

REWARDS GROUP LTD — ROYALTIES FOR REGIONS GRANTS

750. Hon MATT BENSON-LIDHOLM to the parliamentary secretary representing the Minister for Regional Development:

I refer to the minister's contribution through the royalties for regions scheme of \$100 000 in 2008–09, and \$100 000 in 2009–10 to the collapsed Rewards Group Ltd for grapefruit disinfection protocol verification.

- (1) Has this money now been lost?
- (2) Can this money be recovered?
- (3) Did the minister or his department contribute the additional \$100 000 recommended in 2010–11?
- (4) Who decided to contribute the money to Rewards Group Ltd, and on what basis?

Hon WENDY DUNCAN replied:

I thank the honourable member for notice of this question. The minister has responded in the following terms —

- (1) The Rewards Projects Ltd grapefruit cold disinfection verification project commenced in 2008–09, part-funded by a grant from the regional grants scheme administered by the Kimberley Development Commission. Rewards Projects Ltd is a subsidiary of Rewards Group Ltd. The project involved verifying disinfection protocols for red-fleshed grapefruit to enter the Japanese market. The Department of Agriculture and Food advised the Kimberley Development Commission that the technical work in the project was completed in October 2009. Two milestone payments were made, based on satisfactory progress of the project. The work completed by Rewards Projects Ltd, with technical guidance from the Department of Agriculture and Food, resulted in the Japanese government announcing that the import protocol was approved on 4 June 2010. The project has now been satisfactorily completed. However, the final grant payment was not made at the time that Rewards Group Ltd entered voluntary administration in May 2010.
- (2) The proponent completed the project, and thus its commitment within the formal agreement with the Kimberley Development Commission. The project has been satisfactorily completed, and the entire industry is now able to benefit from the import protocols that have allowed the opening of the Japanese market to red-fleshed Australian grapefruit.
- (3) No. The final grant payment of \$100 000, scheduled to be paid in 2010–11, has not been paid, and will continue to be the subject of consideration by Rewards Group Ltd; the administrator, Ferrier Hodgson; the Kimberley Development Commission; and the State Solicitor's Office.
- (4) The board of the Kimberley Development Commission assessed the application and business cases as part of the competitive grant round of the Kimberley regional grants scheme, and recommended approval of the grant to cabinet. Cabinet subsequently endorsed the Kimberley Development Commission board's recommendation. The decision to withhold the final grant payment at this time has been made by the Kimberley Development Commission, acting on the advice of the State Solicitor's Office.