

Dams Safety NSW

www.damsafety.nsw.gov.au



Annual Report





Acknowledgement of Country

Dams Safety NSW acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land and we show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

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Annual Report

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Letter of submission



Dams Safety NSW

The Hon. Rose Jackson MP

Minister for Water, Housing, Homelessness, Mental Health, Youth, and the North Coast

52 Martin Place

SYDNEY NSW 2000

Dear Minister

I am pleased to submit the Annual Report for Dams Safety NSW for the year ended 30 June 2023, for tabling in Parliament by 30 November 2023.

This report has been prepared in accordance with the annual reporting provisions (Division 7.3) of the *Government Sector Finance Act 2018* (GSF Act) and Treasury Policy and Guidelines 23-10 Annual Reporting Requirements (TPG23-10).

Yours sincerely

Paul O'Connor

Chair

Chris Salkovic

Chief Executive Officer

Message from the Chair

At Dams Safety NSW we regulate and support declared dam owners to anticipate, manage and reduce the threats of harm arising from declared dams.

Our work guides dam owners as they acquire and maintain the knowledge, skills and expertise to manage risk.

We apply NSW law to help the owners of declared dams keep their dams safe and hold them to account to do so. Dam owners must demonstrate they have robust risk management systems and processes in place and that these are regularly tested.

The people of New South Wales expect no less. Much is at stake.

Our dam safety laws are relatively new.

Since 2019, dam owners have been adjusting to new ways of working. They are investing in the skills and capability needed to meet their obligations to keep their dams safe. Much has been done but more is needed, especially timely risk reporting.

Together, we and dam owners are learning what it takes to secure and sustain community trust and confidence in the safety of NSW dams. Protecting people and place requires dam owners to make the right decisions, at the right time, and with the right information.

It's a privilege for our teams to pitch in and make a positive difference. It is important work helping to ensure people, their communities and the environment are safe from harm. Our new five-year strategic plan maps our intent and focus.

This year, we asked dam owners what more we can do, as one of their safety regulators, to help them meet their obligations. Their response was clear. While the agency is well-regarded and our services are seen as helpful and focussed on outcomes, dam owners and their expert advisors tell us they want more engagement and collaboration, additional guidance, and broader support to help them navigate the safety issues they face.

As a regulator, we strive to be the best we can be. This year, we evaluated our regulatory model and services to ensure our approaches are maturing and reflect best practice. While the uplift since our 2020 benchmarking is positive news, we will focus on improved problem solving, learning with others and, more rigorous quality assurance and reviews to ensure consistently positive outcomes and sector-wide risk reduction.

Our staff relish the opportunity to make a difference and deliver public value. The challenges in doing so effectively, efficiently and economically are being addressed step-by-step, informed by stakeholder feedback and our benchmarking studies. We know from our latest survey results that our staff enjoy working at the agency, believe strongly in its purpose, and are willing to go the extra mile to make a difference.

On behalf of the members of Dams Safety NSW, I acknowledge the focus, effort and commitment of our agency staff to deliver on our mandate. The agency's CEO, Mr Chris Salkovic, has ably led the team as they implement our new regulatory model, engaging with dam owners and their service providers to help owners manage the risks in operating dams safely.

I acknowledge my colleague members. Their expert skills and acumen help us design, promote and enforce dam safety standards and guide and oversee dam owners in the safety, maintenance, and operations of dams. This year, holding half of our meetings in regional NSW allowed us to engage with dam owners and local stakeholders to better understand their issues to inform our regulatory support.

Together, we are committed to our responsibility to be a fair, transparent, and independent regulator and to do what's necessary to promote the public interest. We will deploy, effectively and efficiently, the resources needed, to support and supervise dam owners' risk practices with increased intensity moving forward.

Our governance effectiveness was independently evaluated this year. No major areas of concern were identified. It confirmed our aspirations to be a model regulator and partner in creating safer dams. We will implement a range of recommendations to improve the link between strategy and operational impacts, strengthen reporting for better insights, and continue to invest in the agency's stakeholder engagement.

It has been a privilege to take on the role of Chair of the agency from 1 November 2022 and lead the agency's delivery of public value as an expert regulator in the water sector. I acknowledge and thank my predecessor Chair, Mr Ross Carter and the former Deputy Chair, Dr Alex Fisher, for their thoughtful leadership in establishing the agency. I also thank our former appointed member, Mr Rob O'Neill for his regulatory and dam safety expertise.

Our work program for the year ahead is clear. We will innovate our support for the owners of declared dams to help optimise their risk management efforts. The goal is to ensure any of the risks associated with their declared dams are of a level that is acceptable to the community.

Again, the people of New South Wales expect no less.

Paul O'Connor FAICD, FGIA
Chair, Dams Safety NSW

Overview

About Dams Safety NSW

We are the State's independent regulator responsible for ensuring dam owners manage the safety of their declared dams in NSW.

Established on 1 November 2019, under the *Dams Safety Act 2015*, Dams Safety NSW (DSNSW) makes decisions on how the legislation is administered.

During 2022/2023 DSNSW comprised five appointed members and the CEO with combined expertise in dam engineering, mine engineering, emergency management, dam operations and management, public safety risk analysis and best practice regulation.

The Chief Executive Officer is responsible for managing day-to-day operations of DSNSW. Staff are employed by the Department of Planning and Environment to carry out the agency's functions.

Our Vision

Safe dams for NSW

Our Mission

To empower, support and regulate dam owners in managing dam safety risks for the NSW community

Our Values

Trust, Service, Integrity, Accountability

Our behaviours

- We will be open and transparent
- We will establish cooperative and collaborative relationships with stakeholders to promote trust
- We will listen and be responsive to requests
- We will publish our performance results in a timely manner

Strategy

Our Strategic Plan 2022-2027

DSNSW's [Strategic Plan for 2022-2027](#) has been developed to move us toward ensuring dams safety risks are acceptable to the community and add value to our stakeholders.

DSNSW has developed three goals and ten strategies to achieve our mission and vision.

Our commitment is to be future-focused, confident and collaborative in the next phase of our growth. In the next five years we will:

- make it easier for dam owners to comply with NSW dam safety laws
- encourage voluntary compliance
- reinforce dam owner accountability
- engage effectively with stakeholders to promote transparency and accountability

The plan continues to build our journey to become an effective and efficient regulator.

Operations and performance

Operational statistics at a glance



What we do

DSNSW 'declares' dams with potential to endanger downstream life, cause major damage or loss to infrastructure, the environment, or have major health and social impacts. Owners of declared dams are accountable for managing their dams to ensure their safety, and to be compliant with the requirements of the *Dams Safety Act 2015* and Dams Safety Regulation 2019.

As of 30 June 2023, DSNSW regulates 380 declared dams across the state. These dams are owned by State Owned Corporations (SOCs), government enterprises, mining companies and power generators, local government councils and private owners. There are 149 owners of declared dams in NSW.

Our main role is to regulate the dam owners to manage the safety of all declared dams. We do this primarily by auditing declared dam owners' policies, processes and procedures to check compliance with the requirements of the *Dams Safety Act 2015* and the Dams Safety Regulation 2019.

DSNSW can enforce the Regulation through a range of penalties.

DSNSW provides guidance to declared dam owners on compliance with the regulation and standards.

We are also responsible for declaring notification areas surrounding, or in the vicinity of declared dams.

If a mining company applies to a consent authority to operate in a notification area, DSNSW will raise any concerns with the relevant consent authority. The authority must take these matters into account before granting development consent.

Our achievements

Our key achievements for the 2022-2023 financial year are listed below, aligned to the three strategic goals from the [Dams Safety NSW 2022-2027 Strategic Plan](#).

Goal 1: Ensure dam safety risk is acceptable to the community

1.1 Develop a comprehensive profile of dams in NSW

We will continually identify and assess potential dams for declaration and maintain an accurate database of declared dams in NSW.

Submissions made/advice provided on major projects

In accordance with the *Dams Safety Act 2015*, the Planning group (within the Department of Planning and Environment) will refer State Significant Development Projects and Extraction Plans for mining approvals within notification areas to DSNSW for review and recommendations. DSNSW restricts its comments and recommendations on major projects specifically to the potential mining impacts any proposed mining will have on the structure of declared dams.

This year DSNSW reviewed and provided advice on eight projects.

These included Dargues Reef Mine MOD 10, Tritton Copper Mine MOD 8, Northparkes Mines Mod 10, Glenmore Park Stage 3, Shoalhaven Hydro, Wongawilli Coal Mine WMP, Rasp Mine Mod 10, Dungowan Dam and Pipeline.

In addition DSNSW provided advice to developers regarding consequence categories of eight proposed basins to comply with requirements of council Development Applications.

Identifying potential dams for declaration

DSNSW searches for existing dams that may need to be assessed for possible declaration. This approach provides confidence that dams that may impact the community are identified and included in the regulatory regime.

Last year DSNSW completed the first stage of a project to better understand how many NSW dams are likely candidates for declaration.

Out of approximately 800 potential candidate dams (identified through mapping technology, recently approved dams, and information retained by the former Dams Safety Committee), DSNSW created a list of 110 dams. Dam safety engineers evaluated these dams using a newly designed screening tool to pinpoint the most probable contenders for declaration. This was subsequently refined to a final selection of 53 dams, none of which required declaration.

Owners and developers routinely approach DSNSW with proposals to evaluate basins and small dams for potential declaration as part of the Development Application process for local councils.

Declaring dams

Under the Dams Safety Regulation 2019, dams - or proposed dams - may be declared if they are more than 15 metres high or, in the event of failure, would result in major or catastrophic damage, loss or endanger the life of a person. The Regulation also mandates that a declared dam must be classified into one of seven consequence categories which take account of the potential impacts resulting from dam failure.

