

FACT SHEET

Prices for Sydney Water's Trade Waste Customers

Based on *Determination and report for Sydney Water's prices*
June 2012

On 19 June 2012, IPART released its determination on the prices that Sydney Water can charge for providing water and related services to its customers during the 4 years from 1 July 2012 to 30 June 2016.


This fact sheet has been prepared to provide information specific to Sydney Water's customers receiving trade waste services. The report and determination are available on IPART's website (www.ipart.nsw.gov.au).

Prices

Trade waste is wastewater from commercial and industrial customers with pollutant concentrations that exceed a domestic equivalent.¹ Commercial and industrial customers are charged based on the mass of pollutants discharged to the sewer above domestic equivalents (pollutant charges), and pay application and agreement fees to Sydney Water to cover the cost of establishing and processing new applications, administering agreements, inspections and monitoring trade waste discharges.

Trade waste pollutant charges cover the cost of transport, corrosion and treatment of trade wastewater.

¹ A domestic equivalent is a concentration or level the same as would be found in household wastewater.



We have decided to introduce the majority of the charges that Sydney Water proposed in its supplementary submission. Some of the features of the trade waste charges for the 2012 Determination are:

- ▼ Introducing a new Wastesafe charging system from 1 July 2013. The start date is in response to stakeholder feedback.
- ▼ Charges for substances that do not drive any Sydney Water costs have been abolished. These substances included total dissolved solids, sulphate, ammonia, and non-domestic pollutants (42 substances).
- ▼ The number of chargeable commercial process codes was reduced from 66 to 8.
- ▼ Where pollutant charges decrease, the full extent of the price reduction will be introduced from 1 July 2012.
- ▼ Transitional pricing for pollutant charges that are being increased.

The trade waste charges that will apply from 1 July 2012 are outlined below. This fact sheet summarises our decisions on trade waste charges. The overview below provides details of where each set of charges is located in the fact sheet.

Overview

- ▼ Industrial pollutant charges are located on page 3.
- ▼ Commercial pollutant charges are located on page 4.
- ▼ Ancillary and quarterly agreement charges are located on pages 4-5.
- ▼ Wastesafe charges are located on pages 6-7.

Industrial pollutant charges

Price increases to pollutant charges for industrial customers have been phased-in as a result of stakeholder feedback.

Our decision on industrial pollutant charges for trade waste customers for the determination is shown in Table 1 below.

Table 1 Pollutant charges for industrial customers (\$2011/12)

Charge	Units	2011/12	2012/13	2013/14	2014/15	2015/16
		Current				
BOD – primary WWTPs ^a	\$/kg of mass above domestic strength	a:0.124 b:0.0184	0.177 0.050	0.203 0.070	0.229 0.090	0.255 0.110
BOD – secondary and tertiary WWTPs ^a	\$/kg of mass above domestic strength	a:0.698 b:0.0184	1.080 0.050	1.271 0.070	1.462 0.090	1.652 0.110
SS-primary WWTPs	\$/kg of mass above domestic strength	0.887	0.455	0.458	0.460	0.462
SS – secondary and tertiary WWTPs	\$/kg of mass above domestic strength	0.887	1.067	1.157	1.247	1.337
Grease – primary WWTPs	\$/kg of mass above domestic strength	1.250	0.410	0.413	0.415	0.416
Grease – secondary and tertiary WWTPs	\$/kg of mass above domestic strength	1.250	1.261	1.266	1.272	1.277
Nitrogen – secondary/tertiary inland WWTP	\$/kg of mass above domestic strength	0.175	0.711	0.979	1.247	1.514
Phosphorous – secondary/tertiary inland WWTP	\$/kg of mass above domestic strength	1.386	3.003	3.811	4.619	5.428
pH – corrosion impacted catchment only	\$/pH/ML of wastewater of pH < 7.0	N/A	23.003	34.504	46.005	57.506
Temperature – corrosion impacted catchment only	\$/°C/ML of wastewater of temperature > 25°C	N/A	2.547	3.820	5.093	6.367

^a Where the BOD charge is calculated as: BOD \$/kg = a + [b x (BOD mg/L)/600].

Note: The charges for temperature (discharge >25°C) and pH (discharge < pH 7) will apply to 'corrosion impacted' sewerage systems only.

Source: Sydney Water, Supplementary Submission to IPART 2012 pricing determination.

Commercial Pollutant Charges

Increases in quality charges for commercial customers have been transitioned over the 2012 Determination in response to stakeholder feedback. Our decision on commercial pollutant charges for trade waste customers for the determination is shown in Table 2 below.

Table 2 Quality Charges for Commercial Customers (\$2011/12)

Charge	Units	2011/12 Current	2012/13	2013/14	2014/15	2015/16
Low strength BOD food	\$/kL	0.13-2.80	1.273	1.502	1.731	1.96
Higher strength BOD food	\$/kL	1.41-16.90	2.454	2.709	2.965	3.220
Automotive	\$/kL	0.13-0.98	0.360	0.453	0.547	0.640
Laundry	\$/kL	0.02-0.13	0.180	0.253	0.327	0.400
Lithographic	\$/kL	0.02	0.136	0.193	0.251	0.308
Photographic	\$/kL	0.06-70.46	0	0	0	0
Equipment hire wash	\$/kL	2.80-4.11	2.84	2.89	2.91	2.92
Ship to shore	\$/kL	0.70	0.974	1.112	1.249	1.386
Shopping centres with centralised pre-treatment ^a	\$/kL		1.273	1.502	1.731	1.960
Miscellaneous	\$/kL	0.0	0	0	0	0
Other (default)	\$/kL	0.0-2.80	0	0	0	0

^a Sydney Water may set the charges for individual shopping centres less than the maximum charge where it believes a lower charge is more cost-reflective, although it must obtain the approval of the Treasurer to set the charge below the maximum for these centres (as required under the IPART Act).

