability of fuel have emerged as significant risks. Given the level of uncertainty about this situation and how long it might take to resolve the follow-on impacts, LMW has not made any specific adjustment to its Budget and forward financial forecasts.

However, we acknowledge that the longer high fuel prices and concerns about supply persist, our business and customers will be adversely impacted. LMW's financial performance may be directly impacted through higher expenses, lower revenues, and increased ageing of debtors.

Assuming fuel prices remain around current elevated levels for the first half of financial year 2026-27, our initial analysis indicates the budgeted net loss could be around $0.4m higher due to increased fuel, chemicals, materials and interest expenses. Cash flows may also be impacted by delayed receipts from customers and higher capital expenditure. Many of our rural customers are experiencing hardship due to recent weather events and cost of living pressures are adversely impacting our customers more broadly. Rising fuel costs may have a compounding effect.

Indicative financial impacts on the 2026-27 budget forecasts are provided in table 53 below.

$'000	2026-27	Fuel crisis sensitivity	
	Budget	Forecast	%
Operating statement summary			
Operating, Maintenance and Administration	64,012	500	0.8%
Interest Expense	6,053	63	1.0%
Income Tax Expense	(9,220)	(169)	1.8%
Net result	**(21,514)**	**(394)**	**1.8%**
Cash flow summary			
Net Cash Inflow (Outflow) from Operations	13,530	(1,263)	-9.3%
Net Cash Inflow (Outflow) from Investing Activities	(33,835)	(922)	2.7%
Net operating and investing cash flow	**(20,305)**	**2,186**	**-10.8%**

Table 53: Fuel crisis 2026-27 budget sensitivity

Under fuel crisis sensitivity LMW's financial performance indicators would be adversely impacts. However, key metrics would remain within target thresholds. For example, the cash interest cover ratio would decline from 3.3 times to 3.1 times, compared with the target minimum of 2.5 times. A summary of selected key indicators is shown in table 54 below.

	2026-27	Fuel crisis sensitivity	
	Budget	Forecast	Change
Working Capital Ratio (%)	146%	151%	4.4%
Cash Interest Coverage (Times)	3.3	3.1	(0.2)
Asset Gearing ratio (%)	9.3%	9.5%	0.2%

Table 54: Fuel crisis 2026-27 performance metrics sensitivity

7.5 HIGH RAINFALL SCENARIO

We have assessed extreme weather events associated with climate change as having the biggest potential impact on water storage levels and water demand. Water storages within the Murray catchment area can be severely impacted by either too much (floods) local rainfall or too little (drought) rainfall. Unseasonal weather events can also have a severe impact on the region, particularly on our rural customers.

Although our urban retail and the rural irrigators would have enough water in their ABA for their water requirements, water use outside the home and for horticulture crops reduce significantly during a period of high rainfall.

Based on our experience the effect on water usage during previous rainfall events, lower urban and rural demand during 2026-27 has been forecast under a high rainfall scenario. LMW's urban customers usage is billed via three price tiers. For the purposes of this scenario proportional reductions have been applied across each tier for this scenario. To the extend there is a greatest impact on usage in the top price bracket the financial impact would increase. The rural irrigators water usage reduction has previously ranged from a 20% to 52% across the districts.

The high rainfall scenario assumes a 17% reduction in urban water demand and an average reduction of 24% in irrigation water demand as shown in table 55 below.

Financial year ML	2026-27	High rainfall scenario		
	Budget	Forecast	Change	%
Urban water	20,635	24,225	(3,590)	-17%
Rural irrigation	105,934	131,146	(25,212)	-24%

Table 55: Change in the 2026-27 Net Result under a high rainfall scenario

The 2026-27 Budget forecast is for a net loss of $21.4m after tax. Under this scenario the net loss would increase by $4.1m to $25.4m. In addition to the reduction in tariff revenue from lower water demand, it is assumed water trading revenue would be $0.9m reflecting lower than budgeted water prices.

The composition of the variation in the net loss position is illustrated in chart 02.

