

Mr Joe Dimasi
Economic Regulator
Office of the Tasmanian Economic Regulator
GPO Box 770
Hobart TAS 7001

By email: office@economicregulator.tas.gov.au

15th December 2025

Dear Mr Dimasi,

RE: TasWater PSP5 – Implications for Automotive Businesses and Trade Waste Generators

I am writing on behalf of the Tasmanian Automobile Chamber of Commerce (TACC) to outline several issues raised with us by automotive businesses in relation to TasWater's proposed Price and Service Plan 5 (PSP5) for 2026–2030.

Our industry relies on a stable, transparent and affordable utilities framework. Workshops, service centres, dealerships, panel beaters, detailers and vehicle-washing operations all generate trade waste, and many are subject to specific pre-treatment, monitoring and compliance requirements. For these operators, even modest changes in water, sewerage or trade waste charging can have significant operational consequences.

A rapidly escalating cost environment

Members are concerned about the scale of TasWater's proposed price increases over the PSP5 period (including a 6.1 per cent annually plus forecast inflation) and the compounding impact this will have when layered on top of existing business pressures. Automotive businesses have flagged sharp rises in insurance premiums, higher energy costs and significant wage and skills shortages. For many smaller operators, especially those employing apprentices or operating in regional areas, the proposed increases represent an additional cost shock they are not well placed to absorb.

While we understand TasWater must recover the costs of essential infrastructure, we note concerns raised by other industry groups that the PSP5 trajectory risks moving too far, too fast for the State's economic conditions.

A common issue raised by TACC members is the lack of clarity around how PSP5 will influence TasWater's approach to trade waste management.

Automotive operations often sit in sensitive trade waste categories because of the potential presence of oils, detergents, coolants, solvents and paint by-products. Many have invested in infrastructure like wash-bays and improved floor drainage to meet evolving requirements. What concerns operators is not only the likelihood of higher charges but also uncertainty around whether additional infrastructure will be mandated over the next regulatory period.

We note the experience of major manufacturers who have encountered significant increases in compliance expectations, short-term agreements and shifting specifications. Smaller automotive businesses, without the same financial capacity, are understandably anxious about similar trends emerging in their sector.



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Unlike larger enterprises, many automotive businesses lack the ability to simply pass higher utility and compliance costs through to customers. These businesses underpin essential services like vehicle safety, fleet maintenance, emergency-service fit-outs, logistics support and are deeply embedded in local communities. Sudden or unpredictable increases in trade waste or sewerage costs could have disproportionate impacts on:

- regional operators servicing small populations;
- businesses employing apprentices who require additional supervision costs;
- multi-bay workshops with high water usage;
- vehicle-washing operations that already operate on thin margins.

The automotive sector has indicated a strong willingness to meet environmental obligations, but uncertainty around PSP5's trade waste implications makes forward planning more difficult.

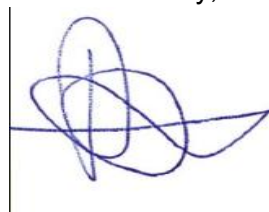
As part of your review, we believe that you should consider the following:

- Assess whether the proposed price path adequately reflects the capacity of small operators to absorb increased charges, particularly in sectors where margins are tight and business cycles are volatile.
- Encourage clearer communication and more predictable trade waste requirements, so operators are not faced with unexpected capital or compliance imposts during the regulatory period.
- Require greater transparency and structure in trade waste charging, including accessible benchmarks or published frameworks that allow businesses to understand how their charges are determined.
- Consider the cumulative economic impact of PSP5 on small and regionally based industries, not only large manufacturers or high-volume users.
- Highlight in the Draft Report the need for pricing and compliance stability, which is essential for investment, apprenticeships, equipment purchases and long-term workforce development.

TACC supports TasWater's long-term infrastructure objectives and acknowledges the challenges of maintaining a safe and sustainable network. Our concern is that, without moderation and clearer guidance, PSP5 risks compounding the pressures already facing many automotive businesses.

We would welcome the opportunity to discuss these issues with you or your team and to provide further industry feedback as the investigation progresses.

Yours sincerely,



Bruce McIntosh
State Manager
Tasmanian Automotive Chamber of Commerce (TACC)