

EPA Information

Licence fee structure

–Frequently asked questions and answers

Issued October 2007

EPA 727/07: The EPA is changing the way that fees for licences under the Environment Protection Act 1993 (the EP Act) are determined. This information sheet lists some typical questions and answers about the new fee structure.

Why is the EPA developing a new fee structure?

In 2000 the Environment, Resources and Development Committee of Parliament recommended that a larger proportion of licence fees should be based on the amount and type of pollutants discharged to the environment. In view of this, the state government decided to extend the use of load based licensing (where licence fees are based on the amount and types of pollutants discharged to the environment).

Furthermore, the EPA's experience as an environmental regulator since the commencement of the EP Act has shown that although some activities cost more time and effort than others, this was not fully reflected in the existing fee structure. Fees need to fairly reflect the regulatory effort required by the EPA, so that business activities that require more of our effort to regulate, pay appropriate fees, rather than this cost being spread across other businesses. Also, it is considered good practice to review the fee schedules regularly, about once every 10 years, when the regulations expire.

How was the new fee structure developed?

The EPA developed the new fee structure in conjunction with independent consultants who provided advice on options for a conceptual fee structure and draft details of the fee structure.

The EPA undertook an extensive consultation process for the development of the new fee structure. This included consultation with the Reference Group¹ as well as two stages of public consultation in November–December 2004 and May–June 2005. The EPA made changes to the draft fee structure to address the issues raised during public consultation and consultation with the Reference Group.

¹ The Licence Fee Structure Reference Group consists of representatives from Business SA, Engineering Employers Association of South Australia, SA Chamber of Mines and Energy, SA Water, SA Wine Industry Association, SA Farmers Federation, energy sector in the Port River region, Department of Trade and Economic Development, Northern Industry Environmental Forum, Waste Management Association, Local Government Association and the Environmental Defenders Office representing the community.

The fee structure has now been finalised and regulations are being drafted.

How do I calculate my new licence fee?

The EPA is providing a 'Request for Licence Fee Estimate' form, whereby you can fax or email relevant information to us and we will calculate your future licence fee for you. If you would like to make use of this option, please fill in the form on the website or contact us and we will fax or post it to you.

If you prefer, you can calculate your future licence fee by using the *EPA Guidelines: Licence fee structure—fee schedules* and *How calculate fees* which includes worked out examples.

How do I calculate my fees if I am licensed for multiple activities?

Your fee is made up of the following components:

- flat minimum fee (applies to every licence)
- environment management fee (applies to every licence, based on your licensed activities)
- resource efficiency fees (only apply if you discharge certain pollutants above threshold levels).

If you are licensed for multiple activities, you need to know that only the highest environment management fee out of all activities carried out on a site will apply (per site). Waste transport, dredging and earthworks drainage, if applicable, will be an additional charge.

Resource efficiency fees are based on all your emissions from a licensed site, provided the emissions are above threshold levels.

Why is my fee increasing?

The new fee structure is based on user pays and polluter pays principles. Some licensees will have an increase in fees while others will have fees that reduce. Your fee may be increasing due to one or more of the following reasons:

- regulation of your industry group (taking into account factors for some types of industries such as level of emissions) uses more of the EPA's resources than was reflected by your previous fee
- you discharge key load based pollutants above threshold levels to the environment
- you discharge more than 10 ML of water that is below 1,500 mg/l salinity to the marine environment.

Why is my fee decreasing?

The new fee structure is based on user pays and polluter pays principles. Some licensees will have an increase in fees while others will have reduced fees. Your fee may be decreasing due to one or more of the following reasons:

- regulation of your industry group (taking into account factors for some types of industries such as level of emissions) uses less of the EPA's resources than was reflected by your previous fee
- you do not discharge key load based pollutants above threshold levels and are therefore not liable for load based fees
- you do not discharge more than 10 ML of water that is below 1,500 mg/l salinity to the marine environment (reflecting a discharged resource that should be conserved).

What if I cannot pay my new licence fee?

Please contact the EPA if you have difficulty in paying your licence fee. Depending on your circumstances, we may negotiate payment in instalments.

You can also apply to the Minister for a partial or full fee waiver under Section 116 of the EP Act. Any decision on a fee waiver would have to be based on the specific circumstances of your industry sector. It is not EPA practice to support fee waivers.

Does the new fee structure apply to radiation licences?

No, the fee structure does not apply to radiation licences. The new fee structure only applies to licences issued under the EP Act 1993.

When will the EPA start to issue invoices based on the new fee structure?

The new fee structure will apply to licences with renewal or anniversary date on or after 1 July 2008. We expect to start issuing invoices based on the new fee structure from about June 2008. This means that if your licence expires in July, you may receive your new licence before the invoice is payable.

How can I reduce my licence fees?

All licensees can reduce their licence fees by 50% by applying for an accredited licence. For more information, refer to the *EPA Guidelines: Accredited licences (2007)*.

In addition to this, some licensees can reduce their licence fees by reducing pollutant emissions. This applies to licences with emissions of key pollutants above the thresholds in the fee structure.

