

Dams Safety NSW

www.damsafety.nsw.gov.au



Annual Report 2021-2022





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.

Published by Dams Safety NSW

damsafety.nsw.gov.au

Annual Report 2021-2022

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Letter of submission



Dams Safety NSW

The Hon. Kevin Anderson MP
Minister for Lands and Water, Hospitality and Racing
52 Martin Place
SYDNEY NSW 200

Dear Minister

Under section 12A of the Annual Reports (Statutory Bodies) Act 1984, I have pleasure in submitting for the information of members this report of the activities of Dams Safety NSW for the year ended 30 June 2022.

Following the tabling of this report in Parliament, it will be available for public access from the NSW Government's OpenGov NSW website, www.opengov.nsw.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ross Carter'.

Ross Carter
Chair

A handwritten signature in blue ink, appearing to read 'Chris Salkovic'.

Chris Salkovic
Chief Executive Officer

Message from the Chair

Now in our third year of operation, Dams Safety NSW is established as an independent regulator. We are well on the path to achieving our mission of empowering, supporting and regulating dam owners in managing dam safety risks for the NSW community. We are achieving this through effective and transparent regulation that maintains the confidence of our stakeholders and the broader community.

On 1 November 2021 the two-year transition period for declared dam owners to meet the new dams safety regulatory requirements came to an end. As a result, we shifted our focus from promoting awareness to targeted education and compliance, to ensure declared dam owners are accountable for their dam's safety.

Annual Safety Standards Reports for declared dams were due to be submitted by dam owners to Dams Safety NSW by 31 March 2022. We were pleased to receive nearly 85 per cent of those reports as this was the first time for this requirement. We are now following up outstanding reports, and are taking necessary regulatory action to ensure we receive this important information. Much work has been done this year to deliver our state-wide audit program and to help declared dam owners improve their capability through our education and engagement activities.

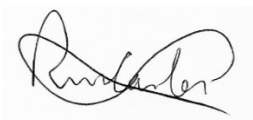
The second half of 2021 was a busy period for Dams Safety NSW - despite NSW public health orders requiring our team to cut back on planned site visits and work from home. Our audit program and education activity switched to a virtual desktop operation.

Looking ahead

In developing our 2022-2027 Strategic Plan, Dams Safety NSW has made a firm commitment to be future focused and collaborative in the next phase of our growth. In the next five years, we want to:

- make it easier for declared dam owners to understand and comply with NSW dam safety laws
- increase voluntary compliance
- reinforce dam owner accountability
- engage effectively with stakeholders to promote transparency and accountability
- become a leading regulator.

On behalf of the Members of Dams Safety NSW, I am pleased to present this Annual Report.



Ross Carter

Operational statistics at a glance



About Dams Safety NSW

We are the State's independent regulator responsible for ensuring the safety of dams in NSW.

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

During 2021/2022 we were governed by six members with combined expertise in dam engineering, mine engineering, emergency management, dam operations and management, public safety risk analysis, business management and best practice regulation.

The chief executive officer is responsible for managing day-to-day operations of Dams Safety NSW. 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 dams safety risks for the NSW community

Our Values

Integrity

Trust

Service

Accountability

Our Behaviours

We will be open and transparent

We will establish cooperative and collaborative relationships with stakeholders to promote trust

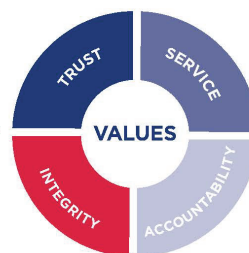
We will listen and be responsive to requests

We will publish our performance results in a timely manner

Our Strategic Plan 2020-2021



Dams Safety



Dams Safety NSW: Strategic Plan 2020-21

Vision Safe Dams for NSW

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

Aspirational Measure

Work with dam owners to achieve progressive reduction in their risk profile as soon as reasonably practicable

1. Clear picture of risk profile and risk maturity of dam owners within two years
2. Dam owners to implement an agreed work program to reduce the risk below the Safety Threshold
3. All dam owners to reduce their risks so far as is reasonably practicable

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

Goals

Develop and implement a risk-based and outcome-focused dams safety regulatory regime

Empower dam owners to achieve responsible and transparent dams safety management

Build and enhance organisational and governance capability

Key Performance Areas

Develop dams safety policy, regulations and standards

Updates to the regulatory framework as required. Complete first amendment to Regulation and methodologies by March 2020.

Implement regulatory oversight framework including audit, compliance and enforcement

Undertake visits to all dam owners by November 2021 to ensure that they are appropriately managing dam safety risks. All dam owners compliance maturity assessed by November 2021. Implement emergency response arrangements by June 2020.

Monitor and advise on dams safety risks associated with mining activities in the vicinity of declared dams

Provide advice to consent authorities to ensure that dams safety risks due to mining are addressed appropriately. All consent applications to be addressed within 28 days of receipt.

Engage with dam owners, the public and others

Develop and implement stakeholder engagement strategy by August 2020. Establish and sustain engagement with key stakeholder.

Inform, educate and provide guidance on compliance

Visit all dam owners by November 2021 to inform and explain the new legislative requirements. All dam owners visited within 18 months. Guidelines on the new legislative requirements to educate dam owners on how to comply, to be published by June 2021.

Publish policies and priorities, report performance and enable access to information and decisions

Publish an Annual Report by October each year. Publish a Regulatory Policy by March 2020. Policy and procedural documents are published on our website. Regularly report priorities and compliance activities.

Develop capable and engaged staff within a values-based, ethical culture

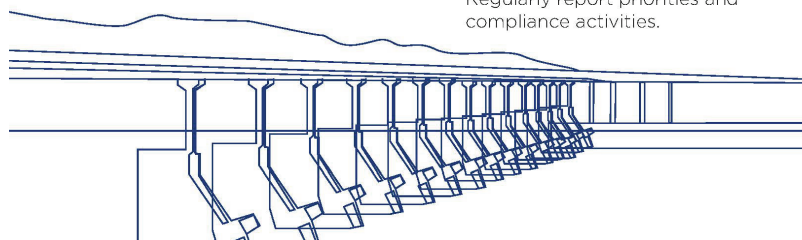
Build and reinforce an ethical culture, fostering public service values and Dams Safety NSW's regulatory principles. Design organisational structure and build capability through recruitment and training by December 2021.

Continually improve processes, procedures, information and tools

Build website and information system to manage Dams Safety NSW core business processes by September 2020. Develop, implement and maintain a Quality Management System by March 2021.

Establish and maintain a robust governance framework

Establish strong governance framework to ensure clear accountabilities, authorities and transparent decision making by March 2020. Explore financial sustainability through cost recovery of our operations. Negotiate and document agreements with key stakeholders by December 2020.



