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Ms Lauren Mesiti
Committee Clerk
Standing Committee on Legislation
Legislative Council
Parliament House
Perth WA 6000

22 April 2016

Dear Ms Mesiti

Dampier Salt Limited (DSL) Submission – Inquiry into Pilbara Ports Assets (Disposal) Bill 2015

I refer to a letter dated 24 March 2016 from Hon Robyn McSweeney MLC, Chair of the Standing Committee on Legislation (**Committee**) inviting DSL to provide a submission to the Committee's inquiry into the purpose, effect and policy of the *Pilbara Ports Assets (Disposal) Bill 2015 (Bill)*.

DSL is a Western Australian solar salt company, producing industrial salt by solar evaporation of seawater at Dampier and Port Hedland, and from underground brine at Lake MacLeod (located 80km from Carnarvon) for export into the international industrial salt market, principally to base chemical markets in Asia.

As a preliminary comment, I note that DSL currently uses the Port Hedland port for the shipping of solar salt with priority rights for Port Hedland wharf access (at Berth No.3) pursuant to the *Leslie Salt Industry Agreement Act 1966*.

I also confirm that DSL is not a user of Utah Point Bulk Handling Facility (**Utah Point**). As a result, DSL does not anticipate that the Bill will have a **direct** impact on its operations or activities at Port Hedland.

Given this context, we have no substantive comment to make in relation to the efficacy of the Bill in terms of achieving its purpose, which we understand to be the provision of a legal framework for the State Government's plans to transition Utah Point from the ownership and management of the Pilbara Port Authority (**PPA**) to the private sector through a long-term lease.

However, we strongly encourage the Committee to also consider within the scope of its inquiry whether there is potential for the passage of the Bill to result in any **indirect** impacts or detriment applying to other users of the broader Port Hedland port facilities, beyond the current users or potential users of Utah Point (**non-Utah Point port users**).

For example, DSL is concerned that, by removing Utah Point from the ownership and management of the PPA, an outcome of the Bill will be to reduce the number of port users who are levied charges to meet the PPA's annual corporate overheads and administrative costs. This may result in increased charges being applied to non-Utah Point port users to cover the PPA's corporate expenses in providing services at Port Hedland.

Examples of these overheads might include administration costs, information technology, insurance, salaries and other corporate costs.

It is therefore vital that the passage of this Bill does not translate into higher port charges as a result of the PPA's overhead costs being spread over a smaller group of Port Hedland users (i.e. non-Utah Point users) a way that is unfairly skewed against low value exporters, such as salt and agricultural exporters, as compared to higher margin iron ore exporters.

Thank you for the opportunity to provide this submission to the Committee's inquiry.

If the Committee requires any further details or have any questions regarding our submission, please do not hesitate to contact me on (08) 9270 9210.

Yours sincerely



Simon Trott
Managing director, Diamonds, Salt & Uranium