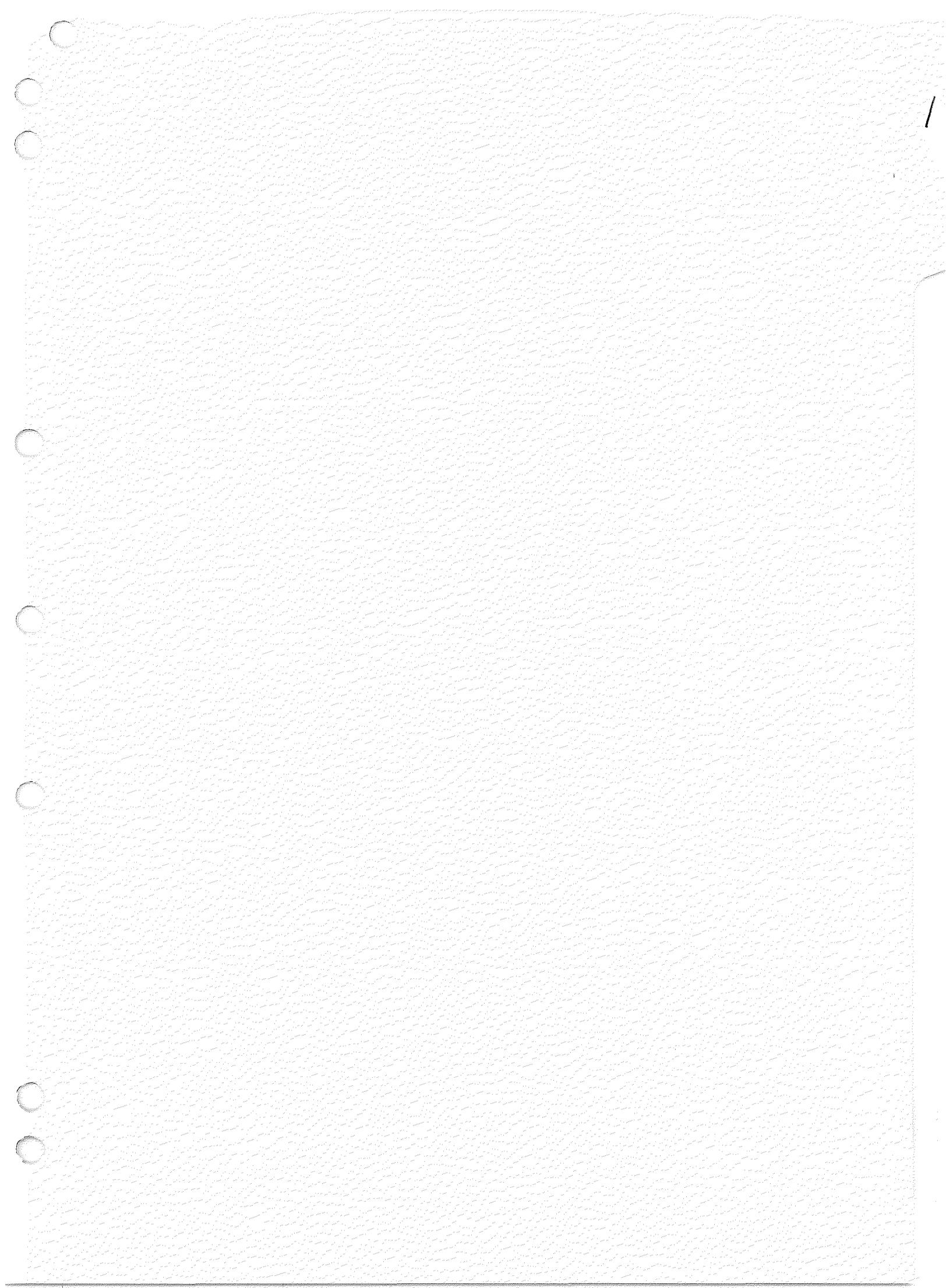


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✓ 27. Luna Park - Lease for Saffron See Egge transcript 854-5

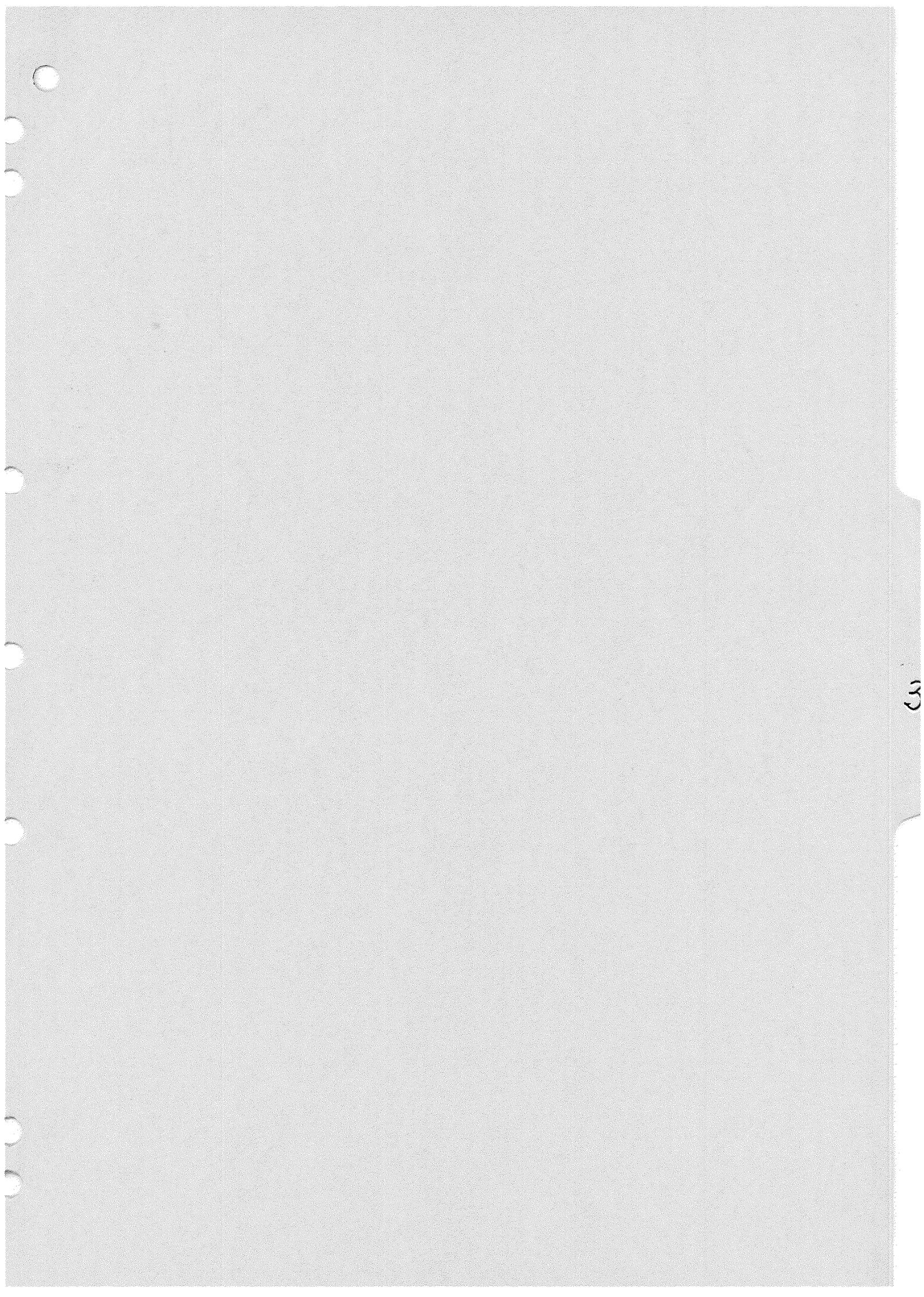
This matter appears in the letter written by Mr. Justice Stewart to the Judge as Item 2. I have seen no reference to the matter in any of the Age Tapes that I have thus far perused. Mr. Justice Stewart should be spoken to regarding the matter.

ALLEGATION NO. 27 - LUNA PARK - LEASE FOR SAFFRON

This matter arises in the course of the Stewart Royal Commission pages 854 to 855. Mr. Egge is giving evidence regarding the contents of a telephone conversation which he says was reduced to transcript, and which he claims to have read. We have not been able to find any reference to any such conversation in the actual Age tape transcripts themselves. There is further reference to this matter in Egge's supplementary statement dated 7th of August, 1985. Egge basically asserts that Morgan Ryan arranged for the Judge to intervene on behalf of Saffron in order to gain the lease for Luna Park in place of the Reg Grundy organisation which had been awarded that lease. It is said that a Saffron related entity ultimately acquired the lease.

Matters to be Investigated

The Corporate Affairs Commission should be approached regarding any investigations which have been conducted into this affair. In addition, it appears that the NCA may have information about the matter. It is clear that Egge must be interviewed, and obviously Morgan Ryan and Saffron would also be candidates for interview regarding this matter. It may be that the State Rail Authority is involved in this as well (Mr. Hill) and it is possible that Colbron might have some information also. If the owner of the land was the State Rail Authority, there should be files available. It is plain that the Reg Grundy organisation should be contacted as well. If Egge's evidence is true, it would appear that he would have seen a transcript which suggested that a conversation of this type had occurred. That transcript is not presently available to us. Where has it gone? Who prepared it? Who would be able to give evidence (direct evidence) of having heard the telephone conversation involving the Judge and Ryan?



17/7/86

ALLEGATION NO 27

*Amended
allegation
(see underlines)*

Particulars of Allegation

The Honourable Lionel Keith Murphy, in or about the early months of 1980, and whilst a Justice of the High Court of Australia, agreed with Morgan Ryan that he, the Judge, would make representations on behalf of a company associated with Abraham Gilbert Saffron to the Honourable Neville Wran, then the Premier of New South Wales, in order to obtain a lease over premises in Sydney known as Luna Park. Further, the Judge subsequently made such representations, and informed Ryan that he had done so and that the representations had been successful.

At the relevant time Saffron was, and was known by the Judge to be, a person of ill-repute.

It will be contended that this conduct by the Judge amounted to misbehaviour within the meaning of Section 72 of the Constitution in the following respect -

a) entering into an agreement to intervene to influence the grant of a lease of public land to a particular tenderer, and actually intervening to achieve that purpose;

further or in the alternative

b) entering into an agreement to influence the grant of a lease of public land to a tenderer associated with a person of ill-repute, and actually intervening to achieve that purpose.

As such it constituted conduct contrary to accepted standards of judicial behaviour.

ALLEGATION NO. 27 - INTERVENTION TO INFLUENCE
THE GRANTING OF A LEASE

Statement of Allegation

Conduct contrary to accepted standards of judicial behaviour.

Particulars of Allegation

The Honourable Lionel Keith Murphy, in the early months of 1980, and while a Justice of the High Court of Australia, agreed to a request by one Morgan Ryan that he intervene with the Premier of New South Wales, the Honourable Neville Wran, in an attempt to secure a lease over premises known as Luna Park on behalf of a company known by the Judge to have connections with one Abraham Gilbert Saffron, a known or reputed criminal. Further, the Honourable Lionel Keith Murphy did intervene with the Premier, on behalf of the company in question, and subsequently informed Ryan that their efforts had been successful.

