

File number: D20/649183

17 April 2024

Xanthe Smith
Principal Analyst
IPART
Level 16, 2-24 Rawson Place
Sydney NSW 2000

By email: [REDACTED]

Dear Mr Smith

Designing a levy for regulating dam safety in NSW

I am writing in this submission in response to the review for “Designing a levy for regulating dam safety in NSW”.

Blacktown City Council strongly opposes the levy in its current form. We would like to propose that flood mitigation structures should be exempt from the proposed Dams safety levy. Alternatively, a reduction in levy units should apply to flood mitigation structures.

Our concerns with the levy as proposed are set out below.

- **The levy results in significant annual charges**

Our estimated annual operating costs for managing declared dams has already increased from \$38,000 to \$70,000 in the last couple of years, due to 2019 Dams Safety Regulation reforms introducing additional safety measures.

The new proposed levy will more than double our 2018 operating costs, further stretching our limited resources. The resultant lack of funding has the potential to limit works on or near dams.

This outcome is not in line with the stated intent of the Dam Safety reforms.

- **The levy proposed in 2020 was almost 60% of operating cost of declared dams**

Our average annual cost to meet Dams Safety Regulation 2019 is \$70K and an estimate of the proposed levy in 2020 was \$39K.

It is unreasonable to levy charges amounting to 60% of the operating costs associated with meeting all regulatory requirements for government the regulation.

- **The levy shifts costs from State to Local Government**

This places additional burden on rate payers. Unlike the increased safety measures, the levy has no tangible benefit to rate payers.

- **The levy disincentivises Local Government to provide flood mitigation structures**

The provision of flood mitigation infrastructure is not a commercial operation, it provides essential public safety benefit. These structures should not be subject to unnecessary costs.

- **The levy disincentivises the reporting of large dams to Dam Safety NSW**

While it is understood that reporting is mandatory, the large cost will discourage some parties from reporting to Dam Safety NSW. It may also hamper the transfer of ownership of dams, as many owners will not want to accept an asset with an associated levy.

We understand that Dams Safety NSW 'declares' dams that have a potential to endanger downstream life, cause major damage or loss to infrastructure or the environment, or have major health and social impacts. Declared dams include flood mitigation infrastructure such as detention basins, many of which are owned by councils.

We kindly request that you take this feedback on board when considering the implementation of this levy.

If you would like to discuss the matter, please contact myself on [REDACTED]

Yours faithfully

[REDACTED]

[REDACTED]