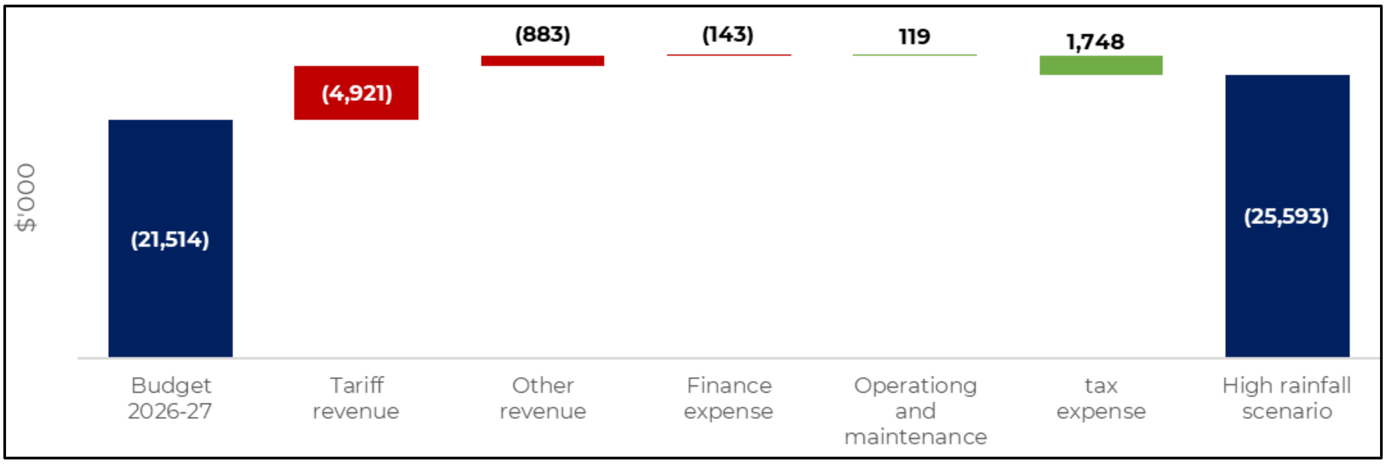

Chart 02: Change in the 2026-27 Net Result under a high rainfall scenario

8. APPENDIX A – 2026-27 CONSOLIDATED FINANCIAL STATEMENTS

Operating Statement						
Financial Year ($'000)	**2025-26 Forecast**	**2026-27 Budget**	**2027-28 Planned**	**2028-29 Planned**	**2029-30 Planned**	**2030-31 Planned**
Revenue						
Service Charges	52,075	54,106	56,026	63,667	66,789	69,784
Usage Charges	24,976	25,887	26,775	30,979	32,643	34,288
Developer Contribution	1,986	1,793	1,847	1,893	1,940	1,989
Developer Contributions - Gifted Assets	4,271	2,700	4,500	4,500	4,500	4,500
Government Contributions / Grants	200	150	0	0	0	0
Investment Interest	328	266	123	122	121	124
Profit (loss) from Sale of Assets	(1,056)	(264)	(271)	(278)	(285)	(292)
Other Revenue	6,650	5,442	5,932	6,016	6,101	6,189
Total Revenue	**89,430**	**90,080**	**94,931**	**106,899**	**111,808**	**116,581**
Expense						
Operating, Maintenance and Administration	65,491	64,012	65,082	66,566	68,222	69,920
Environmental Contributions	2,239	2,239	2,239	2,295	2,295	2,295
Interest Expense	3,875	5,300	6,351	7,472	8,912	11,132
Financial Accommodation Levy	652	753	810	900	1,025	1,229
Depreciation and Amortisation	43,458	48,511	50,261	51,670	53,440	55,570
Total expense	**115,715**	**120,815**	**124,743**	**128,903**	**133,894**	**140,146**
Earnings Before Tax	**(26,285)**	**(30,735)**	**(29,812)**	**(22,004)**	**(22,086)**	**(23,565)**
Income Tax Expense	(7,886)	(9,220)	(8,944)	(6,601)	(6,626)	(7,070)
Net Operating Result	**(18,399)**	**(21,514)**	**(20,868)**	**(15,402)**	**(15,460)**	**(16,495)**
Dividends Expense	0	0	0	0	0	0
Transfers (to)/from Reserves	0	0	0	0	0	0
Other Adjustments	0	0	0	0	0	0
Net Profit (Loss)	**(18,399)**	**(21,514)**	**(20,868)**	**(15,402)**	**(15,460)**	**(16,495)**