The assessment of danger to life is based on the population at risk (PAR) or a more detailed potential loss of life (PLL) assessment. The assessments for PAR and PLL are undertaken by dam owners (or their competent persons) and then reviewed by our engineering team against requirements of the Regulation and associated published methodology.

An estimate of the severity of damage and loss must also be determined using the methodology. This considers the estimated total infrastructure cost, the estimated environmental impacts, and estimated health and social impacts. These three broad categories must be examined in careful detail as set out in the methodology.

Occasionally, DSNSW is informed that some proposed declared structures will not be built. Such structures can undergo a process to have their declaration revoked.

More detailed consequence category assessments have the potential to reduce the uncertainty in understanding potential Loss of Life and Severity of Damage and Loss. This better understanding of the Loss of Life and Severity of Damage and Loss may result in a reassessment of the consequence categories, and, for some dams, a reassessment of the declared status, requiring some to be declared and others to have their declaration revoked.

During 2022/23, DSNSW revoked the declaration status of 22 dams (Table 1) and declared 8 dams (Table 2). At the end of 2022/23, there were 380 declared dams, with their respective consequence categories summarised in Table 3. Many proposed detention basins were evaluated and determined to not require declaration.

Table 1. Dams removed from the list of declared dams in 2022/23

Name of dam	Location
Bingara Gorge Storage Pond 1	Bingara Gorge, Wilton
Blackbutt Dam	Unnamed watercourse at Shellharbour
Broula King Tailings Dam 2	Tyagong Creek, Bumbaldry
Hera Water Management Dam	4km south of Nymagee
Montrose Dam	Wambo Creek, Warkworth via Singleton
South Bulli Basin 1	Bellambi Creek, Russell Vale
Mt Boppy Gold Mine TSF	Mulga Creek, Canbelego
Sunrise Mine TSF Cell 2	Fifield
Sunrise Mine Water Storage Dam	Fifield
Imperial Lake Dam	Willa-Willyong Creek near Broken Hill
Bulga Northern Tailings Storage Dam A	Bulga
Comberton Grange Detention Basin	Off-stream storage near Nowra
Delegate Retarding Basin	Delegate
Edmondson Park-Jardine Drive-Basin 12	Cabramatta Creek, Edmondson Park
Lemington Mine Tailings Dam	Off-stream storage near Warkworth
Maules Creek MWD2	Maules Creek, Boggabri
Maules Creek RWD2	Maules Creek, Boggabri
Diamond Circuit Basin	Rutherford
Lidcombe Basin 6	Tributary of Haslams Creek, Lidcombe

Name of dam	Location
The Cove Dam	Old Sydney Town, near Gosford
Brooklyn Retarding Basin	Unnamed watercourse, near Brooklyn
Abbotsbury Park Pond 2	Unnamed creek, Cecil Hills

Table 2. Dams added to the list of declared dams in 2022/2023

Name of dam	Location
Calmsley Hill City Farm Dam	Calmsley Hill, Abbotsbury
Scotts Dam	Adjacent to Paterson River, Wallalong
Amalfi Park Detention Basin	Graham Avenue, Lurnea
Narrabri Brine Water Dam	Baan Baa
Wyong STP Wet Weather Storage Pond	Ibis Road, Tuggerah
Soil Con Detention Basin	Evans Street, Cowra
Arboretum Detention Basin	Yarrabilly Drive, Cowra
Paris Place Detention Basin	Paris Place, Cowra

Table 3. Breakdown of declared dams by owner organisation type

Organisation type	Number of declared dams owned
Council	144
Mines	106
State Owned Corporation	62
Government enterprise	28
Private	20
Coal-fired power station	11
Miscellaneous	9
TOTAL	380

Table 4. Breakdown of consequence categories of declared dams in 2022/2023

Consequence category	Number of dams
Extreme	33
High A	48
High B	30
High C	100
Significant	149
Low	18
Very Low	2
TOTAL	380

1.2 Engage with the community about acceptable dam safety risk

We will consult the community on dam safety risks.

Stakeholder engagement survey

DSNSW committed in its 2022-2027 Strategic Plan to report on stakeholder satisfaction and to seek feedback from dam owners and other stakeholders through surveys, including a baseline stakeholder engagement survey in 2022/23.

This financial year DSNSW commissioned Woolcott Research to conduct a benchmarking survey to explore attitudes and perceptions of some of DSNSW's key stakeholders. The survey explored aspects such as:

- familiarity and compliance with dam safety regulations and obligations
- the barriers and challenges faced to achieve compliance
- incidence of engaging with external communities and stakeholders, and methods
- level of understanding of DSNSW, including aspects they are doing well and where improvements are required
- overall satisfaction with DSNSW, and across a range of service and engagement attributes
- satisfaction with DSNSW's level of communication and engagement, and
- preferred methods of engagement and resources and/or support required.

Survey responses were received from 76 declared dam owners and/or operators and 35 representatives of other stakeholder groups, including consultants, peak bodies, other regulators and government agencies, the NSW State Emergency Service and councils without declared dams.

Participating declared dam owners scored their overall satisfaction with DSNSW as 7 out of 10 (mean score) and a similar score of 7.2 was received from other stakeholder groups. This indicates satisfaction with DSNSW is reasonably high among respondents. Dam owners expressed a strong interest in having:

- more guidance documents, templates and fact sheets
- access to examples of actions and documents from other dam owners
- more face-to-face visits from DSNSW staff
- more information about past non-compliances and incidents.

Declared dam owners reported a range of barriers that prevented them from being fully compliant. These included time constraints and the amount of work required, staffing constraints, limited availability of consultants and experts and a lack of these skills in-house, the costs involved and/or a lack of funding and uncertainty about parts of the requirements.

DSNSW is currently developing a program of education and engagement activities for the 2023-24 financial year that addresses some of the findings of the survey. This will entail more communications and educational materials, events, engagement opportunities and visits to help dam owners to comply with legislation and engage with DSNSW.

1.3 Ensure dam owners are managing their dams' safety risk

We will audit declared dam owners in line with our compliance priorities and respond with appropriate regulatory action where required. We will provide timely advice to planning authorities about the potential risks of mining activities to dams, and work with dam owners to bring NSW declared dams below the safety threshold.

Compliance audit program

Our compliance audit program assesses requirements under the *Dams Safety Act 2015* and the *Dams Safety Regulation 2019*. It examines the performance of declared dam owners to ensure the safety of their dams.

The audit program is developed using a risk-based approach, concentrating our efforts on areas where the consequences of dam failure carry the greatest impact, and where the likelihood of non-compliance is highest. This ensures an effective and efficient allocation of our resources. The program aligns with our Regulatory Policy, the *Dams Safety Act 2015* and regulatory requirements, and the AS/NZ ISO19011:2019 framework for auditing management systems.

Throughout the year, DSNSW adopted a targeted approach for audits, aligning them with our established regulatory priorities. These priorities focussed on dams with high and extreme consequence categories, dams posing risks exceeding the safety threshold, and dams undergoing safety upgrade work.

In total, 26 compliance audits were completed. Of these audits, eight were focussed on assessing the emergency preparedness of owners whose dams carried risks above the safety threshold. The

outcomes of these audits prompted owners to revise their emergency plans and take proactive steps to carry out essential emergency exercises.

Throughout the year, 80 per cent of priority non-compliances identified during audits were resolved, while ongoing monitoring is in place for the remaining non-compliances. Many of the resolved non-compliances related to concerns in operations and maintenance plans, emergency plans, the implementation of management systems, and records management.

The commencement of the requirement to prepare risk reports led to an increase in the number of priority non-compliances, primarily due to overdue risk reports. By 30 June 2023, there were 41 open priority non-compliances relating to overdue risk reports for high and extreme consequence category dams. These non-compliances are being closely monitored.

Dam safety notices issued

This year, under section 19 of the *Dams Safety Act 2015*, we issued one direction, requiring a dam owner to carry out a program of improvement activities to reduce risk at their dam. We also issued one direction under section 15 of the Act, requiring a dam owner to submit their annual dams safety standards report for the previous year. We issued fewer directions this year than the previous year, as there were directions issued in the previous year requiring dam owners to provide their annual dams safety standards report. Last year was the first year this requirement was in force.

Mining in Notification Areas and mining consent and lease condition applications assessed

In accordance with section 48 of the *Dams Safety Act 2015*, DSNSW may declare a Notification Area surrounding, or in the vicinity of, a declared dam.

DSNSW considers the impact of mining on the declared dam itself when declaring Notification Areas, not the impact of mining on the contents impounded by the dam.

Before granting development consent for any mining operations in a notification area, a consent authority must:

- refer the application for development consent to DSNSW, and
- consider any matters that are raised by DSNSW in relation to the application.

Any existing lease conditions that relate to mining in Notification Areas continue to apply. Any reference to the former Dams Safety Committee in existing lease conditions can be taken to refer to DSNSW, and the conditions remain in force.

DSNSW has 28 days to assess the application and make recommendations for dam monitoring conditions based on the mining operations proposed and the specific design, construction, and consequence category of the dam.

This year DSNSW reviewed and provided advice on 14 mining consents and 85 lease applications.

Review of risk reports for declared dams

Under clause 15 of the Dams Safety Regulation 2019, declared dam owners are required to use the regulation's risk management framework, and the published societal and individual risk rating methodology, to produce a written report on all foreseeable risks to their dam at least once every five years.

The first tranche of 75 risk reports (owned by 45 dam owners) was due to be submitted to DSNSW by 31 December 2022.

At 30 June 2023, DSNSW had received 31 of the 75 requested risk reports. To address this disappointing level of compliance, DSNSW contacted dam owners to gain an understanding of what prevented them from submitting their risk reports. Key reasons given included:

- Work required was more complex than originally thought (taking longer to complete)
- Started engagement of professional services too late
- Difficulty finding suitable professional services to complete the work in time.