4
INFORMATION

4

11/4/86

(nothing said after that)

Ref: 457

Back re. Edelstein talking about his girlfriend re. a visa or permanent residency. Also to the issue with the pathology group as he was in the pathology business and also (sounds like Lincard). [redacted] wanted no part. Edelstein was having trouble with doctors and people that were patronising in other business and he had this pathology business tied up with Lincard and asked [redacted] what he could do to combat it and have a talk. He didnt want to be involved at all.

Ref: 490

After Edelstein went, Robertson contacted him sometime after that about a year and approached him and asked him if he knew anyone that would help him re. this business that his boss wanted Roberson to find someone, that would do something to these different medical places. Roberson said he was working with Edelstein in a laboratory. Robertson got these fellows to do this job that he told Wells about, to the different laboratories. Roberson was in touch with Chatford and other agents that were doing that type of work. [redacted] introduced Roberson to Chadford and did not receive any amount of money. Lance Shaw confronted [redacted] and Shaw said these fellow were working for [redacted] [redacted] knew nothing about it, nor where the business was.

Ref: 522)

W: Talking before, did you mention before about Luna Park?

B: I did yes.

W: Not the fire, the acquisition.

B: How do you mean?

W: Somebody had a purchase or a tender in for to buy it.

B: A fellow called ~~Warwick Colbron~~ was ~~deeply involved~~ with that and he tied up with a fellow called ~~Leon Fink~~ who'd had several fires in Melbourne. The fires that he had in Melbourne I think he'd had 5 fires. Someone had told me beforehand. It seemed rather stag. Further still, there was one other fellow that had alot of fires, a fellow called (sounds like McWilliam) that owned Parrapak the bloke that I talked to you about the Cocaine was tied up and asked me to get after Neville to try to get him out of a charge that he had.

W: Was McWilliam still into Cocaine?

B: I don't know, he was very heavily into it before and the people that he mixed with, he had to have (sounds like Anthrum) operations and different things. Whether he's still into it I don't know.

W: Was it Peter Mc..... What company is his?

B: He had a business called Parramak and then he went into a company called Penthouse of Australia which was part of the Parramak Group. His father had a falling out with his uncle years ago and they owned a company which was the company that used to print the phone books called Brooks. William Brooks. And his father was thrown out of the company. I think the father was a party to the fires that he'd had and they'd ripped my brother off for \$20,000 odd at the time it was a hell of a lot of money.

W: What does your brother do?

B: My brother's in the paper industry and was Managing Director of Pierre Balmain's at the time.

W: Pierre Balmain.

B: Pierre Balmain's the paper house.

W: Alright.

B: Well I'll chase that woman up at the weekend. I'll get you before Wednesday a tape on Charlie Waterhouse. I'll try and chase that John Mooney and I'll try and organise you seeing Leary with you. Because he could spit that out quite clearly which would in other words, refresh my memory to the full in regards to the number of times that I was with Murphy but I'd just goodday as far as I was concerned. All the instructions came from Andrew Leary.

W: Alright.

B: There's no doubt about that. David Halpin. If you rang David Halpin he knew that I knew Murphy because of, he worked as his Press Secretary while originally he first went into office and he was closely affiliated with Dollickan and those other people.

Ref: 551

█ asks Wells re. Wigglesworth. Wells discusses getting Melrose.

Ref: 567

8.06 (end of tape).

0085M

NEWS RELEASE 5/5

NEWS RELEASE

State Cabinet today awarded the lease of the Luna Park site to Australasian Amusements Associates Pty. Ltd.

The Deputy Premier, Jack Ferguson, announced the decision.

Directors of the successful tenderer are:-

Sir Arthur T. George
Michael David Edgley
Brian Sydney Treasure
Harold Gerald Goldstein
Colman Bertram Goldstein

C.A.C.
H.A.P.
DOC 23
EXH

Other tenders considered were from:

Stanley Robinson Edwards, Warwick A.J. Colbran and John Andrews as nominees of a company to be incorporated;

Far East Hotels and Entertainment Ltd.;

Camingo Pty. Ltd.;

Opinion-Project Analysis Pty. Ltd.; and

Luna Park (New South Wales) Pty. Ltd.

Mr. Ferguson said that a tenders assessment committee comprising Mr. J.B. Holliday, Under Secretary, Department of Services (Convenor); Mr. K.P. Stevens, Deputy Secretary, Premier's Department; Mr. F. Bird, Valuer General; Mr. B.R. Davies, Under Secretary for Lands and Registrar General; Mr. A. Andersons, Principal Architect, Special Projects, Department of Public Works; and Mr. H. Massey, Regional

Manager, Planning and Environment Commission, recommended acceptance of the Australasian Amusements Associates Pty. Ltd. tender.

The Committee considered that Australasian Amusements Associates Pty. Ltd. was the better choice having regard to:-

the Government's intention to retain a traditional amusement centre;

minimising the environmental impact and the retention of trees;

provision of low cost family entertainment;

guaranteed minimum financial return to the State;

capacity of the tenderers to develop a viable operation; and

the tenderers' undertaking to comply with height requirements set out in the tender documents.

The second best tender was from Messrs. Edwards, Colbron and Andrews. However, it was less attractive because admission charges were higher at \$5.00 and there was a smaller guaranteed return to the State.

Mr. Ferguson said the successful tenderer planned to have part of the park in operation before Christmas - subject to availability of the site and meeting safety and other requirements.

Details of the Australasian Amusements Pty, Ltd. proposal were:-

Initial capital available for redevelopment is \$3 million; further capital input is promised to meet any additional expenditure required.

Retention of the basic character of the existing Luna Park.

Inclusion of the laughing clown face, the floating pontoon, big dipper, Coney Island (extensively renovated) and the main waterfront building. If existing facilities cannot be purchased at a reasonable commercial figure comparable new facilities will be provided.

A new space-age style amusement facility called the Titan will be provided.

Other proposed new facilities include:-

- Kiddie Land
- Open Air Water Ride
- New Dodgem Cars
- New Video and Pinball Machines
- Superloop Ride
- Band Rotunda
- Pirate Boat Ride
- Child Care Centre

The entry fee will be \$2.50 (including 10 rides); admission for children under 5 will be free.

Rental to the Government prior to the re-opening of the centre will be at the rate of \$75,000 per year. After re-opening rental will be 10% of the land value or 5% of the gross turnover, whichever is the greater. Guaranteed return to the Government after the initial development stage is \$250,000 per year.

Under the Lease, the detailed plans for the centre, including forms of entertainment, buildings, structures, etc. require the approval of the Minister for Lands as Lessor. 4.1
4.3

Friends of Luna Park representatives, Martin Sharpe and Peter Kingston, will be engaged as consultants to the Department of Public Works during the design and planning stage up to the approval of the lease.

Mr. Ferguson said that under the terms of the lease the Government would have the right to control the entrance fee to the Park. 6.2

The lease would be for a term of 30 years and the conditions would be recommended to the Government by an Inter-Departmental Committee comprising representatives of the Departments of Lands, Services, Public Works, Industrial Relations, Planning and Environment Commission and the Crown Solicitor.

POLICES & PROHIBIT COMMITTEE
6 REPORT

Luna Park

Chronology

13/9/79

Letter from Deputy Premier (L.J. Ferguson) to Crabtree (Minister for Services) re composition of Committee - include Mr. R. Eagle (Premiers Dept). Policies & Priorities Committee of Cabinet.

23/11/79

Closing Time for Tenders.

17/6/80

Deputy Premier's letter to W.F. Crabtree (Minister for Police & Services) re formation of a Tender Assessment Committee for Luna Park site.

Committee: Messrs J. B. Holliday (Under Secretary Dept Services (Convener)); K. P. ~~At~~ Stevens (Dep. Sec. Premiers Dept); F. Bird (Valuer General); B. R. Davies (Under Secretary for Land & Registrar General); ~~the~~ A. Andersson (Principal Architect Special Projects Dept Works); H. Massey (Regional Manager Planning & Environment Commission).



Premier's Department

17 JUN 65

Dear Mr. Crabtree

The Deputy Premier wishes a Tender Assessment Committee to be formed to handle the tenders for the Luna Park site. As you will be aware, the tenders for that site close on 17th June.

Mr. Ferguson wishes the Committee to be comprised of the following persons :

Mr. J.B. Holliday, Under Secretary
Department of Services (as Convenor)

Mr. K.P. Stevens, Deputy Secretary
Premier's Department

Mr. F. Bird, Valuer General

Mr. B.R. Davies, Under Secretary for Lands
and Registrar General
(Mr. Davies will be abroad for two periods in
the next few weeks, and arrangements for the
attendance of a deputy will be made by him)

Mr. A. Andersons, Principal Architect
Special Projects, Department of Works

Mr. H. Massey, Regional Manager, Planning and
Environment Commission

Mr. Ferguson would be obliged if, as indicated above, Mr. Holliday would convene the Tender Assessment Committee and process the tenders in the present case in the same way as he undertook that role in respect of the earlier tenders for Luna Park.

The participation of the representatives of the other administrations nominated above has been arranged by my officers and I am taking the liberty of sending them a copy of this letter for their information.

Yours faithfully

Secretary

The Hon. W.F. Crabtree, M.P.
Minister for Police and
Services

TENDERS FOR AMUSEMENT PARK

The Committee established to evaluate the tenders for the lease of the area at present known as Luna Park comprised the Under Secretary, Department of Services (Mr. J. B. Holliday) as Chairman, the Under Secretary, Department of Lands (Mr. B. R. Davies), the Valuer-General (Mr. F. Bird), the Deputy Secretary, Premier's Department (Mr. K. P. Stevens) and the Project Co-ordinator of the Office of the Deputy Premier and Minister for Public Works and Ports (Mr. R. Eagle).

The Committee inspected the site and was unanimous in its view that while the retention of the general character of the Park could be preserved it was essential that many of the existing facilities be upgraded and new imaginative features be introduced as well as improvements to public amenities and access.

Six tenders were considered, all having been lodged by the closing time for receipt, viz., 4 p.m. on 23rd November, 1979.

The tenderers are:-

Alpat Holdings Pty. Limited.

Camingo Pty. Limited.

Lenoku Pty. Limited.

Luna Park (N.S.W.) Pty. Limited.

National Mutual Life Association of Australasia Ltd.
and Australian Leisure Enterprises Pty. Limited.

William Joseph Parrott and Stanley William Durkin.

In accordance with the request in the Deputy Premier's letter of 13th September, 1979, that the Committee should make recommendations on -

- (1) criteria to be adopted in assessing tenders;
- (2) the assessment of each tender under each criterion heading,

the following points were agreed upon as the most suitable on which tenders should be assessed:-

- (1) Time for (a) initial re-opening and (b) full development.
- (2) Turnover and return to Government.
- (3) Capacity of tenderer to develop viable operations.
- (4) General suitability of proposal including quality, public appeal and environmental impact.

Safety has not been listed as one of the criteria as any tenderer will have to meet all requirements of the law in this regard.

Attached is a table evaluating each tender in accordance with the abovementioned criteria. It is essential to note that the forecast of turnover submitted by tenderers is dependent on the amount of capital they intend to invest and their skills in promoting and operating a venture of the nature proposed. The percentage offered by way of rent

must be related to the estimated turnover.

Before any tender could be finally accepted, and desirably before any announcement is made, it would be necessary for a number of matters, including specific matters qualifying the tenders submitted by Camingo and Luna Park, to be negotiated with the likely successful tenderer. It would have been inappropriate for this Committee to have pursued these matters prior to consideration of the tenders by the Government.

The following general comment is made in relation to the respective tenders:-

Alpat Holdings Pty. Limited.

