

ROYALTIES FOR REGIONS — LOT 502, SOUTH HEDLAND

3156. Hon Robin Chapple to the Minister for Housing representing the Minister for Regional Development:

I refer to the financial assistance agreement for a Royalties for Regions project to develop residential land of Lot 502, South Hedland with the Department of Regional Development and Lands, Kariyarra Mugarinya Development Pty Ltd and Kariyarra Mugarinya Property Joint Venture Pty Ltd, and I ask:

- (a) Have the initial contractual agreements been satisfied;
- (b) If yes to (a), please provide a detailed explanation of how; and
- (c) If no to (a), please provide a detailed explanation of why not, and what measures the Minister will take to rectify this?

Hon Col Holt replied:

- (a) No.
- (b) Not Applicable.
- (c) 10 of the individual residential lots owned by Kariyarra Mugarinya Property Joint Venture Pty Ltd (KMJV) do not yet contain completed dwellings. KMJV advised the Department of Regional Development (DRD) that the decision not to build on the lots was made due to changes in the property market but that its intention to construct the houses when the market is deemed more suitable remains the same. Given KMJV's intent to construct the houses on these lots remains and that KMJV will be the financier and the beneficiary of the profits of the houses, it is considered that measures to rectify this matter are not yet required.

Under the financial assistance agreement, KMJV is required to vest all 22 lots retained by it in the Kariyarra Mugarinya Property Trust. This has not yet occurred.

DRD received a request from KMJV to vary the agreement, enabling the lots to be vested in two separate trusts. DRD, Pilbara Development Commission and KMJV are undertaking discussions about the justification and appropriateness of this request.

All other contractual agreements have been satisfied.