What we do

Dams Safety NSW ‘declares’ dams that have a 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 2022, Dams Safety NSW regulates 394 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 entities. There are 159 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 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*.

Dams Safety NSW provides guidance to declared dam owners on compliance with the regulation and standards. We can also enforce the regulation through a range of penalties.

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, Dams Safety NSW 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 2021-2022 financial year are listed below, aligned to the three strategic goals from the Dams Safety NSW 2020-2021 Strategic Plan.

Goal 1: Develop and implement a risk-based and outcome-focused dams safety regulatory regime

Compliance audit program continues to help set operational priorities

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. This means we focus our activities where the consequences of dam failure are greatest and where the likelihood of non-compliance is highest. This ensures an effective and efficient allocation of our resources. The program addresses our Regulatory Policy, the Dams Safety Act 2015 and regulatory requirements, and the AS/NZ ISO 19011:2019 framework for auditing management systems.

Our auditors provide declared dam owners, and those responsible for the safety of declared dams, with clear information about the dam safety rules, and how to ensure they are complying with dams safety legislation.

This year our auditing team completed 56 audits of declared dam owners to identify high-level compliance gaps against nominated elements of the Dams Safety Act 2015 and the Dams Safety Regulation 2019. Of the 56 audits undertaken, 20 were detailed audits, 20 were targeted audits, 4 were new works audits and 12 were mining condition verification audits. During the audits we identified 484 non-compliances and issued 338 recommendations to dam owners to improve compliance.

Detailed audits focused on dams with Extreme or High Consequence Categories and the dam owner's progress towards establishing and implementing a Dam Safety Management System. Some issues identified during these audits included: deficiencies with asset management systems, content deficiencies in operations and maintenance plans and emergency plans, a lack of emergency exercising and poor records management.

Targeted audits focused on dam owners that displayed low levels of compliance during the previous year's preliminary audits or dam owners with mining conditions. The audits focussed on the effectiveness of their operations and maintenance and emergency plans. Some key themes identified during the audits included: lack of maintenance scheduling, ad-hoc systems, lack of owner awareness of their plans and a heavy reliance on consultants.

New works audits focused on dams where there was an active design, construction or major modification. These audits aimed to ensure the design and construction of new dams, and major

modifications to dams, were being carried out in accordance with the new legislation. The Dams Safety Regulation 2019 requires declared dam owners to ensure that dam designers and constructors implement an AS/ISO 9001 Quality Management System (QMS). Some of the main issues identified during these audits included: lack of processes to ensure external contractors were working to the ISO 9001 QMS and most dam owners did not have effective change management processes in place.

Mining Condition Verification (MCV) audits seek to verify compliance with existing mining conditions. This year Dams Safety NSW increased our regulatory presence in the mining sector by conducting the first ever formal mining condition verification audits, in partnership with the NSW Resources Regulator. The 12 audits provided a valuable opportunity for the two regulators to work together. Some key issues identified during the mining verification audits included: lack of consistent monitoring and reporting methodologies, lack of competency verification, lack of accountability for consultant reports, lack of internal auditing practices and lack of top management review practices.

We are actively following up on outstanding non-compliances, focussing on dams that present the greatest risk. Dams Safety NSW employs a graduated and proportionate approach to the non-compliance to ensure that dam owners are taking appropriate corrective action to work towards compliance with the Act and associated Regulation. We also use the findings of our audit program to inform future education and guidance activities.

Second amendment to Dams Safety Regulation completed

Dams Safety NSW proposed amendments to the Dams Safety Regulation 2019 (the Regulation) in August 2021 to improve dam safety and to allow us to administer the Dams Safety Act 2015 more efficiently and effectively.

A consultation process - held over August and September 2021 to ensure that affected dam owners, consultants and other interested stakeholders had the opportunity to provide feedback on the proposed amendments - received 9 written submissions. Comments on the proposed amendments were also recorded during two online consultation sessions.

A [Summary of Submissions Report](#) describes the consultation process and changes to the regulation amendments that were made in response to feedback.

The amended regulation was made on 29 June 2022 and came into effect on 1 July 2022.

From 1 July 2022 all declared dam owners must:

- ensure that a competent person signs off risk rating calculations
- provide the details of a contact person to Dams Safety NSW
- nominate an individual responsible for ensuring compliance with the dam safety management system

Owners of extreme, high A and high B consequence category dams ONLY must ensure that:

- an independent competent person reviews risk rating calculations
- a panel of at least 2 competent persons:

- undertake safety reviews
- independently review safety reviews
- independently review work involving dam designs.

The following requirements remain unchanged:

- Owners of high C consequence category dams must ensure that a competent person undertakes safety reviews, independently reviews safety reviews and independently reviews work involving dam designs
- Owners of significant consequence category dams must ensure that a competent person undertakes safety reviews.

The changes also allow Dams Safety NSW to better administer the Dams Safety Act more effectively by:

- correcting an error that omitted 'environment' as one of the safety goals for the design of the dam safety management system
- clarifying that the safety threshold value for dams undergoing major modification applies to augmentations only
- clarifying minor details in the Dams Safety Regulation 2019 and methodologies.

Dam safety notices issued

This year, under the Dams Safety Act 2015, we issued 19 notices/directions, requiring owners:

- with risk ratings above the safety threshold, to produce a written report addressing a program of improvement activities, including timeframes to reach a risk rating below the safety threshold as per the Dams Safety Regulation 2019. Their responses were built into their individual action plans.
- to develop and implement an operations and maintenance plan for their declared dam as required in the Dams Safety Regulation 2019
- to provide a detailed investigation report identifying the root cause(s) of the incident and the actions required to prevent reoccurrence
- to submit their 2021 Annual Dams Safety Standard Reports which were due by 31 March 2022

Most dam owners complied with the requirements of the issued notices within the timeframe allocated. Dams Safety NSW is pursuing regulatory action with dam owners who did not.

Review of Notification Areas completed

Notification Areas were first declared under the Mining Act 1992 to surround dams and their storage reservoirs. Notification Areas were intended to:

- enable the dam safety regulator to provide input and impose conditions on mining activities near dams and their storages, and to

- protect the dam and storage from damage due to mining.

Under the *Dams Safety Act 1978*, the former Dams Safety Committee was responsible for the protection of water impounded by dam structures as well as the dam structure itself.

Under the *Dams Safety Act 2015*, Dams Safety NSW is focused on protecting the dam structure and not stored waters. Declared dam owners and the mine owners, together with the planning agency (being the Department of Planning and Environment), are responsible for ensuring mining operations do not affect dam water storage.

Notification Areas are published in the NSW Government Gazette, describing an area around a dam within which any proposed mining needs to be referred to Dams Safety NSW. The review of Notification Areas will reduce the number of planning submissions on which Dams Safety NSW is required to provide advice, especially in the southern coal fields.