Revenue Detail

Financial Year ($'000)	2025-26 Forecast	2026-27 Budget	2027-28 Planned	2028-29 Planned	2029-30 Planned	2030-31 Planned
Urban Water Supply:						
Residential	8,098	8,512	8,854	10,506	11,116	11,762
Non-residential	1,775	1,801	1,874	2,223	2,352	2,489
Total Service / Fixed	**9,873**	**10,313**	**10,728**	**12,729**	**13,468**	**14,251**
Residential	12,857	13,575	14,121	16,754	17,727	18,757
Non-residential	4,583	4,780	4,972	5,900	6,242	6,605
Total Usage/Volumetric	**17,440**	**18,355**	**19,094**	**22,654**	**23,970**	**25,362**
Urban Sewerage						
Residential	16,823	17,836	18,628	22,103	23,388	24,748
Non-residential	2,821	2,958	3,078	3,637	3,833	4,040
Total Service / Fixed	**19,644**	**20,795**	**21,706**	**25,740**	**27,221**	**28,788**
Trade Waste	600	600	618	633	649	666
Recycled Water	265	275	284	291	298	305
Rural Water Fixed Revenue						
Irrigation	15,613	16,117	16,683	17,942	18,600	19,053
Stock and Domestic	677	677	684	731	758	775
Diversions	5,637	5,572	5,573	5,859	6,058	6,215
Groundwater	31	33	33	34	35	36
Total Rural Water Fixed Revenue	**21,958**	**22,398**	**22,974**	**24,566**	**25,451**	**26,080**
Rural Water Usage Revenue						
Irrigation	7,071	7,051	7,097	7,715	8,046	8,282
Stock and Domestic	201	205	301	320	329	339
Total Rural Water Usage Revenue	**7,271**	**7,256**	**7,398**	**8,035**	**8,375**	**8,620**
Total Revenue From Fees & Charges	**77,051**	**79,993**	**82,801**	**94,647**	**99,431**	**104,072**

Expense Detail

Financial Year ($'000)	2025-26 Forecast	2026-27 Budget	2027-28 Planned	2028-29 Planned	2029-30 Planned	2030-31 Planned
Operating and Maintenance Expense	49,549	46,121	47,487	48,838	50,051	51,295
Administration Expense	15,942	17,891	17,595	17,728	18,171	18,625
Total OMA Expenses	**65,491**	**64,012**	**65,082**	**66,566**	**68,222**	**69,920**
OMA Expenses Breakdown (Total OMA)						
Bulk water Supply	4,005	4,077	4,182	4,279	4,378	4,479
Headworks	0	0	0	0	0	0
Urban water - Treatment	4,691	5,288	5,447	5,605	5,745	5,889
Urban water - Reticulation	4,939	5,144	5,298	5,452	5,588	5,728
Sewerage - Reticulation	2,212	2,247	2,315	2,382	2,442	2,503
Sewerage - Treatment	2,328	2,049	2,110	2,171	2,225	2,281
Recycled Water	0	0	0	0	0	0
Surface Water Diversions	173	0	0	0	0	0
Gravity Irrigation	8,210	8,896	9,163	9,429	9,665	9,907
Pumped Irrigation	0	0	0	0	0	0
Stock and Domestic	670	864	890	916	939	962
Groundwater	7	7	7	7	7	7
Drainage Diversions	412	0	0	0	0	0
Other	37,844	35,439	35,670	36,325	37,233	38,164
Total OMA Expenses	**65,491**	**64,012**	**65,082**	**66,566**	**68,222**	**69,920**

