



TASMANIAN HOSPITALITY ASSOCIATION

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The Secretary
Legislative Council Select Committee – TasWater Operations

I write in response to your invitation to lodge a submission in relation to the Legislative Council's enquiry on TasWater Operations.

1. Trade Waste

Many hospitality businesses and properties have recently been required to undertake substantial investments to upgrade their pre-treatment of trade waste ie: grease traps and lint controllers.

The new standards are significantly greater than the originally approved systems, even though the occupancy or capacity of these premises in most instances has not increased.

Feedback from the industry has indicated that TasWater would not consider alternative approaches to addressing these new performance requirements. In some instances TasWater was heavy handed in the manner in which these new requirements were imposed, effectively threatening penalties if the works were not completed by the specified time.

The costs to these Tasmanian hospitality businesses has been substantial, in many cases in the realm of many tens of thousands of dollars.

The current situation is also inequitable, with some venues having upgraded their venues within the times specified by TasWater, while others are still to upgrade their systems.

Tasmanian hospitality businesses have to meet a substantial range of business and operating costs and make every effort to comply with their regulatory requirements. However when these requirements are imposed in such a heavy handed manner and at considerable cost, this can place an inordinate burden on these businesses.

In these instances businesses need a reasonable time to comply, and some flexibility in the manner in which the new performance standards are to be met, particularly when responding to new policy decisions such as increasing the trade waste pre-treatment standards.

It is also important that there is a consistency of approach, particularly when businesses are effectively competing with one another.

2. Sewer Charges

We have been advised that, having completed their upgrade works, some businesses are now being re-assessed by TasWater in terms of their Equivalent Tenement (ET) rating. This assessment needs to be more transparent and TasWater needs to inform venues of how their ET has been established. This assessment should also be subject to challenge if errors are made or the charges are unreasonable.

For example, we have been advised in the case of one premises, TasWater added a rating of 1 x ET for a bottle shop, even though the bottleshop has no shower or toilet or other facilities connected to the sewer system.

We are also of the view that, with hospitality businesses and enterprises having now undertaken a major upgrading of their pre-treatment facilities, their loading on the system will be substantially lower and as a consequence their ET should be reduced.

It would not be appropriate for TasWater to require businesses to substantially reduce their loading on the sewer system at considerable cost, and then reassess hospitality business ETs and increase their charges.

3. Fixed Water Charges

TasWater supply charges are based on a fixed supply and water usage system.

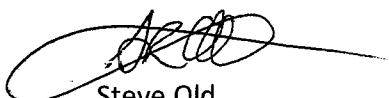
The THA supports the user pays model however the THA believes that the fixed charge component needs to be reviewed.

Hospitality businesses such as accommodation venues, hotels, pubs and restaurants are large users of water and make every effort to reduce their water usage. However, the fixed costs component presents a substantial cost to their bottom line and unless the higher fixed cost charges can be justified because of actual maintenance or supply costs, then this impost on hospitality businesses should be reviewed.

Water supply and sewerage services are essential for our hospitality businesses and enterprises. It is important therefore that TasWater works with the industry particularly when implementing new policies, as the cost impost this represents to our industry can be substantial. In turn these costs can have a major impact on what are, in the main, small to medium enterprises.

Notwithstanding the issues raised above over the past twelve months TasWater has worked more closely with the THA in addressing issues impacting on Tasmania's hospitality industry and this is welcomed. I believe there is now an opportunity for us to work together in addressing issues of concern and in ensuring our industry is sustainable into the future.

Kind regards



Steve Old
CEO