DSNSW committed to take appropriate regulatory action and develop further educational tools and resources to improve dam owner compliance with risk reporting.

Dams with risks above the safety threshold undergo thorough monitoring

When Dams Safety NSW talks about dam safety, we talk about a dam owner taking all reasonable measures to minimise their dam's risk of failure. To do so, a dam owner must first investigate the risks of dam failure and compare them to the safety threshold, which is a risk level defined in the Dams Safety Regulation 2019. DSNSW closely monitors those dams above the safety threshold to ensure the dam owners are taking steps to reduce the risks so far as is reasonably practicable (SFAIRP).

Once a dam owner assesses the risk of dam failure is below the safety threshold, the owner must continue to investigate and implement measures to further reduce this risk to a SFAIRP level, based on contemporary good practice for dam safety. At 30 June 2023 there are 17 dams identified as having safety risks above the safety threshold.

Table 5. Dams above the safety threshold in 2022/23

Name of dam	Owner of dam
Cataract Dam	WaterNSW
Chichester Dam	Hunter Water
Dumaresq Dam	Armidale Regional Council
Eraring Ash Dam	Origin Energy
Fairfield Golf Course Basin	Fairfield City Council
Gosling Creek Dam	Orange City Council
Grahamstown Dam	Hunter Water
Jounama Dam	Snowy Hydro Limited

Name of dam	Owner of dam
King Park Basin	Fairfield City Council
Mimosa Road Basin	Fairfield City Council
Palm Tree Grove Detention Basin	Central Coast Council
Sawyers Swamp Creek Ash Dam	Generator Property Pty Ltd
Stockdale Basin	Fairfield City Council
Talbingo Dam	Snowy Hydro Limited
Tumut Dam No.3 Inlet Structure	Snowy Hydro Limited
Warragamba Dam	WaterNSW
Winburndale Dam	Bathurst Regional Council

DSNSW works with dam owners to ensure remedial actions are in place to reduce safety risks to acceptable levels in a timely manner, and to monitor compliance with agreed remedial action plans. DSNSW will continue to monitor progress being made by affected dam owners and identify proposed escalated regulatory action, if warranted under the [Dams Safety NSW Regulatory Policy](#).

Goal 2: Dam owners are capable, accountable and transparent in managing dam safety

2.1 Make it easy for dam owners to comply with NSW dams' safety laws

We will deliver targeted and user-friendly information and education to make our regulatory expectations clear and increase the level of compliance with dam safety laws.

Stakeholder engagement activities

DSNSW is committed to helping declared dam owners comply with dam safety laws because we know most people want to do the right thing. We aim always to listen, acknowledge different perspectives, and encourage a two-way relationship.

Voluntary compliance is more likely to be achieved when our declared dam owners understand their responsibilities and the reasons behind them. By providing information, education and support to declared dam owners and other relevant stakeholders, our collaborative approach helps to ensure the safe management of NSW's declared dams.

By addressing the actual causes of non-compliance, rather than only its outcomes, we hope to offer a more supportive regulatory environment for dam owners who want to comply.

This financial year DSNSW continued to focus on engaging with our primary stakeholders, declared dam owners. We also prioritised engaging with dam safety consultants. Consultants, as competent persons, often carry out important work for declared dam owners.

Face-to-face consultant's forum

The DSNSW consultants' forum, held on 14 October 2022 at Parramatta, gave engineering consultants the chance to ask DSNSW questions about new legislative requirements, particularly those related to risk reports.

Mr Peter Boyd, DSNSW's Governance and Assurance Manager, outlined the July regulation changes, and emphasised that the main aim of the changes was to reinforce the responsibilities of the people involved in keeping dams safe. Principal Dams Safety Engineer, Jason Porter, spoke about DSNSW's expectations on how declared dam risk reports should be structured so that the reports comply with the regulation.

The participants raised many questions and issues that prompted discussion throughout the forum, including how:

- dam augmentations are not the same as other major changes to a dam
- quantitative analysis is difficult for dams that don't have very much dam information
- cost-benefit analyses should be carried out and whether a guideline on 'So Far As Is Reasonably Practicable' is needed.

Emergency exercises education campaign

To help declared dam owners comply with their regulatory requirements, and encourage best practice in conducting emergency exercises, DSNSW partnered with the NSW SES and declared dam owners to develop an emergency exercise education campaign. The program was informed by data from targeted surveys, declared dam owners' self-reports, audit findings, existing resources provided by other entities and NSW SES observations. DSNSW and the NSW SES held regular meetings, shared resources and staffing and liaised on key points throughout the project.

South Korean dam safety delegates' meeting with DSNSW

In May 2022, at our office in Parramatta, DSNSW hosted a delegation of five senior officials from South Korea's Ministry of Agriculture, Food and Rural Affairs (MAFRA) and the Korea Rural Community Corporation (KRC). Local governments in South Korea and the KRC own 17,080 agricultural dams that are regulated and audited by MAFRA. The purpose of the delegate's visit was to exchange ideas and knowledge about dam safety regulation and policies. The face-to-face meeting gave DSNSW the opportunity to learn from another dam safety organisation's experiences, reaffirming our commitment to continuous improvement and global cooperation.

Speaking events and webinars

In June 2023, the CEO presented at the **NSW Local Government Water Conference** in Parkes, NSW, giving an overview of dam safety regulation, governance and emerging issues. The conference outlined practical solutions to water and sewerage management and explored issues and

challenges facing local water utilities. Delegates also heard about the latest water policy initiatives and government priorities, as well as ways to address skills shortages and training opportunities.

ANCOLD 2023 The October 2022 Australian National Committee on Large Dams (ANCOLD) conference in Darling Harbour, Sydney, provided an opportunity for Dams Safety NSW (DSNSW) to engage with declared dam owners and dam safety engineering consultants.

The conference theme, 'Sustainable Dams in a Climate of Change', was timely given the significant changes to the operating landscape that is impacting the dams industry. Climate change is impacting on water availability and floods, and this is changing the way dams are operated, designed and managed. The nature of the evidence available to inform decisions and their associated uncertainties is also changing, and this has implications for how dam owners assess risks and plan for the future.

About 400 industry experts attended the event, and there were more than 250 visits to the DSNSW booth. Many people came to help build the DSNSW LEGO® 'Neverfail' dam after collecting a LEGO® piece at the coffee cart, stopping to chat to our staff about NSW dam safety legislation and the role of the regulator in dam safety.

During 2022/23 DSNSW's webinar program included:

- **How to prepare your dam's Annual Dam Safety Standards Report**, presented by Peter Boyd, Governance and Assurance Manager, who explained all the requirements relating to the Annual Safety Standards Report.
- **Conducting a dam emergency exercise forum** - Forum participants heard about the benefits of conducting emergency exercises from declared dam owners, the NSW SES and DSNSW. They also gained tips and insights to help plan, conduct and review an emergency exercise. Declared dam owners in NSW are legally required to conduct an emergency exercise for their dam. NSW legislation requires that at least one emergency exercise must have been conducted for NSW declared dams before 1 November 2024.

The webinar program proved highly successful with over 500 people attending the sessions and many appreciating the opportunity to have their questions answered. The 'Conducting a dam emergency exercise' forum proved especially popular, with 260 people registering for the online event.

Recordings of the webinar program are available on our [website](#).

Dams Safety Focus is the Dams Safety NSW quarterly e-newsletter that provides important safety information to declared dam owners and other stakeholders.

This financial year three issues of the newsletter were emailed to more than 650 subscribers, as well as other eDMs (Electronic Direct Mail items) notifying stakeholders about flood warnings, inviting them to webinars and asking for their feedback.

DSNSW aims to provide easy-to-understand and transparent information to communicate our expectations to our key stakeholders.

This year DSNSW continued to develop and review fact sheets and online articles to help our declared dam owners and dam safety consultants understand their legislative responsibilities.

In response to the many calls DSNSW receives from declared dam owners asking for recommendations for consultants to conduct dam-related safety work, we compiled, and maintained, an online list of consultants involved with dam safety work.

Update on online training course ‘Surveillance of embankment dams - routine inspections’

During the 2022-23 financial year 146 people enrolled in the DSNSW ‘Surveillance of embankment dams – routine inspections’ online course.

Ten participants were assessed against the National Water Training Package unit of competency ‘NWPCAD011 - inspect and report on embankment dam safety’ by registered training organisation Water Training Australia. DSNSW runs these competency assessments for declared dam owners and their staff.

We are again collaborating with TAFE NSW to develop and launch another self-paced, on-line training module, the ‘Surveillance of concrete dams - routine inspections’. This course will help NSW dam owners and their staff understand the activities involved in conducting routine visual inspections of concrete dams.

Our competency assessment program will also be available for people who successfully complete the new online course and work for a declared dam in NSW. The ‘Surveillance of concrete dams’ course will open for enrolments in late 2023.

Education pilot program

DSNSW works to ensure that declared dam owners know their responsibilities under the dam safety legislation. We provide a range of education and communication tools to make it easier for declared dam owners to understand the requirements. We educate, enable and encourage declared dam owners to actively comply with the law so that we can prevent non-compliant activities and avoid the need for enforcement.

This financial year the DSNSW education team visited 10 declared dam owners as part of an education pilot program. The program targeted declared dam owners that have not been audited, in a mix of sectors, where owners are likely to be reliant on consultants and/or did not self-report a fully implemented dam safety management system.

The site visits included presentations by DSNSW staff, handouts of relevant communications materials and a walk and talk at the dam site. The visits aimed to improve understanding of regulatory requirements, increase compliance and provide opportunities for engagement.

2.2 Reinforce dam owner accountability

We will engage dam owner senior leadership during audits and education activities. We will conduct enforcement activity where necessary to deter and rectify non-compliant behaviour. We will launch a self-reporting portal for dam owners.

