sunwater

Final Service and Performance Plan 2025

Callide Valley Bulk Water Service Contract

12 February 2026

As part of our ongoing commitment to continuous improvement, in early 2026 Sunwater intends to explore opportunities to further streamline and optimise the timely publication of performance against QCA allowances for regulated service contracts.
The intent of the review will be to find ways to publish financial year actuals against QCA allowance earlier.
As part of this review, we will also look at ways to better communicate our renewals priorities to customers in the year(s) ahead.
Customer feedback on these proposals will be sought before any changes are implemented.

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This Service and Performance Plan has been prepared by Sunwater to provide indicative information to its customers for the purpose of consultation. It contains estimates and forecasts which are based on a number of assumptions. The actual financial performance of the service contract to which this plan relates, and the operations and activities actually undertaken by Sunwater during the relevant periods, may vary materially from the information contained in this plan. This plan should not be relied on beyond its purpose as a tool for consultation and you should not rely on the information contained in this plan to make decisions about your circumstances. Sunwater will not be responsible or liable for any loss (including consequential loss), claim or damage (including in tort) that is in any way connected with the use of this plan or the information contained within it.

At a glance

Our customers

Most customers in this scheme are irrigators who grow a variety of crops including fodder crops, horticultural herb production, and summer and winter cereal cropping. Water is also supplied to the township of Biloela, an abattoir, and industrial users including the Callide Power Station.

Our irrigation charges

Table 1 – Irrigation charges for 2025-26

$	Charges by tariff group 2025-26						
Callide		Irrigation charge[1]		Cost-reflective charge[2]		**Δ to cost-reflective**	
Fixed charges							
Medium Priority	Part A	33.88	$/ML	106.28	$/ML	72.41	$/ML
Variable charge							
Usage	Part B	9.77	$/ML	13.19	$/ML	3.41	$/ML

1. *Prices exclude the Queensland Government's 15 per cent discount for irrigation customers. Further details on how irrigators can secure the discount is provided in DLGWV Irrigation Pricing Rebate Fact Sheet.*
2. *The cost-reflective prices are set by the Queensland Competition Authority (QCA) in its 2025-2029 irrigation price investigation. Costs reflect the lower bound cost recovery i.e. recovery of future replacement and ongoing maintenance and operations.*

For more information on Sunwater's fees and charges, refer to: www.sunwater.com.au/customer/fees-and-charges/

Our performance

Operations and maintenance costs		QCA $'000	Sunwater $'000	Δ to QCA	
Actual	**2024-25**	2153.8	2010.9	-6.6%	▽
Forecast	**2025-26**	2235.9	3139.9	40.4%	▲

Expenditure funded by the annuity		QCA $'000	Sunwater $'000	Δ to QCA	
Actual	**2024-25**	1709.2	1479.6	-13.4%	▼
Forecast	**2025-26**	3622.2	514.1	-85.8%	▼
Actual + Forecast	**∑ Price path**	8043.3	4935.2	-38.6%	▼

▲	△	◆▸	▽	▼
10% above the QCA target	5% above the QCA target	In line with the QCA target	5% below the QCA target	10% below the QCA target

Water delivered	Total		To irrigators		
2023-24	13,731	ML	8898	ML	
2024-25	12,148	ML	7430	ML	
	-11.5%	▼	-16.5%	▼	*Year-on-year change by group*

▲	◆▸	▼
5%	0%	-5%

Service targets	Exceedances	Notes
2023-24	0	Unplanned shutdowns (duration) and maximum number of interruptions were met.
2024-25	0	

Introduction

This Service and Performance Plan (S&PP) details a range of proposed scheme activities and projects and presents a breakdown of anticipated costs for review. It also sets out Sunwater's actual costs for 2024-25.

The purpose of this year's S&PP for Callide Valley is to:

- examine Sunwater's performance in 2024-25 against cost allowances and service targets
- present Sunwater's projected costs for 2025-26
- consult with customers on forecast operating and annuity-funded costs for 2025-26 and the forward program of works.

