Review of Wastewater Tariff and Liquid Trade Waste Charging: Customer Research and Engagement Report

Prepared for Icon Water

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Contents

Executive summary

The Independent Competition and Regulatory Commission (the Commission) is reviewing how wastewater charges are structured for Icon Water customers in the ACT, with a particular focus on non-residential customers. The review is examining whether current charging arrangements remain fair, transparent and aligned with the actual costs associated with non-residential customer discharge of wastewater and liquid trade waste into the network. As the regulated service provider, Icon Water is required to respond to the Commission's review by developing a submission that balances economic analysis with a clear understanding of customer impacts, priorities and concerns.

To support this, Icon Water undertook a targeted program of engagement with a cross-section of non-residential customers to understand their views on the proposed reforms and how different businesses may be affected. Engagement activities included online focus groups, one-on-one interviews with large and complex customers, and public webinars open to the broader non-residential customer base. These activities were designed to test customer views on the review and the principles underpinning it, explore reactions to the pricing options being considered, and identify what customers would need to support any future changes.

Purpose of this report

This report provides a detailed summary of feedback from non-residential customers across all engagement activities. It consolidates insights from focus groups, interviews and webinars to present a clear picture of customer sentiment, key concerns, areas of support and conditions for acceptability. The findings in this report are intended to inform Icon Water's next submission to the Commission and ensure that customer perspectives are accurately reflected in the regulatory decision-making process.

Overview of customer feedback

Non-residential customers broadly accept the rationale for the review and recognise the logic of moving toward a more cost-reflective, user-pays approach to wastewater and liquid trade waste charging. However, across all engagement activities, support is cautious and highly conditional. Customers need to know specifically how it will impact their businesses, how accurate the assessment of their wastewater volume and trade waste strength might be, and are concerned about the risk of unintended consequences for complex or vulnerable businesses.

Overall sentiment sits between neutral and softly positive. Customers repeatedly emphasised that acceptance will ultimately depend on whether Icon Water can demonstrate fairness at an individual business level, provide confidence in how impacts are calculated, and that any changes are implemented gradually with tailored support.

Shared views across all engagement activities

Across focus groups, interviews and webinars, customers consistently agreed on the following points:

- The current flushing-fixture approach to calculating wastewater charges is widely seen as a blunt tool to assess wastewater discharge. Participants accepted that the existing model does not reflect the volume of wastewater businesses actually discharge into the network and can result in poor outcomes for high-fixture/low-discharge sites (e.g. offices, shopping centres, hotels) and not charge low-fixture/high-discharge sites enough (e.g. laundries, food production).
- The principle of user-pays is accepted – but trust in accuracy of how wastewater discharge volume is calculated is the deciding factor. Customers understood and largely supported charging based on actual impact rather than proxies, but expressed strong concern that estimated discharge factors, meter size or risk categories could misrepresent real wastewater discharge at their business, particularly for complex or atypical operations;
- Support hinges on understanding what the specific impact might be for their business. Across all activities, participants said they could not meaningfully judge acceptability without understanding

what the changes would mean for their own bills. While illustrative case studies were considered very helpful, customers wanted a modelling approach that reflects their scale, operations and constraints.
- Due to the inability to see how the wastewater tariff changes would impact their businesses specifically, few participants expressed a strong preference between the wastewater pricing model options presented (fixed charge vs metered charge). Instead, attention consistently shifted to implementation and the speed at which costs would be rebalanced due to the perceived administration burden this transition would place on many businesses. For example, needing to understand the impacts on different parts of the business and potentially needing to renegotiate with tenants. As a result, many were interested in how Icon Water would support customers to adapt.

Customer feedback and reactions to the wastewater tariff reform

Customers broadly supported moving away from fixture-based charging, but raised consistent concerns about how wastewater discharge would be estimated in practice:

- Disconnect between the water used by a business and the amount of wastewater it discharged was a recurring theme of feedback. Businesses working with animals (animal care or livestock operations), manufacturing and research highlighted that large volumes of water are consumed without entering the sewer, meaning water-supply-based estimates could materially overstate their impact.
- Reliance on proxies was seen as risky for complex sites. Large institutions and multi-tenant properties (e.g. universities, shopping centres) questioned whether generic discharge factors or meter-based scaling could accurately capture diversity of activities within their businesses. Many argued that without site-specific assessment or the ability to review the assumptions underpinning the pricing decision for their business, outcomes could be unfair.
- Large customers want transparency and the ability to challenge assumptions. Interviews with major customers highlighted the need for access to underlying data, clear explanations of assumptions made in the calculation of the wastewater tariffs for their business, and pathways to refine discharge factors where they do not reflect reality.
- Small and medium businesses (SMEs) are most sensitive to bill shocks. These businesses, particularly those already facing high operating costs and decreasing margins, were concerned that even modest modelling errors could lead to increases they cannot absorb or pass on. This was felt even more strongly by businesses with a high reliance on water for their operations and therefore a limited ability to cut down on usage and discharge (car washes for example).

Customer feedback and reactions to the liquid trade waste charges

Across all activities, liquid trade waste charges were generally seen as more conceptually defensible than wastewater tariff changes, but still raised important design questions:

- Strong acceptance of the fairness rationale. Participants widely agreed that high-impact or high-risk dischargers should pay more, and that separating trade waste costs from general sewerage charges makes sense in principle.
- Risk-based charges and non-compliance penalties were broadly supported. Customers accepted that administration, approvals, inspections and monitoring have real costs, and that non-compliance charges are a legitimate behavioural lever.
- A key concern was how charges are defined and applied. Charging "per process" raised significant anxiety for complex sites with many systems or compliance points. Participants questioned whether this could lead to disproportionate outcomes and called for flexibility (e.g. precinct- or site-level approaches) where appropriate.
- Good compliance should be recognised, not just bad compliance penalised. Several interviewees suggested that customers investing in best-practice waste pre-treatment and compliance should not face the same burden as those creating higher risks.

What customers told us about how the combined impacts would affect them

- The stacking of impacts from wastewater tariff changes and liquid trade waste charges was the single strongest concern raised across all engagement activities.
- Customers consistently said they could not assess acceptability without understanding the combined effect on their business. Many feared that even if each change was defensible in isolation, the cumulative impact could undermine business viability, tenant relationships or long-term investment decisions. It's not that they are against the tariffs and charges per se, but do not have enough specific information on how they would combine into a final bill for their business.

Differences by customer type

While themes were consistent, impacts and concerns varied by customer group:

- Large and complex customers (e.g. universities, major property owners) focused on accuracy, modelling relevance, and the risk of being unfairly penalised by simplified assumptions. They sought detailed engagement, an audit of their site, bespoke modelling and long lead times for implementation and transition.
- SMEs were most concerned about affordability, cash-flow impacts and their limited ability to absorb or pass on increases, particularly in an increasingly challenging cost-of-living and cost-of-doing-business environment. Small breweries and 'mum and dad' food service businesses were felt to be most at risk.
- Landlords and multi-tenant managers highlighted the administrative burden of implementation, lease constraints and dispute risk. They emphasised the need for early notice, phased implementation aligned with lease cycles, and clear guidance to support conversations with tenants.

What customers told us they need to support implementation

Across all activities, customers were clear about what would be required for any reform to succeed:

- Early notice and long lead times, particularly for complex or tenanted sites
- Transparent, plain-English explanations of how charges are calculated
- Access to modelling and assumptions, with pathways to review or refine them
- Phased or differentiated pricing transition arrangements, rather than a single "cliff"
- Tailored support, ranging from light-touch guidance for low-risk customers to hands-on engagement for large or complex businesses. This may include support to help them implement processes to pretreat wastewater and effluent on their site prior to discharge, which some saw as, albeit forced, an opportunity to innovate.

