



Information sheet

Changes to Industry Regulation fees from July 2022

In the 2021 State Budget, the <u>WA Government invested \$120 million in approval processes</u> across the public sector, allowing the Department of Water and Environmental Regulation (the department) to fill an additional 70 frontline officer positions to facilitate faster assessment timeframes, including for works approvals and licences under Part V Division 3 of the *Environmental Protection Act 1986* (EP Act).

To support this expanded assessment capacity long-term and continue improving on assessment timeframes, the department reviewed the costs of regulating prescribed premises and determined that a modest increase in licensing fees would be appropriate. This review was done in line with the department's reporting of its key efficiency indicators and the Department of Treasury's *Costing and Pricing Government Services* guideline.

Industry Regulation licensing fees were last changed in July 2018, when most application fees and annual licence fees were increased by 14 per cent.

New licensing fees

The new licensing fees regime takes effect from 1 July 2022. The new fees are detailed in the table below. Details on how these fee unit values are used to calculate total fees are available in the department's *Fact Sheet: Industry Regulation fees*.

Industry Regulation fees	2018 fees (\$ per unit)	% Increase	New fee from 1 July 2022 (\$ per unit)
Licence fee – premises component ('Part 1 fees')	\$40.60	7%	\$43.45
Licence fee – waste component ('Part 2 fees')	\$56.80	10%	\$62.50
Licence fee – discharge component ('Part 3 fees')	\$56.80	10%	\$62.50
Works approval fee	\$40.60	7%	\$43.45
Registration fee	\$40.60	7%	\$43.45
Fee for amending a works approval or licence	\$6.80	100%	\$13.60
Fee for transferring a works approval or licence	\$71.20	No change	\$71.20



Why are the fees changing?

The department considered and applied the following key principles when reviewing its licensing fees regime:

- Achieve cost recovery: The requirement for public sector agencies to achieve full
 cost recovery is identified in *Treasurer's Instruction 810 'Tariffs, Fees and Charges'* (in
 the Department of Treasury's *Financial Administration Bookcase*) and is considered
 by the WA Parliament's Joint Standing Committee on Delegated Legislation when
 approving any fee review.
 - The department's current cost recovery rate under the 2018 fee unit values is around 91 per cent of its costs. The projected revenue from the July 2022 fee increase will provide for a recovery rate of 100 per cent.
- Avoid cross-subsidisation: The proposed increases in unit price address the current discrepancy in fees between licences, works approvals and amendments to licences and works approvals. The difference in fee increases for Part 1 fees compared with Part 2 and 3 fees reflects the greater complexity in working with premises that attract a Part 2 or 3 fee.
- Minimise change: Recognising that a comprehensive reform of Industry Regulation fees is being undertaken to support the upcoming implementation of the Stage 3
 amendments to the EP Act, any interim change to fees should be minimised.

The fee increase will ensure that DWER has sufficient resources to administer the Part V Division 3 licensing regime effectively and efficiently to protect the environment while supporting WA industry and business.

How will this affect my next fee payment?

There will be no changes to the way fees are calculated – see *Fact Sheet: Industry Regulation fees* for how fees are calculated.

Annual fee applications submitted after 1 July 2022 will be invoiced for their fees in line with the new fee unit values.

Further information

For futher information on the fee increases, or about Industry Regulation fees generally, please contact the department's Industry Regulation Business Support Unit.

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