

The Public Accounts Committee
Legislative Assembly of the Northern Territory
C/- LA.PAC@nt.gov.au

Dear Committee

Re: Inquiry into the Darwin Ship Lift Project

The Department of Treasury and Finance provides the following information in response to the referral from the Treasurer, the Hon Bill Yan MLA, and the terms of reference of the Committee.

This submission provides information on the expected accounting treatment for the Darwin Ship Lift Project, current and historical budget allocations and funding sources. The Department understands that other aspects of the Terms of Reference will be addressed through the submission from the Department of Logistics and Infrastructure.

1. Expected accounting treatment

The Darwin Ship Lift Facility is likely to be treated as a lease on the basis that the operator will have the right to control the facility by obtaining substantially all of the economic benefits and will have the right to direct the use of the facility.

As no consideration is paid to the Territory, the Darwin Ship Lift Facility will be removed from the Territory's balance sheet following construction, through a grant to Northern Ship Support Pty Ltd.

The final accounting treatment will depend on the terms and conditions in the final operating contract, which the Department of Treasury and Finance understands is unlikely to be significantly different to the Operating and Maintenance Deed executed between the Territory and Northern Ship Support Pty Ltd and Paspaley Pearl Properties Pty Ltd in 2022.

2. Current and historical budget movements

The following table outlines the historical and current budget allocations for the Darwin Ship Lift Project.

Budget Year	2017-18	2020-21	2022-23	2025-26	Total program
Additional Program added	\$100.0M	\$337.9M	\$115.0M	\$267.1M	\$820.0M

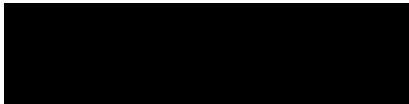
3. Funding sources

On 29 July 2020, the Territory executed a Loan Facility Agreement with the Northern Australia Infrastructure Facility to borrow \$300 million for the Darwin Ship Lift and Marine Infrastructure project.

As part of the financing arrangement, the Territory is to contribute at least \$100 million towards the total Project Costs.

The difference between the \$820 million total project estimate and \$300 million Northern Australia Infrastructure Facility borrowings will be funded through Northern Territory Government borrowings.

Yours sincerely



TIM MCMANUS
Under Treasurer

27 June 2025