

06 February 2025

To: Ann Jones
Director Business Performance
Queensland Competition Authority
GPO Box 2257, Brisbane QLD 4001
www.qca.org.au/submissions/

Dear Ann

Application for NECAP Prudency Ruling

Dalrymple Bay Infrastructure Management Pty Ltd (**DBIM**) refers to section 12.10 of the DBCT 2021 Access Undertaking (**AU**) under which DBIM is required to incur Non-expansion Capital Expenditure (**NECAP**) as necessary to ensure that the Terminal¹ complies with Good Operating and Maintenance Practice, and that DBIM complies with its obligations under the Port Services Agreement (**PSA**).

In June 2022, the Operator of the terminal recommended the implementation of eight projects in NECAP Series S in accordance with s.12.10(b)(3) of the AU. Pursuant to s.12.10(b)(2)(A) of the AU, DBIM then sought approval from all Access Holders for implementation of NECAP Series S projects. By July 2022, all Access Holders approved six NECAP Series S projects, which DBIM approved to proceed in August 2022. However, the two Operator-managed projects listed in the table below (the **two projects**) were not approved by one Access Holder. In February 2023, in consideration of its obligations in respect of NECAP, DBIM approved the two projects to proceed without unanimous Access Holder approval.

| ID | Project | Expenditure |
|--------------|--------------------------------|------------------|
| NS01 | Arc Flash Mitigation – Phase 2 | 3,772,496 |
| NS06 | Site Roads Upgrade Program | 2,343,051 |
| Total | | 6,115,547 |

By November 2024, significant components of the two projects were completed and handed over into operation, with incurred expenditure of \$6.1m.² However, as the requirement in section 12.10(b)(2) was not satisfied in respect of the two projects,³ DBIM hereby applies to the QCA for a NECAP Prudency Ruling in respect of the two projects, in accordance with s.12.10(c) of the AU.

This application is accompanied by supporting material which addresses the factors in s.12.10(c) of the AU that the QCA may consider in making its Prudency Ruling.

If you require any further information, please do not hesitate to contact me.

Yours sincerely



Jonathan Blakey
Chief Commercial & Sustainability Officer

¹ Capitalised terms used in this letter and accompanying supporting material which are not otherwise defined have the same meaning given in the AU, OMC, PSA or User Agreements as applicable.

² All values in this submission exclude Interest During Construction (**IDC**) which is calculated separately in accordance with the User Agreements.

³ In November 2024 the Access Holder objected to the two projects pursuant to s.12.10(b)(2)(B) of the AU.