

- Please mute your microphone
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- We will start at 10:02 am



**IPART** Independent  
Pricing and Regulatory  
Tribunal | NSW

# Dams Safety Regulation Levy

Public Hearing, 5 August 2024

# Agenda

- 01 Welcome and Acknowledgement of Country
- 02 Participant introductions
- 03 IPART presentation
- 04 Q & A session
- 05 Closing remarks



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# Welcome to hearing and Acknowledgement of Country

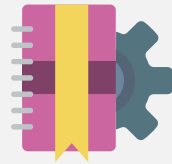
Jonathan Coppel  
Tribunal Member

# IPART Terms of Reference

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Investigate and report on the **efficient costs** of DSNSW carrying out its functions.



Recommend a **methodology for recovering** the efficient cost from individual dam owners.



Recommend a methodology for **determining a levy**, and the quantum of the levy, to be assigned to individual dams.



Recommend **information** that DSNSW should collect to inform future assessments of efficient costs and determination of the levy.



# IPART presentation

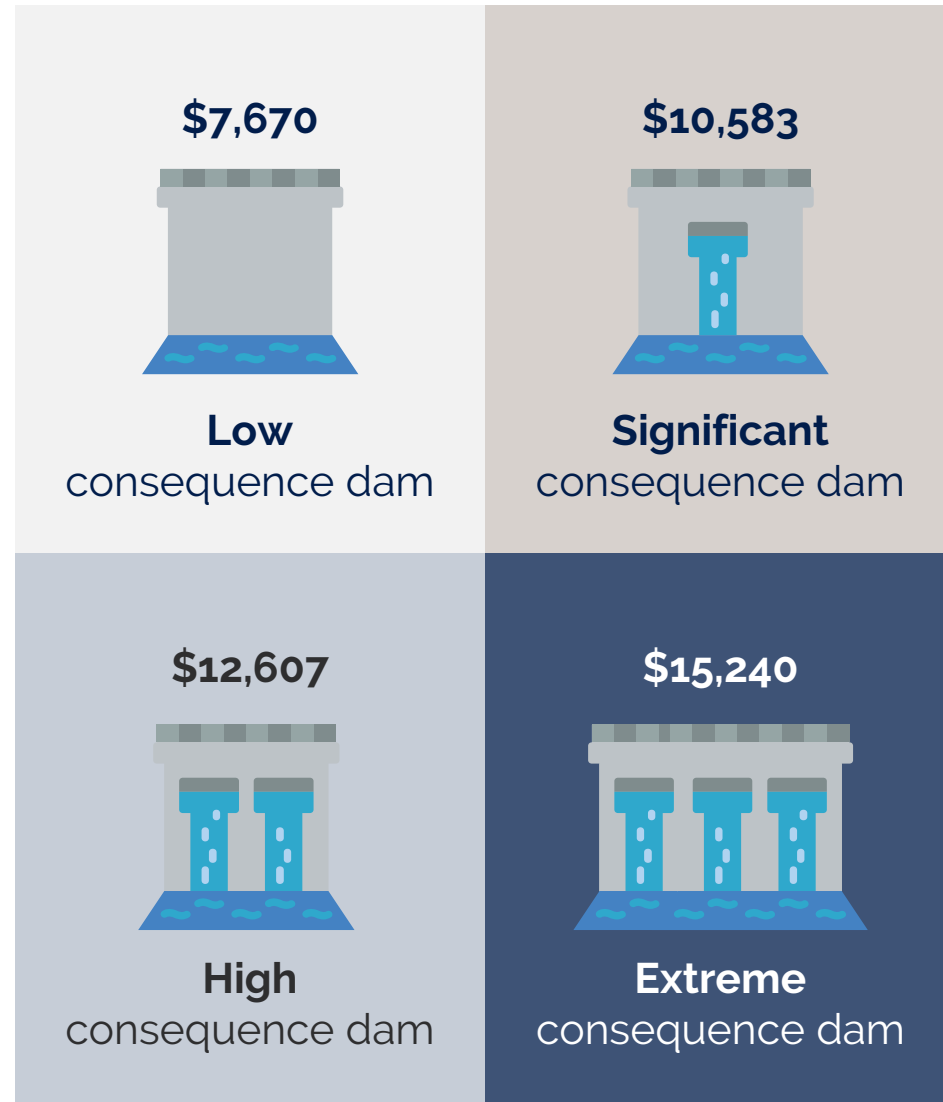
## Efficient costs

- No evidence DSNSW costs are inefficient
- Annual budget \$4.6 million
  - Direct costs (\$3.02 million) – directly attributable to dam owners and driven by dam characteristics (such as dam consequence category)
  - Indirect costs (\$1.32 million) – necessary for providing services to all dam owners, but not as variable between dams (e.g. corporate overheads)
  - Non-levy costs (\$0.25 million) – costs unrelated to declared dams.
