



Wastewater usage charges for non-residential customers

1. Overview

1.1 At a glance

Our policy explains how we apply wastewater usage charges to non-residential customers' bills.

1.2 Scope

Our policy covers all non-residential customers (including exempt properties) who discharge to our wastewater (sewerage) system.

The following properties are not subject to wastewater usage charges:

- residential properties
- non-residential properties within a mixed-use development
- each child property in a joint sewerage services arrangement
- small boarding houses
- unmetered non-residential properties (unless they attract a measured wastewater usage charge).

1.3 Objective

Our policy explains when and how wastewater usage charges are applied to non-residential customers, including how discharge factors may be adjusted.

2. Policy in detail

2.1 Background

We provide a wastewater acceptance service to residential and non-residential customers. We apply both wastewater service and wastewater usage charges to non-residential customers.

Wastewater service charges are allocated to non-residential customers based on:

- the water meter size
- the use of the service as calculated from the wastewater usage discharge factor (WUDF), historically referred to as a sewerage usage discharge factor (SUDF).

Wastewater usage charges are applied to non-residential customers only, and are based on how much wastewater you discharge to our systems. Under clause 4.8 of the Sydney Water Customer Contract, we determine a WUDF which is used to calculate wastewater service and usage charges for non-residential customers. More information on wastewater service and usage charges is available at sydneywater.com.au/ourprices.

2.2 Discharge allowance

Until 1 July 2020, all non-residential and exempt properties that were individually metered received a daily discharge allowance.

Customers who shared a common meter or were on a joint meter service only received one discharge allowance on the common meter or metered property.

From 1 July 2020, the wastewater discharge allowance no longer applies. All non-residential properties are liable for the wastewater usage charge, except for properties listed in section 1.2.

2.3 Wastewater usage charges

The wastewater usage charge for a non-residential property without a discharge meter, is calculated as follows:

$$\text{Wastewater usage charge} = (W \times \text{WUDF}) \times \text{UC}$$

W = the water used (in kilolitres) by the non-residential property for the meter reading period (as recorded through all our water meters, including both drinking and recycled meters).

WUDF = the wastewater usage discharge factor for that non-residential property.

UC = the wastewater usage charging rate for the meter reading period.

When the wastewater discharge is directly measured through discharge meters, the usage charge is calculated as:

$$\text{Wastewater usage charge} = V \times \text{UC}$$

V = the volume discharged through the discharge meter(s) plus an estimated volume for any discharge from toilets and showers

UC = the wastewater usage charging rate for the meter reading period

2.4 Wastewater usage discharge factor

A wastewater usage discharge factor (WUDF) is used to estimate the volume of wastewater discharged to our wastewater system from a non-residential property. It is used to calculate the wastewater usage charge for properties that do not have discharge meters.

The WUDF is also used to determine a property's wastewater service charge. More information on wastewater service charges is available at sydneywater.com.au/ourprices.

The WUDF compares the volume that you discharge to our wastewater network, or are estimated to discharge, to the volume of drinking or recycled water we deliver to your property (as recorded by your Sydney Water meter(s)), expressed as a percentage as follows:

$$\text{WUDF} = \frac{\text{Volume of wastewater discharged}}{\text{total water use (as measured by Sydney Water's meters)}} \times 100$$

We determine WUDFs based on:

- an established industry standard
- discharge meter readings
- site-specific calculations provided by your representative and agreed by us
- our site-specific calculation.

We apply a WUDF of 78% to all new non-residential properties (except for properties listed in section 1.2). Where we have specific information about the activities at a particular property, we generally assign an industry standard WUDF that is representative of the wastewater discharge profile for those types of activities. The WUDF that applies to a particular non-residential property is displayed on the bill.

In certain circumstances, you will need to install a discharge meter to measure the volume of wastewater being discharged, rather than using a WUDF to estimate the volume. For example: where there are large seasonal fluctuations or no fixed correlation between the volume discharged to the wastewater system and the water supplied to the site, you must install and maintain a discharge meter or alternate sub-metering arrangement (e.g. check water meters) that we've approved. We may also include an estimated discharge volume from toilets and showers where appropriate.