New compliance and audit IT project

This financial year DSNSW refined requirements for our IT infrastructure to allow us to carry out our compliance tasks with improved efficiency. The project will be completed and delivered throughout 2023/2024.

The objectives of this project include:

- Reducing the number of IT systems used currently
- Automating critical processes to increase efficiency
- Establishing a centralised system for better collaboration with stakeholders.

2.3 Support dam owners to be transparent about their dams' safety risks

We will drive improvement in dam owners' annual safety reporting and develop communications tools that help dam owners explain dam safety risks to their communities.

Annual Dams Safety Standards Reports

The dams safety legislation requires all declared dam owners to publish an Annual Dams Safety Standards Report for their dam, and to provide a copy to Dams Safety NSW. The report is the means by which a dam owner's 'accountable office holder' attests to the dam owner's level of compliance with the dams safety standards prescribed in the Dams Safety Regulation.

As of 30 June 2023, DSNSW had received 79 per cent of all Annual Dams Safety Standards Reports. For the remaining outstanding reports, we followed-up with the respective owners. Reminder emails were sent to dam owners of extreme and high consequence category dams. Dam owners who did not submit their Annual Dams Safety Standards Report by the due date were issued with a notice.

Fact sheet: Why it's important for dam owners to engage with the community

This year DSNSW developed a [fact sheet](#) to explain why it is important for dam owners to engage with communities that live near their dams.

Dam owners have a legal obligation to comply with dam safety standards that reflect a duty of care to communities living near dams. Good relationships with the community will be critical in the event of a dam safety incident and may help to keep people safe.

Engaging with the community about dam safety can help build awareness about the vital role dams play while improving community knowledge and understanding about dam safety management practices. Building awareness also creates the opportunity to proactively address important topics and issues, such as how dams operate during flood events.

Dam safety reported incidents responded to promptly

An owner of a declared dam must ensure that incidents occurring at, or in relation to, their dams are reported to us as soon as possible after the incident. Depending on the severity of the incident, DSNSW will follow up with the dam owner to ensure that appropriate investigations are carried out and the root cause of the incident addressed. We also look for patterns of similar incidents that may suggest ongoing or broader issues across a number of dams. In this reporting year, there were no broader issues identified.

We have an incident reporting phone number which operates 24 hours/7 days a week. The incident number is carried by a standby duty officer system to ensure prompt response to incidents. All dam safety reported incidents were responded to within a very short time of being notified.

Of the 10 incidents reported to DSNSW this financial year, the breakdown is as follows:

- 5 flood level alerts
- 2 minor slips/slumps
- 1 tailings dam release
- 1 vandalism, restricted access to dam.

Of the above reported incidents, only one incident required extended follow up. That incident was a release from a tailings dam that resulted in water and approximately 200m³ of tailings flowing through the tailings dam and discharged off site to a neighbouring property. DSNSW have received a copy of the dam owner's engineering advice and has closed out the incident.

Goal 3: Dams Safety NSW is recognised as a fair, transparent and effective regulator

3.1 Identify and follow best practice

We will seek to continually improve our regulatory approach through regular benchmarking, striving for gains in effectiveness and efficiency, and actively engaging with the latest developments in regulatory practice.

Dams Safety NSW 2023 regulator maturity assessment

DSNSW completed a second regulatory maturity assessment in May 2023 - the first assessment was conducted in 2020. The second assessment was carried out by an independent consultant, RECAP Consultants, a consultant specialising in regulatory practice and regulator maturity assessments. The maturity assessment used the Modern Regulator Improvement Tool (MRIT), which was developed by the Australasian Environmental Law Enforcement and Regulators network (AELERT).

The assessment showed that DSNSW continues to make very good progress in becoming a modern, and best practice regulator. Since the 2020 assessment DSNSW advanced in 8 of the 12 assessment tool attributes, maintained position in the remaining 4 attributes, and is well placed to progress further.

Quality Management System

DSNSW plans to achieve ISO 9001 certification in 2023/2024. This year the first draft of the quality management system document was produced, and key assurance processes included, such as the internal audit schedule and internal procedure, and the continued improvement of the Regulatory Oversight Committee's processes.

3.2 Invest in our people

We will develop the capability of existing staff and aim to attract, retain and progress the best people through a sustainable employment model and fostering an effective organisational culture.

Development program for DSNSW leaders

We invest in our leaders' personal and professional development. To this end, this financial year DSNSW partnered with the Anson Group to develop and deliver a development program for its current and future leaders. The program aims to further enhance participant's understanding of

leadership impact and influence and provide tools and models for both leadership and team development.

Participants gained new perspectives on how to solve problems, communicate well and maintain strong working relationships. It also helped them to maintain and improve a healthy work life balance.

3.3 Demonstrate excellence in governance

We will maintain robust governance frameworks to ensure clear accountabilities and support transparent regulatory decision-making.

Regulatory Oversight Committee (ROC)

The DSNSW Regulatory Oversight Committee (ROC) was established in August 2021 to ensure that our regulatory decisions and actions reflect the above regulatory principles.

The ROC aims to ensure that there is appropriate internal oversight, accountability, and consistency in regulatory decision-making within DSNSW in accordance with the principles set out in the regulatory policy. The ROC provides the mechanism for DSNSW to review previous regulatory decisions to enable consistent decisions to be made. The ROC also ensures appropriate assurance processes are in place for independent review of regulatory decisions. The ROC comprises the CEO and four senior managers plus, by invitation, any staff subject matter experts for specific dams or basins as needed. In 2022-2023 the ROC met six times. Regulatory decisions made included action to be taken for:

- dam owners who had not submitted an Annual Dams Safety Standards Report
- dams with risk ratings over the safety threshold
- dams with completed required remedial works – evidence of completion
- dams with overdue risk reports
- dam owners with overdue responses to audit non-compliances
- joint dam ownership issues.

Review of DSNSW risk management framework

DSNSW reviewed its strategic risk framework, in light of the Department's implementation of a new risk management framework, and procedures in 2022. DSNSW's risk management framework uses the Department's risk approach as the basis for its risk management activities and has established a complementary set of three strategic risks that focus on DSNSW's regulatory role.

3.4 Engage effectively with stakeholders

We will update our stakeholder engagement strategy and seek feedback from dam owners and other stakeholders through forums, surveys and other engagements. We will increase the availability of information about dams safety, including publishing enforcement activities on our website to enhance the safety of dams in NSW.

Revision of Stakeholder Engagement Strategy

DSNSW's first Stakeholder Engagement Strategy was developed when DSNSW was first established, for the transition period (1 November 2019 through 31 October 2021). This financial year, the Stakeholder Engagement Strategy was revised.

Our revised Stakeholder Engagement Strategy:

- sets out the key principles DSNSW will use to inform its engagement activities, so stakeholder interactions follow a consistent approach, are meaningful, productive, transparent, and deliver public value
- reflects DSNSW's commitment to continue to work with stakeholders, build on past engagement experiences and, continue to embed effective stakeholder engagement practices to achieve better public policy outcomes and improve customer service delivery
- delivers on DSNSW's mission - to empower, support and regulate dam owners in managing dam safety risks for the NSW community
- aligns with the principles outlined in the NSW Department of Planning and Environment stakeholder and community engagement policy.

Relationships with other agencies continue to be strengthened

As a contemporary regulator, DSNSW learns from and shares information about our experiences with other regulators. Accordingly, this financial year we continued to advocate for better ties with other regulatory and industry agencies.

DSNSW continues to liaise closely with the NSW State Emergency Service (NSW SES). DSNSW and the NSW SES held meetings in August 2022 and March 2023 to discuss how to improve declared dam emergency planning in NSW, and how the two organisations could better work together. Both organisations participated in a forum on emergency plans in June 2023 and prepared two papers, in June 2023, for co-presentation at the Australian National Committee on Large Dams (ANCOLD) conference in October 2023.

DSNSW maintains the following Memoranda of Understanding with four NSW agencies:

- NSW Resources Regulator, as both agencies have a role in ensuring the safety of declared dams on mine sites. The MOU clarifies the responsibilities and functions of each agency and establishes a framework for cooperation on joint operational activities and investigations.
- NSW Environmental Protection Agency, to clarify the responsibilities and functions of each agency regarding declared dams and to establish a framework for cooperation on joint operational activities
- Public Works Authority, to establish the working arrangements during dam safety incidents or emergencies
- Commissioner of Fines Administration, to provide a framework for cooperation in implementing and maintaining administrative arrangements for the collection and enforcement of fines.

In 2023 DSNSW became a member of the Australasian Environmental Law Enforcement and Regulators network (AELERT). AELERT is an internationally recognised professional network for regulators across Australasia and plays an important role in Australasia to advance world class regulatory practice. AELERT's current membership includes over 250 member agencies and more than 3,000 individual members. Membership of AELERT will ensure DSNSW improves its regulatory practice through regular contact with other regulatory agencies.

We actively engaged with The Water Directorate, NSW Office of Local Government, NSW Independent Pricing and Regulatory Tribunal and other dams safety regulatory bodies throughout Australia.

Throughout the year, the CEO of DSNSW advocated for including a dam safety element in the NSW Government's Town Water Risk Reduction Program. This effort was focussed on supporting regional local government owners of declared dams.

Additionally, the CEO collaborated with Engineers Australia, as well as fellow dam safety regulators and industry experts, to develop a competency framework tailored for dam engineers. The primary objective of this initiative is to establish a baseline standard of expertise for specific aspects of professional practice. This proficiency level aims to instil confidence among dams owners when engaging these engineers for their services. The project is in the early phase of defining its scope, objectives, and delivery timeframes.

DSNSW CEO and Manager Governance and Assurance represent DSNSW on the Department of Planning and Environment's senior officers' stakeholder group to share data, knowledge and formulate improvement projects. The Town Water Risk Reduction Program is ongoing.

