



Floodplain Management Australia

Supporting Wise Planning and Development

www.floods.asn.au ABN 67 007 279 179

President: Ian Dinham 0435 946 525

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Mr Jonathan Coppel
Dams Safety NSW Levy Review Team
Independent Pricing and Regulatory Tribunal NSW
Level 16, 2-24 Rawson Place
SYDNEY NSW 2000

(Submitted on line: <https://www.ipart.nsw.gov.au>)

Dear Mr Coppel

Proposed Dam Safety Levy – Flood Mitigation Infrastructure

Thank you for the opportunity to comment on designing a levy for regulating dam safety in NSW.

About Floodplain Management Australia

Floodplain Management Australia (FMA) is the peak national body for flood risk management practitioners in Australia. FMA promotes wise management of development on floodplains and community awareness of flood-related issues, helping to reduce the risks of flooding to life and property. FMA provides professional development and information sharing opportunities and represents the interests of Local Government at state and federal levels. Members include over 180 councils, catchment management authorities, government agencies, businesses and professionals involved in all aspects of urban and rural flood risk management.

Our members are at the front-line of flood risk assessment, flood management planning, decision making, emergency management and community engagement - see floods.asn.au

Flood Mitigation Infrastructure

Flooding from rivers and local catchments is the costliest, yet most manageable, of natural disasters. Geoscience Australia has stated that between 1967 and 2013, the average direct annual cost of flooding was estimated at \$943 million. The Insurance Council of Australia has advised that the flood events of 2022 resulted in almost 300,000 disaster related claims, costing around \$7 billion, to which must be added uninsured personal costs and government financial support.

FMA considers the most effective means of reducing the costs of flood disaster response, recovery and reconstruction is by investment in well planned pre-emptive actions. Appropriately designed and maintained mitigation works, which include detention/retention/retarding basins, are the main means of reducing existing flood risks to life and property. Most of these structures are the responsibility of Local Government.

Around 80 Local Government owned flood mitigation basins have been “declared” by Dams NSW.

The Proposed Dam Safety Levy

A number of Local Government Councils with flood mitigation basins which are declared dams have raised concerns with FMA that the imposition of a levy to support the operations of Dams Safety NSW could be considered cost shifting, and would significantly impact on Councils' operational budgets.

For example, one of FMA's Members advised that application of these fees would double the annual cost of maintaining its flood retention basins. The levy would become particularly onerous for Councils which are responsible for multiple basins.

Feedback to FMA indicates that the proposed ongoing charges would provide a very real disincentive for Local Government to provide further flood mitigation basins.

The provision of flood mitigation infrastructure is not a commercial operation for which charges can be applied, such as water supply. Flood mitigation basins provide essential public safety benefit, and FMA considers they should be exempt from the proposed Dam Safety Levy.

An additional concern is that it appears that many Councils are not aware of the proposed levy because they are not presently owners of declared dams. However the viability of flood mitigation basins which are presently planned or under consideration by these Councils could be adversely affected by the proposed charges.

Conclusion

FMA brings together expertise and experience from all aspects of flood protection, preparedness, response and recovery, to help make our communities safer in times of flood. FMA is firmly of the view that flood mitigation basins should be exempt from the proposed Dam Safety Levy for the reasons stated above.

It would be a most perverse outcome for a Dam Safety Levy to be responsible for discouraging investment in mitigation works intended to improve the safety of NSW communities.

Yours faithfully



Ian Dinham
President

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