



AgForce Queensland Industrial Union of Employers

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Mr Sebastian Roberts
Acting General Manager
Regulatory Affairs – Electricity
ACCC
PO Box 1199
DICKSON ACT 2602

Dear Mr Roberts

Thank you for the opportunity to comment on the ACCC's review of the regulatory test.

AgForce is an industry body representing the interests of Queensland farmers and graziers and the communities in which they live and work.

AgForce's interest in the regulatory test relates specifically to the current lack of recognition of the adverse affects (in terms of social and economic costs) arising from the construction of new overhead electricity transmission lines.

The current regulatory test focuses solely on a narrow cost-benefit analysis, taking no account of the externalities resulting from these projects. These costs are carried by the landholders affected by these projects.

I note that the options canvassed in the ACCC's discussion paper are in essence continuing the status quo. However, I accept that these options reflect the 19 earlier submissions to the ACCC.

Nonetheless, I believe it is critical that the regulatory test be expanded beyond what I would call a narrow economic focus (including, for example, modelling market development scenarios and alternative construction timetables) to include the full social and economic cost to the community of new, enlarged or enhanced networks – particularly comparing above ground to underground transmission projects.

A regulatory model that fails to account for all of the externalities that accrue to the affected landholders is flawed.

I am aware that 'Power Down Under' a community group from South East Queensland, will be making a submission that will provide specific examples of the landholder costs I have referred to.

I am informed that the Murraylink Transmission Company's application to the ACCC argues that tactical undergrounding is justified as part of the lowest cost solution because it minimises objections from the effected community.

I strongly support this view. The experience of AgForce members with a proposed overhead power transmission line in South East Queensland, indeed confirms that the least cost solution invariably does not take account of the full social and economic cost to the individuals and the community effected.

It needs to be recognised that it is inequitable for one group of individuals to bear the cost for other areas of the community.

AgForce strongly urges the ACCC to decide in favour of broadening the regulatory test to include the total cost to the community effected.

Yours faithfully

A handwritten signature in black ink that reads "Larry Acton". The signature is written in a cursive, flowing style.

Larry Acton
General President