sunwater

# Final Service and Performance Plan 2025

## Eton 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.

# Contents

# At a glance

## Our customers

Most of the 333 customers in this scheme are irrigators of sugar cane.

## Our irrigation charges

*Table 1 – Water access entitlements*

| $ Charges by tariff group 2025-26 | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Eton Bulk** | | Irrigation charge[2] | | Cost-reflective charge[3] | | Δ to cost-reflective | |
| **Fixed charges** | | | | | | | |
| High Priority LMA | Part A | 119.35 | $/ML | 119.35 | $/ML | 0.00 | $/ML |
| Medium Priority/LMA | Part A | 32.99 | $/ML | 32.99 | $/ML | 0.00 | $/ML |
| **Variable charge[4]** | | | | | | | |
| Usage | Part B | 5.59 | $/ML | 5.59 | $/ML | 0.00 | $/ML |

1. *This table includes bulk water charges only. Distribution charges are set by Eton Irrigation Co-operative Ltd.*
2. *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.*
3. *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.*
4. *Variable (Part B) charges are consistent across all tariff groups.*

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** | 1829.6 | 2078.3 | 13.6% | ▲ |
| **Forecast** | **2025-26** | 1900.6 | 2378.3 | 25.1% | ▲ |

| Expenditure funded by the annuity | | QCA $'000 | Sunwater $'000 | Δ to QCA | |
|---|---|---|---|---|---|
| **Actual** | **2024-25** | 433.0 | 2813.8 | 549.9% | ▲ |
| **Forecast** | **2025-26** | 1614.8 | 2662.3 | 64.9% | ▲ |
| **Actual + Forecast** | **∑ Price path** | 7123.2 | 8170.7 | 14.7% | ▲ |

| ▲ | △ | ⧫ | ▽ | ▼ |
|---|---|---|---|---|
| 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** | 16,259 | ML | 16,168 | ML | |
| **2024-25** | 12,554 | ML | 12,486 | ML | |
| | -22.8% | ▼ | -22.8% | ▼ | 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 Eton is to:

- examine Sunwater's performance in 2024-25 against cost 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 that support the services we provide to customers.

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

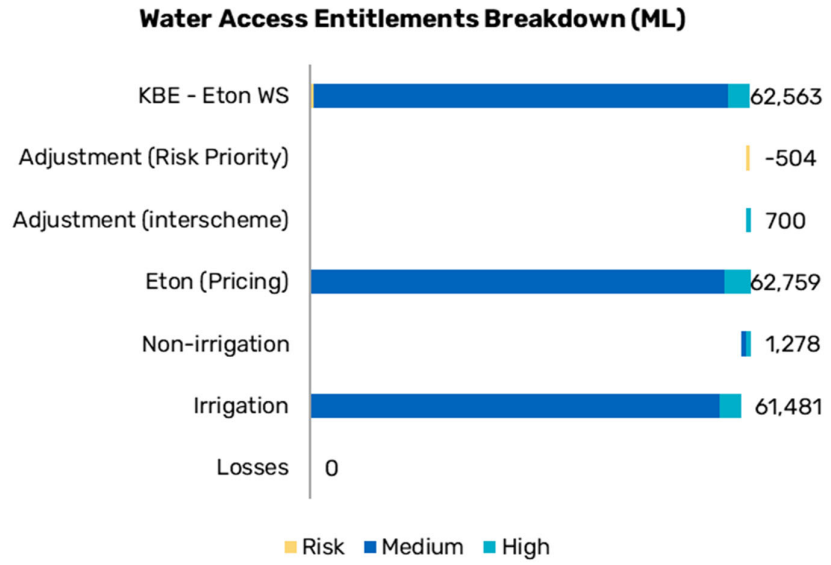
All financial figures reported in this document are in nominal dollars i.e. dollars of the day. Figures may not sum due to rounding.

# Delivering services to our customers

## Entitlements

Water allocations[1] for each customer segment are shown below.

