

Langhorne Creek pipeline
Estimates committee – 10 Nov 2010

Mr PEDERICK: I will go to another topic. In Volume 3, page 997, referring to the Jervois to Langhorne Creek pipeline, paragraph 2 describes the payment of moneys for the construction of this pipeline, and I have some questions around the final wash-up of the figures on this project. What was the full cost of construction? Has the state government been paid in full and, if not, what amounts are outstanding, and from whom?

The Hon. M.F. O'BRIEN: I will step through this. There are still outstanding liabilities which are the result of the identification of defects which we have to recompense the contractor for. The total expenditure on the project was around \$90 million. What else, member for Hammond, did you—

Mr PEDERICK: Obviously, there are some issues. You have to pay some defect costs to the contractor, and I would be interested in a full outline of that. As to as the whole contract, what was the state government's contribution?

The Hon. M.F. O'BRIEN: This state government was not a funding partner. It was a partnership between the irrigators and the federal government, but we were the funding mechanism. There are some matters to be resolved, but they will be resolved on the conclusion of the liability period: 12 months from the date of commissioning, and I do not have the date of commissioning before me at the moment but, again, I will get back to you on that.

8 Feb 2011 - In reply to Mr PEDERICK (Hammond) (10 November 2010).

The Hon. M.F. O'BRIEN (Napier—Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Energy, Minister for the Northern Suburbs): The full costs of the pipeline are currently being finalised. They are expected to come in at between \$91 million and \$92 million. This includes the construction and development costs of \$90.281 million paid to 30 June 2010.

The defects liability period ran for a 12 month period, from commissioning and handover to the company on 30 October 2009 to 29 October 2010. No project funds were used for any defect rectification. Defect rectification costs were born by the lead contractor, Lead Engineering and Construction.

All payments due to the SA Government from the Commonwealth and The Creeks Pipeline Company Ltd for this project have been received in full.