Management and accountability

Our people

In accordance with the *Dams Safety Act 2015*, DSNSW does not directly employ staff. Staff are employed by the Department of Planning and Environment to enable DSNSW to exercise its functions.

People Matter 2022 NSW Public Sector Employee Survey

In 2022 our team's engagement score was 77, above the department's overall score of 67. Particularly noteworthy were the results in the categories of 'Purpose and direction', 'Leadership' and 'Work Environment'. These results underscore our agency's thriving and constructive culture, fostering collaboration and ensuring staff feel valued.

Our management team

Chris Salkovic

Chris is the Chief Executive Officer of Dams Safety NSW. Chris is responsible for the day-to-day operations of the agency.

Chris is an asset management leader and certified asset management assessor (CAMA) with over 25 years' experience in infrastructure risk management, strategic planning, program management and operations and maintenance improvement.

Peter Boyd

Peter is the Governance and Assurance Manager. Peter is responsible for regulation and policy development, and regulatory best practice.

Peter has a mechanical engineering background. After an initial technical career, Peter gained extensive experience in developing and auditing quality and safety management systems.

Peter joined the Civil Aviation Safety Authority Australia to establish risk-based compliance monitoring based on safety management systems. He held senior executive positions at CASA in organisation design, governance, risk, operational strategy and regulatory practice, regulation development and regulation implementation, and airworthiness engineering.

Margaret Hynes

Margaret is the Capability Manager. Margaret's 20 years' experience in water and in corporate services, business improvement and administration bring vital skills and leadership to the organisation.

Margaret oversees the Board Secretariat, stakeholder engagement, information management, education activities and the corporate relationship with the Department of Planning and Environment. Margaret runs continuous improvement initiatives to ensure that Dams Safety NSW successfully supports dam owners and the Government.

Jason Porter

Jason is Dams Safety NSW's Principal Dam Safety Engineer with 30 years' professional engineering experience.

Jason is responsible for reviewing and analysing dam safety documentation and studies for declared large dams. He provides specialist advice to Dams Safety NSW on the risk levels posed by large dams and the extent to which dam owners are meeting their obligations under the legislation.

Muhammed Akber

Muhammed is DSNSW's Operations Manager. He joined Dams Safety NSW in 2020. Before joining Dams Safety NSW, he worked in the water industry to implement safety, quality and asset management systems across plant operations. Muhammed is currently responsible for leading DSNSW Operations team to ensure compliance oversight of declared dam owners across NSW.

Table 6: Number of officers and employees by category with previous year comparison

	2022-2023	2021-2022	2020-2021
Ongoing	20	11	13
Temporary	0	7	4
Executive	1	1	1
TOTAL	21	19	18

Table 7: Numbers and remuneration of senior executives 2022-2023

	2022-2023		
	Male	Female	Total
Band 4 Secretary	0	0	0
Band 3 Group/Deputy Secretary	0	0	0
Band 2 Executive Director	0	0	0
Band 1 CEO Dams Safety NSW	1	0	1
TOTAL	1	0	1

Our governing body

Dams Safety NSW is an independent governing body that oversees and monitors the organisation. The governing body consists of six members: at least five part-time members who are appointed by the Governor of NSW on the recommendation of the Minister for Property, Water and Housing and the CEO who manages the day-to-day operations of the Dams Safety NSW. The Minister approved the appointment of the inaugural members of Dams Safety NSW on 1 November 2019.

Appointed members (including the chair) hold office for the period specified in their instrument of appointment.

Members meet every 8 weeks, or more frequently as required.

Dams Safety NSW (Board) effectiveness review

A review of performance and effectiveness was undertaken by Dr Judith MacCormick and Mr Simon Rumore of Board Focus. The reviewers surveyed and interviewed current and former members, management and departmental stakeholders. Overall, the members were seen to be deeply experienced, aligned to a common purpose to ensure the safety of dams in NSW and committed to enhancing their contributions. Members were seen to be keen to be setting an aspirational tone for the agency as a modern regulator and partner with dam owners.

While no major areas of concern were identified, opportunities for improvement were identified in high-performance reporting, better use of the strategy and risk framework and improved stakeholder engagement. Several actions are underway to strengthen superintendence and improve regulatory outcomes.

Dams Safety NSW members

Paul O'Connor – Chair

Term of appointment: November 2022 – October 2025

Mr O'Connor is an experienced governance leader and former federal safety regulator, passionate about the prevention of harm. He cares deeply about communities being safe and confident, well prepared for risk and uncertainty.

Paul has delivered significant public value as a CEO and non-executive director. In a global career, he supported highly aligned teams to deliver on their service promises, sustain sound performance and organisational health and build community and stakeholder trust and confidence.

Paul is a Fellow of the Australian Institute of Company Directors, a Fellow of the Governance Institute of Australia and, a national Fellow of the Institute of Public Administration Australia. He has an extensive governance practice and was a Visiting Fellow at the Australian National University in its School of Regulation and Global Governance until the end of 2022.

Ross Carter – former Chair

Term of appointment: November 2019 – October 2022

Mr Carter is a regulatory expert with over 30 years' experience in the design and implementation of policy and regulation. His roles have ranged from field-based regulatory operations in rural and regional areas to senior executive positions at both state and national levels. His senior executive roles have included key leadership, governance and decision-making roles in significant independent regulatory institutions, for example as Executive Director Sydney Region with the NSW EPA and as Executive General Manager with the Australian Clean Energy Regulator.

Ross was a Commissioner with the NSW Independent Planning Commission for six years. Ross is a member of the Code Review Panel of the Carbon Industry Code of Conduct, Independent Chair of the NSW DPIE Compliance and Enforcement Panel (Native Vegetation), and is the Inspector-General of Live Animal Exports with the Australian Government.

Julie Garland McLellan – Deputy Chair

Term of appointment: November 2021 - October 2024

Ms Garland McLellan is a Chartered Civil Engineer with experience in both the water and the resources industries. Her senior executive and board roles have included business development manager for Thames Water, Board member for Melbourne Water and City West Water, Director for Bounty Mining and Tamar Gold.

Julie is also a course creator and facilitator for both the Australian Institute of Company Directors and the Governance Institute of Australia.

Alex Fisher – former Deputy Chair

Term of appointment: November 2019 – October 2022

Dr Fisher is an experienced organisational leader, senior executive and director with over 25 years' experience in a diversity of environments including the military, academia, utilities, government and consulting.

Alex has expertise in dam operation and management, emergency management and best practice regulation, organisational leadership and governance working across a range of stakeholders.

Shane McGrath

Term of appointment: November 2019 – October 2025

Mr McGrath is a civil engineer with over 40 years' experience in the water industry. He has extensive experience in senior leadership roles for construction, operation, maintenance and management of major dams and other water supply infrastructure, both in Australia and overseas.

Shane was an executive member of the Australian National Committee on Large Dams (ANCOLD), a member of the Dam Safety Committee of the International Commission on Large Dams (ICOLD), a Fellow of the Institution of Engineers and a Chartered Professional Engineer.

Ian Landon-Jones

Term of appointment: November 2022-October 2025

Mr Landon-Jones is a civil engineer, project director, senior executive and director with over 40 years' experience in the water industry, and more than 20 years in the implementation of regulation.

Ian has expertise in dam safety management, asset management, design and delivery of major infrastructure, mining impacts on assets, emergency management, financial management and policy development.

His senior executive and board roles have included General Manager Dam Safety and Technical Director for WaterNSW, Chair of the Interim Dam Safety Advisory Committee, Chair and Board member of the Australian National Committee on Large Dams.

Ian currently serves as a member of the hydro-mechanical and earthquake committees of the International Commission on Large Dams. He was a member of the former NSW Dams Safety Committee for 15 years.

Rob O'Neill

Term of third appointment: November 2021 – February 2023

Mr O'Neill has extensive water engineering and management expertise and has an in-depth understanding of best-practice regulation for the NSW water management and infrastructure sector, having worked for a number of different organisations in this sector for over 30 years.

Rob also served as a member and chairperson of the Interim Dams Safety Advisory Committee.

Chris Salkovic - Chief Executive Officer

Mr Salkovic is an asset management leader and certified asset management assessor (CAMA) with over 25 years' experience in infrastructure risk management, strategic planning, program management and operations and maintenance improvement. As Chief Executive Officer of Dams Safety NSW, Chris is responsible for the day-to-day operations of the agency.

Dams Safety NSW meetings

In 2022-23, Dams Safety NSW members met on seven occasions:

- 26 July 2022
- 6 September 2022
- 10 October 2022
- 29 November 2022
- 31 January 2023
- 28 March 2023
- 23 May 2023.

Integrity of Dams Safety NSW

Members of Dams Safety NSW must disclose any pecuniary or other interests that may conflict with the proper performance of their duties. All members of Dams Safety NSW lodged their disclosures for the 2022-23 financial year. These disclosures are monitored and discussed for their relevance at the start of every meeting.

Code of Conduct

Members of Dams Safety NSW follow:

- the [Dams Safety NSW Code of Conduct](#), which outlines the fundamental values and principles that define the standards of behaviour expected by each member
- the [Dams Safety NSW Charter](#), which outlines the main principles adopted by the Members of Dams Safety NSW to develop, implement and maintain good corporate governance
- the NSW Government Boards and Committees Guidelines, which outline fundamental values and principles that members should adhere to when carrying out their duties.

External complaints

If complaints about DSNSW are received through DPE Feedback Assist platform, they will be managed under the Department’s complaint handling process and will be included in the Department’s statistical information. In 2022-23, DSNSW received no external complaints.

