

Subject: The Australian

Date: Thursday, 25 June 2015 12:41:32 pm Australian Eastern Standard Time

From: Ian Tsicalas

To: Ian Mutton

Brookfield Multiplex's political gifts no laughing matter

- by: *EAN HIGGINS*
- From: [The Australian](#)
- June 25, 2015 12:00AM

[Ean Higgins](#)



Reporter
Sydney

<https://plus.google.com/116716661262546957732>



Former Crown prosecutor Ian Mutton at Luna Park on the Sydney Harbour foreshore. Picture: Hollie Adams. *Source:* News Corp Australia

Ian Mutton has been around the traps in Sydney's big end of town, and that makes him wonder why Brookfield Multiplex is such a generous political donor to Labor and the Liberals.

Mutton was a Crown prosecutor in trade practices law, legal counsel for CSR, and now chairs the owners' corporation of a big apartment block, which overlooks Sydney's iconic Luna Park, as well as being a member of the local Lavender Bay Precinct.

In his latest role he has become something of a local activist and sleuth. "Whenever I see a corporation donating shareholders' funds to a political party I ask why," Mutton said. "What is the company's board seeking in return?"

There's a saying that in NSW if you're a big-time property developer with deep pockets for making juicy political donations, elections don't matter much because whether Labor or the Coalition gets in, "the government always wins" and can be influenced.

That's certainly what's happened with Multiplex, which first struck highly lucrative secret deals for leases over Luna Park with the Labor government.

What agreements did make the public light were sharply attacked as dodgy by the Liberals, but now Multiplex is negotiating an even sweeter deal under a Liberal-led government.

The agreements were made easier, the Greens claim, by huge political donations by Multiplex, mainly to Labor when it was in power until 2011, then mainly to the Liberals since they took office. The laws in NSW banning political parties from receiving donations from property developers have a loophole so big, NSW Greens MP Jamie Parker said, "a bulldozer could drive through."

The Australian can reveal that in June 2012 Multiplex donated \$22,000 to what the company, in its official disclosure return to the Australian Electoral Commission, said was the "Liberal Party of - Australia, NSW Division."

A NSW Liberal party spokeswoman said the donation was kosher because the state party passed it on to the federal party. "Federal laws don't ban property developers," the spokeswoman said.

Parker said the episode shows how developers can still use donations for influence and patronage to get their way. "It is obvious the large Brookfield Multiplex donation was intended for the NSW party," Parker told *The Australian*.

"The rotting of the system will not stop until federal laws come into line with NSW laws," he said.

Luna Park, covering 3ha of prime harbourside land beside the north end of Sydney Harbour Bridge, is most known for its amusement rides dating back to the 1930s and its famous giant pink face at the entrance, but it also contains highly valuable commercial developments.

Former Greens MP Sylvia Hale was remarkably prophetic when she addressed parliament on the topic in 2003.

"Over five years from 1998, Multiplex donated \$358,000 to the ALP," Hale told the house. "Over the same period the Liberal Party did not fare quite so well, receiving only \$311,500," she said.

"We all know that the only interest Multiplex has is in constructing office buildings and residential apartments, but it is now masquerading as the operator of a fun park.

"I fear that the government will be reluctant to oppose the developer because Multiplex has greased the wheels of the machinery of government."

Labor did not oppose Multiplex, giving it various long-term leases over sections of Luna Park between 2002 and 2004.

While Liberal frontbencher Jillian Skinner did take the company to task in opposition, since coming to office, the Coalition has continued to negotiate a new secret deal even more favourable to Multiplex. It is doing so despite Multiplex company failing to meet a contractual obligation it entered into in 2006 to landscape and return to the public a section of cliff-top land at Luna Park — the land has not been landscaped and remains fenced off.

The basis of the deal was struck in the last few weeks of the Labor government in March 2011 under lands minister Tony Kelly, and would extend Multiplex's lease over Luna Park by some decades, and reduce its rent in the short term.

In December 2011, Kelly was found to be corrupt by the Independent Commission Against Corruption for backdating a letter to approve the \$12 million purchase of a former union-owned property in the dying days of the Labor government.

Multiplex sought the lease extension after an off-market deal to sell its interest in Luna Park, in a management buyout financed by foreign interests, fell through in 2010. According to informed sources, that deal went sour because the financier was not keen on the lease having little more than 30 years further to run.

By the time Multiplex tried to sell up in 2010, it had made a killing, developing a car park, brasserie, and boutique office building on the site. Bureaucrats are close to concluding the secret lease extension, but the final sign-off will fall to Finance, Services and Property Minister Dominic Perrottet.

Perrottet, who only assumed portfolio responsibility for Luna Park last month, has issued assurances he will act to achieve "the best result for NSW taxpayers, local residents and visitors to this state."

But the key problem in all this, Mutton says, is that the negotiations are proceeding with a lack of

transparency and accountability.

While Luna Park is officially owned by the “independent” Luna Park Reserve Trust, the trust is in turn administered by the Sydney Harbour Foreshore Authority.

The authority’s board is composed of three senior public servants answerable only to ministers and operating in complete secrecy. “It’s theatre — if they were honest they would either appoint people with diverse experience to these authorities or dispense with them altogether and rely on the advice of their department,” Mutton said.

The Australian has put many questions to Brookfield Multiplex but spokeswoman Kerrie Muskens on each occasion said the company declined to comment.