Alternate water sources (not supplied by us) can contribute to wastewater discharge volumes and must be considered in calculating the WUDF. Examples of these types of arrangements include:

- onsite collection and reuse
- stormwater harvesting
- sewer mining
- importing liquids from other sites
- bore water.

Where non-metered water sources contribute to the wastewater discharge, the calculated WUDF may exceed 100% of the metered water consumption. While we limit WUDFs at 100% when calculating service charges, we calculate wastewater usage charges using the full measured discharge volume where the site has discharge meters.

2.5 Adjustments to WUDFs

If you don't have a discharge meter, we will apply industry standard WUDFs based on your site specific activities. More information about industry standard WUDFs is available at sydneywater.com.au/ourprices.

We may review the assigned WUDF for a property if :

- you believe your on-site processes are sufficiently different from the industry norm and the existing WUDF results in you being over-charged for wastewater usage. You will need to provide sufficient supporting information to enable us to re-assess your WUDF, generally representing a minimum of 12 months typical business operations, as detailed in Appendix 1. You can request a review of your WUDF once a year
- we have revised wastewater discharge information for a specific business sector, and we apply the revised WUDF to relevant businesses within that sector. If we vary the discharge factor by 10% or more for a particular industry group, we'll inform you at least three months before the amended charges are implemented
- we become aware of factors that suggest an existing WUDF does not accurately reflect the activities on a specific property. This could arise, for example, when the business activities on the site have changed due to improved processes, a different business type or a change in tenant.. We will determine an appropriate WUDF for the site based on the information and data you provide about your activities over the past 12 months. We'll write to you about the change and the effective start date.

2.6 Implementation of adjusted WUDF

In accordance with clause 4.8 of the *Customer Contract*, any change in the assigned WUDF will apply from either the beginning of the next charging period after you have provided valid evidence for any adjustment or after the expiry of the notice period we communicated to you under clause 4.10 of the *Customer Contract* for any adjustment we initiated.

We will evaluate the evidence provided as efficiently as possible given the circumstances of each case. Where this evaluation process extends beyond the billing period and results in an adjustment being in your favour, an appropriate financial adjustment will be made for any affected billing periods following the billing period in which you submitted the evidence.

We will not make financial adjustments to wastewater usage charges already billed or for the billing period in which you submitted the evidence.

You have a responsibility to notify us of any significant changes in business operations that may influence the volume of wastewater discharged to our sewer when the current WUDF applied to your property is no longer accurate.

2.7 Disputes

If you wish to dispute the WUDF assessment, you need to write to us. We'll treat this as a complaint and will manage it in accordance with our established complaints process.

If you are not satisfied with our response, you can contact the Energy and Water Ombudsman (EWON) on 1800 246 545 for external dispute resolution.

3. Definitions

Term	Definition
Customer segment	A group of customers that share a common business activity e.g. shopping centres, accommodation hotels, public schools and commercial laundries.
Deemed discharge volume	All residential and some non-residential properties listed in section 2.3 are deemed to discharge wastewater at the rate of 0.411 kL/day. This deemed discharge volume is included in the wastewater service charge.
Default discharge factor	A default discharge factor of 78% is the calculated average discharge factor for all non-residential properties in our area of operations. The default discharge applies where an industry standard wastewater usage factor or site-specific wastewater usage discharge factor has not been established.
Exempt land (properties)	Land described in part 1, schedule 2 (and not described in part 2, schedule 2) of the Sydney Water Act 1994.
Multi-premises	A premise with two or more properties.
Mixed multi-premises	A multi premises with both residential and non-residential properties.
Recycled water	Water that has been treated to enable its use for certain industrial, commercial and/or household applications, but isn't intended to meet the standards for drinking water required by the National Health and Medical Research Council's Australian Drinking Water Guidelines.
Wastewater service charge	A fixed charge that applies to all properties that are connected to our wastewater system.
Wastewater usage charge	The calculated charge for discharging a measured or estimated volume of wastewater to our wastewater system.
Wastewater usage discharge factor	Compares the volume you discharge to the sewer, to the volume of water we deliver to your site (as recorded by your water meter(s)). Previously referred to as a sewer usage discharge factor (SUDF).