Input from customers is a valuable part of Sunwater's planning process and ensures we invest in areas which support the services provided to customers.

Sunwater engages with our customers both formally and informally throughout the year and customer feedback is a valuable part of our planning process.

The publication of an annual S&PP is an important part of the formal feedback process, providing a snapshot of Sunwater's performance over the most recently completed financial year, as well as an outline of the areas of focus for the current year.

Sunwater welcomes and encourages feedback on this S&PP. To have your say, please contact Sunwater via email or post:

Email: sppfeedback@sunwater.com.au

Post: S&PP Feedback
PO Box 15536
City East Qld 4002

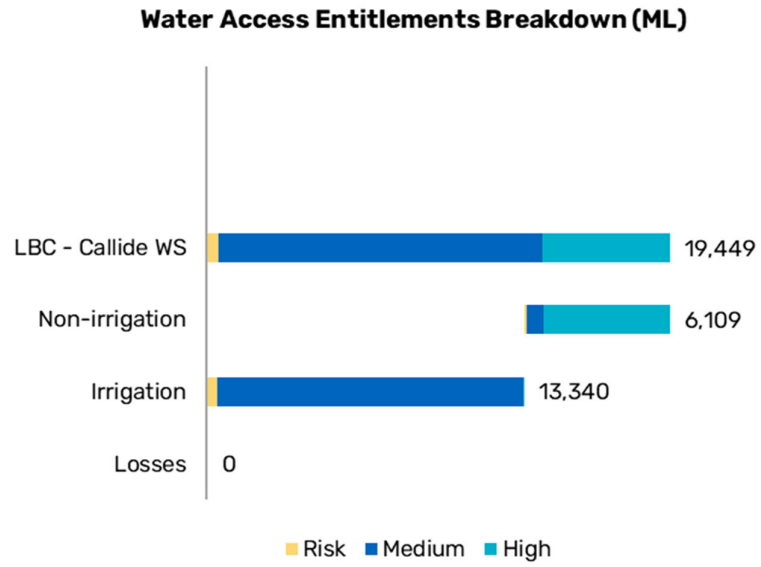
All financial figures reported in this document are in nominal dollars i.e. dollars of the day. Figures may not sum due to rounding.

Delivering services to our customers

Entitlements

The water allocations for each customer segment are shown below.

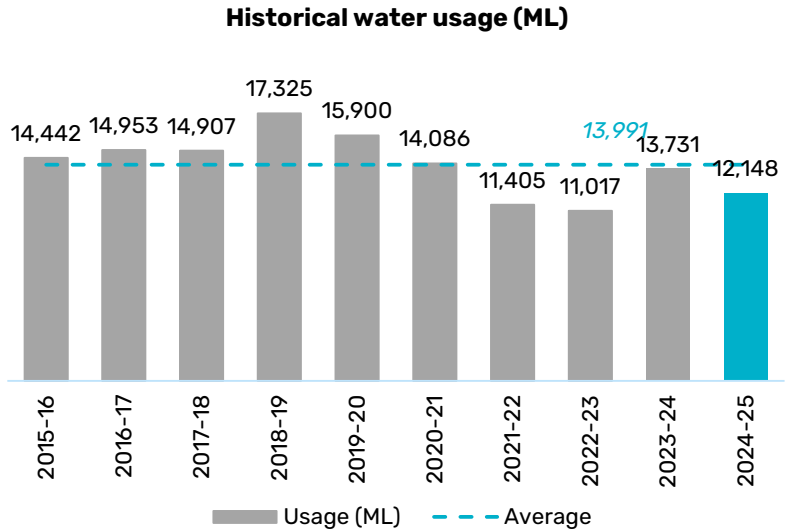
Figure 1 Water access entitlements (as at 30 June 2025)



Historical water usage

The chart below shows annual water usage for the past 10 years.

