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Your submission for this review:

SUEZ Australia & New Zealand welcomes the opportunity to submit a response to IPART's Draft Determination on Sydney Waters pricing for the 2025-2030 period. As the long-term operator of the Prospect Water Filtration Plant, and a delivery partner within Sydney Waters capital program, we've drawn on both operational experience and global infrastructure expertise to inform our response. We outline why the proposed resilience-focused upgrades, including pretreatment infrastructure, are not only justified but critical. This is particularly true in the face of increasing climate volatility and Sydney's growing population. Recent operational events, including periods of extreme raw water quality, have shown how close the system can come to being overwhelmed. Our submission highlights the risks of delay, including increased costs, reduced efficiency, and lost trust, as well as the benefits of proceeding now while the industry is mobilised and aligned. This is a rare window to deliver efficiently, supported by both market readiness and a strong foundation of public trust. SUEZ's contribution is guided by our social licence to serve the people of Sydney. We remain committed to supporting safe, reliable water now and into the future - as an industry representative, a trusted operator and collaborative partner. We welcome your feedback and would be pleased to provide any further information or assistance that may support your final determination.

IPART
Independent Pricing and Regulatory Tribunal
NSW
Level 16, 2-24 Rawson Place
SYDNEY NSW 2000

SUEZ Australia and New Zealand
Level 6, 5 Rider Blvd
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Re: SUEZ's Submission on a review of IPART's Draft Determination (Sydney Water Pricing – 2025 to 2030)

Recognising the importance of this review

As an independent regulator, we recognise you play a critical role in balancing safety, reliability, affordability and the long-term sustainability of essential services. We commend your review of Sydney Water's Pricing Proposal and your intent to deliver value to customers. We agree that pricing must reflect the public interest.

In seeking to reduce customer bills today, we are concerned about putting critical infrastructure that protects customers both today and in the future under undue stress. Delays to water resilience investment, including upgrades that strengthen system reliability under worsening water quality and climate conditions, come with operational, public health and long-term cost risks. These risks are real, already being experienced and can disproportionately affect those who can least afford disruption.

In SUEZ' unique position of being supplier of safe and reliable drinking water to 14 million Australians in Sydney, Melbourne, Adelaide and Perth, our submission outlines why sustained investment in Sydney's core water infrastructure is essential, and why industry is mobilised now to deliver it, efficiently and at scale.

Who we are

SUEZ is a global water and environmental services provider with more than 160 years of experience delivering water infrastructure and essential water services in Australia and around the world. We provide services across every state and territory. We built and have operated the Prospect Water Filtration Plant (PWFP) since 1996, which today supplies 80% of Sydney's drinking water.

At SUEZ, maintaining a strong shared social licence, protecting human health and the environment, which we achieve together with public water utilities, fellow water services suppliers and the community, are fundamental to how we operate. Over time, trust from the communities we serve and the responsibility we hold in protecting the environment are at the heart of our role as a water services provider. We submit this response to the Draft Determination because sustaining the quality and reliability and Sydney's water supply is critical to retaining that licence. This submission reflects our commitment to long-term public outcomes and responsible infrastructure delivery.

Our views reflect our operational responsibility to the people of Sydney, our role as a member of the Australian water industry, and our experience in delivering public-interest infrastructure globally. From this connected perspective (operator, industry representative, and delivery partner), we see the clear and growing risks of deferring essential investment in water resilience.

Deferral of resilience investment poses real-world risks

Infrastructure upgrades proposed in Sydney Water's capital program, including improvements to filtration, advanced treatment, and integration of alternative sources, are essential to ensuring continuity of supply under worsening raw water conditions. Without these investments, we believe that water services are put at risk. This is the scientific modelling based on paleo data and climate models, and the prudent business and government risk assessment we're seeing both globally and in Australia. We commend Sydney Water's IPART submission and the NSW Government on the Greater Sydney Water Strategy, for calling out the need to address risks in both water quality as well as water quantity in our catchments.

Extreme rainfall, bushfires, and degraded catchments are already affecting raw water quality. Pretreatment mitigates this risk by improving the water quality that flows into the existing facilities. It is a cost-effective measure to improve resilience to climate change impacts, including those we have already experienced. Without pretreatment, the water filtration plants (as nominated in the Pricing Proposal) cannot produce safe drinking water at their design capacities consistently and reliably, forcing them to reduce output to maintain compliance with safe drinking water standards. As a result, facilities run the risk of either failing to meet the required water quality or not processing sufficient volume to meet the demands of the city.

In recent years, Sydney has faced multiple water quality shocks, including heavy rainfall, bushfire runoff, and catchment disruption, that have significantly degraded the quality of raw water entering key treatment plants. During one of these events, the Prospect Water Filtration Plant experienced some of the poorest raw water conditions in our knowledge of operating the plant. At this time, we worked with our fellow water industry partners in Sydney in crisis operation mode to ensure safe drinking water was delivered every day, and together we succeeded.

