



## TREASURER

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### **Public Accounts Committee**

Dear Chair

In 2015 the Darwin Shiplift was proposed with a \$100 million commitment by the CLP Government. The project has faced years of delay and cost escalations so that by the 2024/25 Labor Budget the estimated cost had climbed to \$515 million.

The former Labor Government executed final contractual commitments before the August 2024 Northern Territory general election pushing the Territory past the contractual point of no return. Termination would trigger significant break costs.

Construction is now under way and major equipment is on order. Additional cost pressures in the order of hundreds of millions are now anticipated.

The Finocchiaro CLP Government is committed growing our defence and maritime industries and this project has significant benefits to the local economy.

We want to be open and transparent with Territorians on the costs of the project and ensure steps are taken to minimise further delays and cost blow outs.

I respectfully request that the Public Accounts Committee inquire into the following:

#### **Economic & Strategic Benefits**

- Updated demand (defence, offshore energy, coastal shipping, super yachts, fishing).
- Direct/indirect jobs, supply chain impacts, skills development.

#### **Contractual Commitments & Optimisation Options**

- Key obligations and risk allocation in the executed agreements.
- Feasible design, staging or pricing refinements that do not breach current contracts.

#### **Cost, Funding & Fiscal Exposure**

- Capital and lifecycle cost including escalation and contingency.
- Funding sources (Territory, Commonwealth programs such as NAIF).
- Ongoing budget impacts.

#### **Governance & Project Control**

- Adequacy of oversight, probity and cost control processes.

#### **Regulatory & Legislative Settings**

- Legislative and regulatory requirements.

#### **Delivery Risks & Mitigation**

- Construction, supply chain, workforce and inflationary risks.
- Interface with naval, port and land use planning.
- Contingency plans for cost or schedule overruns.

#### **Opportunity Costs & Regional Impact**

- Economic losses from past delays.
- Possible further action needed to fully realise the benefits.

#### **Reporting**

Final report with findings and recommendations to be Tabled in September 2025 sittings.

Yours sincerely



BILL YAN

11 May 2025