Figure 2 – Historical water usage for the past 10 years



- Usage in 2024-25 was broadly in line with the 10-year average of 13,991 ML.
- Part B prices for the current period were set using a 20-year average of 12,262 ML.

Service targets

Sunwater and customers have agreed water supply arrangements and service targets for Callide Valley. Table 2 sets out recent performance against selected service targets for this scheme.

Table 2 – Scheme service targets and performance

Service target		Target	Number of exceptions		
			2022-23	2023-24	2024-25
Planned shutdowns – notification	For shutdowns planned to exceed two weeks	8 weeks	0	0	0
	For shutdowns planned to exceed three days	2 weeks	0	0	0
	For shutdowns planned to be less than three days	5 days	0	0	0
Unplanned shutdowns – duration[1]	Unplanned shutdowns during peak demand period	48 hours	0	0	0
	Unplanned shutdowns outside peak demand period	5 working days			
Maximum number of interruptions	Planned or unplanned interruptions per water year	6	0	0	0

1. *The number of times the unplanned shutdown exceeded the shortest of the peak/off peak periods.*

Sunwater also has customer interactions service targets. Its performance against these targets in 2024-25 is shown in Table 3.

Performance in 2024-25 was impacted by higher-than-average turnover in the key processing team. The team entered 2025-26 with a key focus on uplifting capacity and capability and Sunwater is confident it will return to compliance with the Service Level Agreement (SLA) and sustain performance going forward.

Table 3 – Customer interactions service targets and performance

Service target	Target	2024-25
Telephone answering[1]	80.00%	95.00%
Requests actioned within SLA timeframes[2]	> 95.00%	89.86%

1. *The percentage of 13 15 89 calls answered within 60 seconds.*
2. *The percentage of email or workflow requests to the Customer Support team (such as property transfers and temporary transfers) completed within agreed SLAs. SLA timeframes range between five and 17 business days, depending on the request.*

Key infrastructure

Table 4 lists the key infrastructure used to deliver bulk water services to customers in Callide Valley.

Table 4 – Key infrastructure

Asset	Description	Total storage capacity (ML)
Callide Dam	Earth and rock fill dam with an ogee-type crest with three pairs of radial gates. The spillway chute is concrete lined and ends with a long dissipator pool. Classified as a referable dam under the *Water Supply (Safety and Reliability) Act 2008*.	136,300
Kroombit Dam	Spillway of roller-compacted concrete covered with facing concrete and flanked by earth and rock fill embankments. Classified as a referable dam under the *Water Supply (Safety and Reliability) Act 2008*.	14,600
Callide Weir	Steel sheet piled structure with three concreted rockfill steps.	506
Callide Diversion Channel	A diversion channel (comprising earth channel and pipeline sections) through which water can be diverted from Callide Dam to Kroombit and Kariboe creeks.	n/a

Cost of delivering services—Operating expenditure

Operating expenditure includes funds for:

- operations activities i.e. operations, electricity and insurance
- preventative maintenance
- corrective maintenance.

Table 5 sets out actual and forecast operating expenditure for Callide Valley.

Our performance in 2024-25

In 2024-25, operating costs were 6.6 per cent below QCA's recommended cost target.

Outlook for 2025-26

Callide Valley's total operations budget in 2025-26 is 40.4 per cent above QCA's recommended cost target.

Insurance is one of Sunwater's largest expenditure items. These costs have increased significantly in recent years due to multiple flood events in Queensland and global insurable events impacting premiums. The escalation of insurance premiums has directly contributed to the rise in Sunwater's operating expenditure. Additionally, electricity expenses are set to escalate due to increases in wholesale market volatility.

Sunwater's focus in 2025-26 is on performing operation and maintenance activities to a standard that ensures the reliability and functionality of the scheme whilst also meeting current asset maintenance standards and compliance obligations.

