

Independent Pricing and Regulatory Tribunal  
ATTENTION: Xanthe Smith  
PO BOX K35  
**HAYMARKET POST SHOP NEW 1240**

Dear Xanthe

#### **IPART - DRAFT DAMS SAFETY NSW LEVY REVIEW REPORT**

On behalf of Tamworth Regional Council, thank you for the opportunity to provide comments on IPART's Draft Dams Safety NSW Levy Review Report.

Council has three declared dams, all of which are high consequence category dams. As a result, under the IPART's proposal in the draft report each of these dams will cost Council, on an annual basis, \$12,613 or a total annual cost of \$37,839.

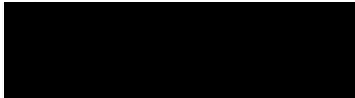
Whilst this may not be considered a significant sum, Council would like to make the following comments;

- Government oversight of dams is considered necessary because of the potential loss of life and property from dam failures;
- the amount Council will have to pay is a relatively small amount at the moment, but given previous experience, the cost will rise in the future and ultimately Council and other dam owners will be paying more;
- oversight of dam safety was provided free of charge by the NSW Government before the introduction of the new Act;
- the levy is another example of cost shifting away from the Government;
- in future Council may have to reconsider the use of retention and detention basins in dealing with stormwater issues since large detention and/or retention basins could be classified as declared dams and therefore will attract the levy charge;
- taxpayers of NSW benefit from dams and the contribution they make to economic activity. Further, the State benefits from a well-regulated system which reduces the risk of dam failures and possible corresponding loss of life and property. As a result, the State should contribute to the cost of regulation as well;
- Is it appropriate to charge a levy on activities that provide a public benefit, such as flood mitigation;
- Has the affordability of the levy for smaller dam owners and/or smaller local Councils been considered? It is this Council's experience that the time and resources needed to comply with the provisions of the new Act and associated regulation has significantly increased. Isn't it better for Councils and dam owners to be spending their money on meeting the requirements of the Act and regulation rather than paying for the regulator?

- the lack of benchmarking data available makes it difficult to assess the efficiency of Dam Safety NSW's costs which are the basis for the split up of costs;
- the challenge of distinguishing between Dam Safety NSW's current efficient costs and its potentially lower future efficient costs as the industry gets more familiar with the regulatory regime; and
- has IPART considered alternative methods of calculating the levy, including charges based on dam volume, consequence category, compliance history and dam type.
- Council will end up contributing more towards the costs of Dam Safety NSW as it will pay for the 3 declared dams it owns and it will pay as a customer of Water NSW, which will also pay the levy, for declared dam it manages. These costs will certainly be passed onto its customers.
- Council supports IPART's recommendations for the future should the Government decide to implement the levy, in particular for the Government to consider providing funds to decommission unused dams that no longer serve a purpose.

Please contact the undersigned should you wish to discuss this matter further.

Yours Sincerely,



Bruce Logan  
**Director – Water and Waste**



14 August 2024