

FACT SHEET

Sewerage and Liquid Trade Waste Charging reforms: What You Need to Know

? Background

What is a sewerage charge?

Every property connected to Icon Water's sewerage network pays a sewerage charge to contribute to the cost of collecting, transporting and treating wastewater. Households pay a fixed annual charge. Non-residential customers, such as businesses, currently pay the same fixed charge plus an extra annual fee for each flushing fixture (such as a toilet, urinal or sink) above two.

For example, a small café with 2 toilets, 1 urinal and 1 sink (4 fixtures total) pays the fixed charge plus a fee for 2 fixtures (above the 2-fixture allowance).

What is liquid trade waste?

Liquid trade waste is wastewater generated by commercial or industrial activities, such as food preparation, vehicle washing or manufacturing, that is discharged into the sewerage network. Some liquid trade waste contains higher levels of pollutants than ordinary household wastewater and can cost more to manage, treat and monitor.

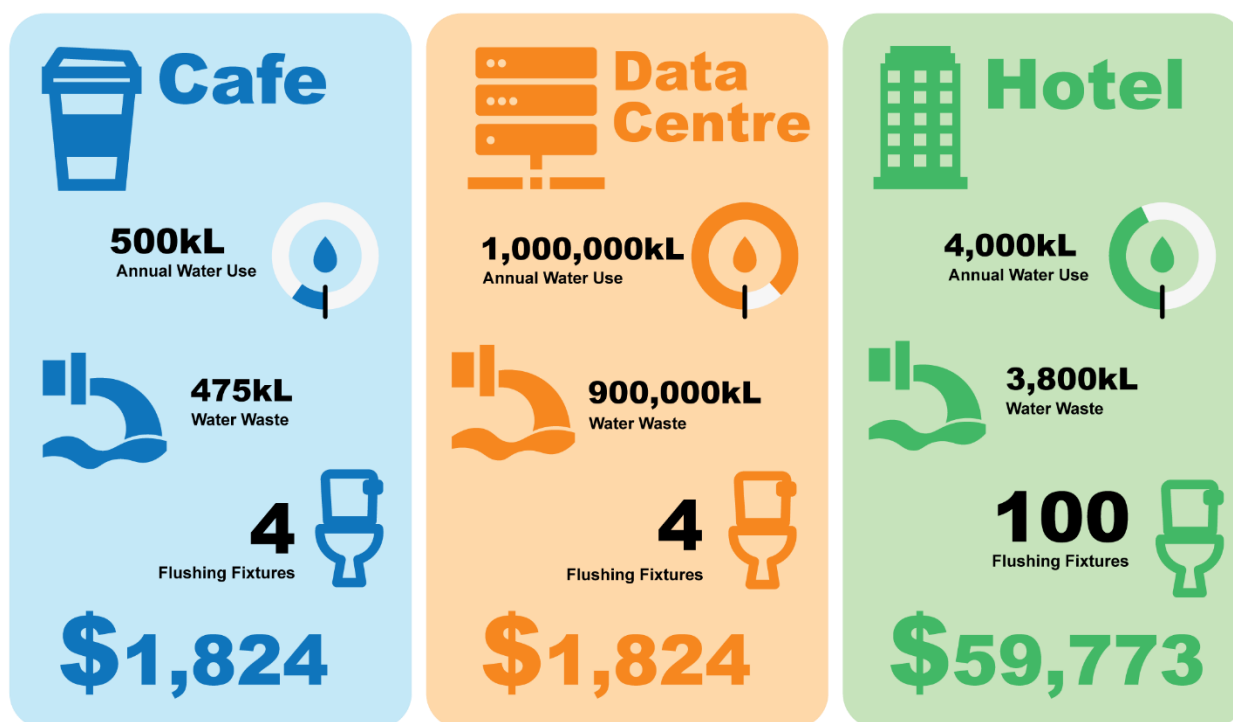
Why the review?

The current sewerage tariff structure has remained largely unchanged for more than 20 years. The commission's review identified several concerns with this approach:

- **Flushing fixture charges do not reflect actual impact.** The number of fixtures a business has is not a reliable indicator of how much wastewater it actually discharges or how much it costs to manage.
- **Some customers may be paying more, or less, than a fair share of costs.** Businesses with few fixtures but high wastewater discharge may be undercharged, while those with many fixtures but low discharge may be overcharged.
- **There is no dedicated charge for liquid trade waste.** The ACT is the only state or territory in Australia that does not charge for liquid trade waste. This means the costs of managing higher-impact discharges are currently spread across all customers, including households, rather than being paid by the businesses that generate them.

For example, a café and a 100 MW data centre could pay the same sewerage charge, if both have the same number of flushing fixtures, despite vastly different wastewater discharges. Meanwhile, a hotel with many fixtures pays far more despite discharging less wastewater than the data centre.

Figure 1 Same fixtures ≠ Same wastewater



Businesses like food processors, car washes, and data centres can all generate liquid trade waste – from fats, oils and grease, to detergent and oil residues, to cooling system discharge. Without a dedicated charge, these higher-impact costs, particularly given the volumes involved, would be spread across all other customers.

What are the commission's draft decisions?