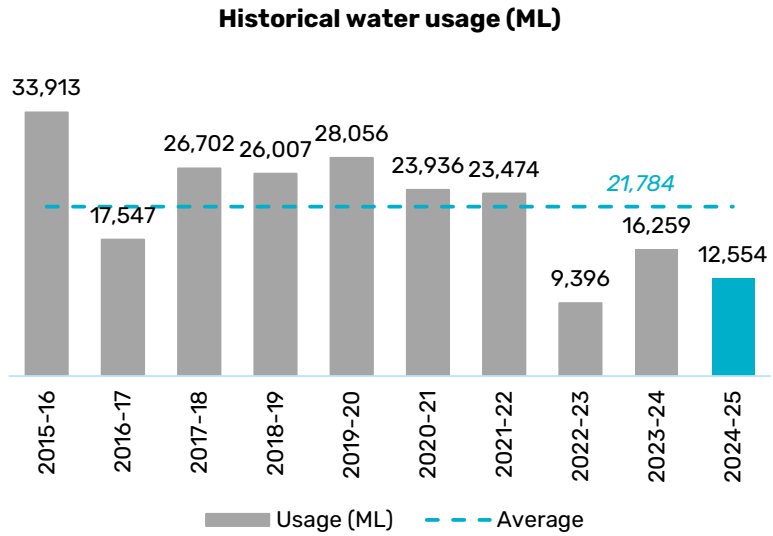
*Figure 1 - Water access entitlements (as at 30 June 2025)*




## 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 lower than the 10-year average of 21,784 ML.
- Part B prices for the current period were set using a 20-year average of 22,076 ML.

[1] *Includes distribution loss allocations held by Eton Irrigation Co-operative Ltd.*

## Service targets

Sunwater and customers have agreed water supply arrangements and service targets for Eton. 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 five days | 3 weeks | 0 | 0 | 0 |
| | For shutdowns planned to be less than three days | 2 days | 0 | 0 | 0 |
| Unplanned shutdowns – duration[1] | Unplanned shutdowns during peak demand period | 72 hours | 0 | 0 | 0 |
| | Unplanned shutdowns outside peak demand period | 5 working days | | | |
| Maximum number of interruptions[2] | Planned or unplanned interruptions per water year | 10 | 0 | 0 | 0 |

1. *The number of times that the unplanned shutdown has exceeded the shortest of the peak/off peak periods.*
2. *The total number of customers in the scheme who have been interrupted in excess of the target.*

Sunwater also has customer interactions service targets. Performance in 2024-25 against these targets 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 capacity and capability uplift a key focus and Sunwater is confident in returning to SLA compliance and sustaining 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 our customers in Eton.

*Table 4 – Key infrastructure*

| Asset | Description | Capacity |
|---|---|---|
| Kinchant Dam | Earth and rock fill embankment with an uncontrolled concrete ogee crest spillway. Classified as a referable dam under the *Water Supply (Safety and Reliability) Act 2008*. | 62,800 ML |
| Mirani Diversion pump stations 1 and 3 | Seven submersible pumps. | 910 ML/day |
| Mirani Diversion Channel | Earthen channel from Mirani pump stations to Kinchant Dam. | 860 ML/day |

# 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 Eton.

As Eton is one of Sunwater's high electricity consuming schemes, this category is discussed on the following page.

## Our performance in 2024-25

In 2024-25, operating costs were 13.6 per cent above QCA's recommended cost target. The key drivers were increased cost of contractors, corrective maintenance activities and repairs following two severe weather events

## Outlook for 2025-26

The Eton Bulk Water Service Contract's total operations budget in 2025-26 is 5.4 per cent below 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 directly contributes to Sunwater's operating expenditure.

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 while also meeting current asset maintenance standards and compliance obligations.

*Table 5 – Operating expenditure[1]*

| Operations and maintenance costs by sub-category | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2024-25 actuals $'000 | | | | 2025-26 forecast $'000 | | | |
| | QCA[3] | Sunwater | Δ to QCA | | QCA[4] | Sunwater | Δ to QCA | |
| Insurance | 271.7 | 270.9 | -0.3% | ◆▶ | 279.6 | 296.3 | 6.0% | △ |
| Electricity | 359.0 | 100.8 | -71.9% | ▼ | 373.0 | 219.8 | -41.1% | ▼ |
| Operations & maintenance | 594.9 | 885.1 | 48.8% | ▲ | 613.3 | 982.0 | 60.1% | ▲ |
| Support costs | 604.0 | 821.6 | 36.0% | ▲ | 634.8 | 880.3 | 38.7% | ▲ |
| **Total opex[2]** | 1829.6 | 2078.3 | 13.6% | ▲ | 1900.6 | 2378.3 | 25.1% | ▲ |

| ▲ | △ | ◆▶ | ▽ | ▼ |
|---|---|---|---|---|
| 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. *Reflects QCA's 2020–2024 irrigation price investigation final recommendations. Excludes recreational facility costs.*
2. *From 1 July 2020, irrigation customers no longer contribute to the cost of operating and maintaining recreational facilities. These costs have been excluded from the total operating expenditure.*
3. *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.*
4. *QCA allowance is based on the 2025-2029 irrigation price investigation final recommendations.*