This tender is sketchily prepared and involves retention of many of the existing attractions which would be renovated and altered to some extent. Later the addition of a submarine ride in a trench in the Harbour, modelled on one of the Disneyland attractions, is proposed. As a third stage a monorail system to connect the Park with the existing railway system is mentioned.

The proposal suggests that Stage 1, allowing the Park to be re-opened, could be completed in 9 months and Stages 2 and 3 in 3 and 5 years respectively.

Little or no information is given on vital details, including information on experience to develop and operate the Park and the tenderer's financial resources.

The Committee does not feel that this offer could be seriously considered.

Camingo Pty. Limited:

This is a well prepared and well documented proposal supported by perspective sketches and a model, together with details regarding the personnel and financial backing of the company and other essential information.

It involves retention of the main features of the existing Park which will be repaired, renovated and altered as necessary to conform with the overall proposal and adds a new modern concept which has been designed to provide another entrance to the Park from the cliff top at Northcliff Street.

It provides additional public amenities, including a restaurant, some car parking and a creche.

The tender has been presented in a most professional way and it is obvious that the tenderer has carried out much research. While it preserves the character and identity of the existing Park it introduces imaginative new features, together with both public amenities and improved access, in a modern concept that should prove most attractive to the population of the 1980's and beyond.

This tenderer has had negotiations with the existing tenant and it has been confirmed that an arrangement has been entered into for the acquisition of the present improvements on the site if its tender is successful. The arrangement retains the existing name of Luna Park.

The project involves re-opening of the Park in 3-4 months with full development in 15 months.

No

Yes

An expenditure of \$5m. is proposed on new buildings and structures in addition to the cost of acquisition of those owned by the existing lessee.

The company is the only one to offer a guaranteed minimum return to the Government of \$125,000 per annum after 2 years.

The proposals offered for base rentals and the percentage of turnover shown in the attached table are better than those offered by most other tenderers.

This tender is qualified in regard to a number of matters of detail which were specified in a letter to the Department of Services and which, in the event of this tender being preferred, will require to be negotiated before the offer can be finally accepted. (Letter attached).

This tender is considered to be very good in basic concept and the tenderer has given attention to many matters which will be of benefit to the public, e.g., cleanliness, security, child minding and refreshment facilities, etc. This proposal is by far the best financially, practically and conceptually.

Lenoku Pty. Limited.

This tenderer makes only generalised proposals and says that they cannot be further developed until the result of offers has been decided. It therefore makes no specific development commitments and for this reason alone the tender cannot be seriously considered for acceptance.

Luna Park (N.S.W.) Pty. Limited.

This is the existing tenant and, in the main, the tender involves continuing to operate the Park as before.

Some general repairs and renovations are proposed with the addition of new features, mainly rides, from time to time.

The amounts offered as rental are shown in the attached table. The percentage of turnover offered, i.e., 2-3/4%, is less than the Camingo proposal of 3% with its guaranteed minimum of \$125,000 p.a. after 2 years. The Luna Park proposal for rent is based on a projected turnover of \$5.4m. p.a. whereas the Camingo proposal is based on a projected turnover of \$7m. p.a.

This offer is similarly qualified as that of Camingo in that a number of matters of detail have been raised in letters to the Premier's Department and the Department of Services and, if this offer is preferred, will require to be negotiated before it is finally accepted. (Letter attached).

National Mutual Life Association of Australasia Ltd. and Australian Leisure Enterprises Pty. Limited.

This proposal has not been prepared in any depth. It includes a joint proposal to develop a 400 bed international hotel complex on the adjoining site now used by the Public Transport Commission for railway purposes.

While the accompanying correspondence indicates that the two proposals are independent, the complete tender documents indicate they are inter-dependent.

The proposal is not considered practicable, particularly as far as the early re-opening of Luna Park is concerned.

William Joseph Parrott and Stanley William Durkin.

This tender involves almost general demolition of the present improvements and re-establishment of an amusement park with a number of new rides.

The tenderers propose that the Park could be re-opened in 6-9 months and while they seem to have the necessary experience in operating amusement rides in several places in Australia, there is no overall theme proposed for the Park.

This tender offers the highest percentage of turnover but this is on an estimated turnover of only \$3m. which, with one exception, is substantially less than the estimate of all other tenderers.

This proposal is unimaginative in concept which appears, in effect, to simply turn the Park into a permanent fun fair of the type that operates throughout the country, often in conjunction with annual agricultural and similar shows. It also proposes restricted hours of operation as well as closing between May and August each year.

.....
 J. B. Holliday
 Under Secretary, Department of Services
 Chairman

.....
 B. R. Davies
 Under Secretary for Lands

.....
 F. Bird
 Valuer-General

.....
 K. P. Stevens
 Deputy Secretary, Premier's Department

.....
 R. Eagle
 Project Co-ordinator
 Office of the Deputy Premier.

29th November, 1979.

CONFIDENTIAL



DEPUTY PREMIER
NEW SOUTH WALES

13th September, 1979

The Hon. W. F. Crabtree, M.P.,
Minister for Services,
SYDNEY.

Dear Colleague,

I refer to your letter of 30th August, 1979 in reply to my letter of 24th August, 1979, indicating the decision of the Policies and Priorities Committee of Cabinet in relation to the lease of the area of Luna Park.

I agree with the Committee as proposed by you but with the addition of Mr. R. Eagle from within my own administration. In regards to the representative of the Premier's Department, I have conferred with Mr. G. Gleeson, Secretary who has put forward the name of Mr. K. P. Stevens as that representative.

The task of the Committee will be to make recommendations to the Policies and Priorities Committee on:

- 1) criteria to be adopted in assessing tenders
- 2) the assessment of each tender under each criterion heading.

It will not be the task of this Committee to make a formal recommendation although it should submit to the Policies and Priorities Committee a short list of suitable tenderers.

Yours faithfully,

A solid black rectangular box redacting the signature of L. J. Ferguson.

L. J. Ferguson, M.P.,
Deputy Premier
and

Minister for Public Works and Ports.



Premier's Department

17 JUN 65

Dear Mr. Crabtree

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The participation of the representatives of the other administrations nominated above has been arranged by my officers and I am taking the liberty of sending them a copy of this letter for their information.

Yours faithfully

Secretary

The Hon. W.F. Crabtree, M.P.
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Services

R E P O R T

OF THE COMMITTEE FORMED

TO ASSESS TENDERS

FOR THE LEASE OF THE SITE

CURRENTLY KNOWN AS

LUNA PARK

TENDERS FOR AMUSEMENT PARK

The Committee established to evaluate the tenders for the lease of the area at present known as Luna Park comprised the Under Secretary, Department of Services (Mr. J. B. Holliday) as Chairman, the Under Secretary, Department of Lands (Mr. B. R. Davies), the Valuer-General (Mr. F. Bird), the Deputy Secretary, Premier's Department (Mr. K. P. Stevens) and the Project Co-ordinator of the Office of the Deputy Premier and Minister for Public Works and Ports (Mr. R. Eagle).

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The project involves re-opening of the Park in 3-4 months with full development in 15 months.

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Some general repairs and renovations are proposed with the addition of new features, mainly rides, from time to time.

The amounts offered as rental are shown in the attached table. The percentage of turnover offered, i.e., 2-3/4%, is less than the Camingo proposal of 3% with its guaranteed minimum of \$125,000 p.a. after 2 years. The Luna Park proposal for rent is based on a projected turnover of \$5.4m. p.a. whereas the Camingo proposal is based on a projected turnover of \$7m. p.a.

This offer is similarly qualified as that of Camingo in that a number of matters of detail have been raised in letters to the Premier's Department and the Department of Services and, if this offer is preferred, will require to be negotiated before it is finally accepted. (Letter attached).

National Mutual Life Association of Australasia Ltd. and Australian Leisure Enterprises Pty. Limited.

This proposal has not been prepared in any depth. It includes a joint proposal to develop a 400 bed international hotel complex on the adjoining site now used by the Public Transport Commission for railway purposes.

While the accompanying correspondence indicates that the two proposals are independent, the complete tender documents indicate they are inter-dependent.

The proposal is not considered practicable, particularly as far as the early re-opening of Luna Park is concerned.

William Joseph Parrott and Stanley William Durkin.

This tender involves almost general demolition of the present improvements and re-establishment of an amusement park with a number of new rides.

The tenderers propose that the Park could be re-opened in 6-9 months and while they seem to have the necessary experience in operating amusement rides in several places in Australia, there is no overall theme proposed for the Park.

This tender offers the highest percentage of turnover but this is on an estimated turnover of only \$3m. which, with one exception, is substantially less than the estimate of all other tenderers.

This proposal is unimaginative in concept which appears, in effect, to simply turn the Park into a permanent fun fair of the type that operates throughout the country, often in conjunction with annual agricultural and similar shows. It also proposes restricted hours of operation as well as closing between May and August each year.

.....
 J. B. Holliday
 Under Secretary, Department of Services
 Chairman

.....
 B. R. Davies
 Under Secretary for Lands

.....
 F. Bird
 Valuer-General

.....
 K. P. Stevens
 Deputy Secretary, Premier's Department

.....
 R. Eagle
 Project Co-ordinator
 Office of the Deputy Premier.

29th November, 1979.

GRUNDY ORGANIZATION



19th November, 1979.

Under Secretary,
Department of Services,
121 Macquarie Street,
SYDNEY, N.S.W. 2000

ATTENTION: MR. J.A. HOLLIDAY

Dear Sir,

RE: LUNA PARK TENDER SITE

As your Department is aware, we are proposing to tender for the lease of the Luna Park site.

We have after consultation with our legal advisors, become concerned that the tender documents require amendment or clarification in respect of several substantial matters. As these matters are however essentially for the benefit of prospective tenderers and, we are advised, are capable of immediate resolution, we feel that they would not give rise to any need to extend the tender closing date. We have appreciated the reasons for extensions of the tender closing date over recent months but are of the view that any further extension would be contrary to the interests of the Government, prospective tenderers and the public at large. If the matters raised below are suitably resolved then we suggest that it would be a simple matter to merely advise prospective tenderers by short memorandum, as that would not at all prejudice their tenders.

As a general matter, we note that there is no express provision enabling variation of the terms of the lease by mutual agreement, however we would assume that the normal position would apply and that if and when variations are dictated by commonsense and/or change of circumstances, that the parties could vary documentation by mutual agreement.

The matters which we feel require amendment are as follows:

1. ABSENCE OF CLOSE-OFF:

The tender documents require an open-ended offer by a tenderer which enable the Minister to keep the tenderer dangling indefinitely irrespective of cost increases

GRUNDY ORGANIZATION Pty. Ltd.

Grundy House, 448 Pacific Highway, Artarmon, NSW, 2061, Australia.

Ph: (02) 428 0666. Telex: A426166. Cables: Tel Grundy. Box 2808, G.P.O. Sydney 2001, Australia.
Offices in Sydney, Melbourne, Los Angeles, New York, London.

..2/..

20 NOV 1979
AK

10:22am

1. ABSENCE OF CLOSE-OFF (Cont.)

and finance holding charges. A clause should be inserted allowing a tender to be withdrawn if not accepted within a stipulated period (say three months) or to affirm that a tender would stand for a stipulated period.

2. ANNEXURE A - Clause 2 (b)

The clause does not make provision for arrangements made between Luna Park N.S.W. Pty. Limited and the successful tenderer. The addition of words such as "or possession subject to or qualified by firm arrangements which the tenderer has concluded with Luna Park N.S.W. Pty. Limited" would be satisfactory.