4. Context

4.1 Accountabilities

Position	Accountabilities
Head of Business Customers	Ensure compliance with this policy in dealing with non-residential customers in relation to wastewater usage charges, including implementation of operational processes and controls.
Business Customer Representatives	Apply this policy to determine appropriate customer appropriate WUDFs.
External Dispute Resolution Specialist	Ensure compliance with this policy when dealing with escalated complaints from non-residential customers about wastewater usage charges.

4.2 References

Document type	Title
Compliance obligations	Sydney Water Customer Contract, Operating Licence 2019-2023, IPART
Policies and procedures	Not Applicable
Other documents	Not Applicable

4.3 Ownership

Role	Title
Group	Customer Services
Owner	General Manager Customer Services
Author	Brett Walker, Project Manager Customer Program delivery

4.4 Change history

Version	Issue Date	Approved by	Brief description of change and consultation
2	24/05/2021	Melanie Werner, Head of Customer Programs	Update to include details of how a customer can request a review of the assigned WUDF in the absence of discharge meters, plus updates to reflect the 2019-2023 pricing determination and Customer Contract changes
1	1/04/2020		Update to reflect IPART pricing determination changes, alignment with Customer Contract, and changes to policy regarding WUDF variation requests

Appendix 1 – Customer-requested WUDF review

A1.1 Principles and assumptions

We operate under a ‘user pays’ principle which is embedded in the pricing structure as determined by IPART. This principle applies to all customers.

Residential customers pay for their use of the wastewater system through an embedded wastewater usage component within their wastewater service charge, on the basis that residential wastewater discharge is relatively stable irrespective of variations in water usage. Residential customers do not pay an additional wastewater usage charge.

Non-residential customers should also contribute equitably to the costs associated with our operation of the wastewater service by paying appropriately for the volumes of wastewater that they discharge.

In principle, the volume of water consumed by a non-residential property can be highly variable and is determined by the activities conducted on the property. The volume of wastewater discharged by a non-residential property is determined by the processes that use the water and is therefore assumed to be proportional to water consumption for most non-residential properties. The Wastewater Usage Discharge Factor (WUDF) reflects this assumption of proportionality. The use of a WUDF as the basis for wastewater charging aligns with recognised good practice in non-residential wastewater management and is a requirement under clause 4.8 of our Customer Contract.

Charging for the volume of wastewater that is discharged provides a pricing incentive for non-residential customers to optimise their water management in a way that reduces wastewater discharge.

A1.2 Data to support WUDF review

We seek to use the most up-to-date and accurate information available to set and review WUDFs in situations where direct measurement of discharge volumes is not appropriate for either technical or financial reasons. WUDFs are based on an assessment of the activities carried out on a property. The assessment that we carry out is based on the information that we have about the activities carried out on the property, and the associated likely pattern of wastewater discharge.

We recognise that there are some situations where a business activity may be operated in a way which is different from the assumed profile, and that there may be reason to adjust the WUDF based on more accurate and complete information. The process described below allows a you to provide the information that we require to determine what WUDF should be assigned to a specific property, including the requirements that apply for supporting evidence under different scenarios.

The most accurate way to determine a property’s WUDF and volume of wastewater discharged to sewer is through direct metering of wastewater discharge. However, we recognise that direct measurement of wastewater discharge volume can be technically challenging in some circumstances and may not be financially viable where the estimated daily discharge volume is low. The following table sets out the data or information that you will need to provide to us to facilitate a WUDF review, depending on the specific circumstances of your business operations. It references the average daily metered consumption of water on a property to indicate the level of rigour required to justify an adjustment of the WUDF.

