

Attachment 1.04

Commissioner - NSW Rural Fire Service: Letter to CEO of NNSW

January 2015





NSW RURAL FIRE SERVICE



Mr Vince Graham
Chief Executive
Networks NSW
51 Huntingwood Drive
HUNTINGWOOD NSW 2148

HQ14/2003

5 December 2014

Dear Mr Graham

I refer to the release of the Australian Energy Regulator's (AER) draft determinations for electricity distribution businesses in NSW, in particular the operating expenditure component, and the possible ramifications on vegetation management programs should the determinations ultimately be enacted.

I understand that vegetation management is a substantial cost within the operating expenditure of electricity distribution businesses and note the draft proposals substantially reduce this expenditure by up to 39%. I am deeply concerned that the draft determination will lead to a reduction in vegetation management and preventative programs by the industry and potentially increase the bush fire risk to communities.

Vegetation management around electricity poles, wires and infrastructure is a critical bush fire mitigation measure. Historically the NSW Rural Fire Service (NSW RFS) has been satisfied that electricity distribution businesses have been appropriately addressing bush fire risks, including increased utilisation of emerging technologies such as LiDAR and has not been required to exercise its regulatory powers to address the risk posed by electricity infrastructure.

As you are aware the NSW RFS is the lead combat agency for bush fires in NSW. As Commissioner, I have broad powers under the *Rural Fires Act 1997* to ensure bush fire hazards are adequately addressed. In my capacity as Commissioner, I am also the Chair of the Bush Fire Coordinating Committee (BFCC), which is responsible for planning in relation to bush fire prevention and coordinated bush fire fighting at state level.

Following the devastating 2009 Victorian bush fires, which claimed the lives of 173 people and destroyed over 2,000 homes, a representative of the NSW energy regulator has been included as a member of the BFCC to ensure bush fire issues from industry, fire services and land managers are given statewide focus. Electricity providers are also members of the 67 local Bush Fire Management Committees (BFMCs) in NSW and have been for some time. This demonstrates the critical role of electricity providers in bush fire management and mitigation in this state.

A primary role of all BFMCs is to draft a bush fire risk management plan for their area which, once approved by the BFCC, imposes an obligation on all parties to implement the agreed risk mitigation treatments. For electricity providers, this includes any vegetation management requirements identified around electricity infrastructure.

Postal address

NSW Rural Fire Service
Locked Bag 17
GRANVILLE NSW 2142

Street address

NSW Rural Fire Service
15 Carter Street
LIDCOMBE NSW 2141

T (02) 8741 5555
F (02) 8741 5550
www.rfs.nsw.gov.au



The NSW RFS has regulatory powers to require that any bush fire hazards be removed. In discharging its legislative responsibilities, if the NSW RFS becomes aware that vegetation clearance around power lines or other electricity infrastructure is not adequate, it would be obliged to issue a notice on the electricity provider to undertake works or undertake the works itself at the providers cost. This reactive process, which the NSW RFS would be obliged to implement, would increase our costs for inspection and enforcement, most likely resulting in a higher cost for electricity providers than a preventative program of vegetation management works.

There have been numerous examples of bush fires igniting from electrical infrastructure during adverse fire weather. The most recent example being the October 2013 Blue Mountains bush fire which caused significant damage and destroyed over 200 properties, although it is acknowledged the origin of that fire appears to be from a private power line.

It would appear that the broader ramifications of the draft determinations have not been subject to a detailed risk assessment by the AER and I strongly encourage the AER to undertake detailed risk assessments of the broader impacts of these determinations in its current form.

I seek clarification from you about the possible implications to the vegetation management programs of electricity distribution businesses, should the draft determinations be enacted. I trust that you will be able to provide some reassurance that critical bush fire mitigation measures by electricity distribution businesses will not be adversely affected by this determination. You may also be able to advise whether or not the AER plans to consult more widely on its draft determinations to seek advice on the broader impacts should these determinations be enacted in its current form.

I feel it would be beneficial to meet and discuss this significant issue, so please contact my office on (02) 8741 5103 to make suitable arrangements.

Yours sincerely



Shane Fitzsimmons AFSM
Commissioner NSW Rural Fire Service
Chair Bush Fire Coordinating Committee

CC:
Ms Paula Conboy
Chair
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001
Email: Paula.Conboy@aer.gov.au