- Levy would recover \$4.34 million (95%), rest by Government

# Levy design – effort ratios

Activity	\$	Low	Significant	High	Extreme
<i>Effort equal regardless of consequence</i>					
Annual dams safety standards report	17,800	1	1	1	1
Declaring a dam mining notification area	66,590	1	1	1	1
Develop regulatory framework and guidelines	159,370	1	1	1	1
Educate and inform dam owners	966,350	1	1	1	1
Monitor dams above the safety threshold	78,450	1	1	1	1
Respond to incident reports	79,210	1	1	1	1
<i>Effort varies by consequence</i>					
Audit compliance - decommissioning	27,900	1	1	2	3
Audit compliance - design and construction	111,250	1	1	2	3
Audit compliance - operations and maintenance	586,900	1	3	5	7
Audit compliance - reviewing reports	257,650	1	1	2	3
Respond to non-compliance	618,380	1	4	4	5
<b>Weighted average</b>		<b>1.0</b>	<b>1.4</b>	<b>1.7</b>	<b>2.0</b>
<i>Indirect costs – weighted average effort applied</i>					
Corporate support/overheads	1,249,380	-	-	-	-
IT system build (DIMS) & maintenance	144,750	-	-	-	-
<i>Non-levy costs (excluded)</i>					
Advice to Minister/Government	17,800	n/a	n/a	n/a	n/a
Dam declaration and revocation	78,200	n/a	n/a	n/a	n/a
Review mining consent applications	80,450	n/a	n/a	n/a	n/a

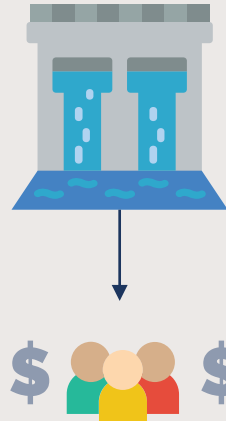
# Levy design





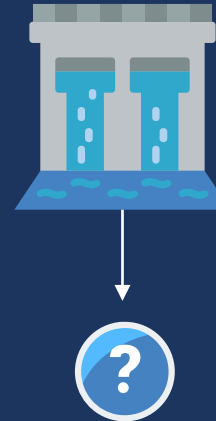
# Levy impacts

## Dam services paying customers/ratepayers



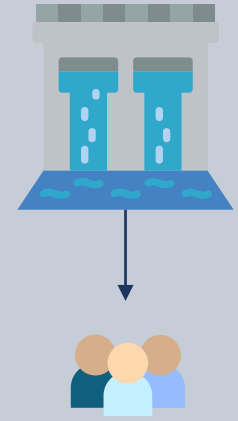
- 90% dams
- Levy cost can be passed on as cost of service

## Dam no longer in use



- 6% dams
- Dam no longer providing service, but still incurring costs/risks
- Case for one-off funding for decommissioning

