

WELS REGULATOR ADVICE

New requirements for registration renewal of minor products

15 September 2024

This notice advises of new documents required to renew minor product registrations under the Water Efficiency Labelling and Standards (WELS) scheme from 15 September 2024.

Why new requirements were needed

The purpose of the new requirements is to provide the WELS Regulator with greater assurance about the validity of WELS products being registered and renewed as minor products.

The changes will provide confidence to industry that minor product registrations are not being misused and that all Registrants are paying their fair share.

Product registrations that are affected by new requirements

The changes will apply to all minor products included in renewal applications.

Minor product registrations comprise 15% of WELS-registered models.

Organisations that are affected by the new requirements

Only organisations with registered minor products that choose to renew the product registrations will need to comply with the new requirements. In 2024, this affects about 40 (10% of the total) licenced WELS organisations.

When the new requirements will start

The new requirements are mandatory from 15 September 2024.

Definition of minor products

The WELS scheme allows a licenced WELS organisation (the Registrant) to apply to register products as minor products.

The definition of a minor product is set out under section 5A(1) and (2) of the *Water Efficiency Labelling and Standards Determination 2013 (No. 2)*. Refer to the FAQ section of this document for the legal definitions. The difference between a full fee paying product and a minor product is that a minor product is sold in a low volume over a 12-month period or could be considered a small batch product.

When registering minor products, 15 products can be registered for the same charge as a standard full fee paying product. The charges are set out under section 5(3) of the *Water Efficiency Labelling and Standards (Registration Fees) Determination 2013*.

New requirements to support registration renewal applications that include minor products

The WELS Regulator will issue a notice to Registrants that apply to renew the registration of minor products

If a Registrant applies to renew the registration of minor products, the WELS Regulator will issue a notice under Section 5A(3) of the *Water Efficiency Labelling and Standards Determination 2013*.

The notice will ask the Registrant for information to be provided to:

- satisfy the Regulator that fewer than 100 units of each minor product (including any variants) were sold in Australia in the previous 12-month period specified in the notice. The 12-month period is defined as the previous Australian financial year (1 July to 30 June) in the year that registration renewal is being applied for
- satisfy the Regulator that fewer than 100 units of each minor product (including existing and anticipated variants) are expected to be sold in Australia in the current 12-month period. The 12-month period is defined as the current Australian financial year.

If the WELS Regulator is not satisfied that a product meets the conditions of a minor product, they may choose to change the minor product to a full fee paying product. Alternatively, WELS Registrants can identify in the documentation which minor products should be changed to a full fee paying product.

The notice will require Registrants to provide two documents to the WELS registration team within a specified timeframe.

The team must have your documents before they can assess your full registration renewal application that you submit through the WELS database.

The two documents must be emailed to the registration team at WELS@dcceew.gov.au

Document 1: Table of minor products sales

The WELS Regulator will provide you with a prefilled form, including all minor products in your renewal application, to complete. You will need to provide the actual and expected minor product unit sales information for the minor product models being renewed.

You can also use this form to identify models that are no longer minor products and can be changed to a standard full fee paying product (see Frequently asked questions for more information on changing a minor product to a full fee paying product).

Use a dash (–) for any products with zero sales, including when a product was first registered after last financial year.

Document 1 – Example of table of actual and expected WELS minor product unit sales (model parent and variants)

Item	WELS registration number	Parent model code	Model name	Change to standard full fee paying product	Actual unit sales – previous financial year	Expected unit sales – current financial year
1	TM12345	1234	WELS Tap 1234	Yes	243	150
2	TM12346	4321	WELS Tap 4321	No	-	55

Document 2: Signed statement on Registrant's letterhead

Document 2 must have a declaration with a signature block in a document with the organisation's letterhead.

The declaration must state:

The table of WELS minor products to be renewed as minor products that is provided with this statement is a true record of the actual numbers of the units sold in the previous financial year of 1 July 202X to 30 June 202X, and provides an informed forecast of the unit sales numbers expected in the current financial year of 20xx–xx.

The signature block needs to state the name and position of the person making the statement, the name of the organisation, their WELS licence number, the date and their signature.

For example:

Jay Chiu
Jay Chiu
Sales Manager
Koala Taps Pty Ltd
Licence No. 0002
25 September 2024

The WELS registration team prefers that the person making the statement is listed in the WELS Database as a contact for your organisation.

