

LEGISLATIVE COUNCIL  
Question on notice

Tuesday, 13 May 2014

1225. Hon Ken Travers to the Parliamentary Secretary representing the Minister for Regional Development.

I refer to the ABC North West radio report on 1 May 2014, in which the director of the Ord East Kimberley Expansion Project, Peter Stubbs, said the Government had agreed to change its Ord Development Agreement with Kimberley Agricultural Investment, and I ask:

- (a) which party requested that the agreement be changed and on which date was it first requested;
- (b) what were the reasons given for changing the agreement;
- (c) has the new agreement been signed and, if not, why not;
- (d) please outline all changes made to the initial agreement; and
- (e) will the Parliamentary Secretary please table a copy of the new agreement?

---

**Answer**

- (a) Kimberley Agricultural Investment, 25 February 2014.
- (b) It was more advantageous to the project to focus on land development in 2014 than in minor cropping at a small scale. The Bank Guarantee provision needed clarification.
- (c) There is no new agreement. A deed of variation is currently being progressed for signoff by Kimberley Agricultural Investment Pty Ltd, Minister Redman and the Premier.
- (d) [See tabled paper no.]
- (e) No.

k

Table 1

Milestone Date	Original Ord Development Agreement milestones	Amended Ord Development Agreement Milestones
31 October 2014	3 000 hectares developed and 350 hectares cropped	3 000 hectares developed and 100 per cent of Goomig lots to be cleared
31 October 2015	A further 2 500 hectares developed and 2 100 hectares cropped	2 500 hectares developed and 2 450 hectares cropped
Bank Guarantee Definition	<p>Bank Guarantees means on-demand guarantees from an Australian bank (or the Agricultural Bank of China, Bank of China, China Development Bank or Industrial and Commercial Bank of China) in a form and substance satisfactory to the State, in its absolute discretion, to cover all the obligations of, and any defaults by, the Developer under the Project Agreements in the sum of:</p> <p>(a) until such time as the development of the Goomig Land and, if applicable, the Knox Land into irrigated farms is complete in accordance with the terms of the relevant Project Agreements, \$10 million; and</p> <p>(b) from such time as the development of the Goomig Land and, if applicable, the Knox Land into irrigated farms is complete in accordance with the terms of the relevant Project Agreements, \$5 million (Indexed), or any bank guarantee accepted by the State in substitution for, or replacement of, that Bank Guarantee.</p>	<p>Bank Guarantees means on-demand guarantees from an Australian bank (or the Agricultural Bank of China, Bank of China, China Development Bank or Industrial and Commercial Bank of China) in a form and substance satisfactory to the State, in its absolute discretion, to cover all obligations of, and defaults by, the Developer under the Project Agreements in the sum of:</p> <p>(a) (until 31 October 2016, or prior to that date, if and when the development of the Goomig Land is complete in accordance with the terms of the relevant Project Agreements), \$5 million;</p> <p>(b) (until such time as the development of the Goomig Land and the Knox Land into irrigated farms is complete in accordance with the terms of the relevant Project Agreements), \$10 million; and</p> <p>(c) (from such time as the development of the Goomig Land and the Knox Land into irrigated farms in accordance with the terms of the relevant Project Agreements), \$5 million (Indexed) or any bank guarantee accepted by the State in substitution for, or replacement of, that bank guarantee.</p>