

Review: Dams Safety NSW Levy review

Document: Issues Paper - Designing a levy for regulating dam safety in NSW - 19 March 2024

██████████ appreciates the opportunity to contribute feedback on the Issues Paper: "Designing a Levy for Regulating Dam Safety in NSW" and recognizes the critical importance of ensuring the safety and integrity of dam structures throughout New South Wales.

The following are suggestions and comments based on our perspective, considering constraints related to resources in a rapidly growing Growth Centre LGA and the already high costs associated with complying with Dam Safety Regulations. Currently ██████████ has one declared Dam under its responsibility.

Impact on ██████████ Operations and Service Delivery

The introduction of a levy would impact ██████████ financial resources, especially as the council navigates challenges associated with rapid population growth and infrastructure demands. The financial strain of contributing to a levy for dam safety may necessitate a re-evaluation of budget allocations, which could affect critical services or projects including our ability to fund the dam regulation requirements that are required. The measures require highly specialised skill not commonly held in a local government environment and we have found these to be expensive and difficult to predict into the future.

The ability of the council to absorb such a levy without impacting service delivery will largely depend on the levy's structure, particularly its consideration for the scale of operations and financial capacity of smaller dam owners or local government entities like ██████████.

DSNSW's Scope of Activities

It is important for DSNSW to clearly delineate its activities under the levy's scope clarify those directly associated with dam safety for funding through this mechanism. Any broader activities, potentially impacting broader community safety or environmental management, should be identified and possibly funded through other channels to ensure the levy remains targeted and justified. For equity, consideration should also be given to factors such as LGA population, Dam size, number of Dams etc

Adaptation to Regulatory Regime

As stakeholders become more accustomed to the regulatory framework, there might be a reduced need for intense regulatory oversight, which could lower DSNSW's operational costs. Acknowledging this in the levy structure could ensure that it remains proportional to the actual regulatory effort required over time.

Apportioning the Levy

The levy should consider the varied capacities and sizes of dam operations. Factors such as the number of dams owned, the potential consequences of dam failure, and the primary function of the dam (e.g., community water supply, flood control, irrigation) should play a role in determining the levy amount. Additionally, what is the population of the LGA supporting the costs associated with the dam and the levy. This would ensure fairness and proportionality, preventing undue burden on smaller entities or those serving critical public needs.

Recognition of Regulatory Performance

Introducing incentives for dam owners who demonstrate consistent compliance or invest in advanced safety measures could encourage better overall compliance with safety regulations. This could be reflected in reduced levy rates for those who exceed basic safety standards, providing a financial incentive to maintain high safety levels.

Addressing Affordability and Implementation Issues

Considering the financial impact on smaller dam owners and local governments, a phased implementation of the levy might be necessary to mitigate initial financial shocks. This gradual approach would help stakeholders adjust financially and operationally over a reasonable period.

Periodic independent reviews of the levy should be mandated to ensure it remains relevant, efficient, and fair. These reviews could adjust the levy in response to changes in regulatory requirements, technological advancements, or shifts in economic conditions.

Additional Considerations

██████████, managing its rapid growth and resource allocation, would benefit from a model that considers potential future reductions in regulatory costs as practices standardize and efficiencies are gained.

By addressing these points, ██████████ can effectively contribute to the discussion on dam safety regulation, ensuring that its unique circumstances as a rapidly growing local government area are considered in the final levy design.

We look forward to how we can participate further in the future for the development of an effective, and sustainable dam safety levy in New South Wales.