

SOUTHERN RAIL LINK, BUDGET BLOW-OUT

**1395. Mr C.J. BARNETT to the Treasurer:**

I refer the Treasurer to the alarming report in *The Australian Financial Review* today, and confirmation in the Parliament, that the cost of the Government's southern rail link has blown out and that the Treasurer has incorporated this cost blow-out in the mid-term budget review to be released, I understand, on Friday.

- (1) Can the Treasurer confirm that he has included a further \$100 million blow-out in the cost of the southern rail link in the mid-term budget review?
- (2) When was the Treasurer first made aware that the cost of the southern rail link would exceed \$1.4 billion, which had already increased from the \$1.2 billion cost promised in the Premier's press release of 16 July 2001?
- (3) Was the Premier being truthful in his media release of 16 July 2001? It states -  
The \$1.2 billion project will connect Mandurah - . . .

It states further on -

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

**Mr E.S. RIPPER replied:**

- (1)-(3) I am sorry that the Premier has already referred to these figures, because I had a piece of paper in front of me to remind me that when the Leader of the Opposition was Minister for Education the state budget blow-out was \$86 million in 1998-99, \$99 million in 1999-2000 and \$106.8 million in 2000-01.

*Point of Order*

Mr R.F. JOHNSON: Under standing orders, answers to questions should be relevant. This question is about the budget blow-out on the southern rail link and the Premier's press statement in 2001. It has nothing to do with what happened during the previous Government's term. I can understand the Treasurer wanting to gain political advantage, but at least the relevant aspects of his answer should come first.

The SPEAKER: There is no point of order.

*Questions without Notice Resumed*

Mr E.S. RIPPER: That was a wise ruling if I might say so. The Leader of the Opposition was responsible for not only that budget blow-out but also a massive blow-out in the budget for the Collie power station. That power station produces the most expensive per unit of capacity coal-fired power in the world. It cost \$850 million to build and probably should have cost about \$400 million.

*Point of Order*

Mr R.F. JOHNSON: I hate to raise a point of order again but, so far, the Treasurer has not answered one part of this question. His answer has contained no relevance whatsoever to the question. I ask that he be directed to relate his response to the question.

The SPEAKER: I am sure the Treasurer is about to respond to the question. I note that the preamble to the Leader of the Opposition's question also was relatively extensive.

*Questions without Notice Resumed*

Mr E.S. RIPPER: It is important to put answers into context. I will quote from the *Hansard* of 2 December, which contains the most recent debate on this issue in this place. To quote a reliable source, Mr E.S. Ripper said -

The Government has never denied that any big project has risks attached to it.

We need a sensible, mature debate on this topic. When undertaking a \$1.5 billion project we must expect risks to be associated with it. Anyone on the other side of the House who pretends that risks are not associated with such a big project has forgotten what happened to the Collie power station when the Leader of the Opposition was Minister for Energy and what happened to the education budget when he was Minister for Education. The point is that Cabinet made a decision to increase the budget on Monday. On Tuesday we told the community, and the cabinet budget decision will be in the mid-year review when it is released, and it will show that, due to this Government's management of the State's finances, the southern rail link is entirely affordable.