

17 August 2024



IPART
Dams Safety NSW levy review
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop, Sydney NSW 1240

By online submission only: ipart.nsw.gov.au

RE: Dam Safety NSW Levy Review

Dear Carmel Donnelly PSM and Tribunal Members,

I make this submission as Manager Utilities and Waste Business for Snowy Valleys Council.

The making of a Levy for Dam Safety NSW has been raised several times and received unfavourably by many dam owners on all occasions.

While charges for administering Dam Safety regulation in some form may be appropriate, it appears to be another attempt at cost shifting onto local government in this approach. regional local government councils have small rate bases for a multitude of services where Central and NSW Government support (both financial and technical) is highly regarded and welcomed to ensure services can be provided to the same level as metro populations expect.

While it is noted that IPART is only designing a levy, the focus of this design seems to be the recovery of essentially all costs related to the functions of Dam Safety NSW.

It should be noted that Dam Safety NSW and the dam safety legislation is ultimately in place to protect downstream communities, the environment and the general public.

There are only 381 declared dams in NSW and only 155 different owners with the majority of these dams being owned by state or state owned organisations. Therefore, Dam Safety NSW has a significant vested interest in ensuring these dams are fit for purpose and meet all relevant legislation and safety standards. In line with this direction, Dam Safety NSW exists by only a CEO with all functions "supported" by staff employed by the Department of Climate Change, Energy, the Environment and Water (DCCEEW). This department, funded by NSW government, provides a variety of functions and support to local government, where the efficient use of staff would support not only Dam Safety NSW.

The dams that local government own are more than likely required for drinking water supply systems rather than a commercial income oriented venture. It is efficient and suitable to develop a levy or some other changing mechanism for dams owned by private entities that is based on the overall number or ownership of dams but it may be more equitable to understand what costs are actually attributed to these private dam owners, noting there is only 155 dam owners. This is actually a fairly small customer base and should be fairly simple budgetary tracking exercise for a \$4.6 million dollar company. This is a similar budget for a small regional public water utilities who supply drinking water to more than 6000 customers.

Following on with the equitable discussion, it may be of interest to understand the value, size and impacts of the declared dams. While it can not be stressed enough that one life lost is the same consequence as 5,000, 50,000 or 5,000,000, however, there is clearly more emphasis placed on a dam that has the potential to impact a higher number of people.



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Dam Safety NSW Levy Review

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DCCEEW provide support to local government for the delivery of water utilities, it should be no different for the function of dam safety where the primary or only function of the dam is to support a water utility.

It is requested that the arrangement of the levy be reconsidered, or the focus of this levy be targeted to commercial entities. Costs associated to these private/commercial entities could easily be tracked and recovered on an actual cost or effort basis. Additionally, the arrangement of the levy should also consider several other factors, including the size and volume of the dam, the type of structure, the purpose of the dam (commercial, government or public water utility) and in the case of local government, consider the ability to pay and the available rate base of the public water utility.

It is requested that the efficiency of expenditure be further reviewed. Being a legislated and NSW Government organisation, it would be expected that a significant proportion of time and effort would be required to meet and respond to NSW Government requests with reporting requirements to elected officials. This effort is likely higher and more free flowing with significant benefit to NSW Government than what might occur from a private entity. Additionally, the costs of these public consultation exercises and consultancies tasked with reviewing levy arrangements will undoubtedly be excessive.

The funding and charging arrangements for other regulatory bodies, such as EPA, Water NSW and NRAR, should be considered. These organisations have significantly lower licencing and regulatory costs, however, also have many more customers or licence holders. Noting this, EPA receive over 75% of revenue from the NSW Government. Why? This may be due to the importance placed on protecting the public and the environment. Is this different from Dam Safety?

Should Dam Safety NSW be a completely independent or private organisation, the organisational and operational costs would not be of the nature or sum that it is presently for only 155 customers. The levy, as presented, would also not likely be acceptable.

It is noted that an upcoming review of the Dams Safety Act 2015 is planned and “fees for services” should be considered. Given this suggestion, it is reasonable to hold off on any further changes or levy implementation prior to a review considering the act has now been in place for almost 10 years without a levy.

I request that the Levy arrangements be reconsidered, delayed and/or adjusted to reflect a more reasonable and market reflective cost where dam owners can also get training, support and guidance similar to that from organisations such as DCCEEW and EPA.

Please contact me on [REDACTED] if you have any questions.

Yours Sincerely,

[REDACTED]
[REDACTED]
[REDACTED]

