

Utilities Commission of the Northern Territory
GPO Box 915
DARWIN NT 0801

Via email: utilities.commission@nt.gov.au

Re: 2023 Review of the Port Access and Pricing Regime

Verdant Minerals Pty Ltd (Verdant) appreciates the opportunity to provide comments in relation to the above review by the Utilities Commission (Commission). Verdant confirms this submission is public.

Background

Verdant is a privately owned company based in the Northern Territory. Verdant is pursuing development of its Ammaroo Phosphate Project (APP), located approximately 200km south-east of Tennant Creek and 95km from the Tarcoola-Darwin Railway (TDR).

Verdant proposes that product from APP is transported via a purpose built 100km rail spur connecting to the TDR to the Port of Darwin (East Arm wharf) for export to Australian and international markets. During the project's development phases, 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).

Draft Recommendations

In general, Verdant supports the Commission's draft recommendations for continued and improved regulatory oversight in relation to access and pricing of the port services. Verdant provides the following commentary on the specific recommendations.

Draft Recommendation 6

Verdant notes the Commission's proposal for the continued form of regulatory oversight of pricing to continue to be price monitoring. Oversight of this nature has an ex-post focus to ensure monopoly power is not being exploited. Verdant contends that it is equally important to ensure that appropriate frameworks and protections are available on an ex-ante basis to facilitate a greater certainty of access and pricing for use of port infrastructure for developing projects to achieve a bankable port solution. This certainty would be greatly enhanced by implementation of draft recommendation 11.

Draft Recommendation 11b

Verdant strongly supports amendments to the regime which allow the Commission to determine non-standard services which a port operator must publish indicative terms in its access policy and indicative charges. Verdant fully supports the following views expressed by Department of Infrastructure Planning and Logistics (DIPL) in its submission:

1. that standard services should include the following operations, which are currently excluded through Schedule 1 of DPO's access policy:
 - use of the rail mounted dry bulk ship loader on East Arm Wharf Berth 2; and
 - the train unloading facility, dumping facility, stockpile areas, dump station, conveyor systems and related equipment and facilities.
2. any other port operations considered accepted market practice in Australia should also be included as standard services. DPO should publish prices for bulk minerals including the specification of what loading method is utilised, for example, a published tariff for export of bulk minerals using the dry bulk ship loader and a separate tariff for not utilising the dry bulk ship loader.

Additional Comments

Verdant supports amendments to the regime which promote development and efficient investment in port infrastructure to support the NT's mineral industry. To secure financing for emerging projects such as APP, certainty of route to market is a key element, of which certainty to access and pricing of port infrastructure features. 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 would be happy to discuss this submission to elaborate on the points above. Please contact me on the details provided below should you wish to do so.