Source: Sydney Water, Supplementary Submission, Appendix 22, p 431.

Trade Waste Ancillary and Quarterly Agreement Charges

Some trade waste ancillary charges are increasing for the determination to recover the current shortfall in ancillary trade waste costs. Given the relatively low value of these charges compared to total trade waste bills, we have not phased-in the increase to the charges. The increase in charges will apply to:

- ▼ Commercial agreement (permit) charges – first process
- ▼ Commercial agreement (permit) charges – additional process
- ▼ Trade waste application fee for industrial customers – standard
- ▼ Trade waste application fee for industrial customers – variation.

Our decision on trade waste ancillary charges is shown in Table 3 below.

Table 3 Trade Waste Ancillary Charges (\$2011/12)

Charge	Units	2011/12	2012/13	2013/14	2014/15	2015/16
		Current				
Commercial agreement (permit) charges – first process	\$/process/quarter	20.84	32.63	32.63	32.63	32.63
Commercial agreement (permit) charges – each additional process	\$/process/quarter	6.94	11.20	11.20	11.20	11.20
Additional inspection charge (excluding GST)	\$/hour	71.36	86.96	86.96	86.96	86.96
	\$ minimum per inspection	35.95	173.91	173.91	173.91	173.91
Trade waste application fee for industrial customers – standard	\$/application	285.55	419.80	419.80	419.80	419.80
Trade waste application fee for industrial customers – non-standard	\$/hour	128.60	128.60	128.60	128.60	128.60
Trade waste application fee for industrial customers – variation	\$/application	343.35	504.72	504.72	504.72	504.72
Trade waste application fee – renewal	\$/application	N/A	N/A	N/A	N/A	N/A
Sale of trade waste data	\$/hour	125.32	125.32	125.32	125.32	125.32

Source: Sydney Water, Supplementary Submission – Trade Waste Costs and Charges, 8 March 2012, p 432.

We have considered industrial trade waste quarterly agreement charges and have accepted Sydney Water's proposed charges based on new inspection frequencies. Our decision on industrial trade waste quarterly agreement charges is shown below in Table 4.

Table 4 Industrial trade waste quarterly agreement charges by risk index (\$2011/12)

Risk Level	Units	2011/12	2012/13	2013/14	2014/15	2015/16
1	\$ per quarter	6434.52	1806	1806	1806	1806
2	\$ per quarter	5808.44	1806	1806	1806	1806
3	\$ per quarter	2712.93	1806	1806	1806	1806
4	\$ per quarter	1530.36	834	834	834	834
5	\$ per quarter	591.25	556	556	556	556
6	\$ per quarter	208.65	556	556	556	556
7	\$ per quarter	139.10	556	556	556	556

Source: Sydney Water, Supplementary Submission – Trade Waste Costs and Charges, 8 March 2012, p 432.

Wastesafe charges

Wastesafe is Sydney Water's tracking system for monitoring the generation, collection, transportation and disposal of liquid waste. In the determination, we have allowed Sydney Water to change the charging structure for the Wastesafe system.

Under the current approach:

- ▼ Contractors are responsible for cleaning customers' liquid waste traps and transporting the liquid waste to depots for treatment.
- ▼ These contractors bill customers directly for cleaning the traps and transporting the waste.
- ▼ Customers pay Sydney Water a volumetric charge for processing and treatment of the liquid waste at (privately owned) depots, and depots bill Sydney Water for processing and treatment.

Currently, the costs of running the Wastesafe system are recovered by the difference in charges that waste generators pay to Sydney Water for processing and treatment and the amount that Sydney Water rebates to depots for processing and treatment. From 1 July 2013, contractors will bill customers for cleaning, transport, processing and treatment and will take over responsibility for payments to the depots for processing and treatment.

To fund the continued running of the Wastesafe system, we are allowing Sydney Water to introduce the following charges:

- ▼ A fixed charge per waste trap.
- ▼ Charges for inspections required as a result of missed pump-outs.

To allow Wastesafe customers adequate time to transition to the new charging system, it will be introduced on 1 July 2013. Our decision on Wastesafe charges is shown in the table below.

Table 5 Wastesafe charges (\$2011/12)

Charges	Units	2011/12	2012/13	2013/14	2014/15	2015/16
Wastesafe	\$/litre	0.127	0.127	N/A	N/A	N/A
Fixed \$/liquid waste trap charge	\$/liquid waste trap/quarter	N/A	N/A	23.21	23.21	23.21
Missed service (pump-out) inspection charge for liquid waste traps <=2000L	\$ liquid waste trap/event	N/A	N/A	255.75	255.75	255.75
Missed service (pump-out) inspection charge for liquid waste traps >2000L	\$ liquid waste trap/event	N/A	N/A	511.50	511.50	511.50

Note: In the draft report and determination, we identified some minor errors related to the inclusion of GST in the published prices for the Wastesafe charge, and in the case of the draft determination, the adjustment of prices for CPI. A fact sheet has been placed on our website that identifies these errors and provides the relevant corrections.