Many other licensees can reduce their fees by making environmental improvements. For example:

- sewage treatment works can reduce their licence fees by reusing wastewater instead of discharging it to inland or marine waters
- landfills can reduce their fee level by meeting certain requirements.

Refer to the factors in the environment management fee schedule for your particular activity to see if fee reductions could apply to you.

When will the new fee structure apply to my licence? And what happens to my licence fee if I change my process or change production rate or production capacity?

The new licence fee structure is based on the type of licensed activity and environmental factors, which are not necessarily linked to the production rate. For example, fees for timber preservation would reduce for certain process changes that result in environmental improvements, such as containment of heavy metals within the confinements of the treatment and fixation areas of the plant and a satisfactory groundwater monitoring system; however, fees for timber preservation would be unaffected by a change in production rate.

The new licence fee will be based on the licence anniversary or renewal date, and will be calculated when the invoice is generated. As part of the invoicing process, you need to let the EPA know about any changes that may affect your licence fees.

Note if there are any changes to your licence conditions before your anniversary or renewal date, the fees will be based on the current (old) fee structure. For example, if a waste transporter wants to add another vehicle to their licence on 1 August 2008, but the renewal date is only 1 September 2008, the operator would do this under the old fee structure, ie at the old rate, NOT the new rate under the new fee structure until 1 September 2008.

Will I be liable for resource efficiency fees? What are emission thresholds?

You only need to pay resource efficiency fees if your emissions of pollutants or wastewater discharge are above the following limits:

- emissions to air—fees apply if you discharge more than 1,000 kg/year of sulphur dioxide or nitrogen oxides, more than 1,000 kg/year of particulates (measured as PM₁₀, that is, particulates smaller than 10 microns) or volatile organic compounds (VOCs) or 100 kg/year of lead
- emissions to water—fees apply if you discharge more than 1,000 kg/year of suspended solids, nitrogen, phosphorus, organic matter or zinc, above 100 kg/year of lead or copper, or add more than 10 megawatt of heat energy to water (for example by using water from the environment as cooling water in a once-through system), etc
- wastewater discharge—fees apply for discharges above 10 ML/year to the marine environment (not to inland waters), which is at an annual average salinity below 1,500 mg/l.

As a guide, these are very large emissions of pollutants and we expect that around 10–200 EPA licences (out of a total of 2000 licences) will have emissions above these thresholds. The thresholds for reporting to the National Pollutant Inventory (NPI) database are based on rates of production or rates of usage of chemicals rather than emission levels. We expect that not everyone who reports to NPI will be liable for resource efficiency fees.

Note: resource efficiency fees will be based on your latest validated emissions. Please contact the EPA if you would like to change your reporting period, taking into account the time it takes to report and validate your data and generate a licence invoice. As a rough guide, your reporting period should end not later than six months before your licence anniversary or renewal date.

What are zone weightings?

Zone weightings are multipliers in the pollutant load based fees that reflect the relative importance of reducing certain pollutants in specified areas. For example, the Adelaide metropolitan coasts has a zone weighting of 3 for nitrogen, which means it would be three times more expensive to discharge nitrogen to metro coasts than elsewhere. This provides a greater incentive for immediate pollutant reduction.

All pollutant load based fees are multiplied by zone weightings. The default zone weighting is 1, while there is a different zone weighting for certain specified pollutant/discharge area combinations. Refer to Tables C3 and C4 in the *EPA Guidelines: Licence fee structure—fee schedules* (2007) for the zone weightings.

What happens if my emissions decrease during the year?

The EPA will calculate fees on an annual basis using the latest reported emissions in the NPI database or the latest reported data via monitoring reports for pollutants not reported to NPI, such as suspended solids, temperature and organic matter. If your emissions decrease during the year, your fees will reduce after your data is included in the NPI database or your monitoring data has been validated by the EPA (for data not reported to NPI), at the time of generating the invoice.

What should I do if I realise that I have provided incorrect information to the EPA?

Please contact or write to let us know as soon as possible. Depending on the nature of the error, we will advise you accordingly.

What should I do if I think the EPA has incorrectly calculated my fees?

Please contact or write to let us know as soon as possible. Depending on whether there is an error, we will advise you accordingly.

CURRENCY OF THIS DOCUMENT

This document offers advice to assist with understanding the new EPA licence fee structure. The advice is subject to amendment and persons relying on the information should check with the EPA to ensure that it is current at any given time.

FURTHER INFORMATION

Legislation

Legislation may be viewed on the internet at: <www.legislation.sa.gov.au>

Copies of legislation are available for purchase from:

Service SA Government Legislation Outlet 101 Grenfell Street Adelaide SA 5000	Telephone: Facsimile: Internet: Email:	13 23 24 (08) 8204 1909 < shop.service.sa.gov.au > < servicesa@saugov.sa.gov.au >
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For general information and other EPA guidelines about the new licence fee structure please contact:

Environment Protection Authority GPO Box 2607 Adelaide SA 5001	Telephone: Facsimile: Freecall (country): Internet: Email:	(08) 8204 2004 (08) 8124 4670 1800 623 445 < www.epa.sa.gov.au > < epainfo@epa.sa.gov.au >
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