

PILBARA UNDERGROUND POWER PROJECT

186. Hon HELEN BULLOCK to the Minister for Energy:

I refer to the minister's answer to question without notice 73 asked on 20 March 2012 in relation to the Pilbara underground power project and to today's media reports of the withdrawal of the Karratha contractor.

- (1) Has Horizon Power's review of the cost escalation been completed; and, if not, when will it be completed?
- (2) If yes to (1), what is the amount of the escalation and what is the estimated final cost of the project?
- (3) To date, how much money has been paid to the contractor for the Karratha elements of the project?
- (4) What were the reasons given by the contractor for the Karratha elements for withdrawing from the project?

Hon PETER COLLIER replied:

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

- (1) No. Due to the size and complex nature of the Pilbara underground power project, a thorough cost escalation review will take a number of months to complete. Horizon Power anticipates this review will be completed by August 2012.
- (2) Not applicable.
- (3) The amount paid to the primary Karratha contractor is currently the subject of assessment and commercial consideration between Horizon Power and the contractor.
- (4) The reason given by the contractor for demobilising from the Karratha elements of the Pilbara underground power project is subject to ongoing discussions between Horizon Power and the contractor and to the confidentiality provisions in the contract between the parties.