

PUBLIC ACCOUNTS COMMITTEE

Question on Notice

Date: 24/07/2025

From: J Davis

To: Mr Tim McManus

Agency: Treasury and Finance

Subject: Darwin Ship Lift

QUESTION:

What will the cost be to the Northern Territory of the total borrowings for this project?

ANSWER:

The Darwin Ship Lift Project is funded from both Territory borrowings and loans provided from the Northern Australia Infrastructure Facility (NAIF). On completion of the project, it is expected that interest expense will be around \$35 million per annum.

The final executed NAIF loan has a term of 23.5 years. The interest rate applicable to the NAIF component of borrowings is favourable, and therefore the Territory would likely hold this debt for the full 23.5 year term.

In regard to the Territory-sourced borrowings to fund the balance of the ship lift project, no specific term is available as Territory borrowings are not undertaken on a project level. Rather, they are undertaken to meet total annual operating and capital requirements.

On this basis, it would be appropriate to assume that the \$35 million annual interest would be incurred over the NAIF term of 23.5 years.

However, it is important to note that this term and annual interest expense could be reduced, should the Territory achieve fiscal balance surpluses to facilitate the repayment of debt.