



## **Australian Car Wash Industry – Submission to the NSW Water Plan**

On behalf of the NSW based members of the Australian Car Wash Association (ACWA), we commend the NSW State Government for their vision in establishing a long-term strategy for the State's most essential resource, water.

We also thank the NSW Department of Planning, Industry and Environment for developing and publishing the Draft NSW Water Strategy and providing an opportunity for an organisation such as ours to contribute to the plan.

### **ACWA's Interest in the NSW Water Strategy**

The Australian Car Wash Association is the peak national body for Australia's car wash industry.

Water is an obvious necessity for car wash operators. Therefore, water security in NSW is essential for the long-term future of car washes in the State and the supplier chain that supports them.

ACWA trusts the following comments assist in the development of the final Water Strategy document.

### **Caring for your Car and the Environment**

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Inc. Victorian Car Wash Association, New South Wales Car Wash Association, Tasmanian Car Wash Association,  
Queensland Car Wash Association, Western Australian Car Wash Association, South Australian Car Wash Association  
and Northern Territory Car Wash Association

## **Background - The Australian Car Wash Association**

As the peak national body for the car wash industry in Australia, our Association is regularly called on to represent the Australian car wash industry's interests to Government and Regulatory Authorities, particularly about water, the environment, and water restrictions regulations.

We are also committed to ensuring regulators and the community understand how the environment benefits by using a commercial car wash.

Simply put, when a car is washed at a commercial car wash, the pollutants and contaminated water are collected, cleaned, and disposed of according to strict EPA Regulations.

The Australian Car Wash Association has found that wastewater from residential car washing contributes significantly to stormwater pollution, as the wastewater runs off into waterways from stormwater drains. This pollution includes grease, oil, detergents, and metals such as zinc and lead that enters freshwater creeks, lakes, and rivers.

## **Background -Structure of the Car Wash Industry**

The car wash industry is significant and characterised by large corporations, including BP, Coles, and others, as well as many mum and dad run, small business operators.

The industry is represented in the market by products and services in four main categories:

1. Automatic wash (approx. 45% of the market)
2. Self-service bays (approx. 35% of the market)
3. Hand wash and detailing (approx. 20% of the market)

More than 600 car wash businesses in NSW employ several thousand skilled and unskilled workers (Source IBISWorld).

Car wash sites across NSW are supported by a significant supplier network that provides products ranging from machinery to chemicals and detergents to textiles. With capital costs to set up an individual car wash site, often running into millions of dollars, the car wash industry's economic impact in NSW is significant.

## **Background - Our Industry's Commitment to Water Conservation and Consultation with Water Authorities**

Over several decades ACWA has worked productively with water authorities across the nation and, in particular, with Sydney Water during NSW's most recent drought.

ACWA has a proven track record on water usage:

- In 2004 the Association proactively developed the Car Wash Water Saver Rating Scheme, which is endorsed by the Federal Government's Smart Approved WaterMark.
- This self-regulatory initiative encourages car wash operators to invest in the most efficient water-saving practices, delivering daily water savings.

## **Priority Area 1 - Build community confidence and capacity through engagement, transparency, and accountability.**

### **Action 1.1 Improve engagement, collaboration and understanding.**

#### **1.1 b. improve coordination between water sector agencies on engagement activities to reduce overlap, confusion, and consultation fatigue.**

The Australian Car Wash Association believes there has been an opportunity missed to reduce the complexity of the NSW water structure.

The complexity of the NSW water regulation structure is highlighted in the Draft Document. However, the appropriateness of the network as the base of a 20-year plan not discussed. It seems entirely appropriate that the development of a long-term strategy should address what is clearly an issue for water management in NSW.

The draft document describes a structure that includes; five Federal Government authorities, five State Government Authorities and two metropolitan water authorities. It also has NO LESS THAN 92 LOCAL WATER UTILITIES.

It seems implausible that the current structure is the most efficient for managing the State's most valuable resource. ACWA provides the following input concerning the existing structure:

#### **Managing NSW's multiple water utilities results in confusion and consultation fatigue.**

It is possible, during times of water crises, businesses with operations in locations across NSW may have to concurrently deal with dozens of water utilities (and in theory up to 92) at the same time. It is neither practical nor economical for small to medium business enterprises to efficiently manage such a complex environment.

A significant challenge for ACWA and we suspect many other businesses, is the variation in water restriction levels across NSW and the number of water utilities involved in the process.

The existing structure is inefficient, time-consuming and a strain on resources. It requires industry to stay across constantly changing water conditions and manage issues, including industry shutdowns, across hundreds of local government organisations and water utilities.

The current structure makes it almost impossible to provide consistent advice to our members, sometimes resulting in businesses not complying with the water restrictions in place.

It seems equally impractical for the 10 State and Federal Government authorities involved in NSW water management to efficiently manage such a cumbersome structure.

#### **Comparable Water Structure and Standardisation– Victoria**

We respect that each Australian State is unique, and comparisons between them are often complicated. However, it is relevant to point out that Victoria has quite recently reduced the number of water authorities.

There is now a total of 19 water corporations in Victoria. Sixteen of these corporations provide water supply (including recycled water) and sewage and trade waste disposal services to urban customers.

It is also noteworthy that Victoria has achieved a state-wide standard set of water restrictions conditions.

