

# Bushfire testimony on tragic cost of electricity privatisation

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Testimony presented to the Victorian royal commission into the Black Saturday fires indicating that powerlines sparked several major bushfires has been virtually ignored by the media. The silence is in marked contrast to the frenzied reportage immediately following the February 7, 2009 fires of allegations that many blazes had been lit by arsonists.

The *Australian* declared on February 9: “Now is not the time to ask why so many lives were lost, whether warnings were inadequate or resources poorly deployed”. The real issue, the newspaper stated, was the necessity for “far harsher punishments” for those who commit the “evil of arson”. Labor Prime Minister Kevin Rudd denounced arsonists as “mass murderers”, while Victorian state premier John Brumby equated arsonists with “terrorists”.

All this was aimed at deflecting attention from the government culpability in the tragic loss of life. According to evidence presented to the commission in the past six months, five of the eleven major fires on February 7 were likely ignited by power lines.

Private operator Powercor has been blamed for three of the fires—at Coleraine, Horsham and Weerite—and SP Ausnet, a Singapore-based corporation, for two at Beechworth and the Kilmore East blaze, the largest fire which claimed 119 lives. The Kilmore East blaze allegedly began at the Pentadeen Spur line in Saunders Road, a power line constructed in 1966, over four decades ago. A faulty line attachment on one pole put stress on the one-kilometre span, causing it to snap and hit a wire at the other end, creating an arc of electricity that sent super-heated bursts of gas into dry grass.

Victorian power line maintenance was so inadequate that counsel assisting the royal commission, Jack Rush QC, told the hearing that, “If the aircraft industry worked on that sort of basis, we would have aircraft

falling out of the sky.”

The principle motivation of successive state governments, Liberal and Labor, has been to ensure that nothing interferes with the profit of the companies that took over the generation, transmission and maintenance of electricity in 1995.

The private providers have been able to boost profits by drastically cutting line maintenance costs. According to official records, Powercor and SP Ausnet underspent on their operations and maintenance budgets in the seven years to December 31, 2008 by \$105 million and \$95 million respectively. Powercor, moreover, reduced its inspections of powerlines from every three years to every five years and then subjected this essential work to further cost-cutting via outsourcing.

Before privatisation, electricity poles or wires or other parts were replaced on the basis that once they reached a certain age they were assumed to be unsafe. Now, however, maintenance is “condition-based”, which means that problems are typically only fixed in the event of a breakdown. The Brumby government insists that this new “risk based” approach is “world’s best practice”.

Ken Gardner, previously the head of regulatory monitoring agency Energy Safe Victoria (ESV), has raised the possibility that companies should return to an “age-based” replacement of assets. This suggestion has been bluntly rejected by the power companies. Government submissions have been equally hostile towards any suggestion that the ESV should have the right to challenge a private company if its Bushfire Mitigation Plan was inadequate.

Late last year Professor Graeme Hodge from the Monash Law Faculty’s Centre for Regulatory Studies told the Commission that the ESV mandate was “weak

and confused”, and that the body was “not a fully independent safety regulator”. Hodge stated that “to the degree to which the fires started through the electrical assets, we have had a huge regulatory failure”. This produced a furious government response. Barrister Kerri Judd SC devoted a long cross examination aimed at undermining this assessment and defending the privatised power system.

The virtual media blackout on these issues points to what is at stake. Along with the private power operators and the state government, responsibility for the deaths of 173 people on Black Saturday rests, in the final analysis, with the capitalist system that puts profit ahead of even the most elementary of social needs.



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