



2 August 2024

Independent Pricing and regulatory Tribunal (IPART)  
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### **Dam Safety NSW Levy**

Thank you for the opportunity to provide feedback on the Draft Report on the design of a Dams Safety Regulation Levy. As a declared dam owner, Central Coast Council offer the following responses:

- 1. Do you agree with the categories of costs we included in the levy (shown in Table 3.1)? Are there any other costs you consider are not driven by declared dam owners?**

Council agrees with the categories of costs included in the levy.

- 2. Should overhead costs be shared equally by all dam owners, or should they be apportioned on the same basis as labour costs (i.e., based on consequence category)?**

A postage stamp approach should be implemented. Any other approach would result in certain councils (therefore ratepayers) paying a higher portion of the overall costs without regard to socio-economic impacts. Reviewing table C.1, Central Coast Council is already paying a high levy based on the number of dams. If the levy is based on the dam consequence and number, then by default it should be relative to the risk, which is consistent against all dams. If the time / cost allocated by DSNSW to each Council is the same based on the number of dams, then the approach suggested is correct and fair.

Additionally, any dam owner who's declared dam cannot be directly attributed to providing an essential service, should be charged a higher levy.

- 3. Do you expect that the regulatory support you require from DSNSW will reduce as dam owners become more familiar with the new regulatory framework?**

Council expects that dam owners will require less support and ask less questions of the regulator once processes and requirements are better understood and practiced.

- 4. Is a levy based on consequence category a fair way of allocating costs between dam owners?**

Yes, the levy is designed to reflect the effort by DSNSW on the cost to regulate each dam. Therefore, basing the levy on consequence category is appropriate.



**5. What factors should a future review of the levy consider? Are there any measures of dam owner's regulatory performance that should be captured at a future review?**

In future reviews of the levy, benchmarking regulatory performance against other councils and businesses should be considered. This would incentivise efficiencies and compliance.

**6. Are there any additional challenges around cost recovery that we have not identified and considered in the Draft Report?**

Consideration should be given to the capacity of a dam owner to be able to pay. Some dam owners will struggle to find the extra funds to pay the levy. Even for dam owners that can pay, they will be put under additional financial strain. Dam owners should be allowed to collect the money before being charged. Otherwise, dam owners also incur additional costs to service the loans required to pay the levy.

Additionally, how will DSNSW monitor that dam owners are only recovering the costs to maintain the dam?

**7. How frequently should the levy be reviewed? What factors should be considered at these reviews?**

Council considers a review period of every three years would be beneficial. It should review the costs associated with the calculation of the levy by DSNSW. If costs go down and efficiencies attained, then these cost savings should be passed on. It should also review if compliance is attained by the dam owners.

**8. If a future review of the levy implements a performance adjustment (i.e. an adjustment to the levy based on a dam owner's regulatory compliance), how would this influence your activities as a dam owner?**

An adjustment in the levy for those dam owners who meet their regulatory obligations would incentivise compliance. Council expects to be compliant and any associated reduction in levy fees would make funds available for other essential works to deliver on our customers' needs.

**9. What performance metrics should DSNSW publicly report on?**

DSNSW should report on regulatory performance and efficiency.

**10. What information would give you confidence that DSNSW is using its funds efficiently?**

DSNSW needs to be open and transparent and the provision of an annual statement of its expenditure related to the levy would help establish confidence and trust.



Thank you again for the opportunity to provide feedback.

Yours sincerely

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