

PEEL DEVIATION PROJECT, ESTIMATED COST OVERRUN

521. Hon NIGEL HALLETT to the parliamentary secretary representing the Minister for Planning and Infrastructure:

Will the minister provide a detailed summary of the estimated cost overrun on the Peel deviation project?

Hon ADELE FARINA replied:

I thank the honourable member for some notice of the question.

There has been no cost overrun on the new Perth to Bunbury highway project. I assume the member's question relates to the difference between a preliminary estimate of \$340 million provided on request to the federal Department of Transport and Regional Services in April 2004 and the current cost estimate of \$450 million, in 2005 dollar terms, which has been developed as a result of further detailed planning for the project. At the time the preliminary estimate was provided, it was made clear that this was indicative only, as the project design was at a conceptual stage. In addition, the 2004 estimate did not reflect the significant cost increases encountered throughout Australia over the past year associated with an overheated construction industry and increased oil costs. Similar increases have been experienced in civil construction across Australia. For example, the cost of the Albury to Wodonga road bypass has, over the same time, increased from \$346 million to \$524 million, a cost increase of \$178 million.