## **Priority Area Four- Increase resilience to changes in water availability (variability and climate change).**

### **Action 4.3 Improve drought planning, preparation and resilience.**

#### **4.3 d. investigate options for a more consistent approach to water restrictions across NSW, including the development of common principles.**

### **Achieving Consensus and Standardisation**

On-Page 91 of the Draft NSW Water Strategy, a simple yet essential example of how the issue of structural complexity manifests itself, is described:

*"Definitions of town water restrictions can vary considerably across NSW. For example, level 2 water restrictions in Bathurst can indicate a very different level of restrictions to level 2 restrictions in another town. As the drought extended across NSW, the differences between these approaches created some confusion and uncertainty, with neighbouring towns in the same valleys adopting differing levels of restrictions in their water use."*

The passage goes on to State:

*"It may not be appropriate or possible to mandate the same definitions, gradings and permitted activities under different restrictions for every city and town in NSW."*

That something as simple as a set of standard water restrictions conditions may be unachievable appears to be an example of structural complexity (and possibly Water Utility independence) overriding practicality.

### **Comparable Water Structure and Standardisation– Victoria**

As previously pointed out, Victoria has reduced the number of water authorities in that State, providing the opportunity to standardise water restrictions conditions across the State.

## **Priority Area Four- Increase resilience to changes in water availability (variability and climate change).**

### **Action 4.3 Improve drought planning, preparation and resilience**

**4.3 a. develop the NSW Drought Plan, which will outline the Government's priority actions over the next few years to prepare for and respond to future droughts. The plan will outline key lessons from the recent drought periods in NSW and confirm the impacts drought can have on local communities, small businesses and industry.**

During times that water supplies are plentiful, water authorities are in the business of selling water for profit. Organisations are at liberty to purchase as much of it as they choose.

When dam levels plummet, the same authorities commence water savings discussions. Making demands on businesses to; cut water use, install recycling infrastructure, and alter their everyday business models.

The worst possible time to be talking to business and industry is in *the heat of battle* and when water restrictions are already in-play.

It is simply not possible for many businesses to react to new demands immediately. For example, retrofitting a water reclaim system at a car wash site is not only a massive capital investment; it may also require site works and even planning permits. All of these things take time and planning.

Traditionally, droughts and water restrictions come and go. Rain comes, dam levels return to normal, and we all go about our normal business until the next drought.

A more appropriate means of dealing with water restrictions may be to engage with industries via Associations like ours (the Australian Car Wash Association). Working with those groups to introduce self-managed and best-practice schemes, well in advance of water restrictions being implemented.

Doing this not only contributes to water savings during periods of restrictions but will also generate continuous water savings, 365 days per year.

And by having water authorities officially recognise and adopt these schemes within their restrictions framework, businesses will have an incentive to comply. The Australian Car Wash Association has put such a proposition to water authorities across Australia for the car wash industry.

The following describes how such a scheme might work using our Car Wash Water Rating Scheme as an example.

The car wash industry is a highly visible water user and therefore comes under closer scrutiny than less-visible industries using far greater water volumes. Indeed, car washing is often unfairly singled out at the first stages of water restrictions being implemented.

With this in mind, in 2004, the Australian Car Wash Association commenced developing the Car Wash Water Saver Rating Scheme. A scheme that is now endorsed by the Federal Government's Smart Approved WaterMark.

This self-regulatory initiative encourages car wash operators to strive for, and invest in, the most efficient water-saving opportunities available to them. Only by investing in the very best water reclaim systems and the most efficient car wash equipment can operators obtain the coveted 5-star rating.

By its nature, the program recognises *best-practice* businesses that deliver water savings to the community every day.

The missing part of the Scheme is the support from water authorities and Governments by way of rewarding participants in the Scheme by protecting them from closedown during water restrictions.

## **Priority Area 5 Support economic growth and resilient industries within a capped system.**

**Action 5.2 Invest in R&D and new technologies to lift water productivity in NSW industries**

## **Priority Area 6 Support resilient, prosperous and liveable cities and towns.**

**Action 6.1 Increase resilience to changes in climate and water availability in Greater Sydney and the Lower Hunter**

**Action 6.5 A new state-wide Water Efficiency Framework and Program**

**Action 6.6 Proactive support for water utilities to diversify sources of water**

## **Priority Area 7 Enable a future-focused, capable and innovative water sector.**

**Action 7.1 Pilot new technologies to increase our water options**

To date, State Government, Local Government and Local Water Utilities have pushed for small business investment and implementation of in-business and on-site water recycling tactics. This approach to recycling is inefficient and ineffective and not world's best practice.

The Australian Car Wash Association believes the NSW Water Strategy should specifically call out the need for an industrial-scale water recycling approach. Such a system would see business and domestic wastewater (and dare we say it, sewerage) centrally collected and recycled to a potable standard.

The current approach presents a significant cost impost on small to medium business enterprises(SMEs), particularly where retrofitting recycling infrastructure is required.

SME water recycling is often ineffective, producing water with levels of contaminants that restrict its use. Moreover, this approach yields an inefficient return on state-wide recycling investment.

The ultimate goal of water recycling should be to return industrial water use to pristine, potable water. This is best achieved via the implementation of industrial-scale and potentially State Government-funded water recycling.