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## **Submission**

# **Proposed Electricity Safety (Electric Line Clearance) Regulations 2020**



## ABOUT VAFI

The Victorian Association of Forest Industries Inc. (VAFI) is the peak representative body for the Victorian timber and forest industry. We represent forest owners and growers, harvest and haul businesses, wood, pulp and paper processors, and manufacturers. VAFI advocates for its members, associated businesses and individuals across both the native forest and plantations sectors and throughout the timber products supply chain.

Our industry plays a vital role in Victoria's economy because not only is wood beautiful and functional, it is a renewable, biodegradable, recyclable product, used for new homes, buildings, furniture, paper and fuel for green energy. Wood is simply an essential part of life and the ultimate renewable.

## VICTORIA'S TIMBER AND FORESTRY INDUSTRY

The Victorian timber and forestry industry utilises a mix of hardwood (eucalypt) and softwood (pine) resources supplied from public forests and private plantations, with local and regional strengths in each sector. Victorian timber resources support a wide range of products including sawn timber products, engineered wood products, pulp and paper manufacture, and high-quality wood chips.

Victoria has a strong and sustainable integrated timber and forestry industry that works efficiently and effectively. It is highly regulated and based on sustainable forest management practices. The industry manages and draws on a natural asset that has a high social, environmental and economic value. Victoria's timber and forestry industry has a significant role to play in the low carbon future and combating climate change.

Through the combination of the unique properties of sustainable timber products, suppliers, local communities and a highly skilled workforce, our industry delivers innovative and renewable products to local, national and international markets.

The timber and forest industry is vital for Victoria and a key contributor to the state's economy. Key economic drivers include:

- Approximately \$7 billion generated in sales and service income annually.<sup>1</sup>
- Direct employment of more than 15,000 people across the supply chain of forest management and harvesting; primary processing (e.g. sawn timber, particleboard, wood chips) and secondary processing (e.g. paper packaging, furniture)<sup>2</sup>
- Forest management and primary processing supports an estimated 10,000 further jobs generated through flow-on economic activity.
- The whole industry, including secondary processing, supports an estimated total of 40,000 to 50,000 flow on jobs.<sup>3</sup>
- The Central Highlands and Gippsland regions contain 55% of Victorian forest management, harvesting and primary processing jobs.
- Melbourne metropolitan region contains 75% of secondary processing jobs.

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<sup>1</sup> ABARES (2018) *Australian forest and wood products statistics: September and December quarters 2018*.

<sup>2</sup> Schirmer, J et al. (2017) *Socio-economic impacts of the forest industry Victoria: Green Triangle*; and Schirmer, J et al. (2018) *Socio-economic impacts of the forest industry Victoria (exc. the Green Triangle)*

<sup>3</sup> Schirmer, J (2010) *Socio-economic characteristics of Victoria's forestry industries*

## CONTEXT

The *Electricity Safety Act 1998* defines the distribution company as the Responsible Persons for keeping the whole of any part of a tree clear of an electric line. Under the Act, the *Electricity Safety (Electric Line Clearance) Regulations 2015* (the Regulations) currently specify the prescribed Code of Practice for electrical line clearance and management actions Responsible Persons must take. The Regulations will sunset in June 2020, requiring a renewal by the Minister for Energy, Environment and Climate Change.

Energy Safe Victoria (ESV) is Victoria's technical regulator, responsible for electricity, gas and pipeline safety. ESV has engaged Deloitte Access Economics to prepare a Regulatory Impact Statement (RIS) which considers the impact of different options for replacing the sunsetting regulations. These options are:

- Base Case: the ES Act is in place, but with minimal Regulations and Code.
- Option 1: Re-make the current Regulations with no changes.
- Option 2: Re-make the current Regulations as in Option 1, but with targeted changes.

The RIS recommends Option 2, which proposes a suite of changes to the Regulations to improve the effectiveness and efficiency of the Regulations. With regards to timber plantations the policy recommendations are:

- No change to the current requirements in the regulations
- ESV will seek to work with DELWP to amend the Code of Practice for Timber Production at the earliest opportunity in future revision

## VAFI FEEDBACK

### *The role of timber plantations*

The Electric Line Clearance Consultative Committee (ELCCC) is a statutory committee composed of key stakeholder representatives including representatives of power companies, landholders and general community members. The ELCCC provides advice on the preparation and maintenance of the Code of Practice for Electric Line Clearance, and any matters relating to the clearance of electric lines.

The ELCCC has explored the option of including specific requirements in the ELC Regulations addressing timber plantations. However, imposing further requirements on would potentially impose substantial costs and risks on plantation managers and owners who have little say over the location of electricity assets but are obliged to absorb costs arising from electricity assets on their land. Moreover, any regulatory change that focused only on plantations, while omitting other tree owners (e.g. paddock trees, garden trees, windbreaks, private native forest etc.), would not be equitable.

It is critical that the responsibility for maintenance of electric line clearances be unambiguously placed in the hands of a single party, to provide clear accountability for this vital activity. The only practical place where this responsibility can lie is in the hands of the powerline owners, as the party that benefits financially from the existence of the lines, and the party that has the capacity to recover the costs of their maintenance.

**VAFI supports the general change to the objectives of the regulation to protecting the health of trees and supports the implementation of Option 2 to remake the current Regulations but with targeted changes.**

**VAFI further supports the decision to make no change to the current requirements in the regulations for timber plantations.**

#### *Code of Practice*

The Code of Practice for Timber Production 2014 (the Code), clause 4.3.3.3 causes some confusion about who is responsible for the removal of damaged or diseased plantation trees. The Code directs that trees in the vicinity of power lines that are suffering from damage or disease must be removed where they are at risk of falling and making contact with powerlines. However, the Code does not override the *Electricity Safety Act* which deems the distribution company as the Responsible Person.

Timber plantation owners and managers are not responsible persons under the Electricity Safety Act. ESV has identified this issue and should be supported in resolving this anomaly with the Department of Environment, Land, Water and Planning (DELWP).

**VAFI urges ESV to work with the DELWP to amend the Code of Practice for Timber Production to eliminate confusion over responsibilities.**

#### *Audit and compliance*

Despite the existence of the regulations there have been instances of non-compliance and failure to clear trees that presented a clear risk of starting a fire. For example, in 2014 the Jack River – Egans Road fire destroyed over 1,660 hectares of plantation and burnt through nearly 3,000 hectares of forest and agricultural land in the Yarram region. This fire was started from a self-sown tree growing beneath the powerline into the clearance space until it contacted the powerline, demonstrating the vital importance of compliance with the regulations by the responsible power companies.

**VAFI urges ESV to strengthen its audit and inspection activities of the Regulations.**