ClubsACT Submission

Review of sewerage tariff structure and liquid trade waste charging

Prepared by ClubsACT

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Introduction

Executive position: ClubsACT is prepared to engage constructively with tariff reform but cannot support any model that increases charges on community clubs without a club-specific low-impact classification, an evidence base grounded in actual discharge characteristics, recognition of existing pre-treatment investment, and strong transition protections.

1. Overview

ClubsACT welcomes the opportunity to comment on the Independent Competition and Regulatory Commission's issues paper on sewerage tariff structure and liquid trade waste charging. The current ACT framework applies a fixed annual sewerage charge to residential customers and, for non-residential customers, the same fixed charge plus an annual fixture charge for each flushing fixture above two. For 2025–26, the fixed sewerage supply charge is $617.21 and the non-residential fixture charge is $603.63 for each additional flushing fixture.

ClubsACT's concern is not with the concept of fairness. It is with the risk that a review described as 'revenue neutral overall' may still redistribute costs in a way that materially increases the burden on community clubs. That would be problematic economically and socially. Clubs are not ordinary commercial enterprises. They are not-for-profit community venues that reinvest surpluses into local sport, local jobs, social connection, affordable meals, sponsorships and community activity.

ClubsACT therefore adopts a position of conditional engagement rather than blanket rejection. We are willing to participate constructively in the reform process, but we oppose any outcome that treats clubs as if they are inherently equivalent to high-risk trade waste generators. In our view, reform should proceed only where the Commission can show, with evidence, that any change is cost-reflective, proportionate and fair to community-serving not-for-profit venues.

A further equity issue arises because club members are also, in many cases, the same Canberra households that already pay residential sewerage charges at home. If tariff reform raises costs on venues, those households are effectively hit twice: once as residential customers and again indirectly through the higher operating costs imposed on the community venues they fund, use and sustain.

2. Key revisions to the ClubsACT position

This revised draft responds to concerns that the earlier version needed more data, a more constructive alternative, stronger environmental framing, clearer interstate comparison, and a firmer but more moderate tone.

The submission now does five additional things. First, it includes indicative scenario analysis on wastewater volumes, fixture-based charging and potential cost impacts. Second, it points to interstate models that either provide concessional treatment to community organisations or protect low-risk dischargers from separate trade waste charges. Third, it proposes a practical club-specific classification framework rather than simply opposing change. Fourth, it expands the environmental case around grease traps and pre-treatment. Fifth, it expressly engages with the consultation timetable and transition arrangements through to implementation in the 2028 regulatory period.

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3. ClubsACT's proposed position

- ClubsACT supports a fair, evidence-based framework for sewerage and liquid trade waste charging.
- ClubsACT does not support any reform that increases costs for community clubs. Any reform must be revenue-neutral for community clubs as a class, and no individual club should face an increase in sewerage or liquid trade waste charges unless actual site-specific monitoring, or an equally robust evidence base, demonstrates materially higher discharge strength or system cost not already addressed through existing pre-treatment and compliance obligations.
- If reform proceeds, community clubs should be placed in a distinct low-impact subclass by default, with any departure from that classification requiring clear evidence on discharge volume, discharge strength and actual system impact rather than assumptions based on venue type, fixture count or generic hospitality labels.
- Any new framework should recognise existing pre-treatment investment, avoid crude one-size-fits-all proxies, and include transition protections strong enough to prevent bill shock.

4. Indicative data and scenario analysis

The issues paper is right to identify data gaps. That is precisely why any immediate redistribution onto clubs would be risky. Even so, it is possible to present indicative figures that show why community clubs should not be assumed to be high-impact dischargers or easy revenue offsets.

4.1 Current ACT fixture-based cost examples

Using the current ACT 2025–26 sewerage tariff, the annual sewerage bill for a non-residential property is the fixed charge plus $603.63 for each flushing fixture above two. The table below illustrates how quickly costs escalate purely through fixture counts, even before any separate trade waste tariff is considered.