At a glance

- Non-residential sewerage charges will move away from flushing fixtures towards charges based on water meter size and estimated wastewater discharge, phased in over several years.
- A new liquid trade waste charge will be introduced so higher-impact businesses pay a fairer share of network costs.
- Revenue from the new liquid trade waste charge will be used to offset fixed sewerage charges for all customers.
- Residential sewerage charging structure will stay the same.
- Both reforms are proposed to be introduced progressively, starting between 2028 and 2033, with sewerage tariff reform to be completed by 30 June 2038.

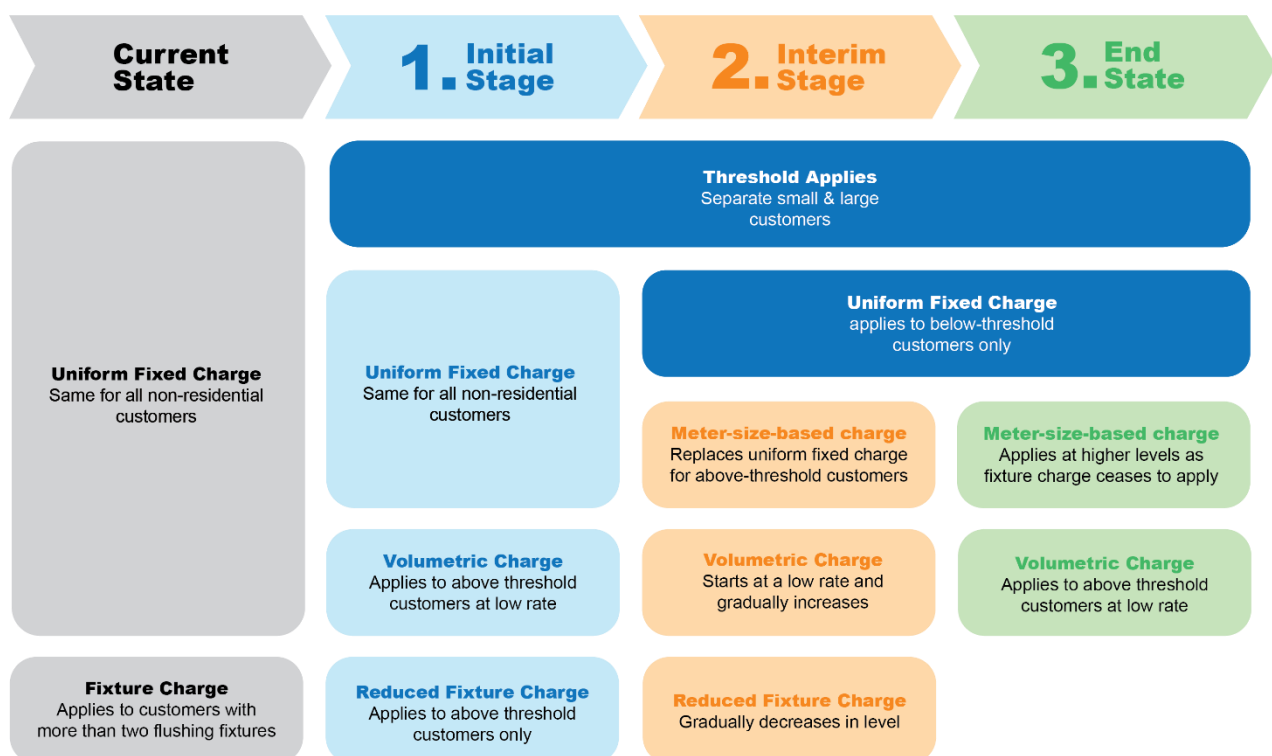
Non-residential sewerage tariff reform

The commission's draft decision is to move non-residential sewerage charges away from flushing fixtures towards a structure that contains:

- a **fixed charge based on water meter size**, which better reflects the capacity a customer needs from the network
- a **volumetric charge based on estimated wastewater discharge**, so customers who discharge more pay more
- a **wastewater discharge threshold**, so small businesses with wastewater characteristics similar to households continue to face a simple, fixed charge only.

This change will happen in stages over several years, to limit the impact on customer bills. The fixture charge will be progressively replaced by the meter-size-based charge and volumetric charge.

Figure 2 The commission's draft decision on sewerage tariff reform



Liquid trade waste charging reform

The commission's draft decision is to require Icon Water to introduce a dedicated liquid trade waste charging framework. This will include:

- classifying customers based on the risk their wastewater poses to the network
- a fixed charge to cover the cost of managing, monitoring and approving liquid trade waste customers
- an additional charge for high-risk businesses, based on the pollutants in their wastewater
- charges for specific one-off services, where relevant.

Revenue collected from these new charges will be used to reduce the fixed sewerage charge paid by all customers. This means the introduction of liquid trade waste charging is expected to offset wastewater bills for residential and non-residential customers alike.

When will the reforms happen?

Liquid trade waste charging is proposed to be introduced gradually from 1 July 2028, with full rollout from 1 July 2030.

Non-residential sewerage tariff reform is proposed to commence from 1 July 2030, with the transition to the new structure completed no later than 30 June 2038.

Reviews and checkpoints are proposed throughout implementation to monitor progress and ensure the transition remains manageable for customers.

Figure 3 The commission's draft decision on implementation of reforms

