

TRANSMISSION LINE COSTS

314. Hon MATT BENSON-LIDHOLM to the Minister for Energy:

If Gindalbie Metals Ltd can build a 180-kilometre, 330-kilovolt transmission line from its Karara project to Eneabba at a current unit cost of around \$666 000 per kilometre, as outlined in an Australian Securities Exchange announcement on 22 September 2010, why is Western Power's cost for the construction of a similar 330-kilovolt line from Pinjar to Moonyoonooka about 40 per cent per kilometre greater?

Hon PETER COLLIER replied:

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

I am advised that Western Power believes that the Gindalbie Metals Ltd line costs have been based on a construction-only basis, with the supply to Downer EDI of steel, conductors and materials made by Gindalbie Metals Ltd. As such, \$666 000 per kilometre does not reflect the total cost of the 330-kilovolt line per kilometre. The scope of the southern section of the Mid West Energy project is significantly different from the Gindalbie Metals Ltd constructed line and involves building a 330-kilovolt double circuit on an existing route for the whole length and includes a 330/132-kilovolt terminal substation at Three Springs. The difference in scope between the Gindalbie Metals Ltd line and the Western Power line makes comparison difficult. Western Power will go out to competitive tender for the line and substation works to ensure efficient construction costs.