

PORT KENNEDY DEVELOPMENT, GUARANTEES AGAINST PAC-ASIA

267. Hon. C.L. Edwardes to the Minister for Planning and Infrastructure

I refer the Minister to the Port Kennedy development and ask -

- (a) as Western Australia Beach and Golf Resort Pty. Ltd. is a wholly owned subsidiary of Pac-Asia and Pac-Asia have withdrawn from a similar guarantee agreement with the previous assignee of the Port Kennedy project, what actual guarantees goes the State Labor Government hold against Pac-Asia;
- (b) does this guarantee meet or exceed the value of crown land being assigned to the project; and
- (c) what action will be taken if the performance guarantees are not met?

Ms A.J. MacTIERNAN replied:

- (a) Western Australia Beach and Golf Resort Pty Ltd (WABGR) and its parent company Pac Asia Holdings Pte Ltd (Pac Asia) have demonstrated willingness and capacity to undertake and complete the Port Kennedy project by the following:
 - i) Payment of Port Kennedy Resorts Pty Ltd (PKR) selected secured creditors (not including Pac Asia) and unsecured trade creditors, a total amount in excess of \$1 million;
 - ii) Provision of an unconditional \$1 million performance bond in the form of a bankers guarantee issued in favour of the State of Western Australia, to secure completion of an identified list of priority public works;
 - iii) Prior investment in the project in excess of \$10 million; and
 - iv) Provision of references from recognised international banking institutions;
- (b) Crown Land is only granted on completion of project works to the satisfaction of the Minister responsible for administration of the Port Kennedy Development Project Agreement. Therefore security for the Crown Land is not required as it remains in the ownership of the Crown.
- (c) If WABGR does not perform in accordance with the requirements of the performance bond issued in favour of the State, the State is entitled to demand and receive payment of an amount up to the total of the \$1 million guaranteed.

If WABGR does not perform in accordance with the requirements of the Port Kennedy Development Project Agreement, the State will be entitled to exercise the default provisions of the Agreement as it did following the non-performance of PKR.