Introduction

1. Preparing to engage

About the review and Icon Water's role and position

The Independent Competition and Regulatory Commission (the Commission), Icon Water's economic regulator, is reviewing how wastewater charges are structured for Icon Water customers in the ACT. The current charging methods have largely stayed the same for more than 20 years.

Specifically, the review aims to:

- Ensure that the pricing mechanism used to charge wastewater services is fair, transparent and better aligned with the actual costs of providing wastewater services, while supporting environmental sustainability
- Consider whether the ACT should introduce dedicated liquid trade waste charges for wastewater that has a higher impact on wastewater systems and treatment processes.

The Commission sets the rules for how Icon Water can charge for wastewater services. As the service provider, Icon Water is required to provide a submission to the Commission that balances economic analysis with customer insights and feedback.

Icon Water supports the Commission's intention to move to a pricing mechanism that is fair, socially responsible and practical.

Importance of customer engagement

Icon Water has undertaken widespread qualitative research and engagement with its non-residential customers to seek their views on views on:

- The principles underpinning the review
- The principles underpinning the proposed changes to wastewater tariffs and liquid trade waste charges, and the preferred modelling approach
- The impacts potential changes may have on their business and how to mitigate them
- How to best transition to a new pricing approach – timing, implementation, and communication preferences
- What guidance they may need during any transition.

Feedback provided to Icon Water will help shape a stronger, more representative submission to the Commission.

Background to the review and the changes being explored

What sparked this review was an assessment by the Commission of the current wastewater charging approach. Their assessment identified the following issues:

- **The current pricing structure for non-residential customers is outdated.** Currently non-residential customers pay a fixed wastewater charge plus an additional amount based on the number of toilets and other flushing fixtures. This approach does not sufficiently reflect how businesses actually use the wastewater network. Many businesses discharge wastewater in ways unrelated to the number of fixtures they have.
- **High-impact waste isn't charged separately.** Liquid trade waste (wastewater from commercial or industrial activities) has a higher impact on the systems and processes, making it more costly to treat. However, the ACT does not currently have a separate charge for this. As a result:
  - High-impact dischargers are not paying the true cost of their waste.
  - Other customers including low-impact businesses are effectively subsidising these costs.
  - The current tariff structure provides limited incentives for responsible waste management.

Through this review, the Commission is exploring a new pricing approach that would:

- Better reflect the true cost of wastewater and trade waste services
- Support environmental and economic sustainability
- Distribute charges fairly across customer groups.

2. Developing the methodology

The engagement and communications approaches were designed to achieve two main objectives:

1. Notify as many non-residential customers as possible about the review and possible changes and how to obtain more information; and
2. Ensure non-residential customers understood how the changes being explored would impact them and to provide the opportunity for these customers to explain these impacts to Icon Water and how they can be best mitigated during implementation.

Should changes result from this review, the impacts across non-residential customers would be highly varied; with 'winners' (bill decreases) and 'losers' (bill increases). Given a key objective was to understand the perceived impacts to businesses and uncover the types of support mechanisms that could lessen these impacts, the research and engagement methodology was focussed on holding deeper conversations with non-residential customers where a bill increase is possible. All non-residential customers, however, were notified of the review and given the opportunity to engage with Icon Water for more information.

Icon Water was seeking a deeper understanding of customer priorities and drivers, therefore qualitative engagement and research activities were selected to allow for more in-depth discussions with a broadly representative sample of customers.

The engagement and research with non-residential customers comprised:

- A review of submissions made to the ICRC;
- Written feedback received on the topic via Icon Water's engagement webpage;
- Questions and comments obtained from participants at two webinars held in late March 2026;
- Feedback from non-residential customers invited to one of three x 2-hour online focus groups on the topic (held in late March 2026); and
- Feedback from interviews conducted with n=12 non-residential customers in March and April 2026.

N=90 non-residential customers participated in total. The following table details the composition of non-residential customers who took part in the formal research and engagement activities:

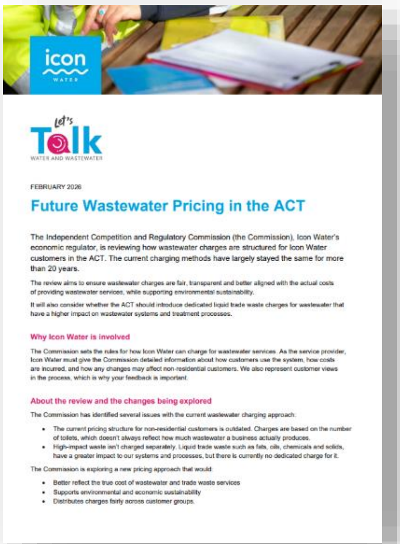
Approach	Characteristics	Number engaged
Interviews	Icon Water's **largest customers** including large landowners and Government directorates	26 participants, representing 12 organisations
Focus groups	**High volume trade waste, non-residential customers**, including a brewery, a zoo and hotel, agricultural enterprises and multi-tenant commercial landlords	1 x group of 8
	A mix of **small-medium business owners and tenants** including a hairdresser, café owner, medical service, a car wash and various retail stores	2 x groups with a total of 13 participants *Representatives from the ICRC observed one session.*
Webinars	Customers and community of **all types** interested in hearing more about the review and its possible impacts.	2 x webinars of 43 participants in total

3. Reaching customers

Because the review would impact all non-residential customers to some degree, it was critical that all customers were notified, provided with enough information to know what was being proposed, and to understand how to either submit feedback or obtain more information on the topic.

The below communication tools were deployed:

Customer letter	Physical letter and factsheet mailed to 4,716 customers.
Customer EDM	Electronic letter and factsheet sent to 3300 non-residential customers
Social Media posts	3 LinkedIn posts (boosted for an increase in engagement rate by 2.85%) and Facebook ads aimed at already highly engaged businesses who follow Icon Water. The posts promoted attendance (4x) at the two webinars.
Engagement webpage	Designed as the topic hub and single source of truth for all customers and community to receive the latest information on the review and to easily contact Icon Water. 689 total visits to the webpage including 14 sign-ups for 'receiving updates'.
Direct recruitment	Using customer lists provided by Icon Water, SEC Newgate directly contacted customers for interviews and focus groups. External recruiter, Country Opinions was also utilised to recruit extra participants for focus groups.



icon WATER

Let's Talk WATER AND WASTEWATER

FEBRUARY 2026

Future Wastewater Pricing in the ACT

The Independent Competition and Regulatory Commission (the Commission), Icon Water's economic regulator, is reviewing how wastewater charges are structured for Icon Water customers in the ACT. The current charging methods have largely stayed the same for more than 20 years.

The review aims to ensure wastewater charges are fair, transparent and better aligned with the actual costs of providing wastewater services, while supporting environmental sustainability.

It will also consider whether the ACT should introduce dedicated liquid trade waste charges for wastewater that have a higher impact on wastewater systems and treatment processes.

Why Icon Water is involved

The Commission sets the rules for how Icon Water can charge for wastewater services. As the service provider, Icon Water must give the Commission detailed information about how customers use the system, how costs are incurred, and how any changes may affect non-residential customers. We also represent customer views in the process, which is why your feedback is important.