Consultants

Table 8. Consultancies less than \$50,000

Name	Description	Cost
Record Keeping Innovations	Information & Records Management Framework	\$30,000

Table 9. Consultancies more than \$50,000

Name	Description	Cost
Nil		

Governance framework

The governance framework describes how DSNSW sets responsibilities, practices, policies, processes and procedures to provide strategic direction, achieve our intended purpose, manage risks, comply with all relevant legislation and meet expectations of probity, accountability and transparency. The governance framework was reviewed and updated in May 2023.

Delegations assurance framework

As part of its governance processes, DSNSW has implemented a delegation assurance plan and associated procedures to ensure that delegations to officers are managed appropriately, and that officers of DSNSW are exercising their delegations appropriately.

The plan’s controls and assurance measures have been designed to be commensurate with the risk associated with each delegation.

Compliance with the delegation assurance plan is included in the internal audit schedule.

Ethics and integrity

Employees of Dams Safety NSW are employed by the Department of Planning and Environment (the department) to enable Dams Safety NSW to perform its functions. Employees are obliged to comply with all integrity obligations of the department’s Code of Ethics and Conduct (the Code).

For further information on the ethical framework, please see the Department of Planning and Environment's Annual report.

Public Interest Disclosures

Under the *Public Interest Disclosures Act 1994*, each public authority is required to prepare an annual report on their obligations under this Act. This information for Dams Safety NSW is captured in the Department of Planning and Environment's Annual Report as all Public Interest Disclosures are managed centrally by the Department. Dams Safety NSW did not receive or make any Public Interest Disclosures during the 2022/23 financial year.

Standing Order 52

During the reporting period, the NSW Legislative Council did not compel DSNSW to produce any documents.

Public access to information

DSNSW has delegated its functions under section 9 of the *Government Information (Public Access) Act 2009* (GIPA Act) to the Information Access and Privacy Unit of the NSW Department of Planning and Environment. Therefore, all statistical information about access applications required to be included in an annual report regarding DSNSW, in compliance with section 125 of the *Government Information (Public Access) Act 2009* and Clause 8 of the *Government Information (Public Access) Regulation 2018*, is included in the annual report for the Department of Planning and Environment.

This financial year DSNSW did not receive any applications for access to information.

Privacy

DSNSW complies with the Privacy Management Plan for the Department of Planning and Environment. The Plan outlines how the Department and its cluster agencies comply with the principles of the *Privacy and Personal Information Protection Act 1998* (PPIP Act) and the *Health Records and Information Privacy Act 2002*. Officers in the Department's Information Access Team also provide specialist privacy advice and training to departmental cluster staff.

In 2022-23 DSNSW received no applications for review under Part 5 of the PPIP Act.

Sustainability

Work, health and safety

Table 10 - incidents reported to the department's WHS Team in 2022 - 2023.

Incidents recorded	Date occurred
Knee injury	28/06/2023

Modern slavery

Dams Safety NSW operates under the Department of Planning and Environment (the department) procurement framework and the department provides services to the Dams Safety NSW. All Modern Slavery Act 2018 (NSW) requirements are managed through this framework. For further information on please see the Department of Planning and Environment's Annual report.

Appendices

Appendix 1. Internal audit and risk management attestation

Internal Audit and Risk Management Attestation Statement for the 2022-2023 Financial Year for Dams Safety NSW

I, Paul O'Connor, Chairperson of Dams Safety NSW, am of the opinion that Dams Safety NSW has internal audit and risk management processes in operation that are, taking into account the Small Agency Exemption granted to Dams Safety NSW, consistent with the Core Requirements set out in the Internal Audit and Risk Management Policy for the General Government Sector, specifically:

Core Requirements

Risk Management Framework

1.1 The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency. Compliant

2.1

1.2 The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018. Compliant

Internal Audit Function

2.1 The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose. Non-Compliant;
Small Agency Exemption

2.2 The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing. Non-Compliant;
Small Agency Exemption

2.3 The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'. Non-Compliant;
Small Agency Exemption

Audit and Risk Committee

3.1 The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations. Non-Compliant;
Small Agency Exemption

3.2 The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'. Non-Compliant;
Small Agency Exemption

Departures from Core Requirements

I, Paul O'Connor, Chairperson of Dams Safety NSW, advise that the internal audit and risk management processes for Dams Safety NSW depart from the following Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*.

The circumstances giving rise to these departures have been determined by the Responsible Minister, a Small Agency Exemption has been granted, and Dams Safety NSW has implemented the following practicable alternative measures to meet the Core Requirements:

Departure	Reason for departure and description of practicable alternative measures implemented/being implemented
Non-Compliance	
<ul style="list-style-type: none">• Core Requirement 2.1	Dams Safety NSW has established an internal audit function that is commensurate with the size of the agency. A Small Agency Exemption applies.
<ul style="list-style-type: none">• Core Requirement 2.2	Dams Safety NSW has established an internal audit function that is commensurate with the size of the agency. A Small Agency Exemption applies to the internal audit function to the extent that it is consistent with the International Standards for Professional Practice for Internal Auditing.
<ul style="list-style-type: none">• Core Requirement 2.3	Dams Safety NSW has established an Internal Audit Charter that is commensurate with the size of the agency. A Small Agency Exemption applies.
<ul style="list-style-type: none">• Core Requirement 3.1	Dams Safety NSW members carry out applicable internal audit committee activities. A Small Agency Exemption applies.
<ul style="list-style-type: none">• Core Requirement 3.2	The Internal Audit Charter includes activities normally undertaken by an audit committee. A Small Agency Exemption applies.

These processes, including the practicable alternative measures being implemented, demonstrate that Dams Safety NSW has established and maintained frameworks, including systems, processes, and procedures for appropriately managing audit and risk within Dams Safety NSW.

Mr Paul O'Connor FAICD
Chairperson, Dams Safety NSW
Date: 28 August 2023

Agency contact:
Mr Peter Boyd
Governance and Assurance Manager

Appendix 2. Cyber security attestation

Cyber Security Annual Attestation for the 2022-2023 Financial Year for Dams Safety

I, Chris Salkovic, Chief Executive Officer, am of the opinion that Dams Safety have managed cyber security risks via the Department of Planning and Environment in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

The Department of Planning and Environment has a Cyber Security Strategy in place to ensure a constant focus on improving and managing cyber security governance, risk, and resilience. Continuous assessment and management of risks to the Department's information and critical systems is accomplished through our cyber security program and routine operational activities.

Throughout the previous financial year, the Department of Planning and Environment has undertaken independent audits of its Information Security Management System, cyber security controls, and compliance with the NSW Cyber Security Policy. These audits uncovered areas of positive progress as well as potential areas for improvement, all in alignment with the dynamic cyber security threat landscape.

The Department of Planning and Environment regularly updates its cyber security incident response plan and conducts annual testing to ensure its effectiveness.

The Department of Planning and Environment's Digital Information Office successfully maintained compliance with the international security standard ISO 27001, "Information Technology - Security techniques - Information security management systems," as certified by an Accredited Third Party (BSI Certificate Number: IS 645082).

The Department remains committed to bolstering its technology environments and raising awareness among all employees regarding cyber security and privacy risks.



Chris Salkovic
Chief Executive Officer
Dams Safety

Date: 10 October 2023

Financial performance



INDEPENDENT AUDITOR'S REPORT

Dams Safety NSW

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Dams Safety NSW (the DSNSW), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Summary of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the DSNSW's financial position, financial performance and cash flows.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the DSNSW in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

The Members of DSNSW's Responsibilities for the Financial Statements

The Members of DSNSW is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Members of DSNSW's responsibility also includes such internal control as the Members of DSNSW determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Members of DSNSW is responsible for assessing the DSNSW's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the DSNSW carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Caroline Karakatsanis
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

3 October 2023
SYDNEY



Mr Paul O'Connor
Dam Safety NSW
Locked Bag 5123
SYDNEY NSW 2124

Contact: Caroline Karakatsanis
Phone no: 02 9275 7143
Our ref: R008-16585809-45227/0138

3 October 2023

Dear Mr O'Connor

STATUTORY AUDIT REPORT

for the year ended 30 June 2023

Dam Safety NSW

I have audited the financial statements of the Dam Safety NSW (DSNSW) as required by the *Government Sector Audit Act 1983* (GSA Act). This Statutory Audit Report outlines the results of my audit for the year ended 30 June 2023, and details matters I found during my audit that are relevant to you in your role as one of those charged with the governance of the DSNSW. The GSA Act requires me to send this report to the DSNSW's Accountable Authority, the responsible minister, and the Treasurer.

This report is not the Independent Auditor's Report, which expresses my opinion on the DSNSW's financial statements. I enclose the Independent Auditor's Report, together with the DSNSW's financial statements.

My audit is designed to obtain reasonable assurance the financial statements are free from material misstatement. It is not designed to identify and report all the matters you may find of governance interest. Therefore, other governance matters may exist that I have not reported to you.

My audit is continuous. If I identify new significant matters, I will report these to you immediately.

Audit result

I expressed an unmodified opinion on the DSNSW's financial statements.

Misstatements in the financial statements

Misstatements (both monetary and disclosure deficiencies) are differences between what has been reported in the financial statements and what is required in accordance with DSNSW's financial reporting framework. Misstatements can arise from error or fraud.

I have certain obligations for reporting misstatements:

- the Auditing Standards require matters of governance interest and significant misstatements identified during the audit to be communicated to those charged with governance
- statutory obligations require the Auditor-General to report misstatements resulting from or not detected because of failures in internal controls and/or systemic deficiencies which pose a significant risk to the DSNSW.

The financial statements did not contain misstatements.

Compliance with legislative requirements

My audit procedures are targeted specifically towards forming an opinion on DSNSW's financial statements. This includes testing whether DSNSW complied with key legislative requirements relevant to the preparation and presentation of the financial statements. The results of the audit are reported in this context. My testing did not identify any reportable instances of non-compliance with legislative requirements.