Dams Safety NSW completed the review of Notification Areas in June 2022. The project reviewed 231 Notification Areas to ensure that they were consistent with Dams Safety NSW's changed focus on protecting the dam structure itself from mining damage and not the dam water storage.

The project resulted in changes to 107 of the Notification Areas.

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

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

Dams Safety NSW 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 Dams Safety NSW, and
- consider any matters that are raised by Dams Safety NSW 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 Dams Safety NSW, and the conditions remain in force.

Dams Safety NSW will normally have 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 Dams Safety NSW reviewed and provided advice on 7 mining consents and 73 lease applications. This is in addition to monitoring the existing mining consents and advice provided on major projects (detailed below).

When assessing mining consents Dams Safety NSW focusses on risk management and appropriate operations and management. Rigid structures, such as concrete dams, are quite vulnerable to the impacts of mining, whereas mining can often be successfully undertaken underneath earth/rock fill embankments, even with multiple seam extractions. Successful mining underneath earth/rock fill

embankments is undertaken by careful monitoring of the embankment and making alterations to the water, tailings or ash deposition operations. This is reflected in Dams Safety NSW advice on appropriate lease conditions after consideration of the geological analysis provided. The majority of recommendations made in development consents are of this nature.

First Annual Dams Safety Standards Reports for declared dams received

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.

Dams Safety NSW hosted a webinar - [Preparing your dam's Annual Safety Standards Report](#) – in November 2021, published a [fact sheet](#) to assist dam owners with the legislative requirement and produced a form to be used for the report.

The first report for all declared dams was required to be submitted by dam owners to Dams Safety NSW by 31 March 2022.

The report reinforces the dam owners' accountability for dams safety, and is also an important source of information on a dam owner's self-reported level of compliance with the dams safety standards. Dams Safety NSW also uses the report results to help set operational priorities for audit and education activities.

Dams Safety NSW has received reports from dam owners for over 85 per cent of declared dams and is pursuing regulatory action with dam owners who did not provide a report for all their dams.

Dam owners reminded to produce risk reports

Dams Safety NSW contacted all declared dam owners on 7 July 2021 to remind them that they are required to produce a risk report for their dam at least once every five years, or if required to do so by Dams Safety NSW.

Under clause 15 of the Dams Safety Regulation 2019, declared dam owners are required to use the Dams Safety Regulation 2019 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.

Dams Safety NSW prepared a risk report 'due date schedule' for all NSW declared dams, which we also provided to all dam owners. The risk report due dates cover a five-year period from December 2021 to December 2026. The risk report schedule was prioritised through an analysis of a declared dam's consequence category, whether a dam's risks are known, and other relevant dams safety risk factors. The schedule aims to evenly distribute the demand for competent industry engineering specialists over the five-year period, to allow dam owners to factor the risk reports into their planning and to efficiently stagger our assessment effort over the whole five-year period.

As a first tranche of reports, Dams Safety NSW required owners of 89 declared dams to complete their risk reports by December 2022.

If dam owners have not produced a report by the due date, compliance action may apply, including the possibility of penalties.

Dams Safety NSW will audit a sample of risk reports every year, and also review risk reports as part of scheduled audits of dam owners' safety management systems.

Submissions made/advice provided on major projects

In accordance with the Dams Safety Act 2015, Planning NSW will refer State Significant Development Projects and Extraction Plans for mining approvals within notification areas to Dams Safety NSW for review and recommendations. Dams Safety NSW 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 Dams Safety NSW reviewed and provided advice on 11 projects. These included two major projects (the Newstan Mine Extension Project, and the Dendrobium Extension Project), where there is the potential for mining activities to impact on the structure of dams of High A or Extreme consequence categories.

Stage 1 of identifying potential dams for declaration project completed

Dams Safety NSW must continually seek to identify any additional dams that need to be declared to satisfy one of the objects of the Dams Safety Act 2015: 'to ensure that any risks that may arise in relation to dams (including any risks to public safety and to environmental and economic assets) are of a level that is acceptable to the community'.

In June 2022 Dams Safety NSW completed the first stage of a project to better understand how many NSW dams are likely candidates for declaration.

From a set of about 800 known candidate dams (identified from mapping technology, recently approved dams and from information held by the previous Dams Safety Committee), Dams Safety NSW prepared a short list of 110 dams. These dams were examined by consultant dams safety engineers using a newly developed screening tool that aims to identify the most likely candidates for declaration.

The consultant's report recommended that Dams Safety NSW carry out more detailed investigation of 53 of the 110 shortlisted dams. This will include on-site inspections of the dams and discussions with the owners.

Future stages of the project include finalising the investigation of these 53 dams, identifying more candidate dams for shortlisting using more sophisticated satellite imagery technologies, and applying the screening tool developed in the first stage of the project.

Goal 2: Empower dam owners to achieve responsible and transparent dams safety management

Individual action plans established for dams above the Safety Threshold

When we talk about dam safety, we talk about a dam owner taking all reasonable measures to minimise their dam's risk of failure. To do so, the dam owner must first investigate and implement measures to ensure that the risk of dam failure is below the Safety Threshold. The Safety Threshold is a risk level defined in the Dams Safety Regulation 2019.

Once the dam owner assesses that their risk of dam failure is below the Safety Threshold, the owner must continue to investigate and implement measures that further reduce this risk so far as is reasonably practicable (SFAIRP) based on contemporary good practice for dam safety. This method of managing the risk of dam failure is complex, but assistance is provided within the guidelines produced by Dams Safety NSW and ANCOLD.

As of 30 June 2022, Dams Safety NSW had identified 17 declared dams with risk ratings found to be above the Safety Threshold. By June 2022, individual action plans to reduce the risk were in place for all these dams, with defined short-, medium- and long-term actions applying. Implementation of the individual action plans for dams in this situation are closely monitored by Dams Safety NSW, and as appropriate, regulatory action taken to ensure their satisfactory implementation. Safety risk can, in general, be reduced through activities such as changing how a dam is operated, improved emergency management procedures or by a structural fix.

Imperial Lake Dam, near Broken Hill and owned by Essential Water, had been deemed 'high risk' by the former Dams Safety Committee. This year, through their individual action plan, the dam owner reduced the dam's risk to below the Safety Threshold.

Water supply to Broken Hill and surrounding communities is now secured by a pipeline from the Murray River. To continue operating the dam would have required ongoing dam maintenance and management duties under dam safety legislation. Decommissioning the dam, by cutting down the existing dam embankment to form a low-flow weir structure, was completed in May 2022.

Dams declared and de-declared

Under the Dams Safety Regulation 2019, dams - or proposed dams - may be declared if they are more than 15 metres high, or if their failure would cause major or catastrophic damage and loss or would endanger the life of a person. The regulation also stipulates that a declared dam must be classified into one of seven consequence categories.

