

**Question No: 114**

**Question: Department of Industries and Development Loan Guarantees**

**Date: 12/05/92**

**Member: Mr EDE**

**To: MINISTER for INDUSTRIES and DEVELOPMENT**

1. How many loans are currently backed by guarantees provided by the Department of Industries and Development by -

- (a) Westpac; and
- (b) other financial institutions.

2. Who were the loans provided to and in each case, what was the original principal borrowed.

3. How much is outstanding in each case.

**ANSWER**

1. (a) 1.

(b) 1.

2. (a) On 19 June 1989 a Letter of Comfort to a maximum amount of \$770 000 was provided in favour of the Westpac Banking Corporation to support borrowings by the National Safety Council of Australia (NT Division).

The original principal amount borrowed against the Letter of Comfort was \$770 000.

The provision of this support was seen as necessary, in the light of the collapse of its Victorian counterpart, to ensure the retention of the infrastructure support and training facilities provided by the council, which are vital to Darwin's quest to become the main supply and staging base for the development of the offshore oil and gas industry in the Timor Sea and beyond.

(b) On 19 January 1990 a guarantee for \$150 000 was provided in favour of the Commonwealth Development Bank to support borrowings by Remote Developments Pty Ltd.

Remote Developments Pty Ltd was involved as a joint venture partner with Pirntubula Pty Ltd, a company incorporated by the Tiwi Land Council, to establish and operate a sports fishing lodge and associated facilities on Bathurst Island. The operation was known as the Barra Base Lodge.

The original principal amount borrowed against the guarantee was \$150 000.

The provision of this support was seen as an opportunity to assist a joint commercial venture involving an Aboriginal community, encourage further tourism development and provide employment opportunities on Bathurst Island.

3. (a) The Letter of Comfort in favour of the Westpac Banking Corporation is currently held against an outstanding balance of \$700 000.

(b) The guarantee in favour of the Commonwealth Development Bank is currently held against an outstanding debt of \$150 000. Remote Developments Pty Ltd is in the process of being wound-up and a call under the guarantee for the principal amount of the debt has been made.