

Our ref: R90/1056-12 Out-22105

4 November 2013

Dams Safety Review
NSW Trade and Investment
GPO Box 5477
Sydney NSW 2001

Email to: damsafety.review@industry.nsw.gov.au

Dear Sir/Madam

Review of Dam Safety Act

Thank you for your invitation to make a submission to the NSW Government Review of the *Dam Safety Act (NSW) 1978* and the Dam Safety Committee.

Local Government NSW (LGNSW) is the peak body for councils in NSW. LGNSW represents the 152 NSW general-purpose councils, the special-purpose county councils and the NSW Aboriginal Land Council.

In this role, LGNSW represents the more than 100 council owned and operated local water utilities that provide water supply and sewerage services to communities in regional NSW. These local water utilities are responsible for more than 100 of the over 300 prescribed dams in NSW that are regulated under the *Dam Safety Act (NSW) 1978*.

LGNSW commends the NSW Government on undertaking this review and agrees in principle with the regulatory objectives identified by the review's consultation paper and the KPMG report entitled *Review of the Dam Safety Act 1978 and Dam Safety Committee*.

However, LGNSW is concerned about the potentially large regulatory cost associated with the proposed independent expert regulator. LGNSW is also concerned about the lack of dam owner representation, including Local Government representation, on the proposed regulatory body. Dam owner representation would ensure applied technical knowledge and experience is available to the regulatory process which would be difficult to obtain from outside the industry.

Finally, LGNSW does not believe that regulatory costs should be fully recovered from dam owners: i.e. their customers. Dam safety regulation provides wider public safety benefits to many communities around and downstream of dams. Full cost recovery from customer groups of dam owners might not be equitable as customer groups might not be the same as the group of beneficiaries from dam safety regulation.

LGNSW suggests dam safety regulation could well be undertaken by existing agencies (e.g. NSW Office of Water which already regulates water supply infrastructure) and does not necessarily require the establishment of a high cost independent regulator. The responsible government agency could draw on the expertise available from dam owners by way of appropriate structures (e.g. a dam owner committee).

The Water Directorate NSW, a representative body of councils that provide water supply and sewerage service has made a more detailed submission to the review. LGNSW supports the views expressed in the Water Directorate's submission.

For further information on LGNSW's comments please contact Mr Sascha Moege, Senior Policy Officer on 9242 4045 or sascha.moege@lgnsw.org.au.

I hope our comment are of assistance and look forward to the implementation of an adequate regulatory framework to ensure the safety of dams in NSW.

Yours sincerely



Noel Baum
Director - Policy