Auditor-General's Report to Parliament

The 2023 Auditor-General's Report to Parliament will incorporate the results of the audit.

Publication of the Statutory Audit Report

I consider this Statutory Audit Report to fall within the definition of 'excluded information' contained in Schedule 2(2) of the *Government Information (Public Access) Act 2009*. It may not be distributed to persons other than Management and those you determine to be charged with governance of DSNSW.

Acknowledgment

I thank DSNSW's staff for their courtesy and assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'C. Karakatsanis', written in a cursive style.

Caroline Karakatsanis
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

Dams Safety NSW

Financial Statements
for the year ended 30 June 2023

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Dams Safety NSW
Statement by the accountable authority
For the year ended 30 June 2023

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018*, we state on behalf of Dams Safety NSW that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the *Government Sector Finance Act 2018*, the *Government Sector Finance Regulation 2018*, and the Treasurer's directions, and
- present fairly Dams Safety NSW's financial position, financial performance, and cash flows.

Signed 

Paul O'Connor

Chairperson

28-Sep-2023

Signed 

Julie Garland McLellan

Deputy Chairperson

28-Sep-2023

Beginning of the financial statements
Dams Safety NSW
Statement of comprehensive income for the year ended 30 June 2023

	Notes	2023	2022
		\$'000	\$'000
Expenses excluding losses			
Personnel services	2(a)	2,862	3,160
Operating expenses	2(b)	874	1,138
Depreciation and amortisation	2(c)	13	12
Total expenses excluding losses		3,749	4,310
Revenue			
Grants and contributions	3(a)	4,000	4,309
Sale of goods and services from contracts with customers	3(b)	15	-
Investment revenue	3(c)	57	1
Total revenue		4,072	4,310
Net result	9	323	-
Total comprehensive income		323	-

The accompanying notes form part of these financial statements.

Beginning of the financial statements
Dams Safety NSW
Statement of financial position for the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	4	1,351	567
Receivables	5	2	38
Total current assets		1,353	605
Non-current Assets			
Intangible assets	6	109	123
Total non-current assets		109	123
Total assets		1,462	728
LIABILITIES			
Current liabilities			
Payables	7	554	143
Total liabilities		554	143
Net assets		908	585
EQUITY			
Accumulated funds	8	908	585
Total equity		908	585

The accompanying notes form part of these financial statements.

Dams Safety NSW
Statement of changes in equity for the year ended 30 June 2023

	Accumulated funds \$'000	Total equity \$'000
Balance at 1 July 2022	585	585
Net result for the year	323	323
Balance at 30 June 2023	908	908
Balance at 1 July 2021	585	585
Net result for the year	-	-
Balance as at 30 June 2022	585	585

The accompanying notes form part of these financial statements.

Dams Safety NSW
Statement of cash flows for the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Payments			
Personnel services		(2,562)	-
Suppliers for goods and services		(726)	-
Total payments		(3,288)	-
Receipts			
Sale of goods and services		15	-
Interest received		57	1
Grants and contributions		4,000	-
Total receipts		4,072	1
Net cash flows from operating activities	9	784	1
Net increase/(decrease) in cash and cash equivalents			
Opening cash and cash equivalents		567	566
Closing cash and cash equivalents	4	1,351	567

The accompanying notes form part of these financial statements.

1. Summary of significant accounting policies

a) Reporting entity

Dams Safety NSW was constituted on 1 November 2019, under the *Dams Safety Act 2015* to be an independent, transparent, and effective regulator with the responsibility for the safety of declared dams within NSW. Schedule 2, Part 2 (3) of the Act establishes Dams Safety NSW to be a continuation of the Dams Safety Committee which was established under the *Dams Safety Act 1978*.

Dams Safety NSW is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. It is a not-for-profit entity, as profit is not its principal objective and it has no cash generating units.

The financial statements have been authorised for issue by the Chairman and Deputy Chairman of Dams Safety NSW on the date the accompanying statement by the accountable authority of Dams Safety NSW was signed.

b) Basis of preparation

Dams Safety NSW's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations).
- the requirements of the *Government Sector Finance Act 2018 (GSF Act)*; and
- the Treasurer's Directions issued under the *GSF Act*.

Judgements, key assumptions, and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is Dams Safety NSW's presentation and functional currency with the exception of note 13 which is expressed in whole dollars.

c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

d) Accounting for the goods and services tax (GST)

Income, expenses, and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by Dams Safety NSW as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis.

e) Services provided by the Department of Planning and Environment

Dams Safety NSW does not have any employees and receives personnel services, administrative and secretarial support and operational assistance from the Department of Planning and Environment (Department).

The department prepares statutory financial statements free of charge to Dams Safety NSW.

1. Summary of significant accounting policies (continued)**f) Comparative information**

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous year for all amounts reported in the financial statements.

g) Changes in accounting policies, including new or revised Australian Accounting Standards**(i) Effective for the first time in FY 2022-23**

The accounting policies applied in 2022-23 are consistent with those of the previous financial year except as a result of the following new or revised AAS that have been applied for the first time in 2022-23:

- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments (effective from 1 January 2022)*
- AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date (effective from 1 January 2022)*
- AASB 2021-7a *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (effective from 1 January 2022)*
- AASB 2022-3 *Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15*

There were no material impacts of these Standards in the period of initial application on the financial statements of Dams Safety NSW.

(ii) Issued but not yet effective

NSW public sector entities do not early adopt new Australian Accounting Standards unless the Treasury determines otherwise.

The following new Australian Accounting standards have not been applied and are not yet effective (NSW Treasury mandate TPG 23-04):

- AASB 17 *Insurance Contracts* (effective from 1 January 2023)
- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* (effective from 1 January 2024)
- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* (effective from 1 January 2023)
- AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (effective from 1 January 2023)
- AASB 2021-6 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards* (effective from 1 January 2023)
- AASB 2021-7b *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* (effective from 1 January 2023)
- AASB 2021-7c *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* (effective from 1 January 2023)
- AASB 2022-1 *Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information* (effective from 1 January 2023)
- AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback* (effective from 1 January 2024)
- AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants* (effective from 1 January 2024)

1. Summary of significant accounting policies (continued)

g) Changes in accounting policies, including new or revised Australian Accounting Standards (continued)

(ii) Issued but not yet effective (continued)

- *AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards* (effective from 1 January 2023)
- *AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments* (effective from 1 January 2023)
- *AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector* (effective from 1 July 2026)
- *AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* (effective from 1 January 2024)

Dams Safety NSW has assessed any potential impact on the financial statements due to the new accounting standard or interpretation and find that there will be no financial impact when implemented. However, when AASB 2021-2 is adopted, there will be a disclosure amendment due to the change in the presentation of accounting policies as "material accounting policies" instead of "significant accounting policies".

h) Going concern

The financial statements have been prepared on a going concern basis. Dams Safety NSW receives financial support from the department. At the date of this report there is no reason not to expect this financial support to continue.

2. Expenses excluding losses

	2023	2022
	\$'000	\$'000
a) Personnel services		
Appointed members remuneration	187	190
Salaries and wages (including annual leave)	2,274	2,547
Superannuation	226	263
Payroll tax	150	146
Workers compensation insurance	25	14
	2,862	3,160

Recognition and measurement

Personnel services

Dams Safety NSW does not employ staff but uses the personnel services of the department. The costs of salaries, wages, superannuation, annual leave, long service and sick leave, are directly charged to Dam Safety NSW for hours worked. Provision for unused employee leave entitlements remain the responsibility of the department. Refer Note 1(e).

Appointed members fees and on-costs

Appointed member fees and on-costs include fees for appointed member services plus superannuation, payroll tax and departmental on costs. Appointed members are not entitled to any leave provisions.

	2023	2022
	\$'000	\$'000
b) Operating expenses		
Audit fees	16	16
Communication	36	125
Consultants	30	130
Contractors	523	448
Education and training	60	143
Low value assets	6	1
Low value and short term leases	120	165
Other operating expenses	22	64
Travel	61	46
	874	1,138

Recognition and measurement

Insurance

Dams Safety NSW's insurance activities are covered by the department's insurance premium with the NSW Treasury Managed Fund Scheme of self-insurance for Government agencies.

Low value and short-term leases

Dams Safety NSW recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term. i.e., where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments not included in the measurement of the lease liability (i.e., variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

2. Expenses excluding losses (continued)

	2023	2022
	\$'000	\$'000
c) Depreciation and amortisation expense		
Intangible Assets	13	12
	13	12

Refer to note 6 for recognition and measurement policies on depreciation and amortisation.

3. Revenue

Recognition and measurement

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15 *Revenue from Contracts with Customers*. Comments regarding the accounting policies for the recognition of income are discussed below.

	2023	2022
	\$'000	\$'000
a) Grants and contributions		
Grant without sufficiently specific performance obligations	4,000	-
Personnel services contribution – department	-	3,160
Operating expenses contribution – department	-	1,149
	4,000	4,309

Recognition and measurement

Revenue from grants with sufficiently specific performance obligations is recognised as when Dams Safety NSW satisfies a performance obligation by transferring the promised goods or services.

Revenue from grants without sufficiently specific performance obligations is recognised when Dams Safety NSW obtains control over the granted assets (e.g., cash).

Non-cash grants and contributions

Non-cash grants and contributions are generally recognised at their fair value. Contributions of services are recognised when a fair value of those services can be reliably determined, and the services would be purchased if not donated.

During 2022-23 Dams Safety NSW did not use volunteer services. (2022 – nil).

	2023	2022
	\$'000	\$'000
b) Sale of goods and services from contracts with customers		
Course fee revenue	15	-
	15	-

Recognition and measurement

Rendering of services

Revenue from rendering of services is recognised when Dams Safety NSW satisfies performance obligations by transferring promised services of training courses. Dams Safety NSW satisfies its performance obligations when training courses are completed.