Frequently asked questions

What are the conditions of a minor product registration?

A WELS product is a minor product when a Registrant satisfies the WELS Regulator that fewer than 100 units of the product are expected to be sold in Australia over a 12-month period. This occurs when a Registrant makes an initial application to register a minor product and answers 'yes' to the first question of the product registration application (Figure 1). The applicant may also voluntarily upload information to support their application to register a minor product.

Figure 1 Product application – Question 1



The screenshot shows a web form titled "Set of Minor Products" with a dropdown arrow. Below the title is a question: "Do you expect to sell fewer than 100 units of the product (including sales of any variants of this minor product) in the next period of 12 months within Australia?". To the right of the question are two radio buttons: "Yes" (which is selected) and "No".

The product is registered at the model level and includes any variants of the model. A Registrant can apply to register a minor product at any time during the year.

Importantly, if more than 100 units, including variants, of the product are expected to be sold in the next 12-month period, it cannot legally be registered as a minor product. If a Registrant expects this will occur, the Registrant should apply to have the product registered as a standard full fee paying product.

Further, if more than 100 units, including variants, of the minor product are sold in a 12-month period, the Regulator may require the registration be changed to a full fee paying model. The Registrant would need to apply to have the product registered as a standard full fee paying product.

Information provided in the application may form the basis for suspending or cancelling a registration if the Regulator is satisfied that the information was not accurate at the time of application or is no longer accurate; or may contribute to evidence that the applicant has provided false or misleading information to the Commonwealth Government.

Giving false or misleading information is an offence under section 137.1 of the *Criminal Code Act 1995* (Cth).

What if a minor product was registered for only part of the previous financial year?

If a minor product was registered for only part of the previous financial year, sales information must be provided for the time it was registered.

What if a minor product was registered in the current financial year?

If a minor product was registered between 1 July and 14 September (during the current financial year), prior financial year sales information will not be available and can be reported as zero or indicated by a dash. However, the Registrant will need to provide a count of expected minor product sales for the current financial year.

What happens at renewal if a minor product no longer complies with the conditions of a minor product registration?

The WELS Regulator may change a minor product to a standard full fee paying product if they are not satisfied the conditions of a minor product registration are met.

Alternatively, if a Registrant identifies that one or more models no longer comply with the conditions of a minor product registration, they can identify this in the form (Document 1).

In some circumstances, the WELS team may change the registration type to a standard full fee paying product in the WELS Registration database.

Minor products are assigned at the application stage in the WELS Registration database. The WELS team can change the original application from 'minor product application' to a 'full fee paying application' however a change to the original application will impact all models that were registered in that application. If the original application includes minor products that still comply with the conditions of a minor product, you will need to submit a new product application for the full fee paying model.

The WELS team will work with registrants to find the best solution to change minor products to full fee paying models.

When the new WELS registration system is introduced (expected in mid-2025), it will allow Registrants to change the registration type from a minor product to a standard full fee paying product on individual models. The WELS registration system will not allow standard full fee paying products to be changed to minor products.

What is the legal definition of minor products?

The *Water Efficiency Labelling and Standards Determination 2013 (No. 2)* sets out the following definitions.

5A Meaning of *minor product*

For section 9 applications (Application for registration of new product)

(1) A WELS product is a **minor product** for the purposes of an application by a person to register the product under section 9 if the person satisfies the Regulator that fewer than 100 units of the product are expected to be sold in Australia in a period of 12 months specified by the Regulator.

For section 10 applications (Application for renewal of registration)

(2) A WELS product is a **minor product** for the purposes of an application by a person to register the product under section 10 if the product was a minor product under subsection (1) and either:

- (a) the Regulator has not given the person a notice under subsection (3) in relation to the product; or
- (b) the Regulator has given the person a notice under subsection (3) in relation to the product and the information provided in response to the notice satisfies the Regulator of a matter mentioned in paragraph (3)(a) or (b).

Regulator may ask for information

(3) If a person applies to register a product under section 10 and the product was a minor product under subsection (1), the Regulator may, by notice in writing given to the person, ask the person to provide information to satisfy the Regulator that:

- (a) fewer than 100 units of the product were sold in Australia in the period of 12 months specified in the notice; or
- (b) fewer than 100 units of the product are expected to be sold in Australia in the next period of 12 months.

The determination is available at: legislation.gov.au/F2013L01574/latest/versions