SIHIP COST BLOW-OUT BLUNDER

John Elferink MLA
Date 3rd June 2010

Henderson Government Minister Rob Knight’s systemic blundering during the establishment phase of the SIHIP scheme now officially has a price tag.

Shadow Treasurer, John Elferink, said the Government reluctantly revealed during Council of Territory Co-Operation hearings that it will spend an additional $140million on infrastructure for the scheme – on top of the $100million it has already committed.

“That’s $140million the Northern Territory taxpayers will have to stump up,” Mr Elferink said.

“This significant blow-out of the Territory budget comes as a direct result of Rob Knight’s administrative incapacity and appalling management of the scheme.

“Under Rob Knight’s watch, $42million was spent on SIHIP administration without a single house being built.

“Now, as a result of the Minister’s negligent under-quoting of the cost of the scheme, Territory taxpayers will have to contribute almost $240million on SIHIP infrastructure that was intended to come out of the original pool of $672million.

“This is despite assurances from Government that there would be no additional contribution required from the Territory taxpayers.

“The money will be channelled through PowerWater’s subsidiary, Indigenous Essential Services Pty Ltd to deliver the work.

“The Treasurer needs to explain what other programs will be sacrificed as a result of this additional $140million allocation or if it will just add to the ballooning debt these shocking financial managers lumped on Territorians.

“This considerable expenditure is a large contribution from a small jurisdiction and points to the significant failure of this Government to deliver on its SIHIP promises.”

Further comment: John Elferink 0418 406 400