# Electricity in focus

## Our performance in 2024-25

Sunwater continues to manage the cost of electricity. In 2024-25, the following energy improvement initiatives were undertaken in Eton:

- The notified pricing published by QCA[2] estimated a one per cent decrease for small business customers and increases ranging from 1.7 to 3.8 per cent for large business customers
- An annual tariff optimisation analysis was conducted, which confirmed no changes to the existing tariff arrangements
- An assessment of renewable energy opportunities remains limited due to the scheme's operational profile, which includes a high export component.

## Outlook for 2025-26

In 2025-26, Sunwater will continue to focus on managing the cost of electricity in this service contract. The following energy improvement initiatives are currently planned:

- QCA's notified pricing[3] estimated an increase of up to 3.2 per cent for small business customers and an increase of up to 2.8 per cent for large business customers
- A tariff change, based on an annual optimisation analysis, increased the cost from 35.51 c/kWh to 35.75 c/kWh. If the site remained on the existing tariff the cost would be 36.34 c/kWh.
- Annual solar assessment
- Continue to monitor asset energy operational performance to identify further efficiency opportunities.

*Table 6 – Electricity tariff arrangements*

| Pump station | 2025-26 |
|---|---|
| Mirani Weir 1 | T44A |
| Mirani Weir 3 | Contestable[1] |

1. *Energy rates have been negotiated as part of the electricity supply contract and are commercial-in-confidence.*

The regulated retail tariff is subject to change with variations in customer water demand or operational requirements.

[2] Regulated retail electricity prices in regional Queensland for 2024–25 (qca.org.au)

[3] Regulated retail electricity prices 2025-26 (qca.org.au)

## Electricity metrics

stations.

Table 7 sets out electricity usage and efficiency-related information for Eton. The service contract has large submersible pumps and there is no industry benchmark available for this type of asset in relation to the pump energy indicator. The closest in design to compare efficiency are sewage pump stations, which are expected to operate between 3.7 and 5.5 kWh/ML/m, depending on the size and design of the pump stations.

*Table 7 – Electricity usage and efficiency-related metrics*

| Metric | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|---|---|---|---|---|
| Electricity usage (kWh) | 1,471,487 | 10,544 | 1,138,431 | 346,557 |
| Volume pumped (ML) | 23,753 | 177 | 26,284 | 5708 |
| Actual electricity cost per ML ($/ML pumped) | 15.06 | 921.48 | 12.02 | 17.65 |
| Average pump energy indicator (kWh/ML/metre of head) | 4.89 | 4.96 | 3.61 | 5.06 |

# 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 given year will differ to the program assessed by QCA. At a project level, cost variances may also occur due to changes in the scope of work and cost inputs.

### Project overview

Table 9 provides a description of the major annuity-funded projects undertaken in 2024-25, together with each project's purpose and the value it adds.

## Outlook

Details of the major annuity-funded projects planned for 2025-26 are set out in Table 10.

## 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 8.

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 8 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 in the next price path period.

*Table 8 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* | (355.0) | → | (311.6) | -12.2% | ▼ | 5.9 | → | (2329.7) | -39900.7% | ▼ |
| **Annuity-funded expenditure** | ***E*** | (433.0) | → | (2813.8) | 549.9% | ▲ | (1614.8) | → | (2662.3) | 64.9% | ▲ |
| Annuity revenue[4] | *R* | 809.4 | → | 809.4 | 0.0% | ◆▶ | 688.8 | → | 688.8 | 0.0% | ◆▶ |
| Interest | *I* | (15.5) | → | (13.6) | -12.2% | ▼ | 0.4 | → | (155.2) | -39900.7% | ▼ |
| Closing balance | *C* | 5.9 | → | (2329.7) | -39900.7% | ▼ | (919.7) | → | (4458.4) | 384.7% | ▲ |
| *C = (O + E + R + I)* | | | | | | | | | | | |
| **Other expenditure (not part of prices)** | | | | | | | | | | | |
| Dam Improvement Program | | - | | 0.0 | - | | - | | 0.0 | - | |
| Recreational facility projects[1] | | - | | 0.0 | - | | - | | 0.0 | - | |
| Dividend reinvestment | | - | | 0.0 | - | | - | | 0.0 | - | |

