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## **Aquaculture Licensee Committee Submission on Full Retail Contestability**

The Aquaculture Licensee Committee's summation of the Review of Full Retail Contestability leads to the following conclusions:

1. There is an understandable desire by all to see competition in provision of electricity to NT consumers
2. Currently the way PWC is structured allows it to cross subsidise and provide electricity at below cost
3. In order to attract competition, the price of power would need to be raised to reflect the true costs of its production and distribution
4. Pursuing the goal of competition amongst two or more electricity suppliers and distributors in the NT would negate and work against that same goal, the objective of which is to benefit consumers with cheaper prices.
5. The fact is that the paradigm that exists in large markets where healthy competition between producers keeps a lid on prices, does not yet exist in the NT due to its small size and diverse nature.
6. The benign monopoly of PWC is a necessity for a small geographically diverse community as exists in the NT until it reaches a size that would allow competition that would benefit consumers

The aquaculture industry in the NT relies heavily on electricity which is used on the farms to run pumps and aeration equipment, as well as cold stores, ice makers and other equipment.

The aquaculture industry in the NT is being overwhelmed by rapidly increasing costs including cost of transport of feed from southern suppliers to the NT, cost of transport of fresh fish from the NT to southern consumers, cost of fuel, and cost of electricity. At the same time the surging Australian dollar makes imports cheaper and allows our buyers to put downwards pressure on the prices they offer to us for our fish and it is simply not possible for us to increase our prices to compensate for increased costs.

The aquaculture sector therefore submits that it is only reasonable to forego full retail contestability until such time that the NT reaches a size that would allow such competition to help reduce prices to consumers. Moving to FRC at this time will have the opposite effect, and place our sector under even more pressure.

Yours sincerely



Adam Body  
Chairman

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