Balance Sheet

Financial Year ($'000)	2025-26 Forecast	2026-27 Budget	2027-28 Planned	2028-29 Planned	2029-30 Planned	2030-31 Planned
Current Assets						
Cash on Hand	3,122	3,072	3,059	3,024	3,094	3,086
Receivables	13,956	14,266	14,791	16,779	17,591	18,379
Less Provision for Impaired Receivables	(865)	(865)	(865)	(865)	(865)	(865)
Investments	0	0	0	0	0	0
Inventories	5,639	5,639	5,639	5,639	5,639	5,639
Prepayments	1,091	1,091	1,124	1,152	1,181	1,211
Other Current Assets	0	0	0	0	0	0
Total Current Assets	**22,943**	**23,203**	**23,748**	**25,729**	**26,640**	**27,450**
Non-Current Assets						
Infrastructure WDV	1,091,060	1,078,556	1,067,214	1,057,227	1,054,369	1,064,927
Land and Buildings WDV	29,124	29,137	29,230	29,347	29,456	29,555
Plant, Equipment and Motor Vehicles WDV	8,185	7,531	6,836	6,132	5,328	4,422
Capital Works In Progress	20,961	20,961	22,979	23,945	33,529	40,702
Total Property, Plant & Equipment	1,149,330	1,136,185	1,126,259	1,116,651	1,122,682	1,139,606
Non-current Receivables	0	0	0	0	0	0
Deferred Tax Assets	19,580	19,580	19,580	19,580	19,580	19,580
Intangible Assets	14,134	15,039	15,843	16,658	17,474	18,292
Other Non-current Assets	5	5	5	5	5	5
Total Non-Current Assets	**1,183,049**	**1,170,809**	**1,161,687**	**1,152,894**	**1,159,741**	**1,177,483**
Total Assets	**1,205,992**	**1,194,012**	**1,185,435**	**1,178,623**	**1,186,381**	**1,204,933**
Current Liabilities						
Current Payables	5,069	5,068	5,221	5,413	5,639	5,928
Short Term Borrowings	8,500	7,820	9,899	7,982	10,571	9,664
Employee Benefit Provision	2,980	2,980	2,980	2,980	2,980	2,980
Other Current Liabilities	0	0	0	0	0	0
Total Current Liabilities	**16,549**	**15,868**	**18,100**	**16,375**	**19,190**	**18,572**
Non-Current Liabilities						
Long Term Borrowings	82,498	103,432	123,933	142,351	170,880	215,116
Long Term Employee Benefit Provision	3,836	3,836	3,836	3,836	3,836	3,836
Deferred Tax Liabilities	193,372	184,152	175,208	168,607	161,981	154,911
Other Non-current Liabilities	136	138	138	138	138	138
Total Non-Current Liabilities	**279,842**	**291,558**	**303,115**	**314,932**	**336,835**	**374,001**
Total Liabilities	**296,391**	**307,426**	**321,215**	**331,307**	**356,025**	**392,573**
Net Assets	**909,601**	**886,586**	**864,220**	**847,316**	**830,356**	**812,360**
Equity						
Government Equity Contributions	668,025	666,525	665,025	663,525	662,025	660,525
Asset Revaluation Reserve	432,705	432,705	432,705	432,705	432,705	432,705
Accumulated Funds (Losses)	(191,129)	(212,643)	(233,512)	(248,915)	(264,375)	(280,872)
Total Equity	**909,601**	**886,587**	**864,218**	**847,315**	**830,355**	**812,358**