The 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 nominated competent persons) and then checked by our engineering team.

An estimate of the severity of damage and loss must also be determined. 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.

From time-to-time, Dams Safety NSW receives confirmation that some proposed declared structures will not be built. Such structures may be de-declared.

An up-to-date understanding of the potential loss of life and severity of damage and loss for a dam may require a reassessment of the consequence categories and, for some dams, a reassessment of the declared status, requiring some to be declared and others to be de-declared.

During 2021/22 we de-declared 10 dams (Table 1) and declared two dams (Table 2). There were 18 proposed dams and detention basins assessed that we deemed not to require declaration, in cooperation with local councils and developers. At the end of 2021/22 there were 394 declared dams, with their consequence categories summarised in Table 3.

Table 1. Dams de-declared in 2021/22

Name of dam	Location
Edgewood Estate Detention Basin	Hollymount Creek, Woonona
Emma James Basin	Tributary of Erina Creek, East Gosford
Glenmore Park Detention Basin 4	Surveyors Creek, Penrith
Hungerford Hill Dam	First Creek, Pokolbin
Norbrik Detention Pond	Tributary of Lalor Creek, Bella Vista
Pecan Close Detention Basin	Wingello Creek, Wyoming
Pinetrees Detention Basin	Lord Howe Island
Sarah Fahey Park Retarding Basin	Copacabana
Schofields Detention Basins 1 & 2	First Ponds Creek, Schofields
Tarawonga Clean Water Dam	Boggabri

Table 2. Dams declared dams in 2021/2022

Name of dam	Location
Nesca Park Basins	Cooks Hill
St Peters 9SWB02 Basin	St Peters

Table 3. Breakdown of consequence categories of declared dams in 2021/2022

The consequence category assigned to a dam is a classification of the potential consequences of a dam failure, taking into account the likelihood and magnitude of the effect on life, the community, infrastructure or the environment. Consequence categories are classified in seven levels as follows:

Consequence category	Number of dams
Extreme	30
High A	53
High B	28
High C	106
Significant	154
Low	21
Very Low	2
TOTAL	394

Stakeholder engagement activities

Voluntary compliance is more likely to be achieved when declared dam owners understand their responsibilities and the reasons behind them. Ensuring that they have the information they need and know where to find it is essential for compliance with dam safety legislation.

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 with their obligations.

Providing information, education and support to declared dam owners and other relevant stakeholders helps to ensure dam owners continue to safely manage NSW's declared dams.

This financial year Dams Safety NSW continued to focus on engaging with our primary stakeholders, declared dam owners, through both one-on-one engagement (including through audit activities), as well as the activities outlined in the following sections:

Speaking events and webinars

In July 2021, CEO Dams Safety NSW, Chris Salkovic, participated on a panel at the AusIMM 2021 Mine Waste and Tailings Conference discussing regulation and governance.

During the year, CEO Dams Safety and Manager Governance & Assurance, Peter Boyd, presented to 48 senior managers in local government at 6 Joint Organisation meetings. During each meeting, senior managers were provided with an overview of Dams Safety NSW and the new legislation. There was also an opportunity for Q&As at these events.

During 2021/22 Dams Safety NSW's webinar program included:

Risk reports for declared dams, presented by Peter Boyd, Manager of Governance and Assurance, and Jason Porter, Dams Safety NSW's Principal Dams Safety Engineer, who explained the new requirements for Risk Reports for declared dams in NSW.

Preparing your dam's Annual Dam Safety Standards Report, presented by Peter Boyd, Governance and Assurance Manager, who explained the requirements relating to the Annual Safety Standards Report.

Dam Safety Management System Q&A Forum featured Sherif Hussein, senior auditor Dams Safety NSW and a panel of three representatives from declared dams in NSW. Forum members provided insights into the approaches used to develop their Dams Safety Management System and participants were able to submit questions live to the panel members.

The webinar program proved highly successful with over 500 people attending the three sessions and many appreciating the opportunity to have their questions answered.

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

Dams Safety NSW sought feedback from declared dam owners at two information sessions on **proposed changes to the Dams Safety Regulation 2019**.

Publications

Dams Safety NSW is committed to ensuring that the public understands our role as a regulator and has confidence in the way in which we do our work. We also aim to provide easy-to-understand and transparent information to communicate our expectations.

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

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

Fact sheets This year Dams Safety NSW developed nine fact sheets and online articles to help our declared dam owners understand their legislative responsibilities:

- [Why it's important for dam owners to engage with the community](#)
- [Provide Dams Safety NSW with a declaration of competency](#)
- [Finding a consultant to help prepare dam safety reports](#)
- [Your Annual Safety Standards Report is due](#)
- [Are you ready for November? What you need to know about new requirements](#)
- [Dam owners reminded to begin planning risk reports](#)
- [Risk reports for declared dams](#)
- [Global Industry Standard on Tailings Management versus NSW dams safety legislation](#)
- [2022 Reforms - Changes to the Dams Safety Regulation 2019](#)

Online interactive map of declared dams goes live

In November 2021, Dams Safety NSW worked with the Department of Customer Service - Spatial Services team to launch an interactive map of all declared dams across NSW. Members of the community are now able to see the exact location and ownership details of all declared dams in NSW.

The map can be accessed from the [Dams Safety NSW website](#) and is based on modern spatial mapping systems. It features 12 spatial layers and allows you to filter declared dams according to local government areas, suburbs, dam owner and dam name. The map also features clickable colour-coded icons and easy-to-navigate drop-down menus which provide a straightforward user experience.

Online dam surveillance training course and competency assessment program launched

Dams Safety NSW collaborated with TAFE NSW to develop and launch a self-paced, on-line training module, [Surveillance of embankment dams - routine inspections](#). The course aims to help NSW dam owners and their staff understand the activities involved in conducting routine visual inspections of embankment dams.

Launched in June 2022, the course is closely aligned with the National Water Training Package unit of competency 'NWPCAD011 - inspect and report on embankment dam safety'. The interactive course takes about three hours to complete and introduces the learner to conducting routine inspections of embankment dams to prevent incidents, events and failures.

Dams Safety NSW also launched a new competency assessment program for people who successfully complete the online course and work for a declared dam in NSW. This course is run through the Registered Training Organisation - Water Training Australia.

Goal 3: Build and enhance organisational and governance capability

Regulatory Oversight Committee (ROC) established

Dams Safety NSW's regulatory principles include a commitment to:

- taking decisions within an effective corporate governance process to maintain objectivity, independence, and integrity
- aiming for high levels of consistency in the decision-making process
- making decisions based on evidence
- taking regulatory action that is proportionate to the circumstances
- employing processes that provide procedural fairness and natural justice
- keeping appropriate records of regulatory activities so that decisions can be readily accessed and scrutinised.

