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Queensland Aquaculture Industries Federation (Inc)
World Best Aquaculture

Aquaculture Association of Queensland, Australian Barramundi Farmers Association,
Australian Prawn Farmers' Association, Australian Tropical Abalone,
Coral Coast Mariculture, Koorungal Aquaculture Pty Ltd, OceanXplorer,
Queensland Crayfish Farmers Association, Queensland Pearl Industry,
Queensland Sea Scallop Ltd, South Pacific Seaweeds, Watermark Seafoods.

Chairperson
Queensland Competition Authority
Level 19, 12 Creek Street
GPO Box 2257
Brisbane QLD 4001
Australia

23/04/2012

Dear Sir

Our industry has been following the QCA review of electricity pricing and as members of the Queensland Farmers Federation have been participating in briefings provided to industry by the electricity supply industry.

We are now extremely concerned at the impact the proposed price rises will have on this industry. Most of our output comes from large land based production systems that are heavily reliant on electricity for pumping exchange water and for aeration of ponds necessary for the animal's survival and growth.

The proposed price rises will make it almost impossible for many of our companies to continue production. Our industry is an energy intensive, import competing sector with little opportunity for relief from rises in prices, almost no unrealised opportunities for savings from further efficiency gains in the use of electricity and little opportunity to absorb cost increases or pass them on to the market. Our industry is subject to intense competition from Asian imports of similar species of fish and prawns and is just not able to absorb a large shock in the price of a major input without notice.

Our industry is a significant employer in regional centres, especially in far north Queensland. Already this year one of the largest producers has placed production on a care and maintenance basis. We are fearful that electricity price rises of the magnitude being suggested will place much of the rest of this industry in jeopardy.

In the event that the structure of electricity pricing is changed, our industry would need at least 12 months notice to adjust our business structures to try to manage any changes.

Yours sincerely

Graham Dalton

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