## Dam services other parties

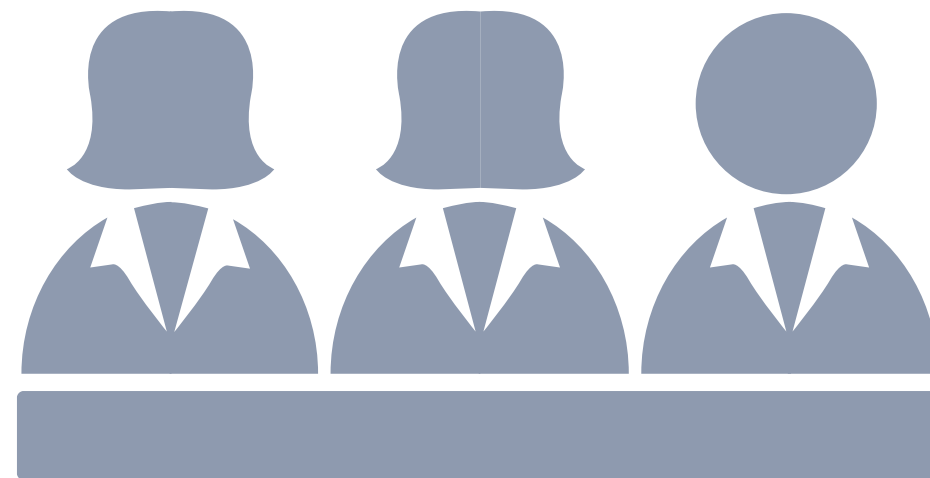


- 4% dams
- Dam owner funding all dam costs (not just levy)
- Council Reference Group
- Other Government reviews

# Recommendations

1. Efficient costs and levy to be reviewed in 3 years
2. DSNSW to improve data collection
3. Minor amendments to the Act
4. DSNSW performance to be reviewed
5. Funds to decommission unused dams

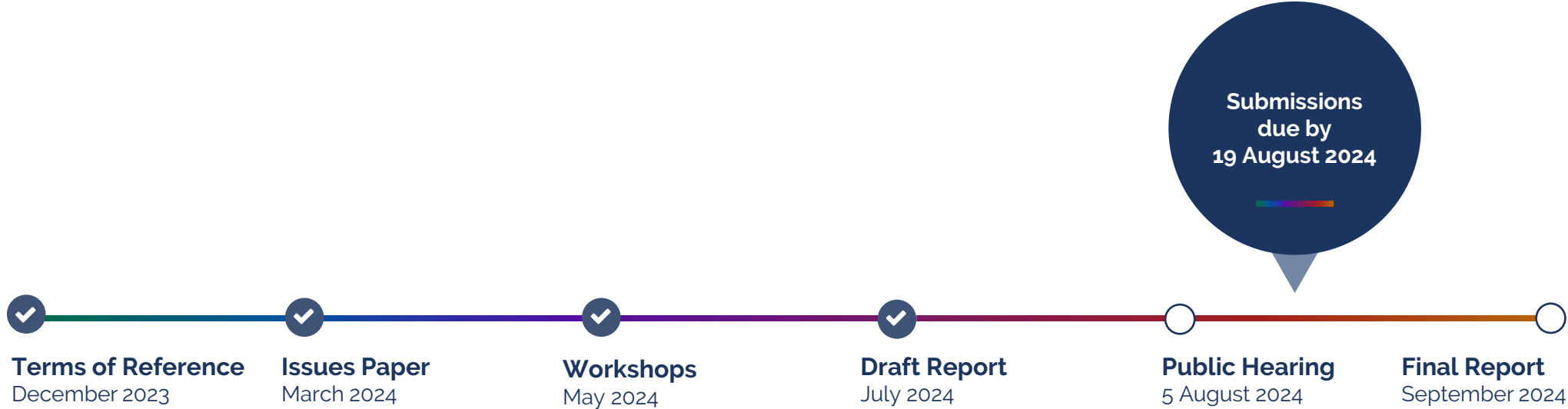
## Q & A session





Closing remarks

# Timeline of our review



## Contact us

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