About the review and the changes being explored

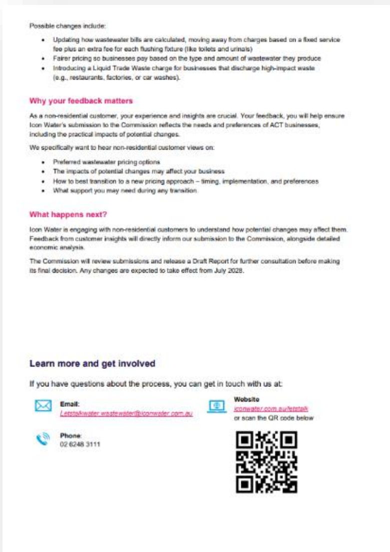
The Commission has identified several issues with the current wastewater charging approach:

- The current pricing structure for non-residential customers is outdated. Charges are based on the number of toilets, which doesn't always reflect how much wastewater a business actually produces.
- High-impact waste isn't charged separately. Liquid trade waste such as fats, oils, chemicals and solids, have a greater impact to our systems and processes, but there is currently no dedicated charge for it.

The Commission is exploring a new pricing approach that would:

- Better reflect the true cost of wastewater and trade waste services
- Supports environmental and economic sustainability
- Distributes charges fairly across customer groups.

Customer factsheet



Possible changes include:

- Updating how wastewater bills are calculated, moving away from charges based on a fixed service fee plus an extra fee for each flushing fixture (like toilets and urinals)
- Fairer pricing so businesses pay based on the type and amount of wastewater they produce
- Introducing a Liquid Trade Waste charge for businesses that discharge high-impact waste (e.g., restaurants, factories, or car washes).

Why your feedback matters

As a non-residential customer, your experience and insights are crucial. Your feedback, you will help ensure Icon Water's submission to the Commission reflects the needs and preferences of ACT businesses, including the practical impacts of potential changes.

We specifically want to hear non-residential customer views on:

- Preferred wastewater pricing options
- The impacts of potential changes may affect your business
- How to best transition to a new pricing approach – timing, implementation, and preferences
- What support you may need during any transition

What happens next?

Icon Water is engaging with non-residential customers to understand how potential changes may affect them. Feedback from customer insights will directly inform our submission to the Commission, alongside detailed economic analysis.

The Commission will review submissions and release a Draft Report for further consultation before making its final decision. Any changes are expected to take effect from July 2028.

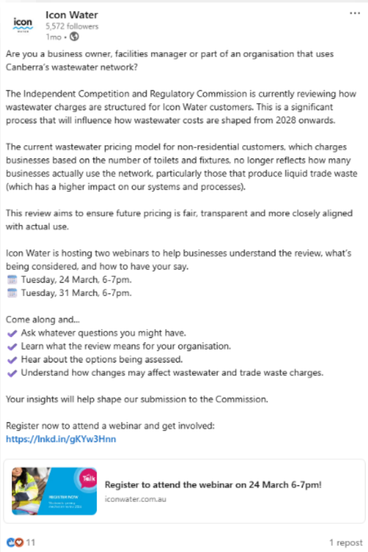
Learn more and get involved

If you have questions about the process, you can get in touch with us at:

Email: Letstalkwater.wastewater@iconwater.com.au

Phone: 02 6248 3111

Website: iconwater.com.au/letstalk or scan the QR code below



Icon Water
5,572 followers
1mo •

Are you a business owner, facilities manager or part of an organisation that uses Canberra's wastewater network?

The Independent Competition and Regulatory Commission is currently reviewing how wastewater charges are structured for Icon Water customers. This is a significant process that will influence how wastewater costs are shaped from 2028 onwards.

The current wastewater pricing model for non-residential customers, which charges businesses based on the number of toilets and fixtures, no longer reflects how many businesses actually use the network, particularly those that produce liquid trade waste (which has a higher impact on our systems and processes).

This review aims to ensure future pricing is fair, transparent and more closely aligned with actual use.

Icon Water is hosting two webinars to help businesses understand the review, what's being considered, and how to have your say.
Tuesday, 24 March, 6-7pm.
Tuesday, 31 March, 6-7pm.

Come along and...
✔ Ask whatever questions you might have.
✔ Learn what the review means for your organisation.
✔ Hear about the options being assessed.
✔ Understand how changes may affect wastewater and trade waste charges.

Your insights will help shape our submission to the Commission.

Register now to attend a webinar and get involved:
https://lnkd.in/gKYw3Hnn

Register to attend the webinar on 24 March 6-7pm!
iconwater.com.au

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LinkedIn post

Customer feedback in detail

1. Responses to the principles of the review

1.1 Overview

All participants were given the opportunity to provide their first impressions of the review after being shared high-level overview information about its rationale and objectives. We asked for feedback at this early point across all discussions to get a sense of people's most immediate concerns or questions and to test if they agreed with what the Commission is seeking to achieve and with Icon Water's position.

Generally non-residential customers were neutral or softly positive about the review and the principles underpinning it. Participants understood and agreed with moving to a user-pays model to improve and make more equitable how costs are shared among customers.

While there was a strong level of understanding as to *why* the review is happening, many gave a conservative response when asked to rate their level of positivity noting they needed more information about bill impacts and how changes would be implemented before feeling comfortable expressing support for the review or the pricing models Icon Water is putting forward. Adequate and in-depth implementation measures were of particular importance to larger customers interviewed.

1.2 Feedback summaries by activity

Focus group feedback – Small-to-medium businesses

Participants were asked to rate their sentiment towards the review, on a scale of 1 to 5, where 5 meant they were very positive about it and 1 meant they were very negative about it. Results are show in the table below.

Rating	***Number giving the rating (n=21 non-residential customers)***
5 – Very positive	
4 – Somewhat positive	*9*
3 – Neutral	*9*
2 – Somewhat negative	*3*
1 – Very negative	

- **The main reasons for being positive** about the idea of the review were that they recognised the logic of a 'user-pays' approach:
    - *"It's equitable."*
    - Charging on actual impact rather than 'blunt proxies' like fixture counts;
    - Recognition that trade waste imposes real costs on Icon Water's system and that it is reasonable for higher impact users to contribute more;
    - Acceptance that pricing signals can encourage better behaviour across non-residential customers, including investment in pre-treatment, and environmental improvements to processes. *"It's a good idea; you are targeting the waste that needs more treatment."*
- Many participants were familiar with other jurisdictions (e.g. NSW) noted that Canberra is an outlier and that similar approaches are already operating elsewhere.
- **Those who were neutral or negative** also understood the logic behind the review but were concerned about what the impact on their business might be. Participants repeatedly acknowledged that *"someone will lose whichever way you go",* making consensus difficult even where the principle is accepted.

- Some participants who were responsible for managing multiple commercial tenants raised concerns about the administration burden a 'user-pays' approach might place on them when discussing it with their tenants, as there would be nuances depending on business type.

Interview feedback – Large customers

Participants were asked to rate their sentiment towards the review, on a scale of 1 to 5, where 5 meant they were very positive about it and 1 meant they were very negative about it. Results are show in the table below.