Casflow Statement

Financial Year ($'000)	2025-26 Forecast	2026-27 Budget	2027-28 Planned	2028-29 Planned	2029-30 Planned	2030-31 Planned
Cash Flows From Operations						
Cash Receipts						
Service and Usage Charges Income	78,118	79,683	82,243	92,630	98,591	103,253
Other Customer Revenue	6,650	5,442	5,932	6,016	6,101	6,189
Receipts from Government	200	150	0	0	0	0
Developer Contributions	1,986	1,793	1,847	1,893	1,940	1,989
Investment (Interest) Income	328	266	123	122	121	124
Other Cash Receipts	0	0	0	0	0	0
Total Cash Receipts from Operations	**87,282**	**87,334**	**90,145**	**100,661**	**106,753**	**111,555**
Cash Payments						
Payments to Suppliers and Employees	(66,118)	(64,012)	(64,929)	(66,374)	(67,997)	(69,632)
Interest and Other Costs of Finance Paid	(4,527)	(6,053)	(7,161)	(8,372)	(9,937)	(12,361)
Income Tax Payments	0	0	0	0	0	0
Environmental Contributions	(2,239)	(2,239)	(2,239)	(2,295)	(2,295)	(2,295)
Other Payments (inc. capital repatriation)	(2,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Total Cash Payments from Operations	**(75,384)**	**(73,804)**	**(75,829)**	**(78,541)**	**(81,729)**	**(85,788)**
Net Cash Inflow (Outflow) from Operations	**11,898**	**13,530**	**14,316**	**22,120**	**25,024**	**25,767**
Cash Flows From Investing Activities						
Proceeds/(Payment) from Investments	0	0	0	0	0	0
Payments for Infrastructure Assets	(28,199)	(30,682)	(33,710)	(35,493)	(52,830)	(65,783)
Payments for Property, Plant & Equipment	(1,536)	(2,385)	(2,516)	(2,452)	(2,513)	(2,575)
Payments for Intangible Assets	(625)	(1,128)	(1,054)	(1,091)	(1,118)	(1,146)
Proceeds from Sale of Assets	360	360	371	380	390	399
Net Cash Inflow (Outflow) from Investing Activities	**(30,000)**	**(33,835)**	**(36,909)**	**(38,656)**	**(56,071)**	**(69,105)**
Cash Flows From Financing Activities						
Proceeds from Borrowings	11,148	28,000	30,400	26,400	39,100	53,900
Repayment of Borrowings / Overdraft	1,176	(7,746)	(7,820)	(9,899)	(7,982)	(10,571)
Payment of Dividends	0	0	0	0	0	0
Net Cash Inflow (Outflow) from Financing Activities	**12,324**	**20,254**	**22,580**	**16,501**	**31,118**	**43,329**
Net Increase (Decrease) in Cash	**(5,778)**	**(51)**	**(13)**	**(35)**	**71**	**(9)**
Cash Held at the Beginning of the Year	8,901	3,123	3,072	3,059	3,024	3,095
Cash Held at the End of the Year	3,123	3,072	3,059	3,024	3,095	3,086

Financial performance indicators

Financial Year ($'000)	2025-26 Forecast	2026-27 Budget	2027-28 Planned	2028-29 Planned	2029-30 Planned	2030-31 Planned
Short Term Liquidity Indicators						
Net Working Capital ($'000)	6,394	7,335	5,648	9,354	7,450	8,878
Working Capital Ratio (%)	139%	146%	131%	157%	139%	148%
Profitability Indicators						
Earnings Before Net Interest and Tax	(22,738)	(25,700)	(23,584)	(14,654)	(13,295)	(12,557)
EBITDA	21,048	23,076	26,800	37,138	40,266	43,137
Gross Operating Margin (%)	12.1%	17.2%	18.7%	27.2%	29.1%	30.6%
EBITDA margin	23.5%	25.6%	28.2%	34.7%	36.0%	37.0%
Return on Assets (%)	-2%	-2.1%	-2.0%	-1.2%	-1.1%	-1.1%
Return on equity	-2%	-2.4%	-2.4%	-1.8%	-1.8%	-2.0%
Debt Servicing Indicators						
Cash Interest Coverage (Times)	3.8	3.3	3.0	3.7	3.5	3.1
Long term Interest Coverage (Times)	(6.4)	(5.1)	(3.8)	(2.0)	(1.5)	(1.1)
Long Term Viability Indicators						
Asset Gearing ratio (%)	8%	9%	11%	13%	15%	19%
Internal Financing Ratio (%)	39%	40%	38%	57%	44%	37%
Debt to Equity (%)	10%	13%	15%	18%	22%	28%
Efficiency Indicators						
Accounts Receivable Turnover (Days)	66	59	59	56	59	59
Operating Cash Flow Efficiency (%)	14%	15%	16%	22%	23%	23%

