

Licence applicant's guide to maximum scales

1 March 2024

Licence applicants under the *Water Industry Competition Act 2006* (WIC Act) can use this guide to determine the maximum scale of the schemes for which they may apply. Applicants will need to demonstrate their organisational, technical and financial capacity to construct or operate, or sell water or sewerage services, to the maximum scale of the schemes they apply for.¹ This guide should be read in conjunction with our [licence application forms and guides](#), and our gazetted [design capacity guide](#).

These scales have also been used to set annual licence fees. See our [information paper on annual licence fees](#) for more details.

1 Licence specifications

An operator licence must specify the:

- activities authorised by the licence
- class or classes of water industry infrastructure² authorised by the licence
- maximum number of schemes the licensee is authorised to construct or operate
- **maximum scale of the schemes** (whether determined by reference to the number of customers, connections, volumetric limits or otherwise) that the licensee is authorised to construct or operate.³

A retailer licence must specify the:

- activities authorised by the licence
- **maximum scale of the schemes** (whether determined by reference to the number of customers, connections or otherwise) for which the licensee is authorised to act as retailer.⁴

IPART and the Minister must assess the capacity of a licence applicant against a specified type or 'class' of infrastructure and the scale of activities. The WIC Act requires a licence to specify the class and scale to limit a licensee's operations activities to the licensee's maximum capacity. For example, a licensee that can only demonstrate capacity to operate a small-scale sewage treatment for recycled water production scheme, cannot be authorised to operate any number, class or scale of schemes across the State (e.g., a large-scale drinking water production scheme). The licensee will however be able to operate new schemes across the State that are within its authorised limits (i.e. maximum scale, maximum number, class or classes, etc) without having to seek a licence variation.

2 Operator licences

For each class of water industry infrastructure the applicant is intending to construct or operate, the applicant should identify the maximum scale and the maximum number of schemes they are applying for. For guidance on how to calculate the scale of your infrastructure in kL/day, see our [design capacity guide](#). The different scales of schemes will determine the category or categories that apply to the operator licence and are as shown in the table below.

If you are applying for the largest scale – i.e., A3, B3, C3, etc - please specify the maximum size of the scheme that you have capacity to operate. For example, for category D3 you might specify a maximum scale of up to 1,000 kL/day.

If your infrastructure will or could treat a combined influent stream, you should see section 4 below for guidance on how to select the applicable scale and category.

If you think the scales provided are not suitable for your proposed activities or wish to express your scales using a different parameter (e.g. number of customer connections), you do not have to use the scales provided and can propose a different maximum scale in your application. We will assess your capacity in relation to the scale sought and your licence, if granted, will specify that scale.

Table 2.1 Maximum scale of the schemes in operator licences

Classes of water industry infrastructure ^a	End-use	Source	Parameter	Category	Scales
Drinking Water - supply only (on-selling)	Drinking water	Drinking water from another utility	Design capacity (kL/day)	A1	0 to 250
				A2	251 to 500
				A3	501 to specified maximum
Drinking Water – production or supply	Drinking water	Any	Design capacity (kL/day)	B1	0 to 250
				B2	251 to 500
				B3	501 to specified maximum
Recycled water production - stormwater	Recycled water	Stormwater	Design capacity (kL/day)	C1	0 to 200
				C2	201 to 750
				C3	751 to specified maximum
Recycled water production – sewage ^b	Recycled water	Sewage	Design capacity (kL/day)	D1	0 to 200
				D2	201 to 750
				D3	751 to specified maximum
Recycled water production - further treatment of recycled water	Recycled water	Recycled water	Design capacity (kL/day)	E1	0 to 200
				E2	201 to 750
				E3	751 to specified maximum
Non-potable water production – groundwater	Non-potable water	Groundwater	Design capacity (kL/day)	F1	0 to 200
				F2	201 to 750
				F3	751 to specified maximum

Classes of water industry infrastructure ^a	End-use	Source	Parameter	Category	Scales
Non-potable water production – wastewater (other than sewage, stormwater or recycled water)	Non-potable water	Wastewater (other than sewage, stormwater or recycled water)	Design capacity (kL/day)	G1	0 to 200
				G2	201 to 750
				G3	751 to specified maximum
Sewage treatment for disposal ^b	Effluent discharge	Sewage	Design capacity (kL/day)	H1	0 to 200
				H2	201 to 750
				H3	751 to specified maximum

a. Section 3A of the WIC Act.

b. A treatment system that produces recycled water that is not reused but is disposed of to land via irrigation is "sewage treatment for disposal" not "recycled water production - sewage". A recycled water system that disposes of treated effluent and produces recycled water is 'recycled water production - sewage'.