Rating	*Number giving the rating (n=26 non-residential customers)*
5 – Very positive	*3*
4 – Somewhat positive	*15*
3 – Neutral	*4*
2 – Somewhat negative	
1 – Very negative	

- **Overall, larger customers were broadly positive toward the review** and the principles behind it, noting that positivity is conditional and based on good implementation, adequate notice, avoidance of blunt proxies and recognition of sector differences. Stakeholders commonly described the review as logical, overdue and directionally right for Icon Water.
  - *"I understand why we're doing the review. It makes sense to look at fairness and cost reflectively."*
  - *"Any review into fairness is something we'd absolutely support."*
  - *"It's a good discussion to be having – the rationale makes sense."*
  - *"I fully understand the reasoning behind what's being proposed and your examples that were presented at the webinar certainly clarified that."*
  - *"After understanding the rationale, it's probably a 3 (rating)."*
- Drivers of positivity toward the review revolve mostly around a recognition and general acceptance that the current charging system (fixture based) is imperfect as well as agreeance to align with other jurisdictions.
- Customers who expected the proposed wastewater tariff to recognise their active use of recycled water and lower wastewater discharge generally expressed more positive sentiment toward the review.
- While many felt positively toward the principles underpinning the review, many signalled a reservation of judgement until they see numbers and modelling relevant to their operations.
- A few of the bigger customers, who had more complex and multifaceted businesses were hesitant to completely support the proposal due to perceived difficulty in implementing a 'user pays' model when numerous different business entities operate under the same roof (i.e. airports and airport precincts, and shopping centres).
  - *"The concept is logical, but our feedback is really about the detail."*
  - *"I'm neutral at this stage – it depends how it actually lands for us."*
  - *"It's too early to tell where it will hit us the hardest."*

- *"This feels like charging the same people twice."*

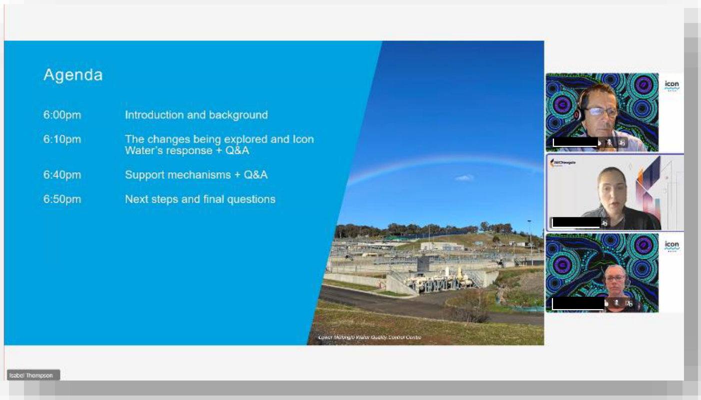
- While outright opposition toward the review itself was rare, there was caution from stakeholders who fear unintended consequences for particular businesses that are already feeling the push from other external pressures.
    - *"I'm apprehensive about how you fairly measure this without disadvantaging certain users."*
    - *"I worry the business sector ends up losing when costs are reshuffled."*

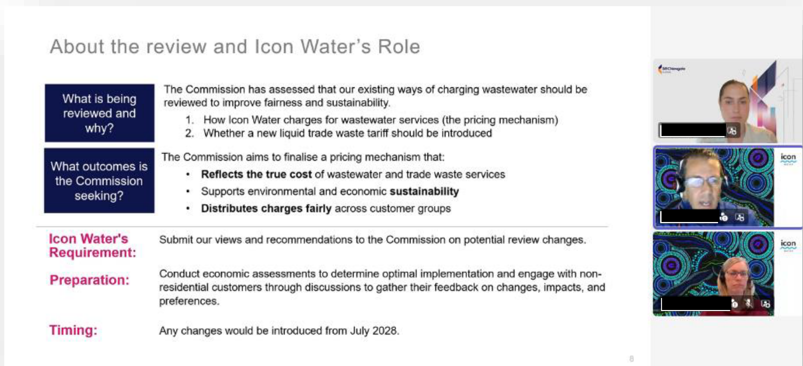
Webinar feedback

In contrast to the focus groups and interviews, the webinars focused on information delivery, followed by a Q&A via the chat function.

Some initial questions included:

- *"If Icon Water says the changes are **"revenue neutral", why do some bills go up?"***
- *"Who **ensures that Icon Water is revenue neutral?"***
- *"Is this just a **flushing tax?"***



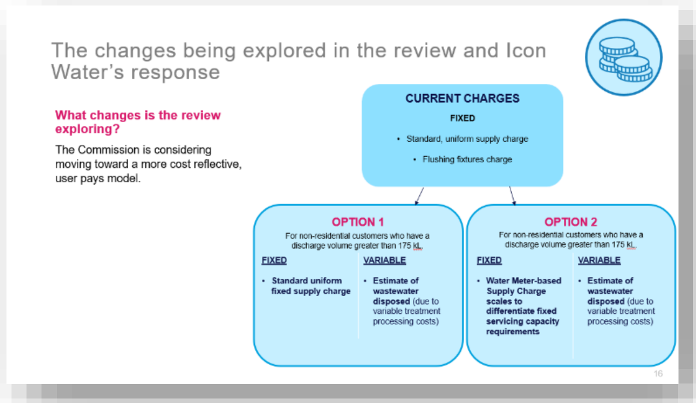


2. Reactions towards the proposed changes to wastewater tariffs

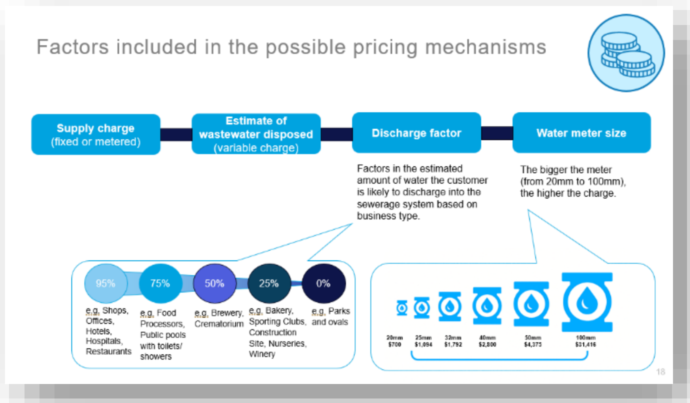
2.1 Overview

Participants were presented with information on two options Icon Water is considering including in its submission to the Commission:

1. A standard fixed supply charge plus a variable fee based on the estimate of wastewater disposed, and a discharge factor;
2. A meter-based supply charge that took into account the size of the meter, as well as an estimate of wastewater disposed and a discharge factor.



Specifically, they were shown how each pricing mechanism would calculate charges to customers, which was further explained through being shown a selection of illustrative case studies that showed the potential impact on different types of businesses.



Participants in all activities were asked to consider or rate the acceptability of the models, and to share if they held or were starting to form a preference.

Overall, feedback on the proposed changes to wastewater tariffs was mixed, with participants expressing a range of views about the acceptability of the new models. Many non-residential customers were neutral or softly positive, appreciating the transparency in how charges would be calculated. There were some concerns however about the fairness and accuracy of the mechanisms particularly for larger or complex sites – the measurement factor seemed to be too much of an assumption of usage rather than a factual measure.

There was some scepticism about whether the changes amounted to a "flushing tax" and calls for clearer explanations around who ensures revenue neutrality.

Ongoing communication and individual customer conversations and site audits were said to be important to build customer support and trust for any changes implemented.

