

Ms Elizabeth Molyneux,
Deputy Secretary, Energy
Department of Environment, Energy and Climate Action
8 Nicholson Street
East MELBOURNE VIC 3002

14 November 2025

Dear Ms Molyneux,

REGULATORY IMPACT STATEMENT FOR THE ELECTRICITY SAFETY (ELECTRICAL LINE CLEARANCE) REGULATIONS 2026

I would like to thank your staff at the Department of Environment, Energy and Climate Action (the Department) for working with the team at Better Regulation Victoria to prepare a Regulatory Impact Statement (RIS) for the proposed Electricity Safety (Electrical Line Clearance) Regulations 2026.

As you know, the Commissioner for Better Regulation provides independent advice on the adequacy of the analysis provided in all RISs in Victoria. A RIS is deemed to be adequate when it contains analysis that is logical, draws on relevant evidence, is transparent about any assumptions made, and is proportionate to the proposal's expected effects. The RIS also needs to be written clearly so that it can be a suitable basis for public consultation.

I am pleased to advise that the final version of the RIS received by us on 10 November 2025 meets the adequacy requirements set out in the *Subordinate Legislation Act 1994*.

Background and problems

Electric powerlines are often situated close to vegetation. Contact between powerlines and vegetation can pose significant risks including fires, electrocutions, property damage and power outages. The Department notes that between 2019 and 2023, an average of 47 fires a year were caused by vegetation coming into contact with powerlines.

The *Electricity Safety Act 1998* (the Act) governs electrical safety in Victoria. The Act imposes a general duty for distributed network service providers (DNSPs) to keep vegetation clear from electric lines and minimise, as far as practicable, the risks associated with operating their networks. The Electricity Safety (Electrical Line Clearance) Interim Regulations 2025 (the current Regulations) were developed under the Act to prescribe specific requirements regarding the mitigation of risks related to contact between powerlines and vegetation, including prescribing the Code of Practice for Electric Line Clearance (the Code). The current Regulations replicated previous regulations made in 2020. The current Regulations were made for one year while the Department conducted further stakeholder consultation.

The current Regulations give effect to the Code by prescribing specific duties of responsible persons including DNSPs, local councils and certain property owners who own or operate an electric line. The current Regulations prescribe specific standards for managing electric line clearance which aim to minimise the danger of vegetation contacting electric lines while also protecting the health of trees that require cutting. The current Regulations require responsible persons to prepare an Electric Line Clearance Management Plan (ELCMP) outlining how they will achieve compliance with the Code.

Energy Safe Victoria (ESV) is responsible for ensuring the safe generation, supply and use of electricity, gas and pipelines in Victoria. ESV's responsibilities for electricity safety include monitoring and enforcing the current regulations. These responsibilities include evaluating and approving ELCMPs, conducting system audits of responsible persons and conducting inspections of electric lines.

The Department explains that the Act requires regulations prescribing the Code to be in force, and that the current Regulations will expire in June 2026. The Department also explains that if the current Regulations were allowed to expire without being remade, responsible persons would still have a general duty to minimise risk under the Act. However, specific standards for vegetation management would no longer be prescribed. This may lead to less effective risk management, increasing the risk of power outages or fires caused by tree contact, and deaths or injuries due to electric shock or electrocution.

Options and impact analysis

In the RIS, the Department analyses three options for prescribing vegetation maintenance requirements under the Code:

- **Option 1 – Status quo** involves remaking the current Regulations with no changes
- **Option 2 – Targeted changes** involves remaking the current Regulations with five targeted changes, such as making exceptions for risk assessments more accessible, clarifying terminology and strengthening requirements for indigenous and significant trees
- **Option 3 – Targeted changes and a trial:** as per Option 2, plus provisions to facilitate trials of reduced minimum clearance distances.

Each option is compared against a base case involving minimal regulations. The Department explains that this base case would involve regulations that would outline general duties (as required by the Act) but would lack prescriptive requirements. For example, minimal regulations might require vegetation to be maintained to a 'safe distance', without specifying what distance is considered safe. Although the typical base case for sunseting regulations is no regulations, the Department explains that a scenario involving minimal regulations provides a more realistic point of comparison because the Act requires some regulations to be in force at any time.

The RIS assesses these options with a multi-criteria analysis (MCA). The MCA criteria and weightings are:

- **Reducing risk of hazardous incidents** – capturing the extent to which an option reduces risks arising from vegetation contacting electric lines (20 per cent)
- **Improving electricity supply and reliability** – capturing the benefits of reducing interruptions to power supply (20 per cent)
- **Protecting amenity and environment and mitigating the effects of climate change** – capturing the extent to which options impact amenity, the environment and climate change mitigation (10 per cent)
- **Cost to responsible persons** – capturing the costs imposed by options on DNSPs, local councils and property owners (25 per cent)
- **Cost to government** – primarily relating to the costs for ESV to monitor and enforce compliance with the regulations under each option (25 per cent).

The Department identifies Option 3 as its preferred option under the MCA.

According to the Department, all options achieve the same scores for reducing the risks of hazardous incidents and improving supply reliability. The Department notes that the number and severity of incidents such as bushfires varies each year and depends on multiple factors. This variation makes it difficult to precisely estimate the harm prevented by regulatory interventions. However, it explains that the specific controls prescribed under all options are expected to mitigate risks over time by providing clear guidance to responsible persons and ensuring sufficient vegetation management.

Both Options 2 and 3 perform slightly better than Option 1 in terms of protecting amenity and environment. This is due to some of the proposed changes involving slightly less extensive vegetation management requirements. For example, Option 3 allows for trials of reduced minimum clearance space requirements. As such, Option 3 performs marginally better than Option 2 against this criterion due to the improved amenity created by allowing reduced minimum clearance within trial areas.

Options 2 and 3 are also assessed as imposing slightly lower costs for responsible persons than Option 1 due to minor changes to vegetation management and reduced administrative requirements.

The Department notes that all options impose costs on responsible persons compared to the base case. It estimates the costs of vegetation management in 2022-23 at around \$120 million per year for DNSPs and in 2018-2019 around \$11 million for local councils. It notes feedback from DNSPs that these costs could be 20 to 40 per cent, or around \$30 million to \$60 million lower, without the current Regulations. However, the Department explains that these costs to DNSPs are outweighed by improved safety and electricity supply reliability.

Options 1 and 2 have similar costs to government of around \$2.1 million per year, requiring fundamentally the same activities to administer the regulatory framework. The Department assesses that Option 3 imposes marginally greater costs associated with setting up systems and procedures for trials.

Implementation and Evaluation

The Department explains that it will be responsible for implementing and evaluating the proposed Regulations. ESV will remain responsible for the day-to-day monitoring and enforcement of the proposed Regulations. The Department outlines an implementation plan including public consultation and communication, and internal education of ESV staff regarding the changes.

The Department explains that as part of ongoing enforcement and evaluation, ESV will continue to investigate incidents and monitor compliance with the Regulations. The Department also explains that it will discuss revising incident reporting terminology with ESV and other agencies which compile incident reports to improve the quality and accuracy of data which could be used to evaluate the Regulations and inform potential changes when they are remade in 2036.

The Department commits to a formal mid-term review of the Regulations in 2029. This review, along with the 2036 sunset review, will evaluate the extent to which the Regulations have achieved their objectives, the actual impact of the regulations against the expected impact, lessons learned including any unintended consequences and any potential improvements to the Regulations.

Should you wish to discuss any issues raised in this letter, please do not hesitate to contact my office on (03) 7005 9772.

Yours sincerely



Katrina McKenzie

Commissioner for Better Regulation