Although we were able to maintain supply, this is not a scalable or long-term solution. If poor raw water quality persists or intensifies, which we believe is likely, Prospect Water Filtration Plant and similar facilities face capacity limitations that will impact their ability to maintain safe water supply or to meet demand. Without pretreatment, the system will increasingly rely on short-term, reactive measures and continue to operate under this sustained pressure.

In addition, we have recently seen through the latest paleo and climate modelling, along with our lived experience during the 2019 drought, when dam levels fell nearly 50% in a single year, that our resilience to water supply reductions is low. Our global experience is that responding to these issues during a crisis is too late and comes with very significant costs. It takes a minimum of three years to deliver infrastructure projects to respond to these challenges, and this excludes a minimum of two years of mobilisation and procurement. When industry has been asked to save time in delivery this has increased the cost in the order of 50% or more and in many cases, the shorter timeframe has not been achieved. For cities such as Sydney, this has impacted ability to respond to growth and housing development needs with significant economic impacts. Conversely, the technology is now well developed to provide desalination and purified recycled water solutions, and SUEZ has been delivering these solutions globally for over 20 years.

Delaying now breaks momentum, costs more later - and risks public trust

Sydney Water, with the support of the NSW Government, has done the hard work of preparing the market for what is well known to be a significant amount of water asset investment in coming years. Through early planning, detailed infrastructure forecasting, and sustained engagement with industry, it has created the conditions for efficient and timely delivery of the next wave of water security projects, including pretreatment, desalination, purified recycled water, and wastewater system upgrades aligned to population growth.

In response, industry has mobilised. SUEZ, together with our global and local delivery partners, has prioritised skilled teams, design resources, and supply chains to meet the program's timing. These commitments were made in response to NSW's clear pipeline and strong leadership in long-term infrastructure planning.

However, this readiness cannot be sustained if the pipeline is uncertain. If resilience-focused projects are deferred or removed from the capital plan, the result will be:

- Reallocation of resources to other states and international jurisdictions, particularly Europe and North America, where climate adaptation projects are accelerating
- Loss of project efficiency due to broken delivery sequencing
- Higher future costs from re-mobilisation under tighter supply chain conditions
- Erosion of public trust in water security, and industry confidence in government-led programs

As a global operator and constructor of critical infrastructure, we have seen firsthand how sudden changes to project timelines damage long-term credibility. When governments shift gears without explanation, delivery partners price in that uncertainty. Ultimately, it is the public who pay more and wait longer for services they depend on.

The current infrastructure window offers a practical and efficient pathway to deliver on long-term service needs. Deferring now is likely to increase future delivery costs, strain utility capacity, and make it harder to meet the expectations of a growing population.

Our position

SUEZ provides this submission to support IPART's important role in assessing the value, justification and timing of Sydney Water's capital program. We recognise the pressure to balance affordability with long-term resilience, and we believe this program, particularly the infrastructure supporting raw water quality management, reflect a value for money solution and strikes the right balance.

To respond directly to the questions posed:

1. Has the program been sufficiently justified?

Yes. Drawing on our operational experience at Prospect Water Filtration Plant and across other major systems, we believe the program is well justified and reflects the type of strategic planning needed to support a growing population and a changing climate. It enables utilities to stay ahead of emerging risks while continuing to deliver safe, reliable water to the community. The decision to invest now builds on years of industry preparation and reflects sound long-term thinking, ensuring future challenges can be met without compromising service or increasing pressure on customers down the track.

2. What are the respective benefits and risks associated with Sydney Water's water resilience, pretreatment and water supply programs?

The benefits are clear: for pretreatment, this includes greater operational stability during adverse water quality events; continuity of service quality and the ability to meet demand reliably without resorting to risk-based trade-offs. The risks of not proceeding are equally apparent: reduced plant output under stress, rising costs from short-term reactive strategies, and eventual erosion of public trust in water reliability. For water supply, we see a clear gap in available supply versus modelled demand during dry periods and we know that responding at the beginning of a drought is too late. For both water supply and pretreatment, we can't risk the economic cost to a growing Sydney. Finally, and not least, we as industry are mobilised right now in a manner aligned with Sydney Water's investment program to provide the best value for money prices that take the advantage of this mobilisation and the synergies it brings.

Our views are shaped by our operational responsibilities and obligations to the people of Sydney, our role as a member of the Australian water industry, and our global experience in delivering infrastructure that protects public health and long-term service reliability. From this connected perspective, as an operator, industry representative, and delivery partner, we see clearly the risks of deferring essential investment in resilience. Supporting this program is about upholding the trust placed in us by the community, as well as preserving the shared social licence we hold alongside our government and industry partners to deliver essential public services.

We welcome the opportunity to contribute this perspective, and remain committed to supporting a secure, sustainable and resilient water future for Greater Sydney.