CLIVE PALMER'S AVIATION COMPANY OWES MILLIONS ON HIS PRIVATE JET

News / Business aviation



Clive Palmer's aviation company owes creditors more than $26 million mostly through a major debt over the company's corporate jet which he regularly used for political and business purposes.

The debt, exposed in the minutes of the first creditor's meeting, indicates the aviation company will not provide any source of funds to administrators in charge of Mr Palmer's failed nickel company.

It also raises questions as to whether Mr Palmer, as a director of the aviation company when it owned the jet, gave a personal guarantee to the jet's creditor – international aviation lending company GE Commercial.

Such guarantees are normal practice for financiers in aviation deals, an industry source said yesterday.

Several aviation experts have also speculated that the price for the jet, a Bombardier Global Express could fall anywhere between about $10 million and $15 million given its age and depending on its earlier use – potentially leaving the creditor millions out of pocket.

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Clive Palmer's private jet sits at the Mascot private terminal in Sydney on Thursday. *Photo: Daniel Munoz*

The aviation company which is owned by QNI Resources, one of the parent companies of the entity operating Palmer's nickel refinery, went into administration on January 18.

It was the same day the nickel refinery's operating company was also placed into administration on the instructions of the company's sole director, Mr Palmer's nephew Clive Mensink.

Mr Palmer resigned as a director of Palmer Aviation nine days before it went into administration leaving Mr Mensink as the sole director.

The jet is listed as having been owned by entities in Spain and Canada before being registered in the Isle of Man by Palmer Aviation in 2012 and sent on hundreds of flights around Australia for Mr

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Palmer's business operations as well as some for Palmer United Party-related activity.

Minutes of the creditors meeting for Palmer Aviation state GE Commercial is owed about $25.8 million relating to the jet while other creditors are owed about $120,000 associated with the jet's operating expenses including maintenance and fuel fees.

A spokeswoman for GE Commercial said they did not comment on the details of their customer agreements.

Yesterday the luxury aircraft, which has since had some of its PUP livery scrubbed off, was to be found on the tarmac in the private jet parking area at Sydney Airport. It still features the Palmer name prominently however, and an Australian flag on the tail.

Administrators said they found the aircraft at the Gold Coast airport and had it flown it to Sydney in late January.

They are preparing to sell it after March 31, 2016 according to the minutes.

One aviation expert said it was likely the jet's maintenance would need to be brought up to date and that the jet would need to be refurbished in the United States – another major cost.

The jet, which was purchased in 2012, has been a touchy subject with Mr Palmer who has tried to keep its operations secret despite being photographed alongside and inside the aircraft on occasion.

Last year, Fairfax attempted to obtain the aircraft's flight records through a freedom-of-information application but Mr Palmer's lawyers took action in the Administrative Appeals Tribunal to block the request.

The business of Palmer Aviation was to provide "confidential business travel" for Mr Palmer and his invited guests, the lawyers argued

They said publishing the information would be a safety issue for Mr Palmer.

In the AAT's decision granting permission for Fairfax Media to access the records, AAT deputy president P. E. Hack SC, stated Mr Palmer is said to be the ultimate beneficial owner of Palmer Aviation.

The FOI data revealed the plane crisscrossed Australian doing hundreds of flights from 2012 to 2014. It was also used to fly as far afield as Singapore, Tahiti, Thailand and Hong Kong.

And on one occasion it was flown from Darwin to Christmas Island and back in August 2013 in what appeared to be a fact-finding mission by PUP candidates.

Mr Palmer did not respond to Fairfax Media's inquiries before deadline.

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