Table 5 – Operating expenditure

Operations and maintenance costs by sub-category								
	2024-25 actuals $'000				2025-26 forecast $'000			
	QCA[2]	**Sunwater**	**Δ to QCA**		**QCA[3]**	**Sunwater**	**Δ to QCA**	
Insurance	471.0	469.6	-0.3%	▲	484.6	513.6	6.0%	△
Electricity	23.1	15.4	-33.1%	▼	23.7	16.0	-32.6%	▼
Operations & maintenance	785.7	609.7	-22.4%	▼	809.9	1364.1	68.4%	▲
Support costs	874.1	916.2	4.8%	◆▶	917.7	1246.1	35.8%	▲
Total opex[1]	2153.8	2010.9	-6.6%	▽	2235.9	3139.9	40.4%	▲

▲	△	◆▶	▽	▼
10% above the QCA target	5% above the QCA target	In line with the QCA target <5%	5% below the QCA target	10% below the QCA target

1. *From 1 July 2020, irrigation customers no longer contribute towards the cost of operating and maintaining recreational facilities. These costs have been excluded from the total operating expenditure.*
2. *QCA allowance is based on the 2023-24 allowance, escalated by 2.24 per cent, the inflation rate set by QCA in 2020-2024 irrigation price investigation.*
3. *QCA allowance is based on the 2025-2029 irrigation price investigation final recommendations.*

Cost of delivering services—Renewals annuity and non-annuity funded expenditure

Our performance in 2024-25

Performance against the QCA target

Sunwater updates our program of works based on our whole-of-life replacement and maintenance strategy, which looks at the risk and condition of each asset and uses this information to estimate the future work required to ensure the asset will continue to provide the required level of service into the future. Other factors such as changes in project delivery timing e.g. due to weather may also affect the program of works.

These factors mean the actual program of works delivered in any year will differ to the program assessed by QCA. At a project level, variances may also occur due to changes in the scope of work and cost inputs.

Project overview

Table 7 provides a description of the major annuity-funded projects undertaken in 2024-25, together with the project's purpose and the value it delivers.

Outlook

Details of the major annuity-funded projects planned for 2025-26 are set out in Table 8.

Renewals discussion

Sunwater recovers expenditure required to renew its assets i.e. maintain the current level of service an asset provides via a renewals annuity. The annuity treats all renewals related expenditure as an expense i.e. not capital and amortises a multiyear expenditure forecast (30 years), to smooth the amount customers pay relative to the actual expenditure profile. Negative opening balances reflect expenditure incurred by Sunwater which has not yet been recovered via the annuity contribution amount, while positive opening balances reflect expenditure which has been pre-recovered via the annuity contribution amount. Forecast annuity balances, and the impacts of budgeted spend, are shown in Table 6 below.

QCA and Sunwater closing balances differ due to differences in the expenditure profile allowed by QCA in its 2025-2029 final recommendations and actual expenditure incurred by Sunwater in 2024-25 and what it expects to spend in 2025-26.

Annuity-funded expenditure includes funds for planned corrective maintenance (PCM), as well as large, one-off operations activities. Activities include monitoring of the asset condition to inform when an asset needs to be refurbished or replaced under the PCM program.

Non-annuity funded expenditure largely relates to Sunwater's Dam Improvement Program and recreational facility costs.

Table 6 compares Sunwater's annuity-funded expenditure and roll-forward against QCA allowances. Variances shown do not affect prices during the current price path but indicate potential impacts on future pricing. Directional arrows and colour coding highlight whether these variances are assessed as favourable (green) or unfavourable (red) for customers for the next price path period.

