

Unsettled restaurant compo bill hits \$7.25m

Gareth Parker

The cost of compensating the former owners of the Grand Palace Chinese restaurant on the Esplanade has risen to \$7.25 million — and the matter still is not settled.

Planning Minister John Day told State Parliament that Wang Nominees, the family company of restaurateurs Fai and Wenny Wang, had recently received a further \$2.245 million interim payment on top of the \$5 million payment it received from the Government last year.

The payments have flowed after a compensation claim from the Wangs, who had a long-term lease over the Florence Hummerston building, which was closed to make way for Elizabeth Quay.

“To the best of my knowledge, negotiations have not yet been concluded,” Mr Day said in response to a question from Labor’s Margaret Quirk. “A final valuation of the lessee’s business was

completed in 2013. A settlement offer was made to the lessees in December. They rejected the settlement offer ... however, accepted the amount offered as an advance payment, being \$2.245 million — which brings total payments to date to \$7.24 million.

“Negotiations are continuing and if necessary, they will be taken to the Supreme Court.”

Mr Day refused to detail the size of the offer that was rejected as negotiations were continuing.

Ms Quirk said the Government was “so hell-bent on their pet project” that it failed to assess its full commercial exposure.

The Wangs signed a 10-year lease with three 10-year options with the City of Perth in 2004, which owned the building until it relinquished the land to the Government for Elizabeth Quay.