The Dams Safety NSW (DSNSW) Regulatory Oversight Committee (ROC) was established in August 2021 to ensure that our regulatory decisions and actions reflect the above regulatory principles. For small organisations, such as Dams Safety NSW, these internal committees form a substitute for internal audits.

The ROC is comprised of the CEO and three senior managers plus, by invitation, any staff subject matter experts for specific dams or basins as needed.

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 that appropriate assurance processes are in place for independent review of regulatory decisions.

Relationships with other agencies continue to be strengthened

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

Continued collaborative relationship with NSW State Emergency Services (SES)

Dams Safety NSW and the NSW SES meet regularly to discuss how the agencies can better prepare for, collaborate and respond to, dam safety emergencies.

Two meetings were held in 2021/2022. Agreed actions included improving mapping information and contact information in declared dam emergency plans, and collaborating on webinars for dam owners on emergency planning and emergency exercises.

Implemented Memorandum of Understanding (MOU) with the NSW Environment Protection Authority (EPA)

An MOU between the EPA and Dams Safety NSW was signed in September 2021. While the MOU had already been identified by the two agencies as a necessary, important document, its development was also a recommendation of the Legislative Council inquiry: 'Costs for remediation of sites containing coal ash repositories'.

The MOU clarifies the responsibilities and functions of each agency to assist with the planning, collaboration, harmonisation and information sharing between the two regulators. This will ensure that the agencies' regulatory oversight of dams aligns, does not overlap and that intelligence on the safety of coal ash dams, in particular their operation and impact, is shared.

Dams Safety NSW website redeveloped

Dams Safety NSW redeveloped its website in line with Australian Government and international best practice to be more accessible, responsive and robust. This ensures stakeholders can access our content in their desired format.

The website uses the NSW Government Digital Design system to ensure that users can easily navigate and search content using a common interface across NSW government sites.

Dams Safety NSW is committed to responding to and meeting the needs of declared dam owners and other stakeholders. The new site has been improved based on stakeholder feedback and will feature online form submission and a dedicated resource centre.

The new website was launched in September 2021.

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 significance of the incident, we carry out follow up investigations with the dam owner.

Dams Safety NSW has an incident reporting hotline - 0403 681 645 - which operates 24 hours/7 days a week. The incident number is carried by a standby duty officer system to ensure we respond promptly to reported incidents.

Of the 40 incidents reported to Dams Safety NSW this financial year:

- 6 related to dam owners reporting concerns about environmental releases (in particular with respect to tailings or ash dams)
- 3 related to dam owners having issues with operations of gated structures
- 2 related to dam owners reporting public safety issues around reservoirs
- 7 related to dam owners conducting an emergency exercise
- 12 related to dam owners advising of White/Amber/Red alerts from Emergency Plans during flood events
- 4 related to reports from concerned citizens about private dams
- 2 related to reports of dam owners who became aware of unapproved works being carried out around their dam structure
- 4 related to incident reports over unexpected seepage, equipment faults such as valves and pumps and erosion to dam structure.

Of the 40 incidents reported, one was identified as an 'incident of concern' due to its potential consequences. In response, we required the dam owner to undertake a number of actions/improvements to be progressed in line with agreed timeframes.

Our people

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

Dams Safety NSW recognises that our people are our most important asset. Our ability to attract and retain the most suitable and qualified people is critical to achieving our goals. Our Program Plan sets the direction to maintain a capable, efficient and effective workforce to meet our current and future needs.

In 2020–21, Dams Safety NSW:

- invested in ongoing staff development, wellbeing programs, and professional and leadership development
- participated in the department's Ability Aware program; providing an opportunity for people with disability to gain employment, and a career at the department
- increased our in-house WHS expertise and contributed to DPE's key safety initiatives, system improvements and procedure reviews.

A strong focus on staff safety and wellbeing saw two WHS incidents and near-misses being recorded during the year.

Supporting our staff during COVID-19

In this challenging year, most staff continued to work from home with many also juggling home-schooling. Dams Safety NSW supported the success of a remote workforce by:

- providing technology, such as monitors, keyboards, mice and headsets, at home
- providing guidance on how to use technology effectively, and how to work remotely in general
- allowing variations in the pattern of working hours to help our people manage the new arrangements in ways that suited them
- guiding operational staff in how to use teleconferencing options with their regulatory work
- advising operational staff on how to attend emergencies and incidents safely and in compliance with public health orders
- providing resources and regular updates to help staff navigate the changes prompted by COVID-19
- ensuring ongoing connection and support for staff while working from home.

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.

Asim Chohan (until 8 April 2022)

Asim was the Operations Manager until 8 April 2022. Asim is a chartered engineer and joined Dams Safety NSW in 2020. Asim has experience in regulatory oversight and compliance management. Asim was responsible for leading the Operations team to ensure compliance oversight of declared dam owners.

Muhammed Akber (from 11 April 2022)

Muhammed is the Acting Operations Manager. He is a professional engineer with a Masters in Business Administration. He joined Dams Safety NSW in 2020. Before joining Dams Safety NSW, Muhammed 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.

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.

Table 4: Number of officers and employees by category with previous year comparison

	2021-2022	2020-2021
Ongoing	11	13
Temporary	7	4
Executive	1	1
TOTAL	19	18

Table 5: Numbers and remuneration of senior executives 2021-2022

	2021-2022		
	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

People Matter 2021 NSW Public Sector Employee Survey

The People Matter 2021 NSW Public Sector Employee Survey provides important feedback on how our staff feel about working at Dams Safety NSW and where improvements can be made.

In 2021 86% of Dams Safety NSW staff responded to the survey, which suggests that our people recognise the value of the survey. The overall employee engagement score for the agency was 77%.

Excellent scores were achieved in the areas of flexible working satisfaction, role clarity, job purpose and employee voice. An area identified for improvement is communication and change management.

Governance

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.

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

Members meet approximately monthly, or more frequently as required.

Dams Safety NSW members

Ross Carter – 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.

Alex Fisher – Deputy Chair

Term of appointment: November 2019 – October 2022

Ms 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. Ms Fisher 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 2022

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.

Mr McGrath is a previous chair 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.

Rob O'Neill

Term of third appointment: November 2021 – October 2024

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.

Mr O'Neill also served as a member and chairperson of the Interim Dams Safety Advisory Committee.

John Stacpoole

Term of second appointment: November 2020 – October 2021

Mr Stacpoole is a dual qualified geologist and mining engineer and has expertise in mining, geotechnical engineering, tailings dams and radiation safety. He is a member of the Geology Society of Australia and is a Chartered Professional and Fellow of Australian Institute of Mining and Metallurgy.