2.2 Feedback summaries by activity

Focus group feedback – Small-to-medium businesses

- Generally non-residential customers were neutral or softly accepting of the model for calculating wastewater tariffs:

Rating	*Number giving the rating (n=21 non-residential customers)*
5 – Completely acceptable	*2*
4 – Somewhat acceptable	*7*
3 – Neutral	*10*
2 – Somewhat unacceptable	*2*
1 – Completely unacceptable	

- **What participants understood and accepted**
  - That the current flushing fixture model is blunt and inequitable and that there was support for a model that might better reflect discharge volumes, particularly for:
    - High fixture, low discharge sites (e.g. offices and hotels); and
    - Low fixture, high discharge sites (e.g. food production and laundries).
- **Concerns and points for clarification** that participants raised were:
  - The use of water supply to calculate discharge volume. Several businesses pointed out the apparent disconnect between their water use and their wastewater discharge, particularly businesses in manufacturing and those working with animals (animal care or livestock operations), where operations used up most of the water being supplied, leaving little to run to waste;
  - On this point, some participants were initially unsure how businesses that used recycled water (grey water and rainwater) in their operations might be charged. At first, it was felt this was an unfair loophole to lower bill amounts. However, after more information this was understood to be appropriate as water is being recycled and not discharged to sewer and therefore should be charged less.
  - Reliance on proxies (discharge factors, meter size) was seen as potentially inaccurate for complex or atypical sites. To this point, some larger customers said they would want more telemetry installed to measure actual flows, rather than just to rely on estimations – *"Meter in, meter out."*;
  - A few businesses who had invested in process improvements to pretreat their waste felt that they might be unfairly penalised via a tariff model that focused on proxies – they wanted the fact that their wastewater was relatively clean to be taken into account;
  - The impact of inherited infrastructure. Some felt that businesses which had a far larger meter installed than they needed, would have their bill increase unfairly (e.g. former restaurants converted to offices). As a result, there was a desire for reassurance that meter downsizing would be an option. Conversely, some customers noted reluctance to incur the cost of changing meters, particularly where this could limit flexibility if the premises later changed use and required a larger meter.
  - One group was very concerned about the impact of the tariff change on the viability of smaller breweries and laundries. There was a sense that no business would be able to absorb a $20,000 increase in fees and it would impact the viability of businesses and have flow on

impacts on the other businesses that rely upon their services (e.g. the bottle shops and the hotels/hospitals).

- Due to the fact that most non-residential customers were waiting to see what the cost to their business might be, in many of the groups and interviews no clear preference between the options emerged. However, some smaller enterprises indicated a preference for the security of a fixed charge.
- Understanding the implications of the wastewater tariffs was made even more difficult for participants who managed multi-commercial unit complexes with tenants. There was uncertainty about how property owners (as the direct Icon Water customers) would calculate, pass on and share any changes or charges, particularly where costs would need to be calculated on an individual basis. This raised concerns about small *'mum and dad'* foodservice and laundry businesses that could be significantly negatively affected at a time when many were already under pressure from rising prices of business inputs, utilities and rents.
- In addition, one customer had concerns that the usage base charges may have perverse environmental and economic outcomes for some water intensive businesses. In particular, there was concern that high consumption businesses that have invested in water recycling and treatment may find these investments uneconomic, potentially shifting back to less efficient or unregulated alternatives. This could result in greater use of potable water and the discharge of untreated wastewater to stormwater systems.

- **Interview feedback – Large customers**

Rating	*Number giving the rating (n=26 non-residential customers)*
5 – Completely acceptable	*1*
4 – Somewhat acceptable	*7*
3 – Neutral	*9*
2 – Somewhat unacceptable	*2*
1 – Completely unacceptable	*7*

- **Overall, larger customers generally accept the user-pays concept in principle,** but its practicality was contested and overall confidence drops when discussing how discharge is estimated and applied.
- Support is strongest where the model is seen to better reflect the actual impact on the system.
    - *"User pays makes sense – if you discharge more, you should pay more."*
    - *"Moving away from toilets as a proxy feels fairer."*
    - *"It sounds like a fairer model…in the context of the [my large organisation], but also the wider community."*
    - *"User pays makes sense, but only if [organisations like mine] are treated differently."*
- **Those who felt more neutral or more negatively towards the proposal** expressed reservations about proxies and accuracy creating greater inequity for the more complex sites. Some noted that the meter size is seen as a blunt proxy for actual impact, potentially making charges feel unfair or arbitrary. While there was general acceptance that relying on indirect indicators of wastewater discharge volume would work well enough for the simpler sites like small offices, cafes and single use buildings, the more complex sites like precincts, campuses, airports and hospitals shouldn't have to rely on these proxies.

- For some large customers, there was some confusion about the pricing principles behind option 2 (water meter sizing). Many felt it was a simplified proxy and were concerned that it would overstate wastewater impact for complex sites with diverse uses, internal recycling or significant non-sewer water consumption.

- Many complex sites have oversized meters for fire safety requirements, emergency resilience, future expansion or regulatory compliance rather than demand. Using a university campus as an example that functions *"like a town"*- means that water use varies widely across labs, accommodation, irrigation and tenants with significant volumes not discharged to the sewer.

- One customer raised a concern about a potential loophole, whereby businesses using rainwater may be undercharged, as wastewater fees are calculated based on water supplied to site rather than total discharge to sewer.

- Another customer felt that the proposed mechanisms felt like a 'double hit' – nothing that they already for water, and, in order to comply with wastewater standards, must use additional water. This was felt to be *"charging twice for the same water."*

- Customers with multi-use sites notice that they would cover most of the scenarios that were presented with the diversity of activities occurring in the different parts of the site.

- Finally, there were some mentions of large customers (with large meters) already putting investment into recycling, capture or reuse. They had concerns that the model risks undervaluing efficiency and good stewardship.

    - *"It's acceptable, but we'd need to see modelling specific to us."*

    - *"The idea is fine; implementation is the hard part."*

    - *"You can't just measure the main – we've got multiple sub-meters and uses."*

    - *"If you base this on meter size or fixtures, we're significantly disadvantaged compared to an office building."*

    - *"What about the water that is used in fire emergencies, or which leaks into the ground from a leak in the main? Will we be liable for that?"*

    - *"It will be challenging to make things equitable across the leaseholders at the site – they are all on different contracts and for different terms, so recouping money if their businesses are classed as major wastewater producers will be a long process. There will be multiple negotiations that will need to occur – very challenging."*

    - *"I struggle with the idea that a broad model can accurately capture what we discharge unless you measure it directly."*

    - *"We recycle most of our process water – but the proxy doesn't see that."*

    - *"We already pay for water and often have to use more water to comply…feels like a double hit."*

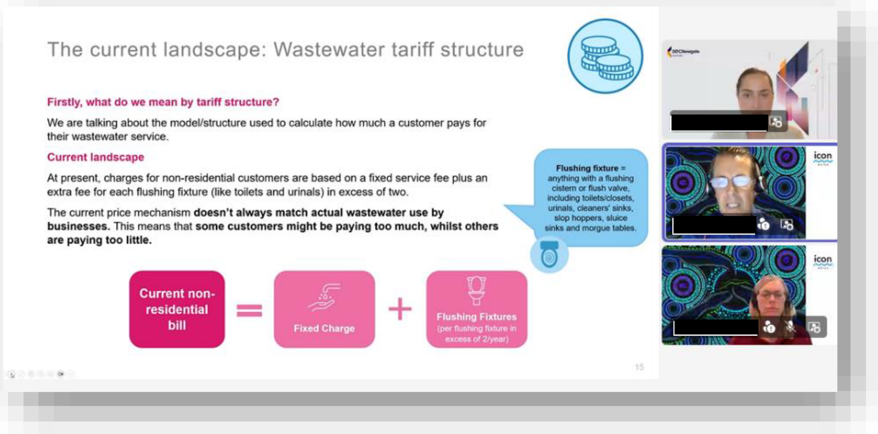
    - *"We're forced to install more toilets because of occupancy rules – not because we use them."*

Webinar feedback

Similar to focus groups and interviews, webinar participants were particularly concerned with accurately determining the amount of wastewater certain businesses discharge. Some raised concerns that many commercial leases don't allow wastewater charges to be passed onto tenants, prompting questions about who would be responsible for the cost in these situations.