3. ANNEXURE C - CONTENTS OF LEASE: Clause 4(f)

The clause is unrealistic and out of joint with the usual procedure whereby buildings and permanent structures become the lessor's property on expiry or prior determination of the lease. This would also make the clause properly reconcilable with Clause 4(g).

The situation of the Coney Island building in respect of which a dispute exists could be covered by separate acknowledgement by a successful tenderer that that building from commencement is the Crown's. UNLESS CLAUSE 4(f) IS AMENDED THE CROWN COULD WAIT UNTIL EXISTING BUILDINGS WERE REFURBISHED AND NEW BUILDINGS CONSTRUCTED AND THEN RESUME THE LAND WITHOUT THE CAPITAL COST OF BUILDINGS BEING TAKEN INTO ACCOUNT WHEN DETERMINING COMPENSATION UNDER CLAUSE 4(g).

4. PRICE CONTROL - Clause 4(aa)

Whilst the principle of price control is not unacceptable (notwithstanding that supply and demand factors would usually set pricing limits) this clause as proposed is unworkable without maximum rates for the initial period being set by inclusion in the tender and subsequent acceptance or negotiation with the Minister and with subsequent revision of prices being subject to mutual agreement and failing agreement by arbitration.

The present clause would enable the Government to impose any price level it determined, even a level which would cover rent but create financial ruin and would deter funding groups from financing the project.

5. BANK GUARANTEE - Clause 10(c) (Page 30)

The clause is harsh, unconscionable and totally unrealistic apart from being almost impossible to quantify. If it is merely intended to protect the Government against loss after any repossession pending re-leasing then it is suggested that an extendable, one year forward, bank guarantee of rent plus the quarterly

31st October, 1979

5. BANK GUARANTEE - Clause 10(c) (Page 30) (Cont.)

rent in advance plus the forfeiture of capital improvements on termination would more than protect the Government.

6.

There are many provisions in the lease which are absolute in form and which normally would be left in the lessors control but made subject to the consent of the lessor with such consent not to be unreasonably withheld. In the event of a dispute, reference could be made to Arbitration, thus preserving the ongoing bargain between the parties.

We suggest that an appropriate Arbitration clause should be inserted in the lease.

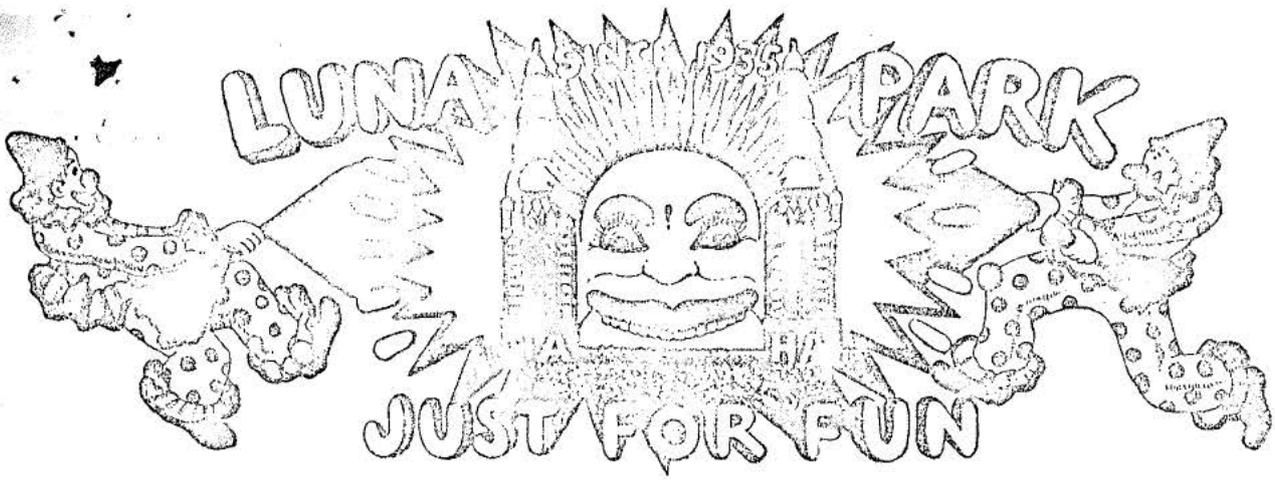
If the amendments proposed above are acceptable, we would appreciate receiving a suitable memorandum advising us of the amendment to the tender documents.

Yours faithfully,



BARRY WESTON

COMPANY SECRETARY



October 31, 1979

Mr J. B. Holliday,
Under-Secretary,
Department of Services,
121 Macquarie Street,
SYDNEY. N.S.W. 2000

Dear Sir,

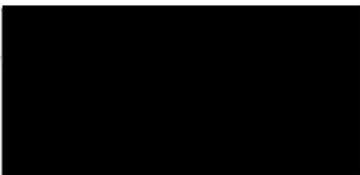
Further to our telephone conversation yesterday, enclosed please find a short list of the major items requiring clarification in the Luna Park tender documents.

Whilst clarification on each of the attached items is essential, I believe that prompt action will eliminate any necessity for a further extension of the tender closure date. I am confident that other potential tenderers will confirm this view.

I look forward to discussing them with you at your earliest possible opportunity.

I have sent a copy of this letter to Mr Gleeson for his consideration.

Yours faithfully,



Leon Fink
DIRECTOR

1. 10.1979
10.30am
[Redacted]

Encl.

LUNA PARK SITE TENDER

DOCUMENTARY PROBLEMS

A. CONDITIONS OF TENDER

1. There is no time limit whatsoever for acceptance or rejection of one or any of the tenders by the Government. The documents should have a Clause allowing a tenderer to withdraw after, say, three months or to have the right to affirm its tender for a further stipulated period.
2. Condition 2(b) does not make provision for arrangements made between Luna Park (N.S.W.) Pty. Limited and the successful tenderer.

The Clause, as presently written, ensures the physical destruction or removal of the existing contents of Luna Park in the event that the tender is won by anyone other than Luna Park (N.S.W.) Pty. Limited.

I believe that the addition of "or possession subject to or qualified by firm arrangements which the tenderer has concluded with Luna Park (N.S.W.) Pty. Limited" would resolve this defect.

3. Condition 16 requires a type of bank guarantee which is not reasonable or quantifiable and would be unacceptable to any banking institution.

The successful tenderer is risking forfeiture of all capital improvements in the event that he breaches the terms of the lease. This item alone should be of sufficient substance to eliminate any need for the guarantee, however, we recommend that this risk of forfeiture be supplemented by a continuing bank guarantee covering one year's rent.

B. THE DRAFT LEASE

1. There should be provision for the successful tenderer and the Government to vary the terms of the lease by mutual agreement as practicality may require.
2. The lease contains too many provisions which grant onerous control to the Government over many matters which would normally be left under the lessee's control but subject to the consent of the lessor (such consent not to be unreasonably withheld) and in the event of disagreement reference to arbitration. A general arbitration Clause should be inserted.
3. The resumption Clauses - 3(e), 4(f) and 4(g) - frustrate the intention to grant a thirty year lease and create tenure which is in substance for one year.

Clause 3(e) provides for diminution of the leased area to a stage where the park could become commercially inoperable.

Clause 4(f) circumvents the normal operation of law whereby capital improvements revert to the lessor on the expiring of the lease or on prior determination of the lease for cause.

Clause 4(g) operates to circumvent the operation of law relating to compulsory acquisition.

Each of the above Clauses circumvent the normal operation of law relating to payment of adequate compensation.

4. Clause 4(h) clearly allows the Government to consent to the premises being used other than as an amusement park in direct contravention of its publicly stated policy. Surely, to protect the park against future interference by any future Government, this Clause should be deleted.
5. Clause 4(v) - with good intention - is over-restrictive in respect of trading hours. The purpose of the Clause was to guarantee a minimum of 16 hours operation per weekend, not to provide the Government with a day to day right to interfere with minimum trading hours. The proviso at the end of this Clause should be deleted and operating hours left to the lessee and to the normal industrial processes.
6. Clause 4(aa) provides for price control. However, the tender document and draft lease make no provision for approval of original opening price. Recognising the Government's policy of price control, we suggest that tenderers be required to nominate their opening admission or entry price so that acceptance of tender will automatically include approval thereof.

TENDERER	TIME	PROPOSED CAPITAL EXPENDITURE	FORECAST ANNUAL TURNOVER	PROPOSED ADMISSION CHARGES	ESTIMATED REVENUE TO GOVERNMENT	CAPACITY TO DEVELOP Viable OPERATIONS			GENERAL SUITABILITY OF PROPOSAL, INCLUDING QUALITY, PUBLIC APPEAL AND ENVIRONMENTAL IMPACT
						Company Structure	Experience in Development/Operation	Financial Backing	
Alpat Holdings Pty. Limited.	Opening 9 months. Full development 3-5 years.	\$5m.	\$10m.	No details supplied.	(a) \$50,000 (b) (i) 12% (ii) 2% (c) \$200,000	Allan James Grey, Director. Patricia Ann Grey, Director.	No details supplied.	Available capital, overseas capital and merchant banking loan facilities.	Proposal sketchily prepared. Involves retention of most of existing amusements. Very few new attractions with public appeal or which would enhance appearance of site.
Camargo Pty. Limited.	Opening 3-4 months. Full development 15 months.	\$5m. additional to purchase of existing improvements.	\$7m.	\$5 per person. Children under 5 years admitted free.	(a) \$70,000 (b) (i) 8% (ii) 3% for first 2 years thence 3% thereafter with minimum of \$125,000 per annum. (c) \$227,500	Grundy Organisation Pty. Limited. Willard King (1978) Pty. Limited. Warwick Colbron as nominee for company to be formed. Comac Pty. Limited.	Extensive experience in production of T.V. programmes and films and in the entertainment area. The company includes builders and architects and it has engaged persons who have worked in senior management positions in Disneyland.	A combination of equity, inter-company loan resources, leasing finance and bank accommodation.	Well considered and presented proposals. Includes retention of many features of existing Park which will be renovated, etc., to conform with overall proposal and adds new modern concepts which will be visually appealing as well as improving public amenities and access.
Lenoku Pty. Limited.	Opening 9 months. Full development 5 years.	\$5.1m.	\$2.5m.	1st year \$2.50 to 5th year \$3.25.	(a) \$60,000 (b) (i) 5% (ii) 3% (c) \$87,500	Harry Joseph Callaia, Director. Ann Callaia, Director.	Claims through its directors and associated companies to have considerable skill and experience in the management of amusement facilities, but no details given.	Sale of properties owned by associated companies. Overseas loans.	Generalised proposals only. Tenderer claims that specific proposals not possible until Government has decided on successful tenderer.
Luna Park (N.S.W.) Pty. Limited.	Opening 6-9 months. Full development 2 years.	\$1.9m. to \$2.8m. in addition to existing on-site improvements owned by it.	\$5.4m.	\$4.50 to include up to 10 rides.	(a) \$50,000 (b) (i) 7% (ii) 2% (c) \$148,500	Leon Fink, Director. Nathan Spatt, Director. Robert Moore, Director.	Company has operated existing Park for many years.	Existing amusements owned by Company. Improvements to be financed by cash reserves and bank borrowing as required.	Existing tenant. Basically proposes to run Park as before. Such new attractions as proposed would not materially alter present appearance of site.