Example	Extra fixtures above two	Current annual sewerage charge	Indicative increase if charges rose 50%
Smaller venue	10	$6,653.51	$9,980.27
Medium venue	20	$12,689.81	$19,034.72
Larger venue	30	$18,726.11	$28,089.17

4.2 Indicative water use and wastewater volumes

Sydney Water publishes a benchmark for clubs of 20 litres per customer per day where the facility has no cooling tower or swimming pool. Used cautiously, that provides a useful reference point for indicative scenario modelling. On that benchmark alone, clubs with 150,000, 300,000 and 500,000 annual customer visits would use around 3,000 kL, 6,000 kL and 10,000 kL of water per year respectively. If one were then to apply a generic commercial wastewater usage discharge factor such as the 95% benchmark used by Sydney Water for commercial properties, those volumes would translate to approximately 2,850 kL, 5,700 kL and 9,500 kL of wastewater discharged to sewer per year. These are illustrative figures only. They show why actual club data should be collected rather than simply inferred from a single broad proxy.

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Indicative annual visits	Benchmark water use at 20 L/customer/day	Illustrative wastewater at 95% return	Comment
150,000	3,000 kL/year	2,850 kL/year	Smaller community venue
300,000	6,000 kL/year	5,700 kL/year	Mid-sized club
500,000	10,000 kL/year	9,500 kL/year	Large multi-use club

4.3 Why the data cut against a simplistic club loading assumption

A club's sewerage impact depends on more than water use. It depends on the mix of bar activity, dining, gaming floor amenity, events, kitchen production, landscaping, cooling systems, cleaning methods and whether the site already operates effective pre-treatment.

The point is not that clubs should never pay. The point is that clubs should not be assumed to be high-strength dischargers on the basis of venue type alone. A venue with a high fixture count and active member amenities may still produce lower-risk wastewater than a smaller but more intensive food production site.

5. Interstate comparators and why they matter

Interstate practice does not point in a single direction. It points to two important principles: some jurisdictions explicitly provide concessional treatment for community-serving not-for-profit organisations, and some utilities protect low-risk dischargers from separate trade waste charging.

Victoria provides the clearest example of concessional treatment. The Victorian water and sewerage rebate applies to land used mainly by charitable, not-for-profit or public organisations and is designed to support those organisations to continue delivering services that benefit the community. South East Water states that eligible organisations can receive up to $260 a year off the fixed service charge of their water bill.

In New South Wales, Sydney Water expressly excludes low-risk 'deemed processes' from trade waste fees and charges. Those deemed processes are described as small-volume, low-risk discharges that can occur subject to prescribed pre-treatment and other requirements. This is significant because it shows that even under a mature trade waste regime, low-risk activity is not automatically charged as if it were high-risk industrial waste.

Queensland Urban Utilities uses a similar logic. Its pricing materials state that Category 1 approval holders do not incur separate trade waste charges and pay only sewage disposal charges because their discharges are treated as being at or below domestic strength. Its trade waste management plan also distinguishes between community hall kitchens with minimal food preparation, which require no pre-treatment, and community hall kitchens with cooking on site and a food licence, which require a grease silt arrestor. That is a useful comparator because it shows a practical, activity-based distinction rather than a blunt assumption that all venues with kitchens are equivalent.

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6. A constructive alternative: a community club subclass

ClubsACT does not suggest the ACT must retain the current model forever. Rather, if reform proceeds, it should adopt a club-specific, activity-based classification system with clear default settings and evidence thresholds. A fair model could work as follows.