9. APPENDIX B – 2026-27 PERFORMANCE REPORT

Key Performance Indicator	UOM	Reference point	2026-27 target
Financial Performance Indicators			
Cash Interest Cover Net operating cash flows before net interest and tax/net interest payments	times	> 2.5 times	3.3
Gearing Ratio Total Debt (including finance leases)/total assets	per cent	< 50%	9.3
Internal Financing Ratio Net operating cash flow less dividends/net capital expenditure	per cent	> 35%	39.6
Current Ratio Current assets/current liabilities (excluding long-term employee provisions and revenue in advance)	per cent	> 0%	146.2
Return on Assets Earnings before net interest and tax/average assets	per cent	> 0%	-2.1
Return on Equity Net profit after tax/average total equity	per cent	> 0%	-2.4
EBITDA Margin Earnings Before Interest, Tax, Depreciation and Amortisation/total revenue	per cent	> 0%	25.6
Credit Rating The credit rating received from Treasury Corporation Victoria (TCV) for Financial Accommodation Levy	rating		A
Water and Sewerage Network Reliability			
Water Service - minutes of supply (planned and unplanned) how many minutes on average a customer was without water supply during a year	minutes	target as specified in customer service code (minutes)	10
Unplanned water supply interruptions percentage of customers receiving (x) unplanned interruptions in the year	per cent	target as specified in customer service code (%)	0
Sewerage Service – sewer blockages number of sewer blockages reported per 100 kilometres of sewer main	number	target as specified in customer service code (number)	15
Sewerage Service – sewer spills number of sewer spills reported per 100 kilometres of sewer main	number	target as specified in customer service code (number)	4
Sewerage Service - containment of sewer spills Sewer spills from reticulation and branch sewers contained within 5 hours	per cent	target as specified in customer service code (%)	97
Water Reuse			
Recycled water – effluent treatment and reuse proportion of water recycled as a percentage of the volume of effluent produced	per cent		-
Water Service			
Rural water supply deliveries Number of orders delivered / total number of orders	per cent	target as specified in customer service code (%)	98
Transfer of Water Shares - applications completed within agreed timeframes Number of applications completed / total number of applications	per cent	target as specified in customer service code (%)	85
Unavailability of Domestic and Stock supply Duration that domestic and stock service is unavailable in excess of on-property storage requirement / length of water season	per cent	target as specified in customer service code (%)	N/A
Groundwater supply Number of transfers processed within target period / total number of transfers processed	per cent	target as specified in customer service code (%)	N/A
Customer Responsiveness			
Customer Responsiveness - water quality complaints (Excl. Rural Corporations) No. of complaints per 100 customers	number		0.19
Customer Responsiveness – number of payment issue complaints No. of complaints per 100 customers	number		0.02
Customer Responsiveness - total complaints No. of complaints per 100 customers	number		0.34

