

28 March, 2003

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

Dear Mr Roberts

I am writing to you to support AgForce's submission on the ACCC's review of the regulatory test for electricity investment.

NFF is the peak body representing farmers at a national level and AgForce is one of our members.

The ACCC's discussion paper on the regulatory test focuses on measuring the costs and benefits to the electricity market of new investment. AgForce and NFF submit that this test needs to be expanded to allow the measurement of social and economic costs to the communities that would be affected by new investment.

NFF notes that the ACCC discussion paper reflects earlier submissions from market participants and not from community organisations. As a result, we consider that the proposed regulatory test may not recognise costs and benefits to communities.

AgForce and other organisations have indicated that the regulatory test may not make the correct decision about whether to build transmission cables above ground or underground. While the test will take account of the higher cost of underground cable, it may not recognise the community benefits from putting the cable underground. The issue is broader than this particular case and may also cover other community concerns such as location of transmission lines and vegetation management.

The current test is too narrow, and could impose significant costs on landholders affected by investments. It needs to be recognised that it is inequitable for one group of individuals to bear the cost for other areas of the community.

Therefore, we submit that the regulatory test should be expanded to allow the measurement of broader community costs and benefits from all investment options.

Yours sincerely

Charles Burke
Chair
NFF Economics Committee