

Multiplex a year late for Luna Park lease deadline

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Brookfield Multiplex is in breach of its duties to the corporate watchdog over its operation at Sydney's Luna Park, having failed to meet a reporting deadline that fell due nearly a year ago.

The revelation comes as the group remains locked in back-room negotiations with the NSW government to extend its lease over the fun park by decades.

As revealed by *The Australian*, Multiplex, which had made huge political donations to the ALP and the Liberal Party in recent years that the Greens have said were designed to "grease the wheels", struck a secret in-principle deal in 2011 in the dying days of the Labor government to extend its leases on Luna Park by up to 40 years.

The agreement, negotiated on the watch of former Labor lands minister Tony Kelly, who was later found by the Independent Commission Against Corruption to have acted corruptly in relation to another last-minute property deal, did not receive ministerial sign-off.

Ian Mutton, spokesman for a local residents group, said he believed Multiplex had been holding off on submitting the annual financial reports of its Luna Park subsidiary because it did not want to reveal the state of play.

Brookfield Multiplex spokeswoman Kerrie Muskens confirmed the group's subsidiary Luna Park Sydney Pty Ltd has not lodged its 2013-14 financial statements and reports with the Aus-



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tralian Securities & Investments Commission. Lodgement of that year's reports fell due at the end of October last year. "Both 2014 and 2015 will be lodged by 31 October 2015," Ms Muskens said.

Ms Muskens would not say why the company was nearly a year late in filing the LPS report, and declined to answer other questions about Luna Park.

ASIC spokesman Andre Khoury said the watchdog did not discuss the affairs of individual companies, but said: "The obligation to lodge financial reports generally lies with the company and failure to do so may result in action by ASIC."

Multiplex sought a lease ex-

tension from the government, which through a trust owns the prime 2ha harbourside site just off the north end of Sydney Harbour Bridge, soon after a multi-million-dollar deal to sell its Luna Park interests to an overseas purchaser fell through in 2010.

According to Mr Mutton, a longer lease would make it more attractive to a prospective buyer.

Luna Park is well known for its amusement rides, but it also hosts high-value commercial developments including an office unit block, carpark and brasserie.

The heads of agreement entered into in March 2011, and the "Umbrella Deed" drafted a few months later, provide for a new

lease to replace the current lease, which expires in 2044.

Confidential documents show the proposed new lease would reduce the rent Multiplex pays in the short-term although this would even out over time, and extend the term by 20 years with a further 20-year option to renew.

The draft agreement also provides for Multiplex to be protected from any legal action for failing to landscape a portion of clifftop land and return it to public use, a clause it agreed to in 2006 but has not carried out.

A spokesman for NSW Property Minister Dominic Perrottet said: "If a new lease does not proceed, the trust will require the

operators to complete the landscaping as required per the original agreement."

It is believed Multiplex is taking a tough line in the negotiations, claiming the heads of agreement and umbrella deed are legally binding, and ministerial sign-off a mere formality.

Mr Perrottet would not guarantee that any new lease would go to open public tender, but his spokesman said: "The government is committed to ensuring the best outcomes for NSW taxpayers to maximise financial returns from this significant foreshore site and ensuring the park remains viable as a place for public enjoyment."