



16 April 2024

Independent Pricing Regulatory Tribunal NSW
c/- Xanthe Smith
PO BOX K35
HAYMARKET POST SHOP NSW 1240S
ipart@ipart.nsw.gov.au

Dear Ms Smith

ISSUES PAPER – DESIGNING A LEVY FOR REGULATING DAM SAFETY IN NSW – 19 MARCH 2024

Weddin Shire Council has three (3) prescribed dams in the Shire. The combination of PLL, PAR and other potential losses suggest that Company Dam has a Consequence Category of **High C**, Bogolong Dam has a Consequence Category of **Significant** and Caragabal Dam is considered as **Very Low** Consequence Category.

Company Dam is located approximately 1 km north-west of Grenfell town centre on the Emu Creek tributary. The dam was upgraded in December 2005 and the works included a 0.5 m dam raising, construction of a concrete spillway sill and construction of a fuse plug spillway to increase the dam's flood release capacity. The dam's original purpose was the major water supply for Grenfell, while it currently serves the community as a recreational dam. In the past Councils was able to utilize the dam for limited irrigation to the Rugby Union Field and Grenfell Caravan Park. However, Council was required to upgrade the outlet valves to comply with current standards adding to additional capital and compliance costs. Company Dam was completed in June 1867 by the Grenfell Water Company and was originally constructed to supply water to gold claims and crushers in the area.

Weddin Shire Council owns and operates the dam and is, therefore, responsible for ensuring the safety of Company Dam by undertaking requisite monitoring and surveillance of the dam to ensure early detection of any unsafe trends or changes. ANCOLD guidelines (2003) also require dams having HIGH hazard consequence category to undergo regular intermediate and surveillance inspections. As a result the Council used to inspect two (2) to three (3) times per week and is responsible for any minor maintenance work.

In terms of the requirements for a full safety review of Company Dam, the tasks have been completed or carried out under separate engagement between Council and Subject-matter expert (SME- Consultant) such as; intermediate and 5 yearly Comprehensive surveillance inspection of the dam, Annual update of the dam's O&M Plan, the dam's Emergency Plan (EP) and preparation of a Dam Safety Management System Document.

Additionally, 15 yearly Dam Safety Review and 5 yearly Dam Survey will also be carried out to comply with the *Dam Safety Act 2015* and the 2019 Dams Safety NSW (DSNSW) guidelines and ANCOLD guidelines (2003).

To operate, maintain and comply with Company Dam, Weddin Shire Council needs approximately **\$100,000** yearly.

Description	Frequency of expenditure	Cost (ex. GST)	Cost (incl. GST)	Cost (incl. GST) / Yearly
Company Dam Safety Review	15 years	\$ 172,900.00	\$ 190,190.00	\$ 12,679.33
Company Dam Surveillance & Annual Inspect	Yearly	\$ 7,506.00	\$ 8,256.60	\$ 8,256.60
Company Dam Survey Monitoring Network Design	10 years	\$ 5,900.00	\$ 6,490.00	\$ 649.00
Dam safety Works(EP, O&M, DSMD reports)	5 years	\$ 25,000.00	\$ 27,500.00	\$ 5,500.00
Wedding SC Prescribed Dams (Company Dam): water level and rainfall monitoring; Alarm maintenance 20	Yearly	\$ 15,800.00	\$ 17,380.00	\$ 17,380.00
Yearly Maintenance	Yearly	\$ 20,000.00	\$ 22,000.00	\$ 22,000.00
Employee Pay	Yearly	\$ 30,000.00	\$ 33,000.00	\$ 33,000.00
Employee Training (2-3 person)	2-3 year	\$ 7,500.00	\$ 8,250.00	\$ 8,250.00
	Grand Total	\$ 284,606.00	\$ 313,066.60	\$ 107,714.93

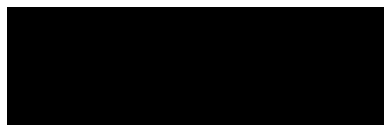
Furthermore, the Council is currently planning to restore the Bogolong Dam again for recreational purposes as well as a major tourist attraction. A feasibility study is underway by NSW Public Works. Council believes that significant operating costs (assume **\$60,000.00/yearly**) will be added in near future to maintain the Bogolong Dam after spending major capital cost to restore the dam. Bogolong Dam was designed and constructed by the Public Works Department between 1930 and 1934.

Caragabal Dam has an insignificant operating cost not more than **\$5,000.00**.

In summary, Weddin Shire Council is a small Council considering population and revenue. As a result, the Council is already struggling with ageing infrastructure and the financial viability of its all assets, mainly dams. Council is also struggling with the costs of responding to recent natural disaster events and the loss of revenue resulting from the downturn in economic activity. The cost of the levy would ultimately have to be passed on to the already embattled communities.

The Council acknowledges the important role that Dams Safety NSW plays and commends it on its work. However, Council considers that the service it provides is for the public good and that this service should continue to be funded from consolidated revenue. Introduction of the levy would be yet another cost shift from the State Government onto Councils.

Yours faithfully



Noreen Vu
GENERAL MANAGER