

LANDCORP — HILTON HOTEL DEVELOPMENT — KARRATHA

232. Mr P. PAPALIA to the Minister for Lands:

I refer to LandCorp's advice to the minister in February this year, revealed under a freedom of information application, concerning the government's Hilton Hotel development in Karratha. In part, the advice states —

- Progress on the hotel site by Ramtron has stalled ... Ramtron has to date been unable to secure construction finance and is looking at alternate options ...
- (1) Can the minister guarantee that Hilton will be the hotel's operator; and, if not, why not?
 - (2) Why has LandCorp allowed Ramtron Australia to continue as the proponent of the hotel development when it is so clearly having trouble sourcing finance?
 - (3) What alternative options are being looked at?
 - (4) At what stage will arrangements with Ramtron be terminated if finance is not realised?

Mr D.T. REDMAN replied:

- (1)–(4) I thank the member for Warnbro for the question. By way of updating the house, members will recall that LandCorp is involved with a development on the main street of Karratha, called The Quarter development, across the road from the Pelago developments, where there is some commercial activity. LandCorp is building a facility that will include some commercial space. One of the tenants will be the government on one of the floors, and others will be going out to the market. There has been some quite strong interest in the other floors in the development as we approach the building phase. Members who have been there recently will have seen that the development is well and truly out of the ground. Some service worker accommodation will also go into the same complex to help to meet the market for accommodation in that area, for which there is still some demand to support the businesses in that community.

On the other corner is the potential hotel development that the member for Warnbro is talking about. The company involved in that is Ramtron. I cannot remember the formal terminology, but the company has a period in which it has access to carry out that project from its own investments. Obviously, it complements the other investments the government is making. We know that the market has moved a bit, and the company still working through to close off its financials to make that project successful. I am confident that it will actually land that outcome. I get an update every couple of weeks, and I am confident that the company will land that outcome. LandCorp is still engaged with the company, and is still working through its own financials. I am not able to answer a question about the exit strategies from those arrangements or indeed if they reach a point at which LandCorp tells the company to go away and seeks other expressions of interest. That is the party that it is currently engaged with. I have some confidence about that. The company will take into account a number of factors in making a financial closure decision, and I have some confidence it will proceed, albeit a little bit slower than I would have liked.