

Date: 18 March 2022

To: Queensland Competition Authority

Re: Proposed increase energy cost – Draft rates 2022/23

Northern Iron and Brass Foundry Pty Ltd (NIBF) was established in 1932 and produces various grades of Ductile and Cast Irons, Abrasion and Corrosion resistant Irons as well as Bronze and Aluminium.

We have extensive manufacturing facilities including the capacity to melt up to 5 tonnes per melt of Iron, with a total of 30 tonnes per day and employ 70 locals. Markets NIBF supply are National Water authorities, Railway, Mining, Transport, and general engineering. NIBF is a Quality Endorsed Company to ISO9001: 2000.

Based on current Ergon Energy draft rates, NIBF Electricity cost will rise 8% or \$50k per year.

In attempts to offset these rising Electricity cost, NIBF has had no choice but to import more product from overseas and reduce head count. At a time when we require a reduction to import fewer products, to allow NIBF to employ more locals, we find ourselves in the position of some of the highest energy cost in Australia. We estimate we could employ an extra 10 employees if Electricity rates were reduced.

The continual rise of electricity cost has the potential outcome of the two points below.

- Further reduction of Head count and importation increased.
- NIBF will cease to operations and import 100%. Total of 74 regional job losses.

NIBF is the largest employer outside the local Council in the Innisfail district, and it is a disheartening to be heading in this direction. We simply require a reduction to current cost to remain a viable business.

	2021/22 rates	Draft 2022/23 rates	\$ increase	% increase
Service Fee (\$ day)	\$24.8827	\$25.6912	\$0.809	3%
Energy (c/kWh)	\$0.0882	\$0.1018	\$0.014	15%
Capacity (\$/kVA)	\$0.1990	\$0.2080	\$0.009	5%
Demand (\$/kVA)	\$0.1820	\$0.1910	\$0.009	5%

Regards,



Joe Vecchio
Operations Manager