Club subclass	Indicative features	Tariff treatment	Evidence trigger for escalation
Tier 1 – Low impact community venue	Bar service, café or reheating only; no hot food production; no significant greasy waste; no material trade waste beyond domestic-type amenity flows	Remain on ordinary sewerage tariff only; no separate trade waste charge	Only escalates if Icon Water demonstrates actual non-domestic strength or material FOG risk
Tier 2 – Standard club kitchen with managed pre-treatment	Hot food preparation but grease trap installed and maintained; discharge within ordinary commercial food limits; no evidence of unusual pollutant loading	Ordinary sewerage tariff plus low-impact compliance category; no volumetric trade waste charge unless data justify it	Escalates only if monitoring shows repeated non-compliance, undersized pre-treatment or materially elevated strength
Tier 3 – Higher intensity venue operations	Large-scale catering, central production kitchen, repeated functions or discharge profile exceeding low-impact thresholds	Site-specific assessment with tailored conditions and, if justified, additional charging	Requires actual monitoring, not assumptions based on venue name or licence type

This kind of subclass would be consistent with how other utilities separate low-risk and higher-risk activity. It would also be consistent with Icon Water's own trade waste framework, which already distinguishes among categories and guide notes. Icon Water's current public trade waste framework indicates that its 100-series guide notes are preliminarily pre-assessed as Category A discharges, and that for food-related activities Category A daily discharge can extend up to 16 kL/day. That is a far more nuanced starting point than simply treating clubs as a generic non-residential class.

A club-specific subclass would also reduce error. It would avoid over-charging lower-impact venues while preserving a path for closer scrutiny where a specific site genuinely produces higher-strength discharge.

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7. Stronger environmental narrative

The environmental case in this submission should not be defensive. Community clubs already contribute to better environmental outcomes where they install, maintain and properly operate grease traps and related pre-treatment equipment.

Icon Water's own public trade waste materials show how substantial those requirements can be. For hot-food premises, passive grease traps must meet detailed installation and compliance requirements, the minimum accepted capacity is 1,000 litres, larger or more intensive premises may require 1,500 litre, 2,000 litre, 3,000 litre, 4,000 litre or 5,000 litre systems, and sizing guidance is linked to daily discharge volumes. For example, daily discharge of 1–1,100 litres corresponds to a 1,000 litre trap, while 3,201–6,400 litres corresponds to a 2,000 litre trap.

Those systems are not cosmetic. They are environmental infrastructure at the venue level. They intercept fats, oils and grease before those materials enter the sewerage network, help reduce blockages and overflows, support treatment performance and lower maintenance burdens on the shared network. Clubs that already incur those costs and undertake those maintenance obligations are providing a benefit that should be recognised in tariff design.

The ACT should therefore avoid any model that penalises clubs twice: first by requiring them to invest in and maintain effective pre-treatment, and second by assuming, without evidence, that they are still imposing unrecovered high-risk costs on the sewerage system.

8. Response to the issues paper questions

8.1 Pricing principles

ClubsACT supports the Commission's emphasis on efficiency, transparency, simplicity, social considerations and gradual adjustment. We submit, however, that the principles should be applied in a way that explicitly recognises not-for-profit community venues and the risk of community detriment if charges rise without a strong evidence base.

8.2 Current sewerage tariff structure

ClubsACT agrees that the current fixture-based model is imperfect, but does not accept that the answer is to move immediately to another blunt proxy. High fixture counts in clubs often reflect broad member amenity, disability access, sporting and event use, and long operating hours rather than inherently higher-risk wastewater.

8.3 Residential tariffs and the double-hit issue

ClubsACT does not seek to shift costs onto households. But the Commission should not stabilise residential outcomes by increasing costs on clubs whose members are the same households already paying residential sewerage charges. That is an equity issue the final report should address directly.

8.4 A fair proxy for clubs

If the ACT moves beyond the fixture model, ClubsACT submits that the best proxy is not a single number. It is a classification approach combining activity type, pre-treatment status, indicative water use, and site-specific evidence where necessary.

At minimum, clubs should be assessed according to whether they have no-cook or minimal-food operations, standard managed kitchen operations, or genuinely higher-intensity food production. Generic assumptions based solely on venue type, licence category, patron numbers or floor area should be rejected.

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8.5 Liquid trade waste charging

ClubsACT does not support a separate liquid trade waste tariff for community clubs on the current evidence. The ACT has not yet assembled the data needed to distinguish ordinary community-club operations from genuinely higher-risk trade waste activity with sufficient precision to justify new charges. Any reform in this area must be revenue-neutral for community clubs as a class, and no club should face an increase unless site-specific evidence demonstrates materially higher discharge strength or system cost not already addressed through existing pre-treatment and compliance obligations.

