

SIREN SEAFOODS

**M & B Buckingham
North Bundaberg Q 4670**

23rd November 2005

As owner/operators of a trawl fishing vessel in the East Coast Otter Trawl Fishery the ever rising cost of fuel has affected our business enormously.

Please find below figures which reflect the impact high fuel prices have had on our business.

The prices quoted below are the net cost of fuel to our business after receiving the Off Road Diesel Rebate and the GST component.

May 2004	\$0.49/litre
November 2005	\$0.74/litre

Our vessel carries 6 500 litres of diesel giving the following total fuel costs per production trip.

May 2004	\$3 185
November 2005	\$4 810

The above figures reflect an increase of \$1 625 per production trip. In May 2004 fuel represented a cost of 21% of the average income from a production trip. As of November 2005 fuel now represents a cost of 32% of the average income from a production trip.

Unfortunately, the average price we are receiving for our product has not increased similarly, having only risen by an average of \$1/kg in the last 12 months. However, while fuel prices continue in an ever upwards spiral our business experiences great fluctuations in prices received for our product. These fluctuations occur for many reasons including seasons and cheap imported product flooding the market at certain times of the year. While we may receive prices as high as \$21/kg at other times we only receive \$13/kg for the same product while still having to pay the exorbitant price of fuel regardless.

Given the above figures we are not sure how much longer our business can absorb the increasing cost of fuel and still remain viable. I put it to the committee that as we are supposedly the “Smart State” surely there is something that can be done to assist small regional businesses to remain viable.

Yours sincerely

Michael & Belinda Buckingham