

28 March 2018

Utilities Commission  
Charles Darwin Centre  
19 The Mall  
Darwin NT 0801

By online submission via: [utilities.commission@nt.gov.au](mailto:utilities.commission@nt.gov.au)

## **RE: Review of Northern Territory Ports Access and Pricing Regime**

Verdant Minerals Ltd (Verdant) appreciates the opportunity to provide feedback in relation to the Utilities Commission's (Commission) review of the Northern Territory ports access and pricing regime (Regime). This submission provides commentary on a limited number of issues raised by the Commission which Verdant views as important to the review.

Verdant is a publicly listed resources company with strategic intent to discover, develop and operate fertiliser and industrial mineral projects in the Northern Territory. Verdant's portfolio of projects includes the global scale Ammaroo Phosphate Project, a portfolio of Sulphate of Potash projects and the Dingo Hill Silica Project.

The Ammaroo Phosphate Project (APP) is located 200km southeast of Tennant Creek and is currently progressing through bankable feasibility study phase, with production planned for 2020. Verdant proposes that the product is transported via a purpose built 100 km rail spur connecting to the Adelaide to Darwin Railway to the Port of Darwin (East Arm wharf) for export to international markets. A high degree of certainty of access and pricing for use of both rail and port infrastructure is critical to achieve a bankable project solution.

During the project's development phase, Verdant has engaged in discussions with Darwin Port Operations (DPO) for access to and pricing for use of the Port of Darwin infrastructure covering both standard and non-standard services. Wharfage pricing for bulk minerals is provided on an application basis only (i.e. no transparent pricing schedule). Under the current Access Policy, the ability to demonstrate certain prudential requirements to satisfy an access application is difficult for emerging producers with limited capital until such time as they raise finance and begin constructing the operations. However, this places emerging producers in a quandary to raise that finance and commence operations without certainty of access to and pricing of port infrastructure. Without a high degree of certainty on these two elements, new projects will either not be able to raise finance or if they are able to, be forced to accept higher financing costs to account for such risks.

Verdant strongly supports the ongoing need for regulatory oversight in relation to access and pricing of the port services. Specifically, Verdant supports:

- (a) legislative change to include a requirement for consultation by the port operator with port users on the initial access policy, to ensure that the commercial and financing requirements of access seekers are adequately considered in the access policy (issue 8);
- (b) amending the Regime to:
  - ensure there is an access policy in place at all times;
  - ensure the access policy is subject to regular review (e.g. every 3 years); and
  - provide the Commission with the power to require amendments to the access policy in certain circumstances including where the Ports Management Act is amended or any of the aspects of the access policy are unworkable or impede the efficient and effective access or operation of the port.

Implementing these processes will ensure that the process for securing access is transparent and equitable to all access seekers in the long term (issue 9);

- (c) the ability for port users or stakeholders to report material instances of non-compliance with the access policy to the Commission (issue 14); and
- (d) a requirement for the port operator to provide reports to the Commission on access sought, provided, refused and negotiation timing (issue 14) to promote timely and efficient use of the infrastructure.

We confirm that this submission is public. Please contact me should you have any questions regarding this submission.

Yours Sincerely,



**Chris Tziolis**  
Managing Director