Table 6 – Annuity and non-annuity funded expenditure and roll-forward

Annuity-funded expenditure (and roll-forward)										
		2024-25 actuals $'000				**2025-26 forecast $'000**				
		QCA[2]		**Sunwater**	**Δ to QCA**		**QCA[3]**		**Sunwater**	**Δ to QCA**	
Opening balance	*O*	(24,141.6)	→	(23,868.8)	-1.1%	◆▶	(24,879.2)	→	(24,364.9)	-2.1%	◆▶
Annuity-funded expenditure	***E***	(1709.2)	→	(1479.6)	-13.4%	▼	(3622.2)	→	(514.1)	-85.8%	▼
Annuity revenue[4]	*R*	2027.2	→	2027.2	0.0%	◆▶	2453.3	→	2453.3	0.0%	◆▶
Interest	*I*	(1055.5)	→	(1043.6)	-1.1%	◆▶	(1657.2)	→	(1622.9)	-2.1%	◆▶
Closing balance	*C*	(24,879.2)	→	(24,364.9)	-2.1%	◆▶	(27,705.3)	→	(24,048.6)	-13.2%	▼
C = (O + E + R + I)											
Other expenditure (not part of prices)											
Dam Improvement Program		-		0.0	-		-		4,500.0	-	
Recreational facility projects[1]		-		0.0	-		-		0.0	-	
Dividend reinvestment		-		0.0	-		-		0.0	-	

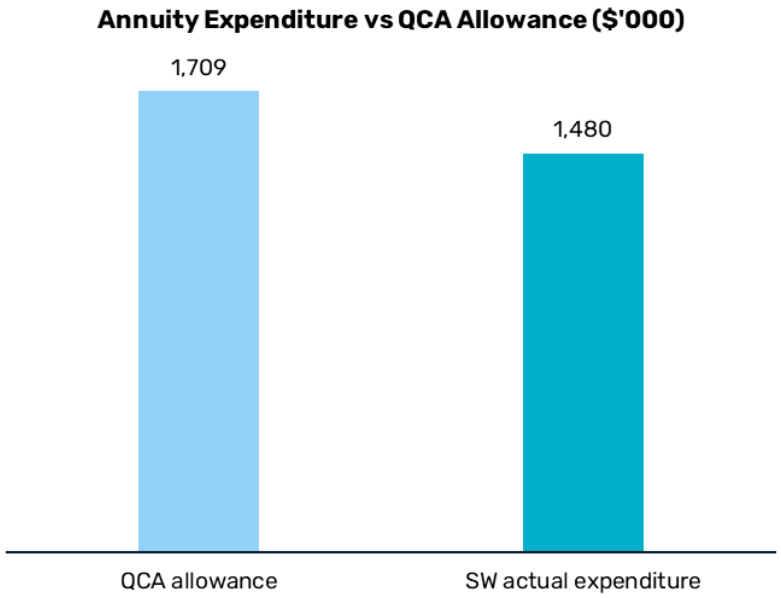
▲	◆▶	▼	Green	Red
Above the QCA target	In line with the QCA target <5%	Below the QCA target	Favourable impact on future prices	Unfavourable impact on future prices

1. *Forecast annuity-funded costs from 2020-21 exclude recreational facility projects.*
2. *QCA allowance is based on the 2023-24 allowance, escalated by 2.24 per cent, the inflation rate set by QCA in 2020-2024 irrigation price investigation.*
3. *QCA allowance is based on the 2025-2029 irrigation price investigation final recommendations.*
4. *The annuity contribution is included in the prices paid by bulk water and distribution customers. The annuity contribution for 2024-25 is based on QCA's irrigation price investigation 2020–2024 final recommendations, escalated by 2.24 per cent, the inflation rate set by QCA in 2020. For 2025-26 the annuity contribution is based on QCA's irrigation price investigation 2025-2029 final recommendations.*

Annuity-funded expenditure and project summary for 2024-25

The below chart presents a comparison between actual annuity expenditure and the QCA allowance for the 2024-25 financial year, highlighting any variances in spending relative to QCA's recommended cost target. For further details on the top projects undertaken by spend, refer to Table 7.

Figure 3 – Actual annuity expenditure vs QCA allowance in 2024-25



The table below outlines the major annuity-funded projects delivered in Callide Valley for 2024-25, representing the top 74 per cent of total project spend, and highlights their associated costs and significance.

