

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Mrs. Finocchiaro to the Minister for Trade and Major Projects

Luxury Hotel

1. What is the project plan for the \$10 million public infrastructure to support the Darwin Luxury hotel? Please provide a copy of the plan.
2. What is the current status of the NTG investment (i.e. \$10 million connecting services to the site)?
3. What headworks have been completed on site to date?
4. Are there any risks associated with this investment?
5. Why was it necessary to subsidise a multi-billion company (Landbridge) in facilitating headworks at the waterfront site?
6. Was a cost benefit analysis done on this investment?
7. What are the triggers for a cost benefit analysis or a business case when it comes to spending Territorians' money?
8. Please outline all the times a business case and cost benefit analysis has been conducted prior to an investment decision being made?
9. Please provide an update on the status of an 18-month call option over an additional 1.5 hectares of the former Toga land. Has this expired or been extended?
10. Is the Government aware of when the Landbridge group will submit the new plans for the luxury hotel to the Darwin Development Consent Authority (DCA)? Has this already occurred?

ANSWERS

1. Construction is due to commence in the coming months, and will finish in 2021.

2. The developer is finalising the designs for the services. No payments will flow until the developer has completed the agreed stages.
3. There have been no headworks on the site to date.
4. Risks associated with the Northern Territory Government investment have been minimised with payment on a reimbursement basis for completed works.
5. This was a decision by the previous CLP Administration.
6. A market analysis of the Darwin hotel market was undertaken during the previous CLP Administration, particularly the luxury hotel segment as well as a scoping study were both completed for this project. The scoping study presented the business case for the project and identified the most likely format of a future luxury hotel development to ensure its feasibility.
7. A business case is a key component for all Northern Territory Government facilitated projects. Facilitated projects are projects that have the capacity to deliver significant benefits for the Northern Territory but are not sufficiently attractive to secure timely development by the private sector. The initial phase for a facilitated project is to identify and scope the project for the project business case.
8. Developing a business case is a key stage for government facilitated investment projects.
9. The option remains in place, and has not expired or been extended.
10. An application to the Development Consent Authority was made on 16 May 2018. On 6 July 2018, the Development Consent Authority held a public hearing and approved the application.