The Territory and Commonwealth Labor governments should immediately scrap the Alliance model that underpins SIHIP and adopt a more regional-based construction model.

Shadow Treasurer, William Westra van Holthe, said the Alliances had proved uneconomic and taxpayers are bearing the cost of the failure.

“When it’s finally completed, SIHIP will have cost taxpayers in excess of $1billion,” Mr Westra van Holthe said.

“The way it’s presently tracking it’s likely it will be at least in excess of $300million over budget.

“There’s no transparency, the economies of scale don’t work because they’re sucked up in administrative overheads and it’s failed to meet the delivery time-frames.

“Comments by former senior manager with Territory Alliance, Alan Lobato, confirm the project is over-budget and its administration is bloated.

“Mr Lobato is quoted in today’s The Australian newspaper as saying up to 30% of SIHIP’s budget meets administrative costs.

“He said the project was also failing to meet its construction deadlines and that Alliance workers are being pressured to present favourable information to the Government to hide the failure.

“Labor should find an alternative model, preferably one that makes use of local builders and guarantees long-term employment for Indigenous workers.

“It’s better that local builders take over SIHIP and I would support the introduction of a tender-based, design and construct model.”

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