



Our Ref: WF/VG: 759/11 (43026)

4 November 2013

Chair
Dam Safety Review Committee
NSW Trade and Investment
GPO Box 5477
SYDNEY NSW 2001

Dear Sir

Rous Water wishes to thank the Committee for the opportunity to comment on the recommendations prepared by KPMG in their review of the *Dams Safety Act 1978*.

For ease of reference, Rous Water's comments below are made against each of the fourteen recommendations provided in the KPMG publication titled 'Review of the *Dams Safety Act 1978* and Dams Safety Committee, Final Report, September 2013'.

Recommendation 1

Rous Water agrees with Recommendation 1 but believes the Committee should ensure that dams are managed such that they achieve minimum tolerable risk levels set by the Dams Safety Committee. Whilst communities and dam owners must have the ability to balance the expenditure of funds on dam safety against competing priorities they should not be able to adopt strategies that compromise the safety of downstream communities below levels acceptable to the NSW State Government through the Dams Safety Committee

Recommendation 2

Rous Water agrees with Recommendation 2.

Recommendation 3

Rous Water does not agree with the recommended composition of the Dams Safety Regulator.

Rous Water believes that dam safety should be regulated by a Dams Safety Committee with the Committee being a statutory body representing the Crown.

Rous Water recommends that the Dams Safety Committee should comprise a balance of representatives of NSW Government Agencies, along the lines of those suggested in Recommendation 3, plus members representing the dam owners in NSW with the Committee being chaired by a nominee of the responsible State Government Minister.

A review of the constitution of owners of prescribed dams in NSW (Table 1 Prescribed Dams in NSW by Ownership Type) shows there are five major owners groups comprising:

- Councils..... 136 dams
- Mining..... 95 dams
- Water Corporations..... 81 dams
- Energy companies..... 26 dams
- Other 38 dams

It is proposed that each of the groups have a representative on the Dams Safety Committee. The representatives should be nominated from the key industry bodies for each group, with the exception of the last group 'Other' which would be recruited by some other method.

The Councils' representative would be nominated by Local Government NSW in consultation with the NSW Water Directorate. It is envisaged that the respective representatives would be drawn from senior staff in member organisations rather than from political or board member level to ensure that true dam operating expertise is brought to the committee.

The committee would comprise approximately 10 members and represent a balance of key government agency stakeholders and dam owners.

The Dams Safety Committee should be serviced by staff holding expertise in dam safety engineering and administrative skills to ensure that the resolutions of the committee are enacted. Unlike the current committee, wherein members undertake a significant amount of work on behalf of the Committee, members of the new committee would act in an executive role only with research and administrative work being undertaken by the servicing staff.

Recommendation 4

Rous Water rejects this recommendation on the basis that it would be clear cost shifting by the NSW State Government to both Local Government and other prescribed dam owners.

Rous Water sees that it is the responsibility of State Government to continue to fund regulatory bodies.

There are clear improvements in efficiency in the State Government that can be achieved in the area of Local Government dam regulation that can offset the cost of the Dam Safety Committee. At present, Local Government dam owners are regulated by both the Dams Safety Committee and the NSW Office of Water. The role of the NSW Office of Water in giving Section 60 approval is unnecessary and imposes both a cost and time penalty on the dam improvement and construction process. Approvals, monitoring and concurrence of dam safety matters should be the responsibility of the Dams Safety Committee without further reference to the NSW Office of Water.

Recommendation 5

Rous Water generally agrees with Recommendation 5.

Recommendation 6

Rous Water agrees with this recommendation but would suggest a longer consultation phase to ensure that there is sufficient time for the proposed changes to be reported to the board (Council) of the respective dam owner and a resolution of the board achieved. Effective consultation would be greatly facilitated by the adoption of the Committee structure proposed in Rous Water's response to Recommendation 3 above.

Recommendation 7

Rous Water agrees with Recommendation 7 and sees that it is complimentary to Recommendation 6.

Recommendation 8

Rous Water generally agrees with Recommendation 8 but sees that consultation with the community should be at a state-wide level to set tolerable minimum standards for dam safety in NSW rather than at a local community level. This approach follows Rous Water's response at Recommendation 1 and is intended to ensure that the tolerable safety levels are appropriate across the State.

The DSC should be provided with the mandate and the finances to develop a range of public consultation strategies and methodologies that would focus on presenting the risks and recommended improvements in a clear manner easily comprehended by the general public.

Recommendation 9

Rous Water agrees with this recommendation.

Recommendation 10

Rous Water agrees with this recommendation although the mechanism through which the desired outcome can be achieved is not provided so scope and impact of such an initiative is difficult to visualise.

Recommendation 11

Rous Water agrees with this recommendation and sees it as a subset of Recommendation 10.

Recommendation 12

Mining near prescribed dams is not a matter that affects Rous Water and accordingly Rous Water is not able to provide comment on this issue other than to say that the recommendation appears appropriate as the first step in researching the matter.

Recommendation 13

Rous Water believes that the Dam Safety Committee through its expert servicing staff should be the body responsible for approving Dam Safety Emergency Plans (DSEPs). The Committee should approve the standards that are to be achieved in the DSEP and the expert staff should be responsible for the application of those standards.

Local Government is continually thwarted in the timely and economic delivery of services through the multiple NSW State Government Agencies that are involved in approval processes. The timely and efficient delivery of dam safety compliance in NSW would be best served by the Dam Safety Committee, being a one stop shop for all regulatory functions pertaining to dam safety.

Recommendation 14

Rous Water has had, and continues to experience difficulty with DSEP trigger levels that comply with the requirements of the Dam Safety Committee but are inappropriate for the level of risk that the respective flood event pose. This results in unnecessary evacuation alerts to the downstream residents and diversion of Rous Water and SES staff from more appropriate activities.

Rous Water has upgraded both its prescribed dams to safely pass the probable maximum floods and sees the current requirements of the Dam Safety Committee to being a clear example of where the Dam Safety Committee has set tolerable risk levels well above reasonable standards.

It is not appropriate to elaborate on Rous Water's particular experience in this response but Rous Water fully concurs with this recommendation and sees that this particular issue is an example of where the new Dam Safety Committee should bring a greater balance between the technical standards applied by the regulator and the risk exposure that results to the community.

Rous Water has participated in the review of the *Dams Safety Act 1978* through our involvement with the NSW Water Directorate and would welcome further involvement in the review process through the Directorate and in our own right as a Prescribed Dam Owner.

Yours faithfully,



Wayne Franklin
Technical Services Director