

NEW METRORAIL PROJECT - TIMETABLE AND BUDGET

145. Mr P.D. OMODEI to the Minister for Planning and Infrastructure:

I remind the minister of some of her previous comments regarding the New MetroRail project, which she originally budgeted at \$1.2 billion with a completion date of December 2005. Some of her comments included a press release of 16 July 2001 in which she stated -

. . . the cost of the direct route will be contained within existing budget estimates.

According to *Hansard* of 20 August 2002, she stated -

We are very confident that this project will be delivered on time and on budget.

A press release of 20 October 2003 stated -

. . . MacTiernan said she wanted to assure the Western Australian public that she was confident the Government had budgeted appropriately.

According to the *Hansard* of 2 October 2004 she used the words “on time and on budget”, and according to the *Hansard* of 27 April 2005 she stated -

I make it clear that at this point in time we are still within budget.

Why has the minister continued to maintain that the project will be delivered on time and on budget when the cost has blown out by \$413 million and the project has been delayed by more than 18 months?

Ms A.J.G. MacTIERNAN replied:

When we announced in 2002 the final format of the revised route, we also advised that the project would be completed in December 2007. We also said that the figure of \$1.2 billion, which was based on the costs in the budget when we came to government, needed to be escalated. The mentor of the opposition agreed with us at that stage that it did need to be escalated. We can refer him to the *Hansard*. The project escalated to 2007 prices, which we calculated at \$1.4 billion. Since then, the costs have increased. We acknowledge that. The costs for the new route have increased since we went to tender and got the prices. This is the reality; the cost is now \$1.6 billion. That means an additional cost of the decision we made is something in the order of \$200 million. We believe that it is money well spent. We do not believe that the Kenwick project would have worked. It would have reached maximum capacity on the first day.

I was fascinated to read comments by the opposition’s new spokesperson on planning and infrastructure. He said -

I think it was probably premature to be doing a railway to Mandurah.

The opposition has shown a complete and utter failure to understand that this project is a project we cannot afford not to do. This project has been managed extremely well.

Several members interjected.

The SPEAKER: Order, members!

Ms A.J.G. MacTIERNAN: Since we awarded the contracts, the price increases have been contained to six per cent. Six per cent at a time when our economy is rocketing along - the V8 economy -

Several members interjected.

The SPEAKER: Order! I call the members for Cottesloe and Vasse to order.

Ms A.J.G. MacTIERNAN: A six per cent increase over a period of more than two years in a situation in which our economic growth is running at 7.5 per cent per annum and in which the civil construction index is probably triple that is an exceptional result. Members opposite do not understand it.

Several members interjected.

The SPEAKER: Order! I call the Leader of the Opposition and the member for Cottesloe to order.