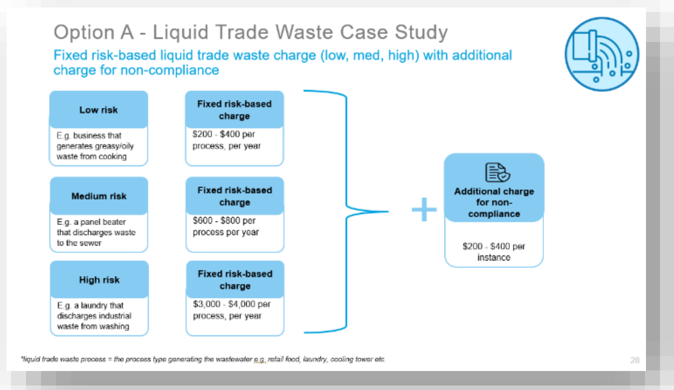
Types of questions raised included:

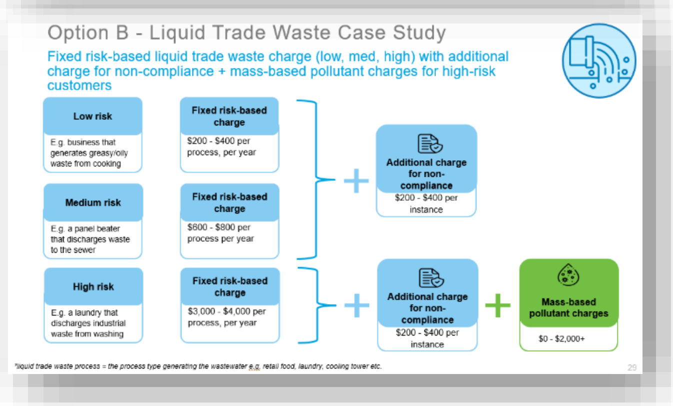
- *How would it work for a restaurant with coffee machines and post mix soft drink. The **meter size and assumptions may not be correct***



3. Reactions towards the proposed Liquid Trade Waste charges

3.1 Overview





Participants were presented information on two options Icon Water is considering:

A. A fixed risk-based charge (low, medium, high) plus an additional charge for non-compliance;

B. Option A plus a mass-based pollutant charge when pollutant mass exceeded domestic thresholds.

Generally, participants understood the rationale behind implementing a separate charge for high impact waste and supported the move to a fairer pricing approach where producers of this type of waste would pay proportionately for what they discharge instead of having this cost spread (unfairly) between all customers. Many acknowledged this was something done in most other Australian jurisdictions.

Several participants felt that introducing a new liquid trade waste charge could encourage many businesses to become 'greener' and explore innovative ways to reduce or reuse this waste as a means to save on costs. Conversely, a few were concerned that the raising of the charge might encourage some businesses to engage in poor practices, such as dumping waste into stormwater drains to avoid charges.

As this charge is per process, participants noted that larger operations with several processes would be faced with sharp increases to their bills that may not be financially viable for them or their tenants.

3.2 Feedback summaries by activity

Focus group feedback – Small-to-medium businesses

- Generally non-residential customers were neutral or somewhat accepting of the model for calculating liquid trade waste charges:

Rating	***Number giving the rating (n=21 non-residential customers)***
5 – Completely acceptable	*4*
4 – Somewhat acceptable	*9*
3 – Neutral	*8*
2 – Somewhat unacceptable	
1 – Completely unacceptable	

- In some respects, this was more acceptable than the wastewater tariff changes, because it got to the root-cause of the issue – the discharge of high strength wastewater on the treatment system. *"It's fair* *that those who are polluting should pay." "This is good – it's about the type of waste rather than the volume of water – which is fairer."*

- There were good levels of agreement that:
  - Charging for administration, approvals, inspections and monitoring is fair;
  - Risk based fees aligned to low / medium / high risk categories make sense; and
  - Non-compliance charges are a necessary enforcement and behavioural lever.
- Option B (mass-based pollutant charging for high-risk dischargers) was seen by several participants as fair and aligned with positive environmental outcomes, provided thresholds are reasonable. Others were less sure, feeling that their business may be unfairly hit by mass-pollutant charges (until they received clarification on what those pollutants would be defined as).
- While support was good for liquid trade waste charges, some participants raised concerns:
  - Which pollutants would be charged – *"Are we looking at Biochemical Oxygen Demand?" "I run a laundry – what would constitute a pollutant for that? We use lots of chlorine so potentially we could be hit like a swimming pool would be. I can't afford that."*
  - How thresholds for charging would be calculated, particularly for some businesses where domestic wastewater and trade waste might be mixed (e.g. where a business comprised accommodation and an animal care and livestock component.
  - A few participants were concerned about the process-by-process approach to charging – particularly if their wastewater was discharged through the same sewer – they felt the costs might stack up unfairly.
  - Participants who were already undertaking some pre-treatment of their wastewater were concerned that they would be penalised as much as businesses who had not made this investment and wanted to have this taken into account (i.e. direct monitoring at their site rather than use of proxies for risk level).
  - A few participants raised concerns that penalties may mean some businesses choose to take short cuts that would increase environmental risk such as tipping their waste into storm drains; drains – *"I have seen the same thing happen with mattresses – when a fee was levied on their disposal people started dumping them."*

Interview feedback – Large customers

Rating	***Number giving the rating (n=26 non-residential customers)***
5 – Completely acceptable	*1*
4 – Somewhat acceptable	*6*
3 – Neutral	*15*
2 – Somewhat unacceptable	
1 – Completely unacceptable	

- **Larger customers, while still remaining cautious were generally more accepting** of the proposed liquid trade waste charge than the wastewater tariff reform, especially when framed as cost recovery, compliance support and environmental protection.
- Overall support was strongest when the charge was seen to incentivise better behaviour, recover real administrative and treatment costs and align the ACT with other jurisdictions.

- *“Charging for higher strength waste makes sense – that’s where the cost is.”*
- *“Penalising noncompliance is fair.”*
- *“Surprised it hasn’t been implemented already, to be honest.”*

- Greater clarity on scope and definitions (particularly what Icon Water categorise as pollutants) is needed for many to feel more comfortable with how it would work in practice. Others wanted to know how compliant operators would be recognised and how the charges would be applied in multi-tenant settings.

- While broadly understanding of and accepting of the concept of user pays, **complex businesses with multiple leaseholds had concerns about how the changes might be implemented across their business.** Concerns primarily focused on the need to treat lessees as individual cases, which was made more complicated due to differences in the structure of the leases and in the length of time they had left to run. This would make renegotiation a potentially lengthy and challenging process. To ensure a smooth process and transition if required, this customer requested additional information on how other government entities might go about recharging smaller entities.