3 Retailer licences

For retailer licences, the applicant should identify the maximum scale of the schemes they are applying for. The different scales are shown in the table below.

For example, an applicant wishing to be licensed to retail water or sewerage services to 3 schemes, the largest servicing a maximum of 9,000 small retail customer premises, would request R2 as the appropriate category.

If you are applying for the largest scale – i.e., R3 - please specify the maximum size of the scheme that you have capacity to operate. For example, for category R3 you might specify a maximum scale of up to 20,000 customer premises.

If you think the scales provided are not suitable for your proposed activities or wish to express your scales using a different parameter (e.g. kL/day or number of connections), you do not have to use the scales provided and can propose a different maximum scale in your application. We will assess your capacity in relation to the scale sought and your licence, if granted, will specify that scale.

Table 3.1 Maximum scale of the schemes in retailer licences

Category	Scales (Maximum number of small retail customer premises per scheme)
R1	30 to 249
R2	250 to 10,000
R3	10,001 to specified maximum

Note: The maximum scale is determined by the number of small retail customer premises in the largest scheme for which the applicant wishes to be authorised to act as retailer.

4 Applying the scales to combined influent streams

If your water industry infrastructure will or could treat a combined influent stream (e.g., stormwater and sewage), you should choose all applicable classes of infrastructure in Table 2.1. The applicable scale for each class will be the total processing capacity (kL/day) of the infrastructure for the combined influent. For example, you should choose 'recycled water production – sewage' and 'recycled water production – stormwater' and for each of those classes then select the applicable maximum scale in kL/day for the processing capacity of the infrastructure for the combined sewage and stormwater influent streams.

If, for example, you are applying to construct and operate a scheme designed to service more than 30 residential or small business premises by treating industrial wastewater and sewage to produce non-potable water, you should choose 'non-potable water production – wastewater' and 'recycled water production – sewage' and for each of those classes then select the applicable maximum scale in kL/day for the processing capacity of the infrastructure for the combined influent streams.

5 Key definitions

Table 5.1 Definition of terms

Term ^a	Definition
Drinking water	Water that is intended, or likely, to be used for human consumption, or for purposes connected with human consumption, such as: <ol style="list-style-type: none"> The washing or cooking of food, or The making of ice for consumption, or for the preservation of unpackaged food, whether or not the water is used for other purposes.
Recycled water	Water obtained from the processing of sewage or stormwater or both.
Roof water	Rainwater collected from the roofs of buildings.
Sewage	Material collected from internal household and other building drains, and includes faecal waste and urine from toilets and water from showers, baths, laundries and kitchens.
Small business purposes	The purpose of operating a business that employs less than 20 employees (but not a business of a class excluded by the regulations).
Small retail customer	A person who owns or occupies small retail customer premises and receives or is proposed to receive, directly or indirectly, water or sewerage services.
Small retail customer premises	Premises, including each separate premises within community land scheme, company title scheme or strata scheme, that are used or proposed to be used for residential purposes or small business purposes. ^b
Stormwater	Means rainwater that has run off any urban trafficable surface such as a pavement, car park, road, garden or urban vegetated open space and excludes water that is solely comprised of roof water. Stormwater does not include— <ol style="list-style-type: none"> rainwater collected solely from roofs, or leachate collected from landfills.
Water	<i>Includes drinking water or recycled water.^c</i>

a. As defined in the Water Industry Competition Act 2006 or the Water Industry Competition (General) Regulation 2024.

b. The Regulation may also declare premises to be, or not to be, small retail customer premises.

c. The definition of 'water' also includes other forms of water, such as non-potable water, groundwater or industrial wastewater.

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- ¹ WIC Act, section 8D(1)(a).
 - ² See section 3A of the WIC Act for a list of the classes of infrastructure.
 - ³ WIC Act, section 8E.
 - ⁴ WIC Act, section 8F.