Fees associated with licensing under the

*Water Industry Competition Act 2006*

January 2010

There are a number of fees and costs associated with the licensing regime under the *Water Industry Competition Act 2006* (the Act), including:

- licence application fees
- annual licence fees
- licence variation fees
- audit costs
- approved ombudsman scheme membership fees.

**Licence application fees**

Licence application fees have been determined by the Minister as follows:

- network operator’s application fee - $2,500
- retail operator’s application fee - $2,500
- combined application fee - $5,000.

Licence application fees are due at the same time the licence applications are lodged with IPART. Application fees can either be paid by cheque payable to the Independent Pricing & Regulatory Tribunal or by electronic transfer to:

Bank: Westpac Banking Corporation

BSB: 032-001

Account Number: 205717

If payment is made electronically, the applicant must provide a copy of the electronic transfer receipt with the licence application form.

**Annual licence fees**

The licensee is required to pay an annual licence fee, as determined by the Minister. The amount determined by the Minister can not exceed the cost of administering the Act, during the year the fee relates to, in relation to the licensee.

The Minister has determined annual licence fees representing a partial recovery of the cost of administering the Act in relation to licensees without hindering competition. For network operators, these fees vary according to the volumetric capacity of the supply of infrastructure to which the licence relates. For retail suppliers, fees vary according to average daily throughput.

**Annual licence fees are:**

- $1,000 for ‘small’ scale retail suppliers
- $3,000 for ‘medium’ scale retail suppliers
- $6,000 for ‘large’ scale retail suppliers
- $2,000 for ‘small’ scale network operators
- $4,000 for ‘medium’ scale network operators
- $9,000 for ‘large’ scale network operators
The threshold scale levels for determining fees are:

<table>
<thead>
<tr>
<th></th>
<th>Small</th>
<th>Medium</th>
<th>Large</th>
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</thead>
<tbody>
<tr>
<td>Retail supplier licences</td>
<td>0-250kL/day supplied or conveyed</td>
<td>More than 250-750kL/day supplied or conveyed</td>
<td>More than 750kL/day supplied or conveyed</td>
</tr>
<tr>
<td>Network operator licences</td>
<td>0-250kL/day capacity</td>
<td>More than 250-750kL/day capacity</td>
<td></td>
</tr>
<tr>
<td>All water/sewerage infrastructure (excluding sewer mining systems or works only)</td>
<td>0-500kL/day conveyed, extracted or treated</td>
<td>More than 500-1,500kL/day conveyed, extracted or treated</td>
<td>More than 1,500kL/day conveyed, extracted or treated</td>
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<tr>
<td>Sewer mining systems or works only</td>
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**Note:**

1. Threshold levels for annual licensing fees for network operators are based on capacity of the infrastructure that is licensed rather than actual average daily throughput.

2. Threshold levels for retail suppliers of water or metered sewerage services are based on the actual average daily throughput.

3. For retail suppliers of water and sewerage services, the threshold level is determined by reference to actual average daily throughput of water only.

4. Threshold levels for retail suppliers of non-metered sewerage services only are determined according to the following conversion formula or another formula approved by IPART. For residential properties, this formula is:

   1 residential property = 1kL/day

The Minister has also determined that licensees of some small scale systems (0-500kL/day capacity for sewer mining schemes and 0-50kL/day capacity for any other scheme) may apply for a review of their licence fee based on an assessment by IPART of the benefit to the community of the project.

**Licence variation fees**

If a licensee seeks to vary its licence once granted, a licence variation fee of $2,500 will apply.

**Audit costs**


**Other fees**

A licensed retail supplier supplying small retail customers is required to join an approved ombudsman scheme.

Licensees should contact the Energy & Water Ombudsman NSW (EWON) to determine what membership and usage fees apply:

- **phone:** 1800 246 545
- **email:** omb@ewon.com.au

**Further information**

For any further information on the licensing fees or the licensing scheme generally, please contact IPART’s Utility Licensing team either by:

- **phone** (02) 9290 8400 (general number)
- **email** compliance@ipart.nsw.gov.au
Legal context for this Fact Sheet

IPART has prepared this Fact Sheet as a general summary of relevant parts of:

- **the Act**
  
  *Water Industry Competition Act 2006.*

- **the Regulation**
  
  *Water Industry Competition (General) Regulation 2008.*

This Fact Sheet should not be relied on as a substitute for legal advice, and is designed to be read in conjunction with the above source documents.