

THE AUSTRALIAN

Minister stares down big developer over Luna Park lease



The Luna Park entrance in Sydney's Milsons Point. Picture Brad Hunter

EAN HIGGINS THE AUSTRALIAN 12:00AM August 5, 2016

NSW property minister Dominic Perrottet has stared down Brookfield Multiplex's demand that he honour a backroom deal struck under his corrupt Labor predecessor Tony Kelly and refused to extend the big developer's lease over Sydney's iconic Luna Park.

The move follows *The Australian* a year ago exposing that state government officials were moving to finalise the secret deal, prompting a community campaign involving prominent locals, including architect Harry Seidler's widow, Penelope, and artist Brett Whiteley's widow, Wendy.

The state government will today announce a new agreement in which Multiplex will give up any rights it had under the in-principle agreement signed in the final weeks of the Keneally Labor government.

That would have extended its tenure at the amusement park by another 40 years.

The 21st Century Urban site is owned and managed by the state government and will remain...

The Luna Sydney Harbour site is crown land, but the state government will pay Multiplex \$3.2 million to buy out a separate lease over a small cliff-top section, to create a new public park.

Government sources said the overall deal would provide legal certainty over lease arrangements, as the prelude for further discussions on upgrading the amusement park and keeping it commercially viable.

The move comes despite huge pressure on Mr Perrottet from Multiplex to proceed with what was known as the “umbrella deed” memorandum signed in March 2011 under then lands minister Mr Kelly that would have not only extended Multiplex’s lease — on which 25 years remain — but reduced its rental.

In December 2011, Mr 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, Currawong, also in the Labor government’s last days.

Multiplex sought the extended lease after a deal to sell its Luna Park interests to an Asian investor fell through in 2010, with observers saying a longer lease would make it more attractive to potential purchasers.

The umbrella deed never received ministerial sign-off, but a source close to recent negotiations said Multiplex had threatened to take the government to court claiming it was enforceable.

Over a decade, Multiplex has made hundreds of thousands of dollars in political donations, weighted to Labor when it was in power in NSW and later weighted to the Liberal Party. That included \$22,000 to the Millennium Forum, a fund that a corruption inquiry heard was often used by NSW Liberal Party figures to avoid state laws banning developers from political donations before elections.

Multiplex and the Liberals maintained all the donations were lawful and fully disclosed.

As part of the new agreement, a cliff-top section of the site over which Multiplex has a 99-year lease and development approval to build a restaurant — which never eventuated — will return to direct government control, in exchange for \$3.2m.





The cliff-top section of site as it currently stands ...



... and a digitally altered image showing how the site could look once it has been landscaped, although planning and design work are yet to commence.

Multiplex will then proceed with an earlier agreement to landscape another adjacent section, and the whole cliff-top area will be integrated into a new park.

Ian Mutton, who led a residents' campaign against the umbrella deed deal, praised the outcome: "An agreement that ensures that this land, providing a spectacular view of Sydney Harbour, becomes a public area for all, is something the government should be congratulated for."

A Multiplex spokeswoman said the company was "committed to securing a long-term sustainable future for Luna Park so as to ensure its attractiveness and viability for the people of Sydney, NSW and the tourism industry."

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