Profitability of Aquaculture

Pindimar Abalone Farm producing 60 tonne per annum   -   VIABILITY ASSESSMENT-.

Proponents DA's predicted set up costs in 2010 was $3,000,000 (3 million)

Increase in construction costs since 2010 plus over-runs conservatively in 2015 will be over $5m. Based on Proponents staff numbers of 15 and the current abalone price of $34/kilo the following is the projected running cost of this farm/factory.

Salary Package	Year 1
Salary Package base Average @ $85,000	
Per person	$1,275,000.00
Superannuation – Average	
Over 5 years = 10.5%	$133,875.00
Payroll Tax @ 5.5%	$70,125.00
Rent @ $2,500 per week	$130,000.00
Electricity – average	
800 kw/day @ 32cents per kw	
Gas/Fuel not included	$ 93,440.00
Insurances	$ 25,000.00
Bank Interest @ 7% on	
$2,000,000.00 overdraft	$140,000.00
Marketing – Advertising &	
Miscellaneous/Admin expenses	$15,000.00
Postage, Stationary &	
Computer costs	$1,500.00
Legal Bond Debts Contributions	$5,000.00
Maintenance/Repairs Average	$30,000.00
Communication & Phone Costs	$6,000.00

Training	$3,000.00
Travel Local/Overseas	$12,000.00
Cartage – Motor vehicle Maint.	
& Running Costs – 2 utes,	
2 cars & Fuel	$10,000.00

Year 1- Total Cost	$1,949,940.00
Year 2- Total Cost	$2,047,437.00
Year3- Total Cost	$2,149,809.00
Year 4-Total Cost	$2,257,299.00
Year5- Total Cost	$2,370,164.00

Cost of Feed & Production/ Return on Sales over 5 years

Year	1	2	3	4	5
Tonnage	0	0	20	40	60
Ex Factory @ $34 kg	0	0	$ 600,000	$ 1,360,000	$ 2,040,000
Less feed costs based					
On1.5 kg for every kg					
Of weight	-	-	$ 60,000	$ 120,000	$ 180,000
Return on Sales	-	-	$ 540,000	$1,240,000	$ 1,860,000

SUMMARY Year	1	2	3	4	5
Cost of Production	$1,949,940	$ 2,047,437	$2,149,809.	$ 2,257,299.	$ 2,370,164
Income	nil	nil	$ 540,000	$ 1,240,000	$ 1,860,000
Varience	- $ (1,949,940)	- $(2,047,437)	-$(1,609,809)	– $ (1,017,299)	- $ (1,510,164)

Profit/loss after 5 years excluding set up costs of $5,000,000 = ($8,134,649) LOSS

SUMMARY - This project will never make a profit even if production is increased to over 100 tonnes.

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