

# The Sydney Morning Herald

## Shaun Micallef Method in his madness



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A HERALD INVESTIGATION

# Obeid family and friends reap millions from lucrative coal licences

EXCLUSIVE  
Kate McClymont and Linton Besser

A FRIEND and financial adviser to Eddie Obeid and his family, who had no mining background and a \$1 company, won a coal exploration licence worth millions of dollars in a controversial tender run by the disgraced former resources minister Ian Macdonald.

A *Herald* investigation can also reveal the Obeid family received at least \$10 million after they sold an option over their land to one of the successful bidders in this tender for a separate licence. The Obeids had bought the farm in the Bylong Valley, near Mount Penny, for \$3.65 million nine months before Mr Macdonald announced the tender.

Not long after they bought the

farm, Mr Obeid's son Moses told one friend his family had a stake in a mining deal that could be "a life-changing investment".

He tried to organise his family's associates to buy nearby plots because, he said, "we can't be seen to be buying them all".

The revelations come after the *Herald* revealed on Saturday that an Obeid family trust was the secret beneficiary of three lu-

crative government leases at Circular Quay hidden behind a front company run by Mr Obeid's brother-in-law.

In recent evidence given to the NSW Court of Appeal, Moses Obeid said it was Andrew Kaidbay who had "obtained [information] from the family trust" to personally negotiate with the National Australia Bank on the family's behalf to secure a home loan.

Mr Kaidbay, 36, a Bankstown mortgage broker, was granted one of the exploration licences, at Ferndale in the Hunter Valley, in 2009. He and his father have known the Obeids for many years.

Six weeks after being awarded the licence, the \$1 company, Loyal Coal, sold 90 per cent of the project to established miner Coalworks for \$2.4 million. It later sold a further 2.5 per cent

for 6 million share options. The remaining 7.5 per cent could still earn its holders tens of millions of dollars a year over the life of the Ferndale project.

Records from the Australian Securities and Investments Commission indicate these people hold this stake through a company called Mincorp Investments. Its registered office is that of the Obeid family's long-time

accountant, Sid Sassine. Mincorp is partly owned by a company registered in the British Virgin Islands, which the *Herald* has established is owned by Gardner Brook, an elusive merchant banker who had previously held talks with the Obeid family and Mr Kaidbay over the leases at play.

On paper, the biggest stakeholder in Mincorp is Mr Kaidbay. When asked if the Obeids had any

interest in this stake, Mr Kaidbay told the *Herald* by text: "I hold my shares legally and beneficially, ASIC records confirm this."

Last year Coalworks' Chris Hagan told Angus Grigg of *The Australian Financial Review* that he was endeavouring to find out the identity of these investors. But the company recently told the *Herald* that due to

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# Two-thirds opposed to easing of drug laws

Mark Metherell and Lisa Davies

AUSTRALIANS remain firmly against relaxing illicit drug laws despite declarations by a group of eminent Australians and a global commission that the war on drugs has failed.

A *Herald*/Nielsen poll has found two-thirds of Australians oppose decriminalisation. The finding shows little change in attitudes from a similar poll taken 13 years ago.

The latest poll finds 27 per cent of voters support decriminalisation, although that figure rises to 50 per cent of Greens and 34 per cent of Labor voters. Support among Liberal and National party voters is much lower, at 18 per cent.

Attitudes on the issue appear to be entrenched, with just 4 per cent saying they neither supported nor opposed decriminalisation and 2 per cent saying they did not know.

Greens voters, 23 per cent, were the most likely to say they or their family had been adversely affected by illegal drugs, compared with 19 per cent of ALP voters and 15 per cent of Coalition voters. Men were more likely to support decriminalisation - 31 per cent - than women, of whom 24 per cent voiced support.

A similar poll taken in March 1999, soon after the then prime minister, John Howard, had controversially blocked a heroin trial in the ACT, showed that 71 per cent opposed decriminalisation of heroin use.

However, 45 per cent supported a heroin trial and a similar number supported safe injecting houses for heroin users.

Nielsen's polling director, John Stinton, said while there was stronger support for specific or



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Cannabis hauls climb.

Remembering Anna Wood.  
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report of the thinktank Australia21 that said it was time to reopen the national debate about drug use, regulation and control.