Mr Stacpoole is a Councillor for the Radiation Council of NSW and a member of the Board of Survey and Spatial Services NSW.

Julie Garland McLellan

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.

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

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 2020-21

In 2021-22, Dams Safety NSW members met for 9 scheduled meetings:

- 27 July 2021
- 14 September 2021
- 21 October 2021
- 5 November 2021
- 14 December 2021
- 8 February 2022
- 29 March 2022
- 3 May 2022
- 15 June 2022

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 2021-22 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 Dams Safety NSW are received through the Department of Planning and Environment's 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 2021-22, Dams Safety NSW received no external complaints.

Consultants

Table 6. Consultancies less than \$50,000

Name	Description	Cost
CIE	Regulatory Impact Statement for changes to Dams Safety NSW Regulation	\$10,588
Aurecon	Initial assessment of consequence categories of 141 non-declared dam structures	\$40,150
Anson Australia	Staff development	\$11,900
Richard Woodward & Associates	Development of Strategic Plan	\$5,000

Table 7. Consultancies greater than \$50,000

Name	Description	Cost
Datacom Systems	Gap analysis, business requirements gathering and design specification for IT system phase 2	\$61,601

Governance framework

The Dams Safety NSW Governance framework describes how Dams Safety NSW sets responsibilities, practices, policies, processes and procedures to provide strategic direction, achieve Dam Safety NSW's intended purpose, manage risks, comply with all relevant legislation and meet expectations of probity, accountability and transparency.

Delegations assurance framework

Dams Safety NSW has established financial and operational instruments to delegate functions of Dams Safety NSW to officers of Dams Safety NSW.

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

Ethics and integrity

The Department of Planning and Environment revised its Code of Ethics and Conduct in March 2022. The Code is web-based and provides an accessible and up to date resource for all employees to understand and comply with their integrity related obligations. The revision of the Code followed extensive consultation with employees and community stakeholders. The Code shapes the way we act and work together as an organisation, to deliver outcomes for the NSW's growing and future communities.

Significant Code of Ethics and Conduct developments in the reporting period include:

- **Conflicts of interest requirements relating to the NSW Biodiversity Offset Scheme Protocol** - The department implemented this protocol and delivered training and awareness across the department. The protocol outlines the mandatory requirements to address integrity risks and establishes rules for the consistent management of BOS conflict of interests.
- **Organisational compliance framework** - The framework is comprised of a compliance policy, procedure and register. It ensures departmental compliance with key legislative and regulatory obligations in the performance of its functions.
- **Lobbying of government official's policy** - The lobbying policy was updated in response to the ICAC's public inquiry into lobbying, access and influence in New South Wales. The revised policy aligns with the Premier's whole of government response to lobbying reform, which

accepted 27 of the ICAC's recommendations to strengthen lobbying integrity measures across the State.

- **Ethics portal** – The department operates a centralised, automated declaration platform to make it easier for employees to submit their integrity related declarations and applications. Throughout 2021 – 2022, considerable enhancements were made to strengthen safeguards and enable a new range of reporting capabilities.

The department continues to work in collaboration with central agencies, such as the NSW Ombudsman, the Audit Office of New South Wales, the Independent Commission Against Corruption, NSW Procurement, NSW Transport and NSW Treasury, to ensure leading practice guidance is continually revised, developed and implemented.

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.

Corporate governance

Standing Order 52

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

Public access to information

Dams Safety NSW 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 Dams Safety NSW, in compliance with s125 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 Dams Safety NSW received two applications for access to information.

Privacy

Under Clause 6 of the Annual Reports (Departments) Regulation 2010, Dams Safety NSW must provide a statement of its actions to comply with the requirements of the Privacy and Personal Information Protection Act 1998 (PPIP Act). It must also provide statistical details of any reviews conducted by or on behalf of the department, under Part 5 of the PPIP Act.

Dams Safety NSW 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 PPIP Act and the Health Records and Information Privacy Act 2002. Officers in the department's Information Access & Privacy unit also provide specialist privacy advice and training to departmental cluster staff. In 2021-22, Dams Safety NSW received no applications for review under Part 5 of the PPIP Act.

Appendices

Appendix 1. Internal audit and risk management attestation

Internal Audit and Risk Management Attestation Statement for the 2020-2021 Financial Year for Dams Safety NSW

I, Ross Carter, 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 |
| 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 |
-

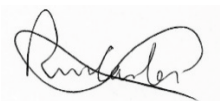
Departures from Core Requirements

I, Ross Carter, 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 • Core Requirement 2.2 • Core Requirement 2.3 • Core Requirement 3.1 • Core Requirement 3.2 	<p>Dams Safety NSW has established an internal audit function that is commensurate with the size of the agency. A Small Agency Exemption applies.</p> <p>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.</p> <p>Dams Safety NSW has established an Internal Audit Charter that is commensurate with the size of the agency. A Small Agency Exemption applies.</p> <p>Dams Safety NSW members carry out applicable internal audit committee activities. A Small Agency Exemption applies.</p> <p>The Internal Audit Charter includes activities normally undertaken by an audit committee. A Small Agency Exemption applies.</p>

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.



Ross Carter, Chairperson of Dams Safety NSW

Date: 7/9/2022

Agency contact: Peter Boyd, Governance and Assurance Manager
(Mob): 0418 259 984

Appendix 2. Cyber Security Annual Attestation for the 2021-2022 Financial Year

Cyber Security Annual Attestation for the 2021-2022 Financial Year for Dams Safety NSW

I, Chris Salkovic, Chief Executive Officer, am of the opinion that Dams Safety NSW 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.

During the 2021-2022 financial year, the Department of Planning and Environment has completed independent audits of its Cyber Security Uplift Program, cyber security controls, and the department's maturity against the NSW Cyber Security Policy. These audits identified both positive progress and opportunities for improvement, consistent with the evolving cyber security threat landscape.

The Department of Planning and Environment has a Cyber Security Strategy in place to ensure continuous improvement and management of cyber security governance, risk, and resilience. Risks to the information and systems of DPE are continually assessed and managed through ongoing cyber security projects and business-as-usual initiatives.

The Department of Planning and Environment has a cyber security response plan that has been exercised during the 2021-2022 financial year. The plan will continue to be reviewed and tested to maintain its currency and effectiveness.

The Department of Planning and Environment's Digital Information Office has 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) during the 2021/2022 financial year (Certificate Number: IS 645082).

The Department will continue to harden its technology environments and increase awareness of cyber security and privacy risks for all staff.



Chris Salkovic
Chief Executive Officer
Dams Safety NSW

Date: 4 October 2022

Financial statements



INDEPENDENT AUDITOR'S REPORT

Dams Safety NSW

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Dams Safety NSW (the DSNSW), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, 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).