10. APPENDIX C – 2026-27 TARIFF SCHEDULE

Tariff and Price Component Summary (Prices from 1 July. Nominal $)			*Unit*	Actual 2025/26	Budget 2026/27	Planned 2027/28	Planned 2028/29	Planned 2029/30	Planned 2030/31
URBAN PRICES									
Water - Availability - Domestic & Non-domestic									
		20mm	pa	246.84	256.62	264.05	309.88	324.31	339.42
Usage - Domestic									
		First Tier	kl	0.5358	0.5570	0.5731	0.6725	0.7038	0.7366
		Second Tier	kl	0.9755	1.0140	1.0433	1.2244	1.2814	1.3411
		Third Tier	kl	1.2541	1.3037	1.3414	1.5742	1.6476	1.7244
Usage - Non Domestic									
		Volumetric	kl	0.9755	1.0140	1.0433	1.2244	1.2814	1.3411
Sewerage - Domestic & Non-domestic									
		Availability	pa	582.80	610.49	630.67	740.16	774.68	810.81
RURAL PRICES									
IRRIGATION	**Mildura Irrigation**	Delivery Share	DS	686.36	702.97	718.73	773.23	802.99	823.06
		Delivery Fee	ML	67.68	69.83	71.95	77.40	80.38	82.39
		Entitlement Storage Fee Murray Basin HR	ML/Ent	10.53	10.83	11.12	11.40	11.69	11.98
		Service Charge	Ass	100.00	100.00	100.00	100.00	100.00	100.00
		Drainage Div 1	DS	68.64	71.68	74.31	79.49	82.52	84.58
	Mildura High Pressure Irrigation	Delivery Share	DS	1,032.44	1,012.34	999.41	1,084.63	1,126.38	1,154.54
		Delivery Fee	ML	89.20	86.06	84.01	91.16	94.65	97.02
		Entitlement Storage Fee Murray Basin HR	ML/Ent	10.53	10.83	11.12	11.40	11.69	11.98
		Service Charge	Ass	100.00	100.00	100.00	100.00	100.00	100.00
		Drainage Div 1	DS	68.64	71.68	74.31	79.49	82.52	84.58
	Merbein Irrigation	Delivery Share	DS	525.76	571.16	627.39	678.95	705.10	722.73
		Delivery Fee	ML	53.66	54.28	55.42	60.01	62.33	63.89
		Entitlement Storage Fee Murray Basin HR	ML/Ent	10.53	10.83	11.12	11.40	11.69	11.98
		Service Charge	Ass	100.00	100.00	100.00	100.00	100.00	100.00
		Drainage Div 1	DS	97.88	98.57	98.54	105.45	109.51	112.25
	Red Cliffs Irrigation	Delivery Share	DS	510.04	540.55	576.90	624.86	648.90	665.12
		Delivery Fee	ML	55.53	55.27	55.59	60.24	62.56	64.12
		Entitlement Storage Fee Murray Basin HR	ML/Ent	10.53	10.83	11.12	11.40	11.69	11.98
		Service Charge	Ass	100.00	100.00	100.00	100.00	100.00	100.00
		Drainage Div 1	DS	98.80	99.97	100.39	107.43	111.57	114.36
	Robinvale Irrigation	Delivery Share	DS	960.00	932.27	915.24	997.60	1,036.02	1,061.92
		Delivery Fee	ML	86.99	83.74	81.97	89.35	92.80	95.12
		Entitlement Storage Fee Murray Basin HR	ML/Ent	10.53	10.83	11.12	11.40	11.69	11.98
		Service Charge	Ass	100.00	100.00	100.00	100.00	100.00	100.00
		Drainage Div 1	DS	96.40	98.16	99.17	106.12	110.21	112.97
Domestic & Stock	**Millewa Rural (Irrigation)**	Delivery	kL	0.19	0.20	0.32	0.34	0.35	0.36
		Service Charge	Ass	100.00	100.00	100.00	100.00	100.00	100.00
		Rural Access - House	Connection	701.86	769.42	847.88	907.31	942.26	965.82
		Rural Access - Scrubland	ha	0.59	0.58	0.57	0.61	0.63	0.65
		Rural Access - Stock	ha	2.34	2.29	2.23	2.39	2.48	2.54
	Millewa Urban (Irrigation)	Delivery	kL	0.67	0.62	0.58	0.62	0.64	0.66
		Service Charge	Ass	100.00	100.00	100.00	100.00	100.00	100.00
		Urban Access - No Offtake	Connection	350.93	384.71	426.91	456.83	474.43	486.29
		Urban Access - Offtake	Connection	701.86	769.42	847.88	907.31	942.26	965.82
	Other Stock & Domestic	Connection Charge (Pipeline)	Connection	387.88	402.60	414.69	443.76	460.85	472.37
		Delivery (Pipeline)	ML	456.85	462.76	465.13	497.73	516.90	529.82
		Service Charge	Ass	100.00	100.00	100.00	100.00	100.00	100.00
Licensing	**Diversions (Irrigation)**	Operational Fee	ML/AUL	2.52	2.33	2.14	2.29	2.38	2.44
		Entitlement Storage Fee Murray Basin HR	ML/Ent	10.53	10.83	11.12	11.40	11.69	11.98
		Service Charge	Ass	100.00	100.00	100.00	100.00	100.00	100.00
	Non Water Users	Entitlement Storage Fee Murray Basin HR	ML/Ent	10.53	10.83	11.12	11.40	11.69	11.98
		Service Charge	Ass	100.00	100.00	100.00	100.00	100.00	100.00

11. APPENDIX D – INDEX

LOWER MURRAY WATER

Mildura (Head Office)
741-759 Fourteenth Street
Mildura Victoria 3500
PO Box 1438
Mildura Victoria 3502

Swan Hill (Area Office)
73 Beveridge Street
Swan Hill Victoria 3585
PO Box 1447
Swan Hill Victoria 3585

Kerang (Area Office)
56 Wellington Street
Kerang Victoria 3579
PO Box 547
Kerang Victoria 3579

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VICTORIA State Government