

## Authorisation application fees

Issued February 2013

### Introduction

The EPA is working towards implementing cost recovery for lodging and assessing licence and works approval applications under the *Environment Protection Regulations 2009* (EP Regulations) under the *Environment Protection Act 1993* (EP Act).

The EP Regulations came into operation on 1 September 2009. The EP Regulations outline the EPA's licence fee system. The authorisation fee system includes a significant component (approximately 60%) based on cost recovery of ongoing management of authorisations. However this principle is not currently extended to authorisation application assessment fees.

A flat fee of \$179 is currently charged as an application fee for new authorisation applications to cover the administrative component of processing an application. There is no fee currently charged for the assessment of the application.

A review of the costs of assessing authorisation applications has been undertaken and the current fee covers the cost of lodgment but not the cost of assessing the applications.

### Proposed authorisation applications fees

For each new authorisation application it is proposed there will be two distinct components of the application fee: a lodgment fee and an assessment fee.

#### Lodgement fee

To lodge an authorisation application there are a number of tasks required to be completed by an administrative staff member. These include administrative checks, registering the application and processing the application fee. After reviewing the time and tasks undertaken to complete a lodgment, new authorisation applications will pay a lodgment fee of \$184.50 in 2013–14. This is an increase of \$5.50 from the current application fee (CPI only).

#### Assessment fee

The assessment fee considers the nature of the activity to be undertaken by the licensee. Under the current EP Regulations each type of activity already has a fee unit assigned to it (referred to as the Environment Management Fee or EMF) for the purpose of a licensee's annual fee. This fee represents the regulatory effort the EPA undertakes to manage the activity.

Charging an assessment fee that is 20% of that EMF for each activity to be undertaken has been modelled as achieving cost recovery for the assessment component of the application process. The assessment fee reflects the time taken by technical and administrative staff to assess each activity and prepare the licence conditions for each of those activities.

By charging an assessment fee based on a percentage of the EMF, applicants will be charged based on their potential risk to the environment and therefore the regulatory effort required by the EPA to assess the application.

## **Assessment fee for waste transporters, dredging and earthworks drainage**

Exceptions to this model are waste transporters (Category A and B); dredging; and earthworks drainage activities. For waste transporters, the assessment fee is based on time taken by an administrative staff member to assess the application as there is no technical assessment required. This administrative time is greater for Category A transporters due to the nature of the waste being transported. For dredging and earthworks drainage activities the assessment fee is based on the costs of the technical staff assessing the application as well as ongoing assessment each day the dredging or earthworks activity is undertaken. Therefore the assessment fees will be:

- Category A waste transporter \$73.80
- Category B waste transporter \$36.90
- Dredging and earthworks drainage \$623.75

Click [here](#) for examples of current vs proposed fees.

## **Works approvals**

If a business seeks to undertake an expansion or infrastructure development which does not require approval under the *Development Act 1993* a works approval is required. The works approval assessment fee will be 20% of the fees payable which is dependent on the value of the estimated cost of proposed works as set out in the EP Regulations. The assessment fee proposed reflects the time taken by technical staff to assess the works approval.

## **Renewals for current authorisation holders**

Current licensees are not affected by the proposed model. The current renewal application fee is \$179 and will increase to \$184.50 (CPI only). This reflects the costs of the administrative lodgement tasks. However no assessment fee will be charged for renewals as assessments are being undertaken by technical staff throughout the term of the licence, with licensees being charged accordingly through the current annual licence fee.

## **Invoicing**

The proposed model provides an equitable and simple mechanism for the EPA to recover assessment costs and will ensure that applicants have a clear understanding of the upfront costs for assessment of their application. With the new EPA on-line system to be introduced in mid 2013, authorisation applicants will see a list with each fee (lodgment, assessment and EMF) and the total fee will be calculated automatically.

It is proposed that cost recovery fees for new authorisation applications will come into effect in July 2013.

## Attachment 1

### Comparison of current fees with proposed (2013–14) fees<sup>1</sup>

#### Waste Transporters Category A

Current		Proposed (includes CPI)	
Application Fee	\$179.00	Lodgement Fee	\$184.50
		Assessment Fee	\$73.80
Environment Management Fee	\$544.50	Environment Management Fee	\$561.38
<b>Total</b>	<b>\$723.50</b>		<b>\$819.68</b>

#### Waste Transporter Category B

Current		Proposed (includes CPI)	
Application Fee	\$179.00	Lodgement Fee	\$184.50
		Assessment Fee	\$36.90
Environment Management Fee	\$181.50	Environment Management Fee	\$187.13
<b>Total</b>	<b>\$360.50</b>		<b>\$408.53</b>

#### Simple application example – waste depot – landfills (solid waste) (more than 2,000 tonnes but not more than 5,000 tonnes (excluding waste fill) received)

Current		Proposed (includes CPI)	
Application Fee	\$179.00	Lodgement Fee	\$184.50
		Assessment Fee (20% of the EMF)	\$499.00
Environment Management Fee	\$2,420.00	Environment Management Fee	\$2,495.00
<b>Total</b>	<b>\$2,599.00</b>		<b>\$3,178.50</b>

<sup>1</sup> 3.1% CPI included in figures for 2013–14. The amount of CPI is yet to be confirmed.

**Complex application example – waste depot – landfills (solid waste) (more than 200,000 tonnes (excluding waste fill) received)**

Current		Proposed (includes CPI)	
Application Fee	\$179.00	Lodgement Fee	\$184.50
		Assessment Fee (20% of the EMF)	\$9,980.00
Environment Management Fee	\$48,400.00	Environment Management Fee	\$49,900.00
<b>Total</b>	<b>\$48,579.00</b>		<b>\$60,064.50</b>

**Example of authorisation with multiple activities**

Current		Proposed (includes CPI)	
Application Fee	\$179.00	Lodgement Fee	\$184.50
		Assessment Fee (20% of the EMF for all activities – fuel burning \$374.25 and ceramic works \$6,237.50)	\$6,413.00
Environment Management Fee for fuel burning (stove enamel or baking or drying materials)	Not applicable	Environment Management Fee for fuel burning	No charge as not highest fee activity
Environment Management Fee for ceramic works (glass works emitting 25 tonnes per year or more of particulates)	\$30,250.00	Environment Management Fee for ceramic works	\$31,187.50
<b>Total</b>	<b>\$30,429.00</b>		<b>\$37,785.00</b>