Average daily water use over last 12 months	Approach to reassessment of a WUDF
< 7 kL/day	- An industry standard WUDF is used to calculate the billable wastewater discharge volume where we have business sector details. The non-residential default WUDF (78%) is used where we have no specific business sector information. - You may request a WUDF variation by using the WUDF Variation Request Form to capture all relevant water inputs and outputs on the property. We will use the information provided by the customer to determine the applicable WUDF. In some situations, we may seek clarification on some details, however the information captured using the form will generally be adequate to allow WUDF determination. - This approach is appropriate where the volume of daily wastewater discharge is low and where metering is not technically or financially viable ^{Note}.
Between 7 kL/day and 12 kL/day	- An industry standard WUDF is used to calculate the billable wastewater discharge volume where we have business sector details. The non-residential default WUDF (78%) is used where we have no specific business sector information. - Direct discharge metering is the preferred method for determining wastewater discharge volume. In the absence of direct discharge metering, you will generally be required to install process-line discharge meters or sub-metering on water inputs to justify a variation of the WUDF. - Where metering is not technically or financially viable ^{Note}, the WUDF Variation Request Form may be used to collect the information required for a review of the WUDF. We may require additional evidence to support the information provided via the form. The specific evidence requirements will depend on the details provided via the form and the nature of the business activities carried out, and we will provide guidance on the evidence requirements based on the information provided.
12 kL/day and above	- Direct discharge metering is required unless alternate discharge measurement or calculation arrangements are specifically agreed with Sydney Water. 'Derived' wastewater discharge volumes will only be approved in exceptional circumstances for sites with average daily water use above 12kL. - The method used to derive the wastewater discharge volume must be certified by a hydraulic consultant.

Note: Metering is considered to not be financially viable where the annualised 5-year cost of ownership (including installation, certification, ongoing maintenance, and annual calibration) of an approved metering solution exceeds 12 months of standard wastewater service and usage charges for the property.

A1.3 WUDF Variation Request Form

The WUDF Variation Request Form is used to capture details of all relevant water inputs and outputs on the property, including those outputs that do not go to our wastewater network. We will use the information provided by you, using this form, as the basis for calculating the applicable WUDF for your property.

The WUDF Variation Request Form is provided as a spreadsheet, with appropriate validation to help you to provide high quality and complete information in the first instance. It is designed to ensure that you properly consider all relevant factors when documenting your water use.

Where expected wastewater discharge volume is low (associated with metered daily water consumption of less than 7 kL), the data provided using the form will be accepted as the basis for calculation of the WUDF. For other scenarios, where your daily water use is above 7kL, the form can be a valuable tool to guide your collection of the relevant information. We will advise you of the evidence that you will need to provide to support your request for a review.

A1.4 Alternatives to direct discharge metering

Where you are unable to install a discharge meter on each wastewater connection to our network, we can use two general methods to calculate a WUDF:

- You can install sub-meters to measure the water used in systems or processes that do not discharge to our wastewater system. These volumes are subtracted from your metered water supply volume to establish the WUDF. Examples include:
 - irrigation, watering or misting systems,
 - processes such as ice making where all water is fully consumed by the product produced,
 - onsite reuse and/or wastewater management that is not connected to our network.
- You can meter the actual discharge of wastewater from each system or process. The individually metered process discharge volumes will be aggregated to calculate the total discharge volume from these processes. This calculation may include an estimate of the volume discharged from toilets and showers.

In some cases, both above methods will be used to properly account for water used and wastewater discharged to calculate an appropriate discharge factor.

Where the average daily water use is greater than 12kL, any agreed method of indirect measurement must be certified as complete and accurate by a hydraulic consultant.

A1.5 WUDF review considerations

We will assess each request based on the nature of the business activities carried out on the property and the information provided in the request. When determining our requirements for adjustment of the WUDF, we may consider factors such as (but not limited to):

- the seasonality of business operations
- unusual aspects of the business operations when compared to industry standards for the relevant business type
- recent water consumption patterns
- the most appropriate metering approach given the characteristics of each property

A1.6 Customer obligations for reviews

You can request a review of your WUDF once each year. Where a you request a review of your WUDF, you will be responsible for:

- arranging installation and calibration of the metering systems according to our requirements
- providing documentation from a suitably qualified person to show that the metering design is comprehensive and appropriate to accurately account for all wastewater discharges to our wastewater network
- all costs associated with the installation, calibration, and ongoing maintenance of any such meters
- any costs incurred in collecting, analysing and supplying the required information to us to support the reassessment of the WUDF, including costs associated with engaging a third party to verify the method used to derive an alternative WUDF.

Any evidence submitted by a customer to support the requested adjustment of the WUDF must be accepted as valid by us prior to adjustment of the discharge factor based on that evidence.