I have fulfilled my other ethical responsibilities in accordance with 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 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 are 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 determine 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 are 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:

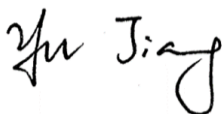
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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.



Reiky Jiang
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

17 October 2022
SYDNEY



Mr Ross Carter
Chairperson
Dams Safety NSW
Locked Bag 5123
PARRAMATTA NSW 2124

Contact: Reiky Jiang
Phone no: 02 9275 7281
Our ref: D2221158/ 0138

17 October 2022

Dear Mr Carter

STATUTORY AUDIT REPORT
for the year ended 30 June 2022
Dams Safety NSW

I have audited the financial statements of the Dams Safety NSW (the 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 2022, 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, 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 the 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 Appendix lists and explains the nature and impact of the misstatements contained in the financial statements.

- Table one reports significant uncorrected misstatements and disclosure deficiencies
- Table two reports significant corrected misstatements and disclosure deficiencies.

Based on my evaluation, none of the misstatements reported are due to fraud.

Compliance with legislative requirements

My audit procedures are targeted specifically towards forming an opinion on the DSNSW's financial statements. This includes testing whether the 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 2022 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*. Under Schedule 1(6) of this Act, please seek the Audit Office's consent before releasing this report publicly. Agencies are advised to also seek approval from the Minister(s) and the Treasurer before publishing this report.

Acknowledgment

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

Yours sincerely

A handwritten signature in black ink that reads "Yu Jiang". The signature is written in a cursive, flowing style.

Reiky Jiang
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

APPENDIX

Table one: Uncorrected monetary misstatements and disclosure deficiencies

We did not detect any reportable monetary misstatements or disclosure deficiencies that remain uncorrected in the financial statements.

Table two: Corrected monetary misstatements and disclosure deficiencies

Corrected monetary misstatements

Management corrected the following monetary misstatements in the current year's financial statements. We agree with management's determination and confirm this treatment complies with Australian Accounting Standards.

Description	Assets	Liabilities	Net result	Other comprehensive income
Effect of correction	Increase/ (decrease)	(Increase)/ decrease	(Increase)/ decrease	(Increase)/ decrease
	\$'000	\$'000	\$'000	\$'000
Factual misstatements				
Grants and contributions revenue was accrued to align with budget rather than actual amount earned	(141)	--	141	--
Total impact of corrected misstatements	(141)	--	141	--

Corrected disclosure deficiencies

Management corrected the following disclosure deficiencies in the current year's financial statements. We agree with management's determination and confirm this treatment complies with Australian Accounting Standards.

AASB reference	Disclosure title	Description of disclosure deficiency
AASB 101	Grants and contributions	Statement of Cash Flows: With the exception of interest received, cash payments and receipts from operating activities were changed to nil to reflect that DPE pays expenses on behalf of Dams Safety.
AASB 101	Total current assets in Statement of financial position	Total current assets added to \$746,000 but were initially disclosed as \$724,000.
AASB 101	Various	Minor changes were made as a part of the audit team's financial statements review.

Dams Safety NSW

Financial Statements

for the year ended 30 June 2022


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Dams Safety NSW
Statement by the accountable authority
For the year ended 30 June 2022

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.....

Ross Carter

Chairperson

Dated: 14 October 2022



Signed.....

Alex Fisher

Deputy Chairperson

Dated: 14 October 2022

Beginning of the financial statements

Dams Safety NSW Statement of comprehensive income For the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Expenses excluding losses			
Personnel services	2(a)	3,160	2,701
Operating expenses	2(b)	1,138	1,680
Depreciation and amortisation	2(c)	12	-
Total expenses excluding losses		4,310	4,381
Revenue			
Grants and contributions	3(a)	4,309	4,379
Sale of goods and services from contracts with customers	3(b)	-	(6)
Investment revenue	3(c)	1	1
Total revenue		4,310	4,374
Net result	9	-	(7)
Total comprehensive income		-	(7)

The accompanying notes form part of these financial statements.

Dams Safety NSW
Statement of financial position
As at 30 June 2022

	Notes	2022 \$'000	2021 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	4	567	566
Receivables	5	38	75
Total current assets		605	641
Non-current Assets			
Intangible assets	6	123	135
Total non-current assets		123	135
Total assets		728	776
LIABILITIES			
Current liabilities			
Payables	7	143	191
Total liabilities		143	191
Net assets		585	585
EQUITY			
Accumulated funds		585	585
Total equity		585	585

The accompanying notes form part of these financial statements.

Dams Safety NSW
Statement of changes in equity
For the year ended 30 June 2022

	Accumulated funds \$'000	Total equity \$'000
Balance at 1 July 2021	585	585
Net result for the year	-	-
Balance at 30 June 2022	585	585
Balance at 1 July 2020	592	592
Net result for the year	(7)	(7)
Balance as at 30th June 2021	585	585

The accompanying notes form part of these financial statements.

Dams Safety NSW
Statement of cash flows
For the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Payments			
Personnel services		-	-
Suppliers for goods and services		-	(7)
Total payments		<u>-</u>	<u>(7)</u>
Receipts			
Sale of goods and services		-	3
Interest received		1	1
Grants and contributions		-	-
Other		-	-
Total receipts		<u>1</u>	<u>4</u>
Net cash flows from operating activities	9	<u>1</u>	<u>(3)</u>
Net increase/(decrease) in cash and cash equivalents			
Opening cash and cash equivalents		566	569
Closing cash and cash equivalents	4	<u>567</u>	<u>566</u>

The accompanying notes form part of these financial statements.

Dams Safety NSW
Notes to and forming part of the financial statements
For the year ending 30 June 2022

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.

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 goods and services tax (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 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.

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

Dams Safety NSW
Notes to and forming part of the financial statements
For the year ending 30 June 2022

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 2021-22

The following policies amendments and interpretations apply for the first time in 2021-22 and do not have an impact on the financial statements of Dams Safety NSW.

- *AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures*
- *AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*
- *AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments*
- *AASB 2021-1 Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities*
- *AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021*
- *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*
- *AASB 2022-2 Amendments to Australian Accounting Standards – Extending Transition Relief under AASB 1 (effective for annual periods ending on or after 30 June 2022)*
- *AASB 2022-4 Amendments to Australian Accounting Standards – Disclosures in Special Purpose Financial Statements of Certain For-Profit Private Sector Entities (effective for annual periods ending on or after 30 June 2022)*

Dams Safety NSW
Notes to and forming part of the financial statements
For the year ending 30 June 2022

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

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 22-07):

- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current (effective from 1 January 2022)*
- *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 2021-2 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 2021-7a Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (effective from 1 January 2023)*
- *AASB 2021-7b 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 2022-3 Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15 (effective from 1 July 2022)*

Dams Safety NSW has assessed the impact of the new Australian accounting standards and interpretations issued and not yet effective where relevant and consider the impact to be not material. 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) Impact of Covid-19 on 2021-22 financial statements

Covid-19 has not resulted in any material impact on Dams Safety NSW revenue and expenses. Dams Safety NSW is continually assessing the impact of Covid-19 on the operating performance and its financial assets and liabilities.

i) 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.