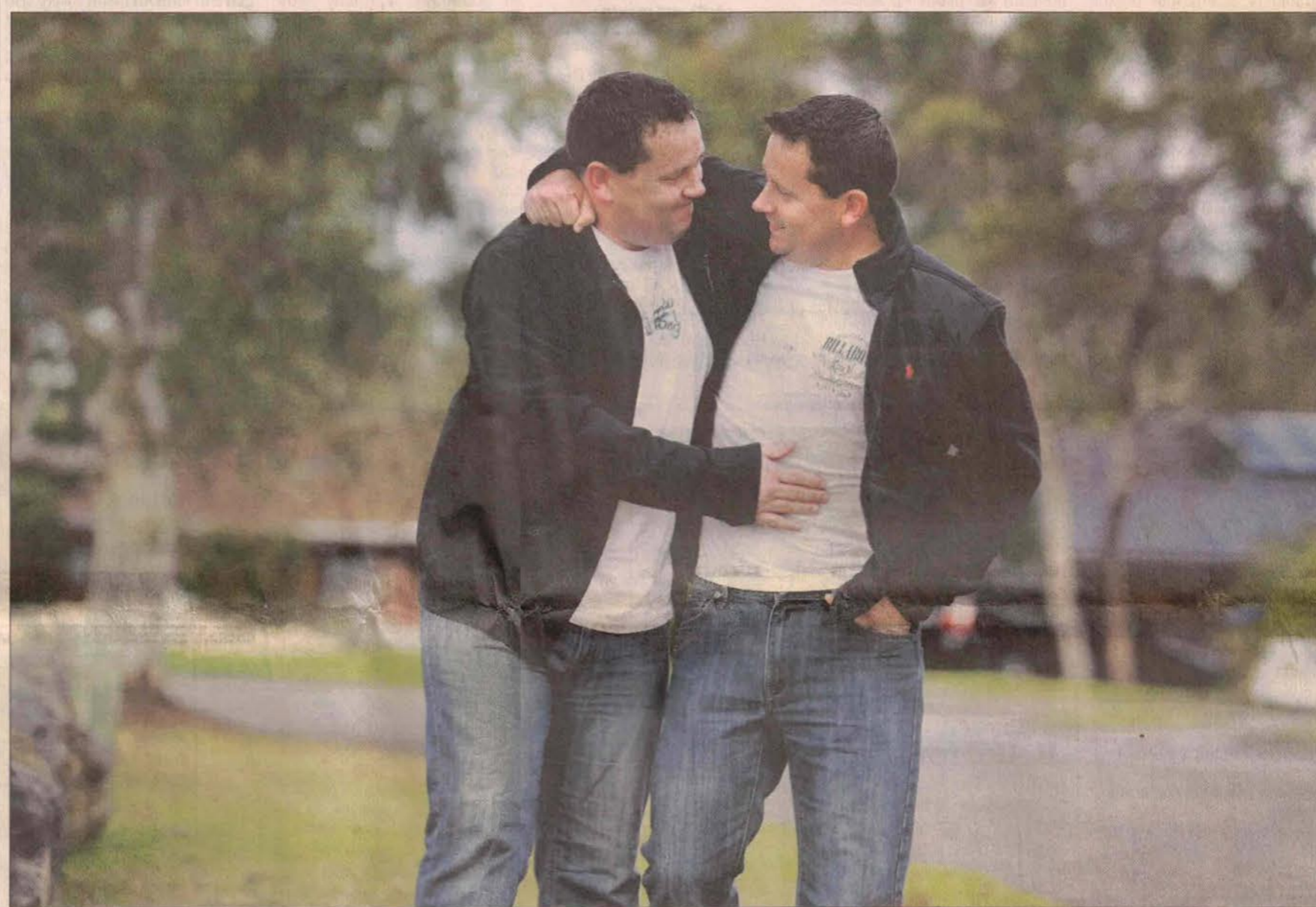
It cited the Global Commission on Drug Policy, then chaired by the former United Nations secretary-general Kofi Annan, which found the 40-year "war on drugs" had failed, with devastating consequences for individual addicts and the spread of organised crime and corruption.

The federal Minister for Mental Health, Mark Butler, who has responsibility for drug treatment, says Australia had succeeded in recent years to reduce the prevalence and harm of drug use.

The latest Australian Crime Commission figures show cannabis and steroids were the only illicit drug types to report an increase in arrests last financial year although the weight of smuggled heroin detected increased by 240 per cent and was the highest since 2001-02.

The head of the NSW drug squad, Detective Superintendent Nick Bingham, said that to decriminalise drugs "would be abrogating the responsibility of government" and send the wrong

# Headaches led to discovery of tumour - in the other twin



Sixth sense ... Brenton Gurney, right, started getting persistent headaches and persuaded his twin brother, Craig, to join a study of twins that included an MRI scan. Photo: Helen Nezdropska

Adele Horin

IDENTICAL twins Craig and Brenton Gurney, 38, were inseparable as children, shared a bedroom until they were 22, and have played in the same soccer team since they were five. They even ended up marrying women named Nicole.

"We've always been really, really close," Brenton says. If extrasensory perception exists between twins it was Craig who was the intuitive one. From 2700 kilometres away he once divined when his brother had a life-threatening mystery rash, and when he had dislocated a shoulder.

So the story of the Gurney twins

is even more remarkable because it was Brenton who started getting the persistent headaches. It was Brenton who persuaded hale and hearty Craig to join a study of twins (looking into mental health and resilience) because it included an MRI scan.

The MRI test picked up no abnormalities in Brenton's brain. But Craig, who never suffers headaches, got the shock news: a massive and rare tumour in the base of his skull.

"I was hoping they had mixed up the MRI results and got the wrong twin," Brenton says.

When Craig underwent a complex 10½ hour operation to remove a 4.2-centimetre tumour, his wife and family in the waiting

room cast meaningful looks at Brenton as if he were a barometer on his brother's progress.

"It was unspoken but everyone was looking at me," says Brenton, who had no sixth sense about the events transpiring on the operating table.

A year since the operation at Westmead Private Hospital, and following two months of intensive radiation therapy, Craig says: "Ultimately Brenton saved my life