Dams Safety NSW

Notes to and forming part of the financial statements for the year ended 30 June 2023

3. Revenue (continued)

	2023 \$'000	2022 \$'000
c) Investment revenue		
Interest	57	1
	<u>57</u>	<u>1</u>

Recognition and measurement

Interest Income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e., after deducting the loss allowance for expected credit losses).

d) Deemed appropriation

Dams Safety Fund is a special deposit account established under section 40 of the *Dams Safety Act 2015* into which is paid all the money that is expended by Dams Safety NSW in the exercise of its functions. Dams Safety NSW therefore does not have any deemed appropriations and hence no disclosure under section 4.7 of *the GSF Act* on movement of deemed appropriations are required.

4. Current assets – cash and cash equivalents

	2023 \$'000	2022 \$'000
Cash at bank and on hand	1,351	567
	<u>1,351</u>	<u>567</u>

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

Cash and cash equivalents (per statement of financial position)	1,351	567
Closing cash and cash equivalents (per statement of cash flows)	<u>1,351</u>	<u>567</u>

For the purposes of the statement of cash flows, cash and cash equivalents includes cash at bank, cash on hand, short-term deposits with original maturities of three months or less and subject to an insignificant risk of changes in value, and net of outstanding bank overdraft.

Refer Note 10 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Dams Safety NSW

Notes to and forming part of the financial statements for the year ended 30 June 2023

5. Current assets – receivables

	2023 \$'000	2022 \$'000
Net GST receivable	2	11
Prepayments	-	27
	<u>2</u>	<u>38</u>

Recognition and measurement

Receivables

All 'regular way' purchases or sales of financial asset are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

Dams Safety NSW holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

6. Intangible assets

	Software \$'000
At 1 July 2021	
Cost (gross carrying amount)	135
Accumulated amortisation and impairment	-
Net carrying amount	<u>135</u>
Year ended 30 June 2022	
Net carrying amount at the beginning of the year	135
Amortisation (recognised in 'depreciation and amortisation')	(12)
Net carrying amount	<u>123</u>
At 1 July 2022-fair value	
Cost (gross carrying amount)	135
Accumulated amortisation and impairment	(12)
Net carrying amount	<u>123</u>
Period ended 30 June 2023	
Net carrying amount at the beginning of the year	123
Amortisation (recognised in 'depreciation and amortisation')	(13)
Net carrying amount at the end of the year	<u>109</u>
At 30 June 2023	
Cost (gross carrying amount)	135
Accumulated amortisation and impairment	(26)
Net carrying amount	<u>109</u>

6. Intangible assets (continued)

Recognition and measurement

The Dams Safety NSW recognises intangible assets only if it is probable that future economic benefits will flow to Dams Safety NSW and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

Following initial recognition intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for Dams Safety NSW's intangible software assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite. Dams Safety NSW's intangible assets are amortised using the straight-line method over their estimated useful lives. A useful life of 10 years is used for software intangible assets. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

7. Current liabilities - payables

	2023	2022
	\$'000	\$'000
Creditors - Department	536	-
Accruals	18	143
	554	143

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 10.

Recognition and measurement

Payables represent liabilities for goods and services provided to Dams Safety NSW and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

8. Equity

Accumulated funds

The category 'accumulated funds' includes all current and prior period retained funds.

Dams Safety NSW

Notes to and forming part of the financial statements for the year ended 30 June 2023

9. Reconciliation of cash flows from operating activities to net result

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income as follows:

	2023	2022
	\$'000	\$'000
Net cash from operating activities	784	1
Non- cash grants	-	4,309
Non- cash expenses	-	(4,309)
Depreciation and amortisation	(13)	(12)
Increase / (decrease) in receivables	(36)	(37)
Decrease / (increase) in payables	(412)	48
Net result	323	-

10. Financial instruments

Dams Safety NSW's principal financial instruments are outlined below. These financial instruments arise directly from Dams Safety NSW's operations or are required to finance its operations. Dams Safety NSW does not enter or trade financial instruments, including derivative financial instruments, for speculative purposes.

Dams Safety NSW's main risks arising from financial instruments are outlined below, together with Dams Safety NSW's objectives, policies, and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

Dams Safety NSW's Executive has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by Dams Safety NSW, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the entity on a continuous basis.

a) Financial instrument categories

Class:	Note	Category	Carrying Amount	
			2023	2022
			\$'000	\$'000
Financial Assets				
Cash and cash equivalents	4	Amortised cost	1,351	567
Financial Liabilities				
Payables ¹	7	Financial liabilities measured at amortised cost	554	143

Notes

1. Payables excludes statutory payables and unearned revenue, not within scope of AASB 7.

Dams Safety NSW determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates risk at each financial year end.

10. Financial instruments (continued)**b) Derecognition of financial assets and financial liabilities**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if Dams Safety NSW transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- Dams Safety NSW has transferred substantially all the risks and rewards of the asset; or
- Dams Safety NSW has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control.

Where Dams Safety NSW has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of Dams Safety NSW's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expired.

c) Financial risks**(i) Credit risk**

Credit risk arises when there is the possibility of Dams Safety NSW's debtors defaulting on their contractual obligations, resulting in a financial loss to Dams Safety NSW. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of Dams Safety NSW, including cash, receivables, and authority deposits. No collateral is held by Dams Safety NSW. Dams Safety NSW has not granted any financial guarantees.

Credit risk associated with Dams Safety NSW's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Dams Safety NSW has no deposits held with NSW TCorp.

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average TCorp 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Receivables - trade receivables

Accounting policy for impairment of trade receivables and other financial assets.

Collectability of trade receivable is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions and the *Dams Safety Act 2015* are followed to recover outstanding amounts, including letters of demand.

Dams Safety NSW applies the Australian Accounting Standards (AASB 9) simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

10. Financial instruments (continued)

c) Financial risks (continued)

(i) Credit risk (continued)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 180 days past due.

There were no trade receivables and no allowance for expected credit losses for trade receivables as at 30 June 2023.

Dams Safety NSW is not materially exposed to concentrations of credit risk to a single receivable or group of receivables as at 30 June 2023.

(ii) Liquidity risk

Liquidity risk is the risk that Dams Safety NSW will be unable to meet its payment obligations when they fall due. Dams Safety NSW continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high-quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility using overdrafts, loans, and other advances.

Dams Safety NSW's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. There was no interest paid during the year (2022: nil).

The table below summarises the maturity profile of Dams Safety NSW's financial liabilities, together with the interest rate.

Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Interest Rate %	Nominal Amount ¹ \$'000	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non- interest bearing \$'000	< 1 year \$'000	1 to 5 years \$'000	> 5 years \$'000
2023 Payables	0%	554	-	-	554	554	-	-
2022 Payables	0%	143	-	-	143	143	-	-

Notes:

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which Dams Safety NSW can be required to pay.

2. The amounts disclosed here exclude statutory payables and unearned revenue (not within scope of AASB 7).

10. Financial instruments (continued)

c) Financial risks (continued)

(iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Dams Safety NSW's exposure to market risk is very limited as it has no borrowings, and all its deposits are at call. Dams Safety NSW has no exposure to foreign currency risk and does not enter commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after considering the economic environment in which Dams Safety NSW operates and the time frame for the assessment (i.e., until the end of the next annual reporting period). The sensitivity analysis is based on risk exposure in existence at the year end. The analysis is performed on the same basis as for 2022. The analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through Dams Safety NSWs' cash balances.

Dams Safety NSW does not account for any fixed rate financial instruments at fair value through profit or loss or at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect the carrying value or interest paid/earned.

A reasonably possible change of + / - 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates

	Carrying Amount \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
		-1%		+1%	
2023					
Financial Assets					
Cash and cash equivalents	1,351	(14)	(14)	14	14
Financial Liabilities					
Payables	554	6	6	(6)	(6)
2022					
Financial Assets					
Cash and cash equivalents	567	(6)	(6)	6	6
Financial Liabilities					
Payables	143	1	1	(1)	(1)

d) Fair value measurement

Fair value compared to carrying amount

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

11. Contingent liabilities and contingent assets

Dams Safety NSW is unaware of the existence of any contingent liabilities or contingent assets as at balance date (2022: nil).

12. Commitments

Dams Safety NSW is unaware of the existence of any capital expenditure commitments as at balance date (2022: nil).

13. Related party disclosure

During the year Dams Safety NSW incurred \$421,431 (2022 - \$442,585) in respect of the key management personnel services that were provided by a separate management entity, being the department.

During the year, Dams Safety NSW did not enter into transactions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

During the year, Dams Safety NSW entered transactions with other entities that are controlled / jointly controlled / significantly influenced by NSW Government. These transactions (incurred in the normal course of business) in aggregate are a significant portion of Dams Safety NSW's revenue and expenses. The nature of these significant transactions is detailed below:

Entity	Nature of Transaction
Department of Planning and Environment	Provision of administrative and secretarial support, personnel services, grants and operational assistance.

14. After balance date events

The NSW Premier recently announced that the Department of Planning and Environment will become two new departments to better deliver on the Government's priorities of addressing the energy challenges, climate change, the environment and housing.

From 1 January 2024, the department will be split into two entities:

- The Department of Planning, Housing and Infrastructure; and
- The Department of Climate Change, Energy, the Environment and Water

Dams Safety will be related to the newly established Department of Climate Change, Energy, the Environment and Water. Dams Safety expects no changes to its structure nor operations as a result of these machinery of government changes. Corporate and specialist service functions may be provided to Dams Safety by the two departments.

There are no other known events that would impact on the state of Dams Safety or have an impact on the financial statements.

End of audited financial statements