

WRITTEN QUESTIONS

7th Assembly

22/01/1996

141. MMP Share Buyback Plan

Mr. BAILEY to MINISTER for ASIAN RELATIONS TRADE and INDUSTRY

QUESTION

1. Why didn't the MMP Share Buyback plan, announced by the former Minister proceed. What actions were taken to try to recover these funds.

ANSWER

Answered on 20/02/97

1. The directors of MMP had committed all of their personal assets to support the company and were not able to meet the terms of the share buy-back plan. The Government negotiated a settlement with the directors of MMP as a variation to the original buy-back agreement.
2. The 1996/97 Capital Grants figure has been increased by \$884,000 and the 1996/97 allocation for Current Grants and Subsidies has been reduced by \$793,000. These variations reflect a re-arrangement between the two programs rather than an increase in Capital Grants. Current Grants and Subsidies are made to industry bodies and Capital Grants are made to individual businesses as a result of request for assistance and on the merit of those requests. The estimated expenditure for grants should therefore be seen as just that, an estimate.