- For not-for-profit customers, any additional charge was seen as quite impactful. Community organisations are already under extreme financial pressure and not-for-profit venues are unable to pass on additional costs without directly impacting members who are often from the local community (i.e. not interstate visitors) and are often of lower socioeconomic status. Icon Water was encouraged to consider, with the Commission, bespoke treatment for businesses like this in stronger recognition of their community role.
    - *“It depends on what counts as a ‘process.’*
    - *“We’re already compliant – what additional value does the charge deliver?”*
    - *“Charging per process could be significant for us – we have many systems.”*
    - *“It could be hard to recover costs from tenants.”*
    - *“Unless we are shown to be a material contributor to the problem, costs should not be shifted onto our sector.”*

- Of the options presented – Option A (fixed, risk-based charge) and Option B (mass-based pollutant charge), **Option A is generally preferred as it seems simpler, more predictable and perceived by some to have a lower administrative burden.**

- Option B was preferred by some to capture genuinely high-risk users and to apply with strong safeguards but might be less straightforward to implement.
    - *“Option B adds complexity – Option A feels more workable.”*
    - *“Plan B would get people’s attention which would be better for compliance.”*

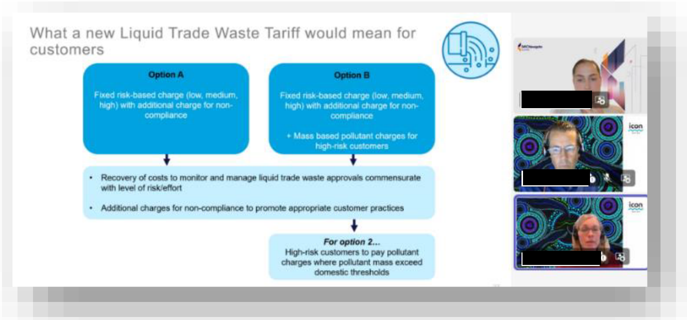
Webinar feedback

Like the interviews and focus groups, stakeholders in the webinar wanted clarity around definitions of ‘high-risk’ and ‘high strength’ discharge. Businesses also sought reassurance that existing arrangements and past investments (such as grease traps, maintenance costs or current trade waste agreements) would be recognised. More broadly, businesses were interested in whether there would be a reward for positive behaviours or at least some support to allow businesses to transition and comply.

Types of questions asked included:

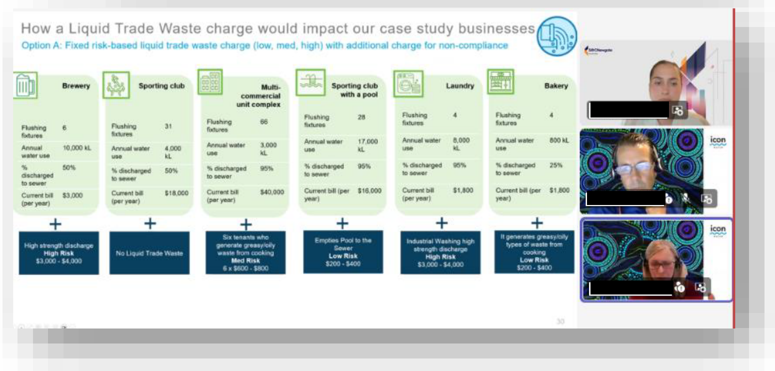
- *"What is considered* ***'high strength' or 'high-risk' discharge?"***

- *"If a grease trap is installed, would trade waste charges still apply?"*



- *"Do older grease traps still need to meet current standards?"*

- ***"Who pays*** *for any new monitoring or* ***metering equipment?"***



- *"Will Icon Water offer* ***grants to help businesses become compliant?"***

- *"Some businesses discharge "beneficial" waste (e.g. high carbon). Will this be recognised?"*

- *"If a business already has a trade waste agreement until 2030, does it still apply?"*

- *"If a business already pays to maintain a grease trap, is there a* ***discount on trade waste charges?"***
- *"It already costs businesses a fair amount to maintain a grease trap, so* ***adding an extra fee on top of that feels excessive – especially when the trade waste is minimal."***

4. Views on the potential combined impact of the proposed wastewater tariffs and Liquid Trade Waste charges

4.1 Overview

A possible outcome of the review is that both the wastewater tariff could be changed, and a new liquid trade waste charge could be introduced. It was therefore important to ask participants to consider what the *combined* impact might mean for their business or community.

Due to time constraints in the interviews, this question was only consistently and explicitly asked in the focus groups and webinars, however, comments in the interviews would suggest their views on this are broadly aligned.

Participants expressed significant concern about the combined effect of possible changes to wastewater tariffs and the introduction of Liquid Trade Waste charges, with many highlighting uncertainty around the real impact on their bills. While most feedback centred on concerns about increased costs, some unique perspectives emerged, such as the potential for larger businesses with lower discharge volumes to benefit, which was seen as potentially unfair by smaller operators. A few small business customers or tenants expressed concern for how these changes could potentially make some businesses unviable, especially in the context of rising cost of living where other expenses in addition to utility bills are also increasing.

4.2 Feedback summaries by activity

Focus group feedback – Small-to-medium businesses

- The stacking of wastewater tariff changes and trade waste charges was the single biggest concern raised by participants, and they found it difficult to assess acceptability without seeing the total bill impact for their own specific business (even though a range of examples were presented).
- Some acknowledged that reductions in one area might offset increases in another, but this was not intuitive or easy to predict from the information that was able to be provided in the sessions.
- A few participants felt that they might be better off under this new approach – particularly those who had offices or retail space or accommodation with a large number of flushing fixtures but low discharge volumes and low wastewater strength. For some participants, this meant *"the [larger shopping centres] of the ACT – who can afford an increase the most, might pay the least."* which was not a desirable outcome when small businesses and manufacturers were doing it tough.
- Participants felt that the following businesses might be hardest hit:
    - Agricultural and animal businesses that used a lot of water (even though wastewater discharge was low);
    - Mum and dad foodservice businesses; and
    - Manufacturers and food producers (including small breweries).

- However, many said the impact for their business was hard to predict – one participant who was running a laundry had been through a similar charging experience when living in WA and had been pleasantly surprised to not have been hit by any extra fees.
- Participants who were managing multi-commercial unit complexes expressed fears that these charges could affect leasing decisions or tenant viability (particularly because the impact on a business would need to be calculated on a case-by-case basis).
- Few participants felt they would be able to pass on any additional fees, due to market sensitivity in a cost-of-living crisis and due to existing supply contracts they had that would be in place for some time. If they had to pass on fees, several business owners raised concerns that their customers may then undertake the activities they engaged the business for themselves at home (e.g. washing their own car), which may then have a worse impact on wastewater discharge – i.e. home car washers discharging untreated wastewater into the sewers and storm drains.
- Others wanted reassurance that those taking part in the 'Uberisation' of the economy – i.e. offering services from home, or via mobile services – would also be subject to wastewater charges and that it would not just impact businesses with their own premises.

Webinar feedback

Stakeholders were generally concerned about overall fairness and viability of businesses if charges were introduced.

Types of questions raised included:

- **"The slides examples show some considerable increases.** The reductions don't seem quite significant. It might appear that this will not be neutral."

  "So, a large Government office building with 200+ employees and large customer/visitor presence on a day-to-day basis has a large number of flushing fixtures would expect a high annual water usage would potentially attract a higher water charge but little impact for cooking/trade waste."
- "Could these ***changes make some businesses unviable?"***
- *"Is this mainly about **volume rather than the type of waste?"***
- *"You need to understand that a lot of these **new charges will be borne by the landlord because existing leases with tenants do not include new charges** from Icon Water."*
- *"Based on examples provided today you **will make certain businesses not viable because the water bill charges will be so high** that whatever profit margins they have will be impacted by the new water charges."*

5. Views on guidance businesses would need to help embed the changes in their business

5.1 Overview

Participants were asked to consider the types of support measures or guidance that Icon Water could provide customers to ease the impact of any changes, should they be implemented. Participants were asked to consider things like appropriate transition timelines, communication methods and channels, and the type of working relationship they would expect to have with Icon Water during implementation.