Dams Safety NSW
Notes to and forming part of the financial statements
For the year ending 30 June 2022

2. Expenses excluding losses

	2022	2021
	\$'000	\$'000
a) Personnel services		
Committee members remuneration	190	176
Salaries and wages (including annual leave)	2,547	2,165
Superannuation	263	219
Payroll tax	146	122
Workers compensation insurance	14	19
	3,160	2,701

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).

Committee members fees and on-costs

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

	2022	2021
	\$'000	\$'000
b) Operating expenses		
Audit fees	16	16
Communication	125	155
Consultants	130	27
Contractors	448	1,151
Education and training	143	41
Low value assets	1	18
Other operating expenses	64	53
Short term leases	165	159
Travel	46	60
	1,138	1,680

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.

Lease expense

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.

Dams Safety NSW does not have low value leases (30 June 2021: Nil)

Dams Safety NSW
Notes to and forming part of the financial statements
For the year ending 30 June 2022

2. Expenses excluding losses (continued)

	2022	2021
	\$'000	\$'000
c) Depreciation and amortisation expense		
Intangible assets	12	-
	<u>12</u>	<u>-</u>

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.

	2022	2021
	\$'000	\$'000
a) Grants and contributions		
Donations		
Personnel services contribution - department	3,160	2,699
Travel contribution - other agencies and organisations	-	14
Operating expenses contribution - department	1,149	1,666
	<u>4,309</u>	<u>4,379</u>

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 2021-22 Dams Safety NSW did not use volunteer services. (2021 – nil).

Dams Safety NSW
Notes to and forming part of the financial statements
For the year ending 30 June 2022

3. Revenue (continued)

	2022	2021
	\$'000	\$'000
b) Sale of goods and services from contracts with customers		
Course fee revenue*	-	(6)
	<u>-</u>	<u>(6)</u>

* The debit balance in course fee revenue relates courses paid for during 2020 which have been refunded during the 2021 year. There were no courses in 2021-2022.

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.

	2022	2021
	\$'000	\$'000
c) Investment revenue		
Interest	1	1
	<u>1</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.

Dams Safety NSW
Notes to and forming part of the financial statements
For the year ending 30 June 2022

4. Current assets – cash and cash equivalents

	2022	2021
	\$'000	\$'000
Cash at bank and on hand	567	566
	<u>567</u>	<u>566</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)	567	566
Closing cash and cash equivalents (per statement of cash flows)	<u>567</u>	<u>566</u>

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

5. Current assets – receivables

	2022	2021
	\$'000	\$'000
Net GST receivable	11	11
Prepayments	27	64
	<u>38</u>	<u>75</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.

Dams Safety NSW
Notes to and forming part of the financial statements
For the year ending 30 June 2022

6. Intangible assets

	Software assets \$'000
At 1 July 2020-fair value	
Cost (gross carrying amount)	40
Accumulated amortisation and impairment	-
Net carrying amount	40
Year ended 30 June 2021	
Net carrying amount at the start of the year	40
Additions	95
Amortisation (recognised in 'depreciation and amortisation')	-
Net carrying amount	135
At 1 July 2021-fair value	
Cost (gross carrying amount)	135
Accumulated amortisation and impairment	-
Net carrying amount	135
Year ended 30 June 2022	
Net carrying amount at the start of the year	135
Additions	-
Amortisation (recognised in 'depreciation and amortisation')	(12)
Net carrying amount	123
At 30 June 2022-fair value	
Cost (gross carrying amount)	135
Accumulated amortisation and impairment	(12)
Net carrying amount	123

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.

Dams Safety NSW
Notes to and forming part of the financial statements
For the year ending 30 June 2022

7. Current liabilities - payables

	2022	2021
	\$'000	\$'000
Creditors	-	12
Accruals	143	179
	143	191

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.

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

	2022	2021
	\$'000	\$'000
Net cash from operating activities	1	(3)
Non- cash grants	4,309	4,379
Non- cash expenses	(4,309)	(4,377)
Depreciation	(12)	-
Increase / (decrease) in receivables	(37)	2
Decrease / (increase) in payables	48	(8)
Net result	-	(7)

Dams Safety NSW
Notes to and forming part of the financial statements
For the year ending 30 June 2022

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.

a) Financial instrument categories

Class:	Note	Category	Carrying Amount	
			2022	2021
			\$'000	\$'000
Financial Assets				
Cash and cash equivalents	4	Amortised cost	567	566
Financial Liabilities				
Payables ²	7	Financial liabilities measured at amortised cost	143	191

Notes

1. Receivables excludes statutory receivables and prepayments, not within scope of AASB 7.
2. 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.

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.

Dams Safety NSW
Notes to and forming part of the financial statements
For the year ending 30 June 2022

10. Financial instruments (continued)

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.

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 2022.

Dams Safety NSW is not materially exposed to concentrations of credit risk to a single receivable or group of receivables as at 30 June 2022.

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.

Dams Safety NSW
Notes to and forming part of the financial statements
For the year ending 30 June 2022

10. Financial instruments (continued)

c) Financial risks (continued)

ii. Liquidity risk (continued)

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 period (2021: nil).

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

Maturity analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. 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
2022 Payables	0%	143	-	-	143	143	-	-
2021 Payables	0%	191	-	-	191	191	-	-

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.

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 2021. 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.

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.

Dams Safety NSW
Notes to and forming part of the financial statements
For the year ending 30 June 2022

10. Financial instruments (continued)

c) Financial risks (continued)

iii. Market risk (continued)

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%	
2022					
Financial Assets					
Cash and cash equivalents	567	(6)	(6)	6	6
Financial Liabilities					
Payables	143	1	1	(1)	(1)
2021					
Financial Assets					
Cash and cash equivalents	566	(6)	(6)	6	6
Financial Liabilities					
Payables	191	2	2	(2)	(2)

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 (2021: nil).

12. Commitments

Dams Safety NSW is unaware of the existence of any commitments as at balance date (2021: nil).

Dams Safety NSW
Notes to and forming part of the financial statements
For the year ending 30 June 2022

13. Related party disclosure

During the period Dams Safety NSW incurred \$442,585 (2021 - \$402,542) 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

There are no events subsequent to the balance date that affect the financial information disclosed in these financial statements.

End of financial statements