

Dispute over \$800,000 Killalea cash

HUNDREDS of thousands of dollars paid to the government-appointed Killalea State Park Trust by a company seeking government approval for a Killalea tourist resort, represented a conflict of interest, South Coast Labour Council secretary Arthur Rorris said yesterday.

More than \$800,000 has been paid to the trust by the developers who plan to build a resort on the Crown public recreational land.

"The only reason the trust is considering this development is for financial issues, and who's causing those financial issues? The state, which is withdrawing funding from the park," Mr Rorris said.

The joint venture developers Mariner Financial and Babcock and Brown, under the umbrella of Killalea Coastal Investments, made two payments to the trust totalling "in excess of \$800,000," the developers' spokesman Peter White told the Mercury yesterday.

The payments were made on April 30, when Lands Minister Tony Kelly signed the agreement to lease three parcels of land. The first was for legal fees of more than \$200,000 - a condition of the tender process.

The second was an option fee of about \$600,000 for the exclusive rights to seek a development application for the three sections of the park to be leased.

Mr White said it was normal commercial practice to pay a non-refundable deposit.

Mr Kelly's spokesman said there was no conflict of interest because the application had to conform to the Plan of Management and terms set out in the contract, and neither party had the power to approve the application.

There were heated scenes in Parliament on Tuesday when Greens MP Sylvia Hale called for the lease agreement and related papers to be tabled - because money had already been paid - but the request was rejected on the grounds the matter was not urgent and the information was publicly available from Shellharbour City Council.

Shellharbour Mayor David Hamilton was perplexed yesterday by calls from the community asking for the documents.

He said the council had nothing to do with the 52-year lease agreement and did not have the documents.

Community members from the Save Killalea Alliance presented to Parliament almost 800 signatures against the development and made presentations to support the release of the documents. Members of the alliance and the South Coast Labour Council will meet Mr Kelly on June 14 to discuss their concerns.