



# Media release

**The Hon Michael O'Brien MP**

Minister for Gaming  
Minister for Consumer Affairs  
Minister for Energy and Resources

Thursday 29 December 2011

## **Victorian Coalition Government to reduce risk of bushfires caused by powerlines**

The Victorian Coalition Government has outlined its work plan to substantially reduce the risk of bushfires caused by powerlines in Victoria.

The work plan – which will implement recommendations 27 and 32 of the Victorian Bushfires Royal Commission – was announced as part of the Coalition Government's response to and acceptance of the recommendations of the Powerline Bushfire Safety Taskforce (PBST).

"The Coalition Government has always made it clear that our response to the PBST's report would be responsible, sensible and mindful of the cost impact on Victorian families," Minister for Energy Michael O'Brien said today.

"We have accepted all of the recommendations of the PBST," Mr O'Brien said.

"The Coalition Government will implement a work program by its own agencies and electricity distribution businesses which is expected to reduce the risk of electricity assets starting bushfires by up to 64 per cent over 10 years.

"We must do everything we can to reduce the risk of catastrophic bushfire caused by power assets, but the work we do must also be affordable given its cost impact on families.

"We will require Victoria's electricity distribution businesses to invest an estimated \$500 million in new generation electrical asset protection and control equipment, which will deliver major improvements in bushfire safety.

"The Coalition Government will also increase the Safer Electricity Assets Fund that was announced in the 2011-2012 Victorian Budget from \$50 million to up to \$250 million.

"Of that amount, up to \$200 million will be used to replace the most dangerous powerlines in the state over the next 10 years.

"In the first instance, \$40 million will be used to address the impact on the most vulnerable Victorians of reduced supply reliability associated with better electricity network bushfire control systems.

"The remaining \$10 million will be spent on further research and development to identify the most cost-effective new technologies and management practices capable of reducing bushfire risk from electricity assets.

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“This work program provides an appropriate balance of community safety and fire risk reduction, power reliability and cost of living objectives,” Mr O’Brien said.

Costs to Victorians have been kept to a minimum – the annual compounding increase for residential customers in the Powercor and SP Ausnet distribution areas will be approximately 0.1 per cent. For the average household, this is equivalent to an increase of approximately \$1.30 in the first year and \$2.60 in the second year, peaking at \$13 in year 11. After year 11 the cost increases will decline.

The Victorian Coalition Government will also invite the Commonwealth Government to contribute an additional \$250 million to this program. This would bring the total value of the works to up to \$1 billion.

The Coalition Government’s contributions to the program will be subject to strict conditions and oversight arrangements to ensure that the most cost-effective technologies are utilised and that taxpayer dollars do not fund upgrades that should be paid for by the electricity distribution businesses.

“We are establishing a high level oversight committee that will be headed by the Secretary of the Premier’s Department and will include experts and community representatives who will advise on the most effective way to roll out the program and monitor its progress,” Mr O’Brien said.

“This Committee will report annually to government, which will continually assess the program’s effectiveness in using new and existing technology to keep Victorians safe from bushfire.”

Under the work program, the greatest risk reduction is delivered by new-generation protection devices that will be installed on rural Single Wire Earth Return powerlines and new advanced technology similar to a safety switch for powerlines that will be installed in selected substations. This equipment helps to detect and manage faults, such as a tree branch contacting a wire, to reduce the risk of faults starting fires. Under this package of measures, all bushfire-prone areas of Victoria will see an upgrade to their electrical assets and therefore improvement in their safety.

The technologies applied over the 10-year program will be based on the latest research and development.

“This is a ten-year work program and it is expected that work will begin on these measures as soon as practicable,” Mr O’Brien said.

“Some recommendations will be put in place immediately while others will take longer because of the size and complexity of the work required.

“I thank the Taskforce and all those who have contributed to the development of this important report,” Mr O’Brien said.

The PBST was formed at the request of the Royal Commission to provide expert technical advice on options to reduce the risk of powerlines starting bushfires. The Royal Commission made eight recommendations relating to electricity distribution assets, of which six have already been given effect. The Coalition Government amended the Terms of Reference for the PBST early in 2011 to require it to consider how to fully implement the remaining two recommendations, 27 and 32, relating to a ten-year plan to reduce risk through cabling or other technologies and also the settings for the reclose function on powerlines.

In developing its report to government, the PBST released a public consultation paper in April 2011 and received public submissions. The PBST also engaged a stakeholder reference group and held public meetings in regional centres across Victoria. The full PBST report is available on the Energy Safe Victoria website [www.esv.vic.gov.au](http://www.esv.vic.gov.au)

**Media contact: Simon Troeth 0439 300 335**

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