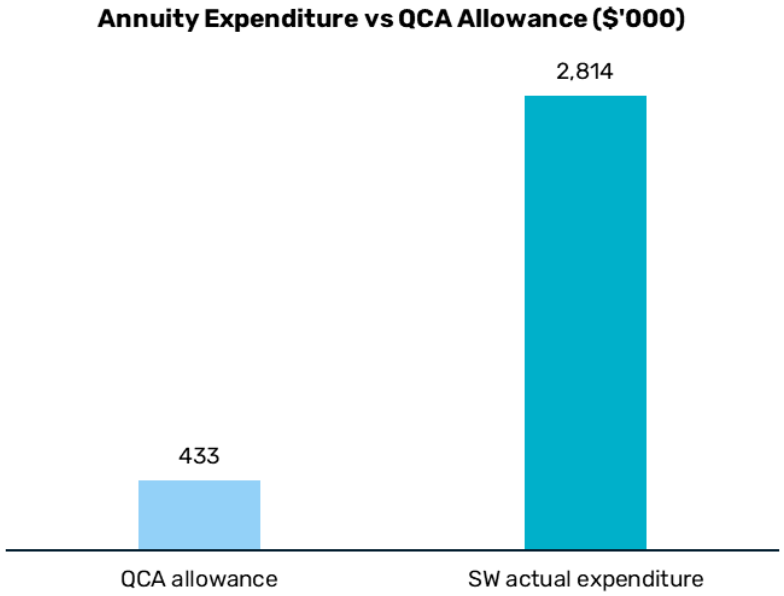
| ▲ | ◆▶ | ▼ | Green | Red |
|---|---|---|---|---|
| Above the QCA target | In line with the QCA target <5% | Below the QCA target | Favourable impact on future prices | Unfavourable impact on future prices |

1. *Forecast annuity-funded costs from 2020-21 exclude recreational facility projects.*
2. *Reflects QCA's 2020–2024 irrigation price investigation final recommendations, escalated by 2.24 per cent, the inflation forecast set by QCA in 2020.*
3. *Reflects QCA's 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 the QCA's recommended cost target. For further details on the top projects by spend, refer to Table 9.

*Figure 3 – Comparison of actual annuity expenditure vs QCA allowance for 2024-25*



The table below outlines the major annuity-funded projects delivered for Eton in 2024-25, representing the top 75 per cent of total project spend, and highlights their associated costs and significance.

*Table 9 – Major annuity-funded projects undertaken in 2024-25*

| Facility | Activity description | Actual $'000 | Actual % of total spend | Project purpose and value |
|---|---|---|---|---|
| Kinchant Dam | Install access to the inlet tower. | 1441 | 51% | Access improvement to the Kinchant Dam Inlet Tower to replace ageing access ladders and improve the safety of teams undertaking routine operations. |
| Mirani Pump Station 3 | Arc Flash Incident Energy Reduction (AFIER) definition phase. | 403 | 14% | Definition and design phase for switchboard replacement, aimed at reducing the arc flash risk and upgrading ageing infrastructure. |
| Kinchant Dam | Study – as low as reasonably possible (ALARP) investigation to evaluate dam safety risk. | 268 | 10% | This project was undertaken as required on all referable storages as part of the ALARP phase 1 program. The study is necessary to understand the current probability of dam failure and associated risks, and to provide recommendations for further actions/investigations needed to improve the dam's risk rating and ensure ongoing safety and compliance. |
| **2024-25 total** | | **2112** | **75%** | |

# 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 10 – Forecast annuity-funded projects planned for 2025-26*

| Year | Facility | Activity description | Forecast $'000 |
|---|---|---|---|
| 2025-26 | Eton Supply | AFIER program. | 2315 |
| | Mirani Pump Station 3 | Refurbish — submersible pumps 2 and 3 based on known asset condition and age. | 173 |
| | Mirani Diversion Channel | Refurbish — earth channel based on known asset condition and age. | 58 |
| | Eton Supply | Study — asset revaluation to define asset value for insurance purposes and future expenditure profiles. | 51 |
| | Mirani Pump Station 3 | Replace — supervisory control and data acquisition (SCADA) systems based on condition and age. | 23 |
| | Mirani Pump Station 3 | Refurbish — bulkhead gates based on known asset condition and age. | 22 |
| | Mirani Pump Station 3 | Study — options to replace switchboard 2. | 21 |
| | **2025-26 total** | | **2662** |