Table 7 – Major annuity-funded projects for 2024-25

Facility	Activity description	Actual $'000	Actual % of total	Project purpose and value
Callide Dam	Refurbish – Callide Dam outlet valves.	353	24%	Refurbish the pipework and valves associated with the outlets works to Callide Dam. Required to ensure reliable supply to downstream customers including Callide Power Station.
Callide Dam	Replace – groundwater meters according to AS4747 to meet regulatory compliance.	302	20%	This is a rolling annual program for Sunwater's large metering fleet. Customer meter outlet upgrades were undertaken to improve outlet arrangements and provide accurate customer billing information. Each site presents unique conditions, making it difficult to accurately forecast scope in advance. The team defines the scope onsite.
Callide Dam	Study – ALARP investigation to evaluate dam safety risk.	158	11%	This project was undertaken as required on all referable Sunwater storages as part of the ALARP phase 1 program. The study is necessary to understand the current probability of dam failure, associated risks and to provide recommendations for further actions/investigations needed to improve the dam's risk rating and ensure ongoing safety and compliance.
Callide Dam	Refurbish – repair balance pipe leak between float chambers 1 and 2.	104	7%	This work is a continuation from 2023-24. Work was required to repair a leak in the pipework between float chambers to ensure the gates remained open if required. The chambers were cleaned and a liner inserted into the pipework.
Kroombit Dam	Hydrology uplift review and consequences review (initiation phase).	96	7%	Hydrology, hydraulics and consequence assessments form a critical sequence of studies that underpin dam safety risk analysis. These evaluations provide essential inputs to determine the dam's current risk profile by estimating lake levels during extreme flood events, based on inflow volumes and dam response under various scenarios. Hydrologic and hydraulic modelling is used to simulate dam failure flood behaviour and assess dam performance under severe conditions. From these simulations, potential release volumes are derived—key data for evaluating downstream risk. The consequence assessment then examines the risks posed to downstream communities under these scenarios, identifying vulnerabilities and informing emergency response planning. Together, these studies offer a comprehensive understanding of dam safety and support informed decision-making to mitigate risks to people, property, and infrastructure.
Callide Dam	Study – arc flash risk assessment to identify arc flash hazards (definition phase).	88	6%	Arc flash assessments of our electrical assets and implementation of low-cost mitigation measures so that our electrical assets can continue to be safely operated and

				maintained by our personnel, where possible reducing and/or delaying the need for major upgrades to our electrical assets.
2024-25 total		**1102**	**74%**	

Annuity-funded projects for 2025-26

The below table sets out Sunwater's currently planned annuity-funded projects for this scheme for 2025-26. While the immediate program is well defined, estimates become more uncertain further into the planning timeline. Forecasts are likely to change in future S&PPs, reflecting changes in project delivery timing, asset condition and risk updates, outcomes from scheduled asset inspections, and customer feedback.

Table 8 - Forecast annuity-funded projects planned for 2025-26

Year	Facility	Activity description	Forecast $'000
2025-26	Callide Dam	Replace — racks and refurbish guides (Inlet tower) based on known asset condition and age.	169
	Callide Supply	Study — asset revaluation to define asset value for insurance purposes and future expenditure profiles.	84
	Callide Supply	Replace — groundwater meters according to AS4747 to meet regulatory compliance.	72
	Kroombit Dam	Study — 5-year comprehensive dam inspection based on asset management standards and to better understand asset condition and risk.	57
	Callide Dam	Replace — Spillway Gates test pump control based on known asset condition and age.	43
	Callide Dam	Study — Inspect electrical cables from electrical services building to valve house.	32
	Callide Dam	Replace — Valve House sump pump and controls based on known asset condition and age.	26
	Callide Dam	Replace — power poles and aerials based on known asset condition and age.	12
	Other projects	One project originally included in the plan has since been removed. The associated budget has been reassigned to other priority work areas to better reflect current needs.	19
	2025-26 total		**514**