

CONSOLIDATED CONSTRUCTIONS PTY LTD

**177. Hon DERRICK TOMLINSON to the parliamentary secretary representing the Minister for Planning and Infrastructure:**

- (1) Has the administrator appointed to Consolidated Constructions Pty Ltd - the contractor for the construction of the Gosnells and Armadale train stations - been able to negotiate an arrangement so that Consolidated Constructions can complete those two contracts?
- (2) If not, is Consolidated Constructions in breach of contract, and has the minister taken action to terminate the contract or take the remainder of the work to be completed out of the hands of Consolidated Constructions?
- (3) If yes to any of the above, will it now be necessary for tenders to be called for the completion of works at Gosnells and Armadale train stations?

**Hon LJILJANNA RAVLICH replied:**

I thank the member for some notice of this question. I provide the answer on behalf of the parliamentary secretary representing the Minister for Planning and Infrastructure.

- (1) No. The administrator of Consolidated Constructions repudiated the contracts for the construction of the Gosnells and Armadale train stations. The administrator advised creditors at the meeting held on Monday, 29 March 2004 that he did not attempt to get another contractor to conclude the contracts for various reasons, including subcontractors' reluctance to go back to the site without being paid and the cash flow generated in the time that the administrator has been in charge not giving the administrator comfort to continue with them.
- (2) Yes. Consolidated Constructions is in breach of contract. The Public Transport Authority has exercised its rights to take the remainder of work to be completed out of the hands of Consolidated Constructions.
- (3) The PTA is not calling tenders for the main contractor. The PTA has approached the second tenderer on each project; namely, Broad Construction Services Pty Ltd for Armadale train station and Lakis Constructions Pty Ltd for Gosnells train station. The PTA has entered into a process of letter of intent with each of the new main contractors, with a view to finalising a formal construction contract with them within the next few weeks. The PTA has instructed Broad and Lakis to seek tenders for subcontract work from the same subcontractors who were contracted to supply goods or services to Consolidated Constructions. Tenders for subcontract works are expected to be "in" or received by early next week.