Feedback around implementation support largely focussed on allowing enough time for implementation and rebalancing of charges for customers to take on increased costs and ensuring the right level of administration support to help ease the burden on some customers, particularly landlords with multiple tenants.

It was generally felt that transparent communication and tailored support would be crucial for helping businesses transition smoothly, especially those operating in more specialised or high-volume environments.

5.2 Feedback summaries by activity

Focus group feedback – Small-to-medium businesses

- **Timeframe:** There was strong feedback across all participants that the timeframe for implementation should be different for different types of business, depending on the work they might need to do to absorb changes to costs and/or to find workarounds (e.g. install new meters, pre-treatment processes etc).
    - Those operating businesses with lower levels of wastewater discharge and/or strength felt a6-12-month window would be sufficient to implement the required changes.
    - However, for those running businesses with a large volume of wastewater discharge, with higher strength felt a 24-36-month window might be needed for implementation, allowing time for capital investment decisions and operational changes to be made. Those who were managing large numbers of commercial tenants also felt this time period would be needed to adjust leases and contracts.
- **Rebalancing of fees:**
    - Some participants said they would like to see a transition that *"Saw some of the reductions passed on to those businesses that would benefit, and just some of the increases passed onto the businesses that would receive increased charges – creating a middle ground in terms of fee impacts."*
    - In terms of time to rebalance fees – while some participants – particularly those with larger and more complex businesses - wanted a slow and steady transition, others with smaller, simpler businesses felt that this would be more disruptive to the running of their business than a sudden change from current to new rates.
    - On top of this a few participants were seeking 12-months advance notice that the changes would be coming.
- **Icon Water services:**
    - Participants consistently asked for hands on, tailored support to help them assess the impact on their business and to identify changes that could be made to their processes to reduce

wastewater discharge and pollutant loads. Several participants suggested a tiered support approach, dependent on their type of business, its wastewater discharge volume and toxicity.

    - *"If you have low-volume and low-risk discharge you get a leaflet or a note in your bill, if you have a high-volume, high-risk discharge business you get a personalised consultation"*.

- Beyond this they were looking for:
    - Clear guidance on pollutant threshold limits, compliance expectations, how charges would be calculated;
    - Case studies or examples from similar businesses in other jurisdictions – potentially via video;
    - A helpline for easy access to support as needed (although larger and more complex businesses were looking for a specific relationship manager to be on hand to advise them);
    - Financial support if they had to make extensive changes to their wastewater infrastructure to minimise wastewater volume and toxicity – *"We'd be helping Icon Water out by decreasing their wastewater treatment fees so we'd expect some support back."*
- A few participants wanted to see Icon Water put measures in place to ensure both tenants and landlords were informed. Those who were tenants would value a leaflet dropped straight through their door, as they might not otherwise hear about the changes until their landlord raised the rent.

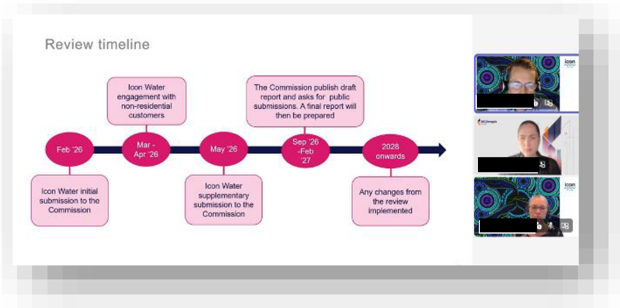
Interview feedback – Large customers

- **Timeframe:** Across all interviews, there was strong consensus that additional costs can't be absorbed quickly and that any reforms would need to be introduced slowly, align with regulatory and budget cycles and supported by modelling.
    - Overall, many signalled a two-year transition period would be preferrable.
        - *"If the impacts are significant, it will take time to step through deliberately."*
        - *"Take the time to get it right."*
        - *"This would take work to implement and an elongated transition."*
- **Icon Water services:**
    - Across all interviews, there was a sense that large and complex customers will require additional engagement and support to implement reforms fairly as standard assumptions don't necessarily apply to them. Some mentioned requiring a building-by-building type of analysis as well as recognition of non-sewer losses (e.g. cooling towers and evaporation).
    - There was also a need for Icon Water to provide larger customers with a clear steer on how they are classifying customers in terms of discharge volume and liquid waste strength.
    - To ensure costs are accurately calculated, some customers indicated a willingness to invest in better data – with the support of Icon Water.
        - *We're going to need to implement some additional metering."*

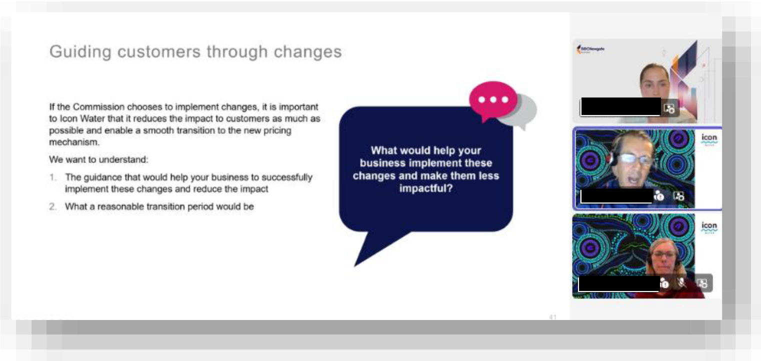
o As the proposed LTW charge is relatively straightforward, some large customers noted they won't need as much bespoke support as they would for the wastewater tariffs.

Webinar feedback

Types of questions raised:



- ***"Tenants or business owners will likely pay the additional costs outlined today,*** *not property owners. Will they be approached for comment?"*
- *"Will these extra charges* ***lead to improved quality of water being discharged to the Murrumbidgee?"***



- ***"Would we have some kind of template*** *(estimate worksheet) or feedback by Sept 2026-Feb 2027 as to what the cost impact may look like from 1 July 2028 for our properties to* ***inform our budget projections?"***
- *"To fit into government budget processes – November is a good time to know what the cost impact might look like."*
- *"What impacts are expected for cultural institutions?"*
- *"Will there be* ***audits of commercial properties*** *to make sure the data is correct?"*
- *"Will Icon Water work with body corporates?"*
- *"Will businesses get* ***early notice of what their future bills might look like?"***
- *"When would changes happen, and* ***how much notice would businesses get?"***
- *"Based on examples provided today, you will* ***make certain businesses not viable because the water bill charges will be so high*** *that whatever profit margins they have will be impacted by the new water charges."*

Preferred reform: Across most interviews, large customers indicated that the **liquid trade waste (LTW) reform would be easier to implement** than the broader wastewater tariff reform. While sentiment toward both reforms varied, implementation feasibility is where views converged most clearly.

- Many large customers understood LTW to be linked to specific processes and activities, making it easier to connect to actual behaviours.
- Most also generally justified the liquid trade waste charge as a cost recovery for Icon Water to monitor and ensure compliance, which have real and attributable costs.
- In comparison to the proposed wastewater tariff reform being viewed as a re-engineering of the charging logic, the proposed LTW charge was seen more as an extension of existing approvals and compliance systems.

- *"The liquid trade waste side is pretty simple and straightforward."*
- *"It's really about the people and the monitoring – that makes sense."*
- *"If only one reform proceeded, probably the liquid trade waste charge."*
- *"The wastewater charges are more complicated to get right."*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