If a liquid trade waste framework is nevertheless pursued, the starting point should be a low-impact community club subclass with no separate charge unless and until actual site-specific monitoring, or a comparably robust evidence base, justifies a different outcome.

8.6 Section 8 completed: safeguards if a liquid trade waste tariff is considered

If the Commission considers any form of liquid trade waste tariff, ClubsACT submits that the following safeguards are essential.

- No club should be classified for a separate liquid trade waste tariff purely by reference to venue label, liquor operation or fixture count.
- A default low-impact community club subclass should apply where the venue's food activity is modest or where hot food operations are already managed through compliant pre-treatment.
- Existing environmental investment, including grease traps, strainers, pump-out obligations and maintenance records, should count in the club's favour.
- Any move to site-specific charging should require measured or credibly modelled evidence on discharge volume and strength, with a right of review for the venue.
- Any implementation should include a shadow-billing period, a hard cap on year-one and year-two increases, and a minimum two-year transition before any full charging effect applies. Those protections should operate alongside the core principle that no club should face an increase unless site-specific evidence demonstrates materially higher discharge strength or system cost not already addressed through existing pre-treatment and compliance obligations.
- No final implementation should occur before the regulatory period commencing on 1 July 2028, and any club-specific changes should be staged after that date.

9. Consultation timeline and transition protections

ClubsACT is willing to participate in later stages of the process, including consultation on the draft report, any technical workshops, and any further data collection exercise directed at non-residential customers.

However, that engagement should be matched by process safeguards. ClubsACT requests that the Commission:

- publish any proposed club classification criteria before the draft decision stage;
- consult directly with ClubsACT and affected venues on any proxy or sampling methodology;
- use a shadow-billing period so venues can see indicative impacts before they take effect;
- cap annual increases and allow grandfathering or rebates where clubs have already invested in compliant pre-treatment;
- review any new model after 12 months of operation to correct misclassification or unintended outcomes.

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This is especially important because the issues paper anticipates a draft report in September 2026, final report in February 2027 and implementation only in the 2028 regulatory period. That timetable leaves adequate space for a careful and evidence-based approach. It should not be compressed.

10. Conclusion

ClubsACT is prepared to engage constructively in tariff reform. But the burden of proof matters. Community clubs should not be treated as convenient proxies for broader non-residential cost recovery, and reform should not proceed based on generalised assumptions about hospitality-style wastewater. Any reform must be revenue-neutral for community clubs as a class, with no increase for any individual club unless actual site-specific monitoring, or an equally robust evidence base, demonstrates materially higher discharge strength or system cost not already addressed through existing pre-treatment and compliance obligations.

A fair ACT approach would borrow the best features of interstate practice: concessional recognition of community-serving not-for-profit organisations where appropriate, explicit protection for low-risk dischargers, and activity-based classification rather than blunt assumptions.

On that basis, ClubsACT submits that any reform should proceed only with a community club subclass, recognition of existing grease-trap and pre-treatment investment, evidence-based escalation criteria, shadow billing, capped transitions, and a firm revenue-neutrality commitment for community clubs as a class.

Appendix: selected source notes

- ICRC, Issues Paper: Review of sewerage tariff and liquid trade waste charging, November 2025.
- Icon Water, Trade Waste Approval and Compliance Requirements (issued 31 October 2025).
- Icon Water, Trade Waste Guide Notes combined edition, including TW-GN-101 and TW-GN-102, February 2026 compilation.
- Sydney Water, Benchmarks for water use – clubs benchmark.
- Sydney Water, Commercial trade wastewater – deemed processes and fees; and non-residential wastewater charging factsheets.
- Victorian State Revenue Office, Water and sewerage rebate for charitable, not-for-profit and public organisations.
- South East Water, Water and Sewerage Community Rebate.
- Urban Utilities, trade waste and pricing materials, including activity-based distinctions for community hall kitchens.

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