

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
FAMILIES, HOUSING, COMMUNITY SERVICES AND
INDIGENOUS AFFAIRS PORTFOLIO
2012-13 Supplementary Estimates Hearings

Outcome Number: 7

Question No: 471

Topic: Medina Vibe Hotel

Hansard Page: Written

Senator Scullion asked:

There are reports that IBA tried to assist the Larrakia Development Corporation with its financial difficulties. Did IBA buy LDC's share in the Medina Vibe Hotel because of LDC's cash flow problem?

Answer:

Indigenous Business Australia (IBA) understands that Larrakia Development Corporation (LDC) decided to sell its interest in the Vibe Medina Hotel because it wished to generate additional working capital.

As is customary in joint venture arrangements, the terms of agreements in place between the parties required LDC to offer its interest to IBA before it could offer it to third parties. IBA made an independent assessment of the opportunity in accordance with its established investment process.

IBA purchased LDC's interest in the hotel because it was a profitable investment. IBA is currently actively pursuing a sell-down of a proportion of its interest in the hotel to another Indigenous investor who will benefit from the sound returns generated from the investment.