NOTE to "Estimated Return to Government" -

- (a) is initial yearly rent before opening of Park.
 (b) is rent for balance of term -
 (i) expressed as a percentage of land value; or
 (ii) expressed as a percentage of yearly gross turnover.
 (c) is maximum return to Government under (b)(ii) if tenderer's forecast of turnover is achieved.

TENDERER	TERM	PROPOSED CAPITAL INVESTMENT	FORECAST ANNUAL TURNOVER	FROP ADMISSON CHARGES	ESTIMATED RETURN TO GOVERNMENT	CRITERIA TO DEVELOP VENDOR'S QUALITY			GENERAL SUBSTANCE OF PROPOSAL, INCLUDING QUALITY, PUBLIC APPEAL AND ENVIRONMENTAL IMPACT
						Company Structure	Experience in Development/Operation	Financial Backing	
National Mutual Life Association of Australasia Ltd. and Australian Leisure Enterprises Pty. Limited.	2 years.	\$3m.	\$3m.	No details given.	(a) \$1 nominal until development application approval thence \$50,000. (b) (i) 10% (ii) 2% (c) \$220,000	National Mutual Life Association of Australasia Ltd., Australian Leisure Enterprises Pty. Limited (jointly held by National Mutual Life Association of Australasia Ltd. and Ampol Petroleum Limited).	No details given.	Capital resources of companies.	Proposal not prepared in depth. Appears to be dependent on joint proposal to develop hotel complex on adjoining site used for railway purposes. Long delay in re-opening Park.
William Joseph Parrott and Stanley William Durkin	Opening 6-9 months.	\$10m.	\$5m.	\$5 adults \$3.50 children, excluding food, games and novelties.	(a) an amount equivalent to all outgoings. (b) (i) 10% (ii) 5% (c) \$150,000	William Joseph Parrott and Stanley William Durkin Propose to form proprietary limited company to manage Park.	Company of which Mr. Parrott is Managing Director operates the chair lift and gondola rides at R.A.S. Showground. Durkin Amusements Pty. Ltd. operates rides throughout N.S.W., Victoria, Qld. and South Australia.	Resources of existing companies of which tenderers are members.	Proposal involves almost complete demolition of present improvements and re-establishment of Park as a permanent fun fair with attractions of the type that operate throughout the country, often in conjunction with annual shows. Proposal is unimaginative and no overall theme proposed. Limited operations of Park proposed.

NOTE to "Estimated Return to Government" -

- (a) is initial yearly rent before opening of Park.
- (b) is rent for balance of term -
 - (i) expressed as a percentage of land value; or
 - (ii) expressed as a percentage of yearly gross turnover.
- (c) is maximum return to Government under (b)(ii) if tenderer's forecast of turnover is achieved.

TENDERER	ESTIMATED OPENING DATE	PROPOSED CAPITAL EXPENDITURE	FORECAST ANNUAL TURNOVER	PROPOSED ADMISSION CHARGES	ESTIMATED RETURN TO GOVERNMENT	PROPOSED NAME OF PARK	CAPACITY TO DEVELOP VIABLE OPERATIONS			GENERAL SUITABILITY OF PROPOSAL, INCLUDING QUALITY, PUBLIC APPEAL AND ENVIRONMENTAL IMPACT
							Listed Directors	Experience in Development/Operation	Financial Backing	
1. Australasian Amusements Associates Pty. Ltd.	1st December, 1980, subject to acceptance of tender by 17/7/80.	\$3M. plus leasing finance and bank overdraft as necessary.	\$10M.	\$2.50 (including 10 rides free) under 5 years free.	(a) \$75,000 (b) (i) 10% (ii) 5% (guaranteed minimum \$250,000 p.a.) (c) \$500,000	The geographical place name of Luna Park or name to be selected by public competition.	Sir Arthur T. George Michael David Edgley Brian Sydney Treasure Harold Gerald Goldstein Colman Bertram Goldstein	Well known businessmen, entrepreneur, and major food suppliers.	No specific details, though principals are well known and respected business people.	A well considered proposal of conservative design and with traditional rides and attractions. Very good references supplied.
2. Stanley R. Edwards, Warwick A.J. Colbron and John Andrews as nominees for a company to be incorporated.	4 months after vacant possession.	Leasing finance to \$3M. plus capital contribution to \$1M.	\$3M.	\$5, under 5 years free - all rides free.	(a) \$70,000 (b)(i) 8% (ii) 6.5% (guaranteed minimum \$175,000 p.a.) (c) \$520,000	Will be known as "Luna Park" whether or not name changed.	see "Tenderer"	Backed by a well known Building Company.	No specific details although a bank reference is supplied.	Main amusement will be the Titan Complex (21st Century theme rides) with other traditional amusements.
3. Carl J. Cotto	No proposal.	\$7M Equipment \$7M "Extras".	\$5M.	\$5.	\$2.5M per annum.	No proposal.	Trust to be set up and administered by the N.S.W. Govt.	Not applicable.	No proposal.	This is not a tender, but rather an advice to the Minister, with an offer by Mr. Cotto to be appointed to the Trust and act as the (paid?) Manager of the Park. No tender deposit has been paid and it cannot be considered as a valid offer in the terms of the tender document.
4. Far East Hotels and Entertainment Ltd.	1st July, 1981.	\$10M.	\$5M.	No details supplied.	(a) \$75,000 (b) (i) 12% 7% G.O.S. (ii) 3% (c) \$150,000	Sydney Harbour Park.	D.T.K. Chiu V.V.S. Chou D.T.S. Chiu D.T.C. Chiu C.Y.K. Lee C.J.C. Lan all of Hong Kong.	Company presently operates hotels and amusement centres in various parts of S.E. Asia.	Finance available through resources of the company itself and, if necessary, related companies.	Australian and Asian Pacific theme park concept.

(* see attachment)

NOTES to "Estimated Return to Government" -

- (a) is initial yearly rent before opening of Park.
- (b) is rent for balance of term -
 - (i) expressed as a percentage of land value; or
 - (ii) expressed as a percentage of yearly gross turnover.
- (c) is maximum return to Government under (b)(ii) if tenderer's forecast of turnover is achieved.

Appendix "B".

TENDERER	ESTIMATED OPENING DATE	PROPOSED CAPITAL EXPENDITURE	FORECAST ANNUAL TURNOVER	PROPOSED ADMISSION CHARGES	ESTIMATED RETURN TO GOVERNMENT	PROPOSED NAME OF PARK	CAPACITY TO DEVELOP VIABLE OPERATIONS			GENERAL SUITABILITY OF PROPOSAL, INCLUDING QUALITY, PUBLIC APPEAL AND ENVIRONMENTAL IMPACT
							Listed Directors	Experience in Development/Operation	Financial Backing	
5. Camiango Pty. Ltd.	12 months after vacant possession.	\$6M to be provided by Grundy Organization.	\$7M.	Free to Park, charge for rides.	(a) \$70,000 (b) (i) Nil (ii) 12% games and rides. 7% food concessions. (c) Not known.	"Luna Park" if available from present owners.	Ian George Holmes Barry Irvine Weston John Thomas Collins Warwick A.J. Colbron John Hamilton Andrews	Backed by a well known and respected media and entertainment company which has an interest in a similar new amusement centre on the Gold Coast.	No specific details, however, bank references are supplied.	General concept only detailed, no specific proposals are listed.
6. Opinion Project Analysis Pty. Ltd.	Stage I - 17th Dec. 1980. Stage II - 17th Dec. 1981.	Not detailed.	\$8M.	Not detailed.	(a) \$2 until approval of Building Application then - \$100,000. (b) (i) 10.5% (ii) 5.25% (c) \$420,000	"Australia Fair"	Jim Thiessen Peter Sarlos	Not known	Not finalised	"Snugglepot and Cuddlepie" theme park concept - to be heavily landscaped and aesthetically pleasing. a two stage development.
7. Luna Park (N.S.W.) Pty. Limited.	26th Dec. 1980 subject to various approvals.	Existing facilities valued at \$4.6M. New improvements - \$2.02M. Alternative proposals - \$1.35M extra.	\$5.4M.	\$4.50 (including 10 rides)	(a) \$50,000 (b) (i) 8% (ii) 3.5% - 10% (see annexure) (c) \$189,000	Luna Park	Leon Fink Nathan Spatt Robert Moore Barry Fink	Present operators of site since 1969.	Cash reserves and borrowings by company. Bank reference available.	Basically the same concept as presently existing but with some new rides and other necessary updating of present facilities.
8. E.T. Short, J.P.										No tender lodged. Extension of time sought. No tender deposit paid. No specific proposals.

NOTE to "Estimated Return to Government" -

- (a) is initial yearly rent before opening of Park.
- (b) is rent for balance of term -
 - (i) expressed as a percentage of land value; or
 - (ii) expressed as a percentage of yearly gross turnover.
- (c) is maximum return to Government under (b)(ii) if tenderer's forecast of turnover is achieved.

8

ATTACHMENT

GROSS OPERATING PROFIT

Essentially speaking, GOP is a balance between total revenue and all direct and overhead expenses incurred, including provision for replacements which are usually 5 per cent of revenue, in running and maintaining the amusement park, but before deducting the following:-

- (i) depreciation;
- (ii) interests on loans;
- (iii) profit taxes

- (ii) (a) The amount (if any) by which a sum being the aggregate of -
- . Three and one half per centum (3.5%) of the gross turnover (as defined in Clause 3 of the said Terms and Conditions of Lease) up to but NOT EXCEEDING \$5,400,000
- AND
- . Five per centum (5%) of the gross turnover (defined as aforesaid) (if any) in excess of \$5,400,000 but NOT EXCEEDING \$7,000,000
- AND
- . Seven and one half per centum (7.5%) of the gross turnover (defined as aforesaid (if any) in excess of \$7,000,000 but NOT EXCEEDING \$8,000,000
- AND
- . Ten per centum (10%) of the gross turnover (defined as aforesaid) (if any) in excess of \$8,000,000.

in relation to that year exceeds the amount calculated under paragraph (a) of sub-clause 3.3 of the said Terms and Conditions of Lease, as completed by the insertion therein of the percentage referred to in subparagraph (i) of this Clause subject to adjustment as mentioned in sub-sub-paragraph (b) hereof

- (b) For each year following the first year of the second period referred to in the said sub-clause 3.3 the said amounts of \$5,400,000, \$7,000,000 and \$8,000,000 are to be adjusted for the purpose of the aforesaid calculation by increasing the same proportionately to any increase in the Consumer Price Index (All Groups) for Sydney as last published by the Australian Bureau of Statistics before the commencement of the said second period and as last published by the said Bureau before the commencement of the year in question. PROVIDED ALWAYS THAT if the said index shall at any time not be published by the said Bureau then there shall be substituted for such index another index having as nearly as practicable the same effect such index to be agreed upon between the parties or failing agreement to be fixed and specified by an independent professional actuary to be selected by agreement between the parties or failing such agreement to be nominated by the President for the time being (or his nominee) of the Law Society of New South Wales or its successor.

DRAFT ONLY

TENDERS FOR LEASE OF LUNA PARK SITE

As requested, a committee comprising the undermentioned persons was established to make an assessment of the tenders lodged for the lease of the Luna Park site:-

Mr. J.B. Holliday, Under Secretary,
Department of Services (Convenor).

Mr. K.P. Stevens, Deputy Secretary,
Premier's Department.

Mr. F. Bird, Valuer General.

Mr. B.R. Davies, Under Secretary for Lands
and Registrar General.

Mr. A. Andersons, Principal Architect,
Special Projects, Department of Public Works.

