

In reply please quote: 11/03750

Contact: [REDACTED]

13 February 2024

Chris Salkovic
Chief Executive Officer
Dams Safety NSW
info@damsafety.nsw.gov.au

Dear Mr Salkovic

PROPOSED DECLARED DAMS SAFETY LEVY

I refer to your email dated 19 January 2024 regarding the proposed declared dams safety levy.

Fairfield City Council has 11 Declared dams, all of which are flood detention basins. The dams are not water supply dams that generate revenue but provide necessary flood mitigation for the community. The provision of flood mitigation infrastructure is not a commercial operation, it provides an essential public safety benefit, and it should be exempt from the proposed levy. The proposed levy would result in significant annual charges, particularly when multiple structures are involved. The proposed levy will further burden our residents by making them pay an additional levy to protect their homes from flooding.

Council has been diligent and responsible in this field by spending hundreds of thousands of dollars on dam break assessments and upgrade designs in accordance with Dams Safety NSW guidelines over many years. Council has spent, and is continuing to spend, millions of dollars in upgrade works to a number of our most significant basins in recent years and over the next few years. This demonstrates our commitment to dam safety, and the additional expense of the proposed levy would hinder Council's ability to continue to allocate budgets for future studies and construction works.

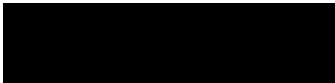
In addition, the Stormwater Management Services Charge was introduced in 2006 in order to allow councils to levy residents to significantly increase the stormwater services provided to the community. The amount levied has been capped at the same amount as in 2006, 18 years later, the present worth of which is approximately equal to 1.6 times the 2006 value. This capping has meant that council is no longer able to provide any additional stormwater projects or services, as it is mainly being spent on maintenance of previous projects.

Additionally, Council applies for grant funding through the State Government to undertake flood and stormwater related projects. The grants management process locks in the maximum grant offer prior to finalising the Tender amount. If the Tender amount comes in below the maximum grant offer, then the grant amount is reduced. However, if the Tender amount comes in above the maximum grant offer, Council must pay the difference. The

consequence of this is that Council must find the additional funds required to complete the project, which often results in delays to the project.

Our firm view is that councils should not have to pay for State Services. This is nothing more or less than cost shifting at its crudest. Councils cannot recover such costs under the State Government's longstanding policy of Local Government general rate pegging, and no increase at all for stormwater charges, without our residents having to forgo other services.

Yours faithfully



BRADLEY CUTTS
GENERAL MANAGER