

# The Sydney Morning Herald

SE Business  
HD **Questions linger over Dubai deal**  
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WC 910 words  
PD 5 April 2014  
SN The Sydney Morning Herald  
SC SMHH  
ED First  
PG 2  
LA English  
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## THE PRESS CONFERENCE

In December last year, at Melbourne Airport, Matthew Joyce and his wife Angela Higgins arrived from Dubai to front reporters.

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Finally free after five years of captivity in Dubai, where Joyce had been charged with fraud and bribery, this was the triumphant homecoming.

How does it feel to be home? asked the reporters. What role did Tony Abbott play in getting you home? Did you ever feel you weren't going to get home?

Joyce been acquitted on appeal in a Dubai court. His old chum from Geelong Grammar, Angus Reed, had been convicted in absentia and never appealed. He decamped to New York.

Suddenly, the feel-good press conference went off script. From the flank came the question: "How did \$7.5 **million** paid by Sunland to Angus Reed end up in your account in Jersey? In December 10, you sent the money to Mr Reed in Australia and on the same day exchanged contracts on a farm in western Victoria. How did you pay for that farm?"

"That's a very good question," said Joyce, and proceeded not to answer it. "That's been dealt with by seven judges, across three courts, across two countries ...". His public relations people quickly got things back on message.

The question remains, why did \$7 **million** end up in Matthew Joyce's account if it wasn't his?

## THE DEAL

While boss of Dubai Waterfront, a subsidiary of state-owned property **company** Nakheel, he was charged with receiving a secret commission. He was accused of pretending his mate Reed had a legal interest in a block of land in the world's largest development, Dubai Waterfront.

Sunland, an Australian **company** with **operations** in Dubai, wanted to buy this block, D17. They had the block next door. Joyce told them they would have to deal through Reed because Reed had the development rights, according to Sunland.

Reed told Sunland he was backed by a US hedge fund, Och Ziff, which would put up the money if Sunland wanted to do a joint venture with his **company** Prudentia Investments. Talks soon broke down and Sunland offered to buy Reed's rights.

Law **firm** Freehills prepared a document: "Prudentia has reached agreement with the master developer (Nakheel) to acquire and develop the property".

No agreement with Nakheel has ever been sighted, yet Sunland paid Prudentia \$14 **million**.

Sunland says Reed and Joyce defrauded them because Reed never had the rights. Joyce says any money he received from Reed was merely held on trust for a mate.

They claim Reed needed to park up to \$6 million offshore and Joyce was owed \$1.25 million for work he had done on a Reed development in Melbourne two years earlier.

The money trail, however, throws up other possibilities.

#### THE MONEY TRAIL

In the days after Sunland bought the block, a director of Reed's Prudentia wrote to Joyce and Reed setting out how Joyce would be paid 50 per cent of the \$14 million walk-away fee. He said the payment arose from Sunland's purchase of the block and that Joyce was entitled to half of the fee. Joyce wrote back: "because the party in question was not party to the arrangement ... this needs to be rewritten". It was, taking out references to Sunland and the block.

Sunland's \$14 million was transferred to Prudentia's lawyers (Reed) in Dubai. They then paid half to a trust in Jersey (Eightblue, of which Joyce was beneficiary).

As Dubai authorities began investigating the payment to Jersey a year later, \$7.1 million was sent from Eightblue to Hanley Investments in Hong Kong (a Reed company). From there it was transferred again, this time to a Prudentia bank account in Australia (Reed).

On the same day as Joyce sent the money to Hong Kong, December 10, 2008, Joyce exchanged contracts on the \$5.8 million farm in Victoria. It was funded, he said, by the sale of two properties in Sydney and family money. The purchase was not settled until August 2009, long after Joyce had paid the money back to Hanley Investments.

Joyce and Reed won a civil case in Victoria in 2012, brought by Sunland, which claims it was misled over Reed's rights to the property. Sunland fell at the first hurdle when the judge found Reed had nothing more than a "preferred negotiating position" over the block rather than a development right and that Sunland knew it.

While the documents showing the money trail still exist though, questions will linger. The verdict in Victoria did not address whether a bribe was paid. Joyce says no.

Perhaps he and Reed would welcome an investigation by the Australian Federal Police to clear the air. So should the grandees of their Geelong Grammar alma mater including Malcolm Fraser, Alexander Downer and no less than Prince Charles himself who have championed his cause. Downer was even on a success fee to get Joyce bail - though he decided not to send the bill because he thought it would be unethical.

That assistance did not extend to his co-accused in Dubai, state-school graduate Marcus Lee, now living on the Gold Coast. Lee was acquitted twice.

Australia is a signatory to the OECD Convention on combating bribery of foreign public officials. Of 28 referrals so far to the AFP, only Securrency has gone to prosecution.

**RE** austr : Australia | dubai : Dubai | uae : United Arab Emirates | victor : Victoria (Australia) | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | gulfstz : Persian Gulf Region | meastz : Middle East | wasiaz : Western Asia

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**AN** Document SMHH000020140404ea4500064