Mr. H. Massey, Regional Manager, Planning and
Environment Commission.

Tenders closed on 17th June, 1980, and were received from the following:-

1. Australasian Amusements Associates Pty. Ltd.
2. Stanley Robinson Edwards, Warwick A.J. Colbron
and John Andrews as nominees for a company to be
incorporated.
3. Carl J. Cotto.
4. Far East Hotels and Entertainment Ltd.
5. Camingo Pty. Ltd.
6. Opinion-Project Analysis Pty. Ltd.
7. Luna Park (N.S.W.) Pty. Ltd.
8. E.T. Short, J.P.

The committee met on occasions and in its deliberations had the benefit of an economic analysis of the tenders which had been carried out by the Valuer General. A copy of this analysis is attached as Appendix "A".

The committee was informed that it was desired that tenders be processed in a similar manner to those for the site when the lease was previously made available for tender last year, viz., that the committee

(1) determine criteria, and (2) evaluate tenders in accordance with that criteria. Accordingly, the criteria determined is as follows:-

- Estimated opening date.
- Proposed capital expenditure.
- Forecast annual turnover.
- Proposed admission charges.
- Estimated return to Government.
- Capacity to develop viable operations.
- General suitability of proposal, including quality, public appeal and environmental impact.

A schedule listing all the tenders received with comment under the above criteria headings is attached as Appendix "B".

Members of the committee who had not previously inspected the site (Messrs. Andersons and Massey) and who have a particular interest in the design and environmental aspects, took the opportunity of inspecting the site on 15th July, 1980.

As indicated in Appendix "B", of the 8 tenders received, those listed as Nos. 3 and 8 (Carl J. Cotto and E.G. Short, J.P. respectively) are not valid tenders and do not warrant further consideration.

The committee offers the following comments in relation to the other proposals:-

No. 4 - Far East Hotels and Entertainment Ltd.

This proposal is based on an Asian/Pacific theme concept which is presumably similar to that used in parks in South-East Asian countries run by the company. The proposal involves demolition of the present improvements on the site and the construction of an amusement park along traditional lines with new mechanical rides and new buildings each built differently in terms of design and architecture, e.g. Japanese, Balinese, Thai. The concept is not

thought to be particularly suited to the Luna Park site and the requirements of the Sydney and Australian populace. No details of admission charges have been given and the proposed return to the Government is less favourable than that of other tenderers.

Although the tenderers suggest they could open in July, 1981, it could be that there would be difficulties in this and also in the future operation of the park, as all the principals are located in Hong Kong.

No. 5 - Camingo Pty. Ltd.

This is the company which was established to submit what is generally known as the Grundy Organisation's tender on the previous occasion when tenders were called for the site, with the exception that A.W. Edwards Pty. Ltd., the building firm, is no longer associated with this group.

This tender also differs from the earlier one in that the space-age building known as "Titan" is no longer included.

The present proposal involves the demolition of existing improvements and the establishment of various forms of rides and amusements which have not been specifically detailed.

The tenderers estimate that they could open the park twelve months after vacant possession and they propose to make admission to the park free, but to charge for rides. The idea of having free admission and charging for rides is thought to offer some disadvantages in regard to the management of the park. It could attract crowds to the area to the discomfort of those interested in enjoying the particular amusements. It also possesses additional difficulties in accounting for revenue received and therefore payments due to the Government in terms of any lease.

The proposal is considered to be undefined in a number of respects and therefore less favourable than other more definite offers submitted.

No. 6 - Opinion Project Analysis Pty. Ltd.

This offer is incomplete in a number of fundamental respects, e.g., no details are given in regard to proposed admission charges, nor the financial backing for the company.

The proposal is similar to one submitted by Messrs. Thiessen and Sarlos in association with the National Mutual Life Association Ltd. and Ampol Petroleum Limited on the previous occasion and which involved the erection of an international hotel on adjoining railway land.

The current proposal does not include the hotel but again proposes a "theme" park based on the characters Snugglepote and Cuddlepie, created by the late May Gibbs. In this regard literary agents for the estate of the late May Gibbs (Curtis Brown (Aust.) Pty. Ltd.), acting on behalf of the beneficiaries (The Spastic Centre of N.S.W. and the N.S.W. Society for Crippled Children) have advised that at no stage has the tenderer approached them or the beneficiaries to obtain permission to prepare a tender based on this copyrighted material and that it is highly unlikely that approval would be given to the use of the stories and the visual material of the late May Gibbs in a Luna Park project.

This proposal is considered to be too indefinite in certain fundamental aspects.

No. 7 - Luna Park (N.S.W.) Pty. Ltd.

This proposal, submitted by the present tenant and former leaseholder, mainly involves spending up to \$2.4m. on improving existing facilities but in the main involves continuing to operate Luna Park as before.

While the principals have demonstrated their capability to successfully operate the park, their proposal is thought to be too unimaginative and the return offered to the Government is less than that of other tenderers who propose a more extensive modernization of the area. The admission charge of \$4.50, including 10 rides, is higher than that proposed by another tenderer.

The proposal by this tenderer is thought to be less attractive from a number of other aspects than those in other offers received.

No. 2 - Stanley Robinson Edwards, Warwick A.J. Colbron and John Andrews as nominees for a company to be incorporated.

This tender has been submitted by S.R. Edwards, Warwick A.J. Colbron and John Andrews as nominees of a company to be incorporated and is similar in all major respects to that submitted by Camingo Pty. Ltd. when tenders were last called, except that the Grundy Organisation is no longer associated with it. This could have an effect on the company's ability to operate the park in that it would not have access to finance through the Grundy Organisation, nor recourse to personnel in the entertainment industry through that Organisation.

The theme proposed would include the "Titan" complex with other traditional amusements. The admission charge of \$5, with children under 5 free and all rides free is dearer than other proposals and the estimated return to the Government is less than that offered in some other proposals.

Some fears have been expressed that this proposal could involve environmental difficulties related to buildings proposed on the area on top of the escarpment, as it would involve the destruction of a number of large trees on that area of the site. More specific information would appear to be necessary in respect of the environmental impact of the construction of the "Titan" complex.

Doubt has been expressed that a desirable level of up-dating of the facilities in the park, together with the construction of the "Titan" complex, could be achieved by the proposed capital expenditure of \$4m.

No. 1 - Australasian Amusements Associates Pty. Ltd.

This proposal is submitted by Australian Amusements Associates Pty. Ltd., the Directors being:-

Sir Arthur T. George
 Michael David Edgley
 Brian Sydney Treasure
 Harold Gerald Goldstein
 Colman Bertram Goldstein

This company is directed by a group individually well known in the business, entertainment and catering areas. The ability of the group to finance the venture appears to be quite sound and the return offered to the Government appears to be the best of any feasible proposal received.

The proposed admission charge of \$2.50, including 10 free rides and free admission for children under 5, is the most attractive so far as the public is concerned.

Subject to satisfactory arrangements with the existing tenant, this tenderer proposes retention of such of the existing amusements as

are in good order and the operation of the park along traditional lines with popular rides and attractions, but with substantial updating of facilities and amenities.

Confidential

DEPARTMENT OF THE VALUER GENERAL, N.S.W.

LUNA PARK TENDERS - ECONOMIC ANALYSIS

Tenders 3 and 8 were not considered; they are not relevant.

The Site:

With regard to utilisation of the site, Tenders 2 and 7 propose to use the existing buildings and equipment and to renovate or add new equipment. Tenders 4, 5 and 6 propose to clear the site and start again with new facilities. Tender No. 1 has put forward a number of alternatives, including retention of the existing buildings and facilities (if negotiations to acquire them are successful) and commencing from a cleared site if those negotiations fail. Tender No. 5 proposes to require the existing lessee to remove his fixtures from the site.

Capital Expenditure:

To remodel the existing improvements the following expenditure is proposed:

Tender No. 2	-	\$4.0 million
" " 7	-	\$2.02 million.

Tender No. 1 would also spend \$3 million on remodelling and renovation if it retained present improvements.

For a complete rebuild the following expenditure is proposed:-

Tender No. 4	-	\$10 million
" " 5	-	\$6 million.

(Note: Tenders Nos. 1 and 6 did not submit a proposal on this basis).

Annual Turnover from fees and concessions and return offered to Government:

The tender documents do not indicate when the tenderers expect to achieve the annual amounts indicated. In some cases it is evident that the amounts are ultimate expectations whereas for others the amount is a short term expectation (e.g. Tender No. 7).

The amounts range from \$5 m. to \$10 m. based on charges which indicate that at least one million visitors per annum are anticipated. Having regard to the changes they propose it seems that Tenders 1 and 2 entertain an expectation that the annual attendance will far exceed one million.

The share of annual turnover offered as rent to the Government ranges from 3% to 12½% with a median figure of about 5%. Details are -

DEPARTMENT OF THE VALUER GENERAL, N.S.W.

<u>Tender No.</u>	<u>Annual Turnover</u>	<u>Percentage Rent</u>
4	\$5 m	3%
7	(\$5.4 m. (\$5.4 to \$7 m. (\$7 m to \$8 m. (Over \$8 m.	3.5% + 5% + 7 1/2% + 10%
5	\$7 m.	(12 1/2% on rides (7 1/2% on food
2	\$8 m.	6.5%
6	\$8 m.	5.25%
1	\$10 m.	5%

Basic Ground Rental:

Leaving aside any concessional rental proposal for the development stage of any new lease arrangement, the following basic annual ground rents have been offered:-

\$50,000	-	Tender No. 7
\$70,000	-	Tender Nos. 2 and 5
\$75,000	-	Tender Nos. 1 and 4
\$100,000	-	Tender No. 6.

Alternative future rental - based on Site Value:

No. 5 Tender offers no alternative to a rent based on turnover. Each of the others offer varying proportions of the Site Value; viz.;

8%	-	Tender Nos. 2 and 7
10%	-	Tender No. 1
10 1/2%	-	Tender No. 6
12 1/2%	-	Tender No. 4.

Minimum and Maximum Rental Horizons:

Only three tenders indicate minimum rentals to apply after the initial development stage; viz.:

\$100,000 per annum	-	Tender No. 6
\$175,000 " "	-	" " 2
\$250,000 " "	-	" " 1.

/Whilst

DEPARTMENT OF THE VALUER GENERAL, N.S.W.

Whilst it is difficult to determine from the form of presentation nonetheless it seems that the maximum annual rentals which the Government might expect to receive, within unstated times, are:-

\$150,000	-	Tender No. 4
\$189,000 to \$544,000 (range over time)	-	Tender No. 7
\$420,000	-	Tender No. 6
\$500,000	-	Tender No. 1
\$520,000	-	Tender No. 2
\$700,000 (?)	-	Tender No. 5.

General Comments:

There is a wide range of projected results presented in the tenders.

As previously mentioned there are two different basic strategies proposed; one is to renovate and upgrade the existing site and the other is to clear the site and construct a new entertainment complex. Those who favour the latter contend that the existing buildings and equipment are not worth retention.

One tenderer puts forward a preference for the first strategy but proposes to opt for the alternative if he is unsuccessful in acquiring the existing fixtures from the sitting tenant.

Another tender, which proposes the clearance of the site, would force the sitting tenant to remove his fixtures without payment or compensation for so doing. To achieve this objective would need the co-operation of the Government which alone holds the power to require the removal of such fixtures.

The tender from the sitting tenant favours the former strategy and such decision may be conditioned by its vested interest in its own equipment which has a considerably higher value to it, in situ, than for removal by it or for sale by it to some other operator who became the lessee of the site.

Looked at from a global point of view the consensus of views expressed in the tenders is for removal of existing improvements and equipment and for the introduction of a new entertainment concept.

Inherent in any decision to abandon or retain the existing site improvements is the relative importance of the name LUNA PARK. At least the two tenders (Nos. 2 and 7) who opt to preserve the existing improvements would retain that name. Other tenders indicate that a change of name is preferred or, if made, would be of little consequence.

Success of any of the proposals will be determined, in large measure, by the economics of each venture. There will be an inevitable interplay between the identity of the site, the nature of the entertainment offered and the costs of

/admission

DEPARTMENT OF THE VALUER GENERAL, N.S.W.

admission, etc. One basic element predominates, that is, on past performance aggregate annual attendance is likely to be of the order of one million if the existing form and style of presentation continues. This forecast is supported to some extent by the aggregate annual attendance at the Sydney Royal Easter Show.

However, in some of the tenders the proposer obviously expects to attract much larger numbers of patrons. Tender No. 1 anticipates annual turnover of \$10 million with basic admission charges of \$2.50 per head. Whilst there is some income yield to come from food sales and concessions, nonetheless the proposal must be based on attendances more than double that previously achieved on the site. Whilst not quite so ambitious there is an optimistic air in the forecasts in Tenders Nos. 2, 5 and 6.

In any revenue sharing arrangement it is vital to achieve high and increasing turnover levels if the lessor is to receive full benefit from this unique site. Therefore it is important to establish that the forecasts made are realisable and to further establish the time frame within which maximum yields may be achieved.

Thus attention needs to be focussed on the basic strategies for future utilisation of the site for the purpose of deciding whether maximum benefits will flow from a revitalised centre and whether to achieve those peaks abandonment of the present improvements and fixtures is essential.

My own impression is that a new imaginative development and mode of management will be necessary if the past attendance patterns are to be substantially changed. If this is so it may be necessary to examine what changes might flow from the adoption of one or other of the proposals. There are vocal adherents for preservation of the present format but those who might prefer and support some alternative have not been identified and thus not heard.

The advantages to flow and the economic viability of any different use of the site may depend on the nature of the entertainment offered and the prices charged. Where new features are proposed they have a fairly common theme - generally in the modern style which would appeal to children and youths - but the capital costs vary widely (from \$2 million to \$10 million). Prima facie an initial higher capital outlay for new equipment will produce higher quality fixtures but it may cause a consequential lower capacity to pay rent for the site (e.g. Tender No. 4). Stated in broader terms, the relationship between the site value (rent) and the improvements (lessee's capital outlay) will vary according to the extent of capital committed by the lessee and the yield which he can generate for his outlay. Other important features may be the provision made for replacement of equipment throughout the lease term and the time scale envisaged for such renewal. Two tenders which suggest quite different strategies are Nos. 1 and 4; therein No. 4 seems to limit maximum site rental to \$150,000 per annum (on each alternate proposed), whereas No. 1 proposes a minimum of \$250,000 per annum and scope to achieve up to \$500,000 per annum.

/The preferred

DEPARTMENT OF THE VALUER GENERAL, N.S.W.

The preferred tender - On economic grounds:

For the purpose of examining the relative merit of each tender on economic grounds I have ignored other important issues, such as:-

- . retention of the present identity of "LUNA PARK"
- . minimising charges to the public
- . segments of the public to be served
- . Government "subsidy" by minimisation of site rental.

Thus the following tenders are not contenders for the position of preferred tender:-

No. 5 - Too open ended - there is no guaranteed rental beyond the initial rent of \$70,000 per annum and there is no offer of rent on land value. The percentage return on turnover offered seems to be far too high to accept as a firm alternative. Also the apportionment of turnover between entertainment and food is not revealed.

No. 4 - Rental offered is far too low and, if accepted, would represent a substantial subsidy from the Government.

Tender No. 6 contains an expectation of achieving \$8 million turnover. This would seem to be highly optimistic having regard to the nature of the venture. In any event the deferment of completion of rebuilding until December 1981 would certainly push well into the future the date for achievement of this level of turnover.

This leaves for consideration Tenders 1, 2 and 7. Significantly their preference is for preservation and updating of existing improvements and to retain the name LUNA PARK. In this regard the sitting tenant (Tender No. 7) is in the best position financially, but his tender does not indicate a willingness to invest much capital to substantially upgrade the park.

Tender No. 1 expects to generate a higher turnover, seemingly with the aid of food concessions which aim is supported by the Goldstein participation in the team.

Tender No. 2 is basically the previous "Andrews" (Grundy) proposal although the Grundy organisation is not now part of the team (it is represented in the team for Tender No. 5).

Mr. Warwick Colbron is a team member for Tenders 1, 2 and 5 and Mr. Andrews has common membership of the teams for Tenders 2 and 5.

Considering only Tenders 1 and 2 my preference would be for Tender No. 1. Whilst this proposal is not firm on the strategy to be adopted there are viable alternatives which have appeal. The entrance fee scale for Tender No. 1 (\$2.50) is half that proposed by Tender No. 2 (\$5). The guaranteed minimum rental

/for

DEPARTMENT OF THE VALUER GENERAL, N.S.W.

for No. 1 (\$250,000) far exceeds that offered in Tender No. 2 (\$175,000) and there is little difference in the ultimate rental target (\$500,000 and \$520,000). In Tender No. 1 the emphasis is on "maximum patronage and not maximum price".

Each proposal in Tenders 1, 2 and 7 is for the opening of the PARK before the end of this calendar year.

Tender No. 7 (the present occupant of the site) is for a conservative upgrading of the existing improvements with a consequential slow increase in annual turnover. Having regard to their long association with the site there cannot be a strong expectation that this strategy will enhance the centre and substantially increase patronage. New improvement expenditure is lowest of all Tenders. Therefore rental income prospects are not encouraging. In fact until turnover rental operates the tender proposes a site rental of \$100,000, which is much less than that offered by Tenders 1 and 2. The initial site rental of \$50,000 per annum is the lowest of all tenders. Also the turnover levels nominated for the purpose of rental adjustment are indexed to Consumer Price Index - to the disadvantage of the Government. No other tender contains such a limitation. In comparison with Tender No. 1 the admission charges will be much higher, and in this regard the emphasis of Tender No. 1 on increased patronage is relevant and important.

Having regard to all the circumstances, as presented, I recommend that, on economic grounds (if not for other reasons as well), Tender No. 1 be preferred.

If a short list is required I suggest that the order of preference be:

Tender No. 1

Tender No. 2

Tender No. 7.

For the information of the Committee.



(F. Bird)
Valuer General
4/7/1980.

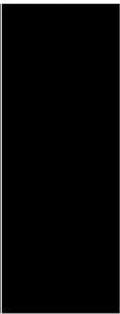
NSWCAC WITNESSES ✓

HARBOURSIDE AMUSEMENT PARK PTY. LIMITED.

NAMES, ADDRESSES AND TELEPHONE NUMBERS OF
PERSONS TO BE EXAMINED / INTERVIEWED

NAME	ADDRESS	PHONE No.		
✓ <u>BAFFSKY</u> , DAVID ZALMON				
<u>BUCKINGHAM</u> , BERYL BLEMAN				
✓ <u>COLBON</u> , WARWICK				
<u>COWLEY</u> , EDWIN MAXWELL				
/ <u>COWPER</u> , SAMUEL KING				
<u>DHARMALINGAM</u> ,				
KUPPASAMY				
C <u>DOBERER</u> , DAVID JOHN				
<u>DROGA</u> , HAROLD				
✓ * <u>EDGLEY</u> , MICHAEL				
CHRISTOPHER				
<u>GASPAROTTO</u> , ROBERT				
<u>GEORGE</u> , (SIC) ARTHUR THOMAS				

NAME	ADDRESS	PHONE No.
✓ <u>GOLDSTEIN,</u> CORMAN BERTRAM		
✓ <u>GOLDSTEIN,</u> HAROLD GERALD		
<u>HOPKINS,</u> [REDACTED]		
<u>HOUSEMAN,</u> LESLIE RONALD		
<u>KELLY,</u> RODNEY E.		
<u>KLEINER,</u> SUSAN SOPHIE		
<u>LAVIGNE,</u> JOHN MICHAEL		
<u>NICHOLAS,</u> JOHN B.		
✓ <u>SAFFRON,</u> ABRAHAM GILBERT		
✓ <u>SAFFRON,</u> DOREEN		
<u>SPILSBURY,</u> HARDY M.		
<u>TRACZYK,</u> TERESA JOZEFA		

NAME	ADDRESS	PHONE No.
<u>TRIVERS</u> , Roy BERTIE		
<u>TREASURE</u> , BOYAN SYDNEY		

8

8 TENDERS

HARBOURSIDE AMUSEMENT PARK PTY. LIMITED

DIRECTORS: BAFFSKY, David Zalmon
[REDACTED]

TREASURE, Bryan Sydney
[REDACTED]

GOLDSTEIN, Colman Bertie
[REDACTED]

GOLDSTEIN, Harold Gerald
[REDACTED]

DROGA, Harold
[REDACTED]

TRAVERS, Roy Bertie
[REDACTED]

SECRETARY: TRAVERS, Roy Bertie

SHAREHOLDERS &
SHAREHOLDINGS:

SIBAF NOMINEES PTY LTD - 11 shares @ \$1.00 per share

PEAK NOMINEES PTY LTD - 1 share @ \$1.00 per share

SIBAF NOMINEES PTY LIMITED

DIRECTORS: BAFFSKY, David Zalmon
[REDACTED]

TRAVERS, Roy Bertie
[REDACTED]

HOUSEMAN, Leslie Ronald
[REDACTED]

SECRETARY: TRAVERS, Roy, Bertie

SHAREHOLDERS &
SHAREHOLDINGS:

BAFFSKY, David Zalmon - 1 share @ \$1.00 per share

TRAVERS, Roy Bertie - 1 share @ \$1.00 per share

PEAK NOMINEES PTY LIMITED

DIRECTORS: BAFFSKY, David Zalmon
[REDACTED]

TRAVERS, Roy Bertie
[REDACTED]

HOUSEMAN, Leslie Ronald
[REDACTED]

SECRETARY: TRAVERS, Roy Bertie

SHAREHOLDERS &
SHAREHOLDINGS:

BAFFSKY, David Zalmon
on Trust for PEAK SERVICES PTY LTD -
1 share @ \$1.00 per share

PEAK SERVICES PTY. LTD
10th Floor, 60 Martin Place, Sydney -
1 share @ \$1.00 per share

PEAK SERVICES PTY LIMITED

DIRECTORS: BAFFSKY, David Zalmon
[REDACTED]

TRAVERS, Roy Bertie
[REDACTED]

HOUSEMAN, Leslie Ronald
[REDACTED]

SECRETARY: TRAVERS, Roy Bertie

SHAREHOLDERS &
SHAREHOLDINGS:

BAFFSKY, David Zalmon - 1 share @ \$1.00 per share

TRAVERS, Roy Bertie - 1 share @ \$1.00 per share

ARCADIA AMUSEMENTS & VENDING PTY. LIMITED

DIRECTORS:

SAFFRON, Abraham Gilbert
[REDACTED]

SAFFRON, Doreen
[REDACTED]

SPILSBURY, Harry McLeod
[REDACTED]

DHARMALINGAM, Kuppusamy
[REDACTED]

BUCKINGHAM, Beryl Blemah
[REDACTED]

SECRETARIES:

SAFFRON, Doreen

KELLY, Rodney Edward Raffles Hotel, Kintail Avenue,
APPLECROSS, W.A.

BUCKINGHAM, Beryl Blemah

SHAREHOLDERS &
SHAREHOLDINGS:

SAFFRON, Abraham Gilbert - 1 share @ \$1.00 per share

SAFFRON, Doreen - 1 share @ \$1.00 per share.

(a) HARBOURSIDE AMUSEMENT PARK PTY. LIMITED

The particulars as to directors and secretaries as shown on Appendix A are correct.

Directors - it was noted that the following persons had been directors of the company -

- (i) LAVIGNE, John Michael
[REDACTED]
appointed 28.5.82 - resigned 30.12.83.
- (ii) GEORGE, Arthur Thomas
[REDACTED]
- resigned 1.3.83.
- (iii) EDGLEY, Michael Christopher
[REDACTED]
- resigned 7.10.81.

Secretaries - it was noted that the following persons had been secretaries of the company -

- (i) COWPER, Samuel King
[REDACTED]
appointed 24.5.82 - resigned 2.11.84.
- (ii) DOBERER, David John
[REDACTED]
- resigned 1.3.83.

Register Members - the following transfers on 23.9.80 were noted -

- (i) HOWE, Michael James
[REDACTED]
6 shares to Sibaf Nominees Pty. Limited.
- (ii) LANNEY, Thomas Robert
[REDACTED]
5 shares to Sibaf Nominees Pty. Limited.
- (iii) LANNEY, Thomas Robert
1 share to Peak Nominees.

(b) SIBAFF NOMINEES PTY. LIMITED

The particulars as to directors and secretaries as shown on Appendix 'B' are correct except that -

- (i) KLEINER, Susan Sophie
- resigned on 1.1.85

Directors - it was noted that the following persons had been directors of the company -

- (i) SIMONS, Peter Roger
[REDACTED]
appointed 14.10.76 - resigned 1.9.80.
- (ii) ARCHER, Stephen John
[REDACTED]
appointed 1.7.74 - resigned 1.9.80.
- (iii) KENNETT, Helen Margaret
[REDACTED]
appointed 1.9.80 - resigned 24.12.81.

Secretaries - it was noted that the following person had been a secretary -

- (i) SIMONS, Peter Roger
appointed 14.10.76 - resigned 24.1.79.

Register of Members - the following transfer was noted:
1.9.80 - SIMONS, 1 share to TRAVERS.

(c) PEAK NOMINEES PTY. LIMITED

The particulars as shown on Appendix 'C' as to directors and secretaries are correct except that -

- (i) KLEINER, Susan Sophie
resigned on 1.1.85.

Directors - it was noted that the following persons had been directors of the company -

- (i) SIMONS, Peter Roger
appointed 18.10.72 - resigned 1.9.80.
- (ii) ARCHER, Stephen John
appointed 1.7.74 - resigned 1.9.80.
- (iii) KENNETT, Helen Margaret
appointed 1.9.80 - resigned 24.12.81.

Secretaries - the following person had been appointed to secretary -

- (i) SIMONS, Peter Roger
appointed 18.10.72 - resigned 24.1.79

Register of Members - the following transfers were noted -

- 18.10.72, SIMONS, 1 share to
PEAK PROPERTIES PTY. LIMITED.
- 29.6.79, PEAK PROPERTIES PTY. LTD.,
1 share to Peak Services Pty. Ltd.

(d) PEAK SERVICES PTY. LIMITED

Directors -

- (i) BAFFSKY, David Zalmon
appointed 1.2.79
- (ii) SIMONS, Peter Roger
appointed 1.2.79 - resigned 1.9.80.
- (iii) ARCHER, Stephen John
appointed 29.6.79 - resigned 1.9.80.
- (iv) KLEINER, Susan Sophie
appointed 29.6.79 - resigned 1.1.85.
- (v) TRAVERS, Roy
appointed 1.9.80.
- (vi) HOUSEMAN, Leslie
7 Nelson Road, Lindfield
appointed 1.9.80.
- (vii) KENNETT, Helen Margaret
appointed 1.9.80 - resigned 24.12.81.

Secretaries -

- (i) SIMONS, Peter Roger
appointed 1.2.79 - resigned 1.9.80.
- (ii) TRAVERS, Roy
appointed 1.9.80.

Register of Members -

- (i) BAFFSKY - 1 share.
- (ii) SIMONS - 1 share - transferred on
1.9.80 to TRAVERS.

Mr. Travers stated that both he and Baffsky are the beneficial owners of the shares in Sibaff Pty. Ltd. and Peak Services Pty. Ltd.


C. Reynolds,
Investigator
30.10.85


M. Lynch,
Investigator
30.10.85

Sir Arthur George

11TH FLOOR
151-153 MACQUARIE STREET
SYDNEY, 2000

27-1191

13th August, 1980

Mr. J.B. Holliday,
Under Secretary,
Department of Services,
Box 30, G.P.O.,
SYDNEY. N.S.W. 2001

Dear Mr. Holliday,

Ref. LUNA PARK

I thank you for your letter of 11th inst., the contents of which are noted. I enclose herewith the material requested in numbered paragraphs (1) and (2) of your letter under reply. As to (3), the name Australian Amusements Associates Pty. Limited has been reserved, a shelf company has been acquired and consent to change its name to Australasian Amusements Associates Pty. Limited is currently being sought and alterations are being made to its Articles.

Its shareholders will be as follows -

Sir Arthur George
Michael David Edgley
Brian Sydney Treasure
Harold Gerald Goldstein, OBE
Colman Bertram Goldstein

each of whom will take up the shares in family controlled companies.

.../2

The Directors will be -

Sir Arthur George, Chairman
Michael David Edgley
Brian Sydney Treasure
Harold Gerald Goldstein, OBE
Colman Bertram Goldstein

You will note that the plans provide for trees to be retained in the manner required.

Yours faithfully,

A large black rectangular redaction box covers the signature of Arthur George.

ARTHUR GEORGE

Encl.

SUB LEASE

9

SUBLEASE

REAL PROPERTY ACT, 1900
(To be lodged in duplicate)
(See Instructions for Completion issued separately)

OFFICE USE ONLY

SL

	of	
\$		

LEASE of which LESSOR is registered proprietor where a folio of the register has not been created for the leasehold estate

REGISTERED LEASE Note (a)

Lease Number	Torrens Title Reference	Description of land or premises leased	Location
		See Annexure II	

LESSOR Note (b)

THE HONOURABLE ALAN ROBERT LINDSAY GORDON, The Minister for Lands for and on behalf of <u>HER MAJESTY QUEEN ELIZABETH II</u>	OFFICE USE ONLY N
--	----------------------

(the abovenamed LESSOR) hereby leases to the LESSEE

LESSEE Note (b)

HARBOURSIDE AMUSEMENT PARK PTY. LIMITED, a Company having its registered office at 40 Ricketty Street, Mascot	OFFICE USE ONLY
---	-----------------

as joint tenants/tenants in common

PRIOR ENCUMBRANCES Notes (d) and (h)

the land above described, subject to the following PRIOR ENCUMBRANCES

TERM Note (e)

for a TERM of thirty (30) years commencing on 15 / 7 / 1981 and TERMINATING on 14 / 7 / 2011

Note (f)
Note (g)
Note (h)

(with an OPTION TO PURCHASE and/or an OPTION OF RENEWAL as set forth in clause(s) of SCHEDULE TWO hereto, together with and reserving the rights and liberties set forth in SCHEDULE ONE hereto), and

SUBJECT TO the covenants and provisions:

- (i) implied by sections 84 and 85 of the Conveyancing Act, 1919 as are not expressly negatived or modified hereto;
- (ii) set forth in the Memorandum filed in the Registrar General's Office as Number _____; and
- (iii) set forth in SCHEDULE TWO hereto, which covenants and provisions shall be deemed to be incorporated herein.

DATE OF LEASE 27th May, 1981

EXECUTION Note (i)

We hereby certify this lease to be correct for the purposes of the Real Property Act, 1900 for the Lessor by THE HONOURABLE ALAN ROBERT LINDSAY GORDON, The Minister for Lands of the State of New South Wales (but not so as to incur any personal liability in respect thereof)

Signature of Witness
Name of Witness (BLOCK LETTERS) [Redacted]
who is personally known to me: Deputy Director
Address and occupation of Witness Crown Lands Office

Note (j)

Signed in my presence by the lessee who is personally known to me
Signature of Witness
Name of Witness (BLOCK LETTERS) HARBOURSIDE AMUSEMENT PARK PTY LIMITED
Address and occupation of Witness
officed in accordance with the Articles of Association of the company in the presence of:



Signature of Lessor
Signature of Lessee

TO BE COMPLETED BY LODGING PARTY Notes (j) and (k)

LODGED BY State Crown Solicitors		LOCATION OF DOCUMENTS HERE OTHER	
Delivery Box Number 813E	Checked by B. R. DAVIES LS Registrar General	Herewith.	In R.G.O. with
Extra Fee	Produced by		

(Cert. of Regd. A.H. Ltd)

1. 4. 7. 0. 0. 81/534192

Ch

This is Annexure II referred to in Sub-Lease dated 27th May, 1981 from THE HONOURABLE ALAN ROBERT LINDSAY GORDON, The Minister for Lands for and on behalf of HER MAJESTY QUEEN ELIZABETH II (Lessor) to HARBOURSIDE AMUSEMENT PARK PTY. LIMITED (Lessee)

Torrens Title Reference	Description of land or premises leased	Location
VOLUME 4811 FOLIO 180	WHOLE	MILSONS POINT
VOLUME 9750 FOLIO 79	WHOLE	MILSONS POINT
VOLUME 14074 FOLIO 208	WHOLE	MILSONS POINT
VOLUME 12645 FOLIO 152	Lot 103 in Deposited Plan 82409 and that part of Lot 102 in Deposited Plan 574070 which excludes the area shown in Filed Plan 109128 as "To be vested in the Municipal Council of North Sydney for the purpose of public highway".	MILSONS POINT
VOLUME 12419 FOLIO 204 (WHOLE)	Areas of 2510 square metres and 60 square metres and the sites of three pile dolphin and two mooring piles shown on plan R.P. 1047 catalogues at the Maritime Services Board of New South Wales.	MILSONS POINT
VOLUME 5018 FOLIO 1 (PART)		MILSONS POINT

For the Lessor

[Redacted Signature]

For the Lessee

[Redacted Signature]

Witness

[Redacted Signature]

Dated 22-10-83

C.L.O. 9A

SUBJECT: Luna Park - Current Lease.

ELECTORATE: North Shore

BACKGROUND:

Following a disastrous fire in 1979, the former Luna Park was closed. Subsequently tenders for a lease of the site for an amusement park were called for with the Minister for Lands as the lessor (the site is owned separately by the Department of Main Roads, State Rail Authority and Maritime Services Board who have executed head leases in favour of the Minister).

Habourside Amusement Park Pty. Ltd., was the successful tenderer and was granted a lease for 30 years commencing 15th July, 1981. The current land valuation for rental purposes as calculated by the Valuer General's Department is \$2,725,000-00. The rent is 10% of that figure plus the amount (if any) by which 5% of the gross turnover in relation to the current year exceeds 10% of land valuation.

The lessee has carried out major redevelopment of the site and the Park was re-opened for business on 28th April, 1982.