

Catch a falling star

A letter from North Sydney councillor Ian Mutton

Back in 1990 the Greiner Government ended the Abe Saffron chapter in the Luna Park story, (one that is remembered for the Ghost Train tragedy) with the passage of the Luna Park Site Act (the Act).

The Act's stated objective is returning the Luna Park Site to the people of NSW and to ensure that Luna Park and its associated harbour foreshore remain accessible for the enjoyment of the people of NSW.

The Government, recognising the iconic status of Luna Park, set up the Luna Park Reserve Trust to protect it – a critical element because the intention was to turn the operation of Luna Park over to the private sector.

At the time, the Minister for Tourism and Minister for Lands and Forests, on behalf of Mr Greiner), said: "If the trustees (Luna Park Reserve Trust) conclude that a fun fair is not viable then turning the site into parkland is a possibility."

The Act called for the Trust to put in place a Plan of Management which it did in 1998.

That Plan of Management in part reads: The Luna Park Site .. includes land on the cliff top which is physically and perpetually separate from the amusement areas. The Act now also allows the development of this land for commercial purposes. The development would be undertaken by the private sector on the basis of long-term lease from the Luna Park Reserve Trust. Revenue generated from this source would be used by the Trust in managing the Luna Park Reserve ...

A new era

In 2004 the Luna Park Site was leased to Luna Park Sydney (now under the Brookfield umbrella).

What was done to extract value from the assets? It's hard to work it out.

Back in 2005 our (then) local member, Mrs Skinner said in a debate in the House of Assembly: "*Luna Park developers have been provided with four key sites on the foreshores of Sydney Harbour for the peppercorn rents of \$1 each, that is, \$4 for four key sites. They have made a motza anticipated to be \$41 million out of the development of those sites.*"

That seems to not have been enough - in 2009-11, the Auditor questioned whether Luna Park could continue as a "going concern".

More recently it sub-leased/forfeited the lease on the cliff top land resulting in total upfront payments to Luna Park of \$8.2m.

Luna Park is now scaling down its function operation – the fixed costs will have to be carried by the operation of the rides.

Clearly, a theme park is a hard business but with Luna Park we are dealing with one of Sydney's icons.

So, what now? – We hear there is a review of operations.

Let's pause for a moment

When Luna Park entered into the lease it was covenanting that it would be the custodian of the Park until the end of the lease.

If Luna Park is not financially viable with its present configuration, the time may have come to turn the site into parkland in the manner foreshadowed back in 1990 and preserve what remains of the intra war theme park – preserving and keep operational the heritage rides.

Perhaps that's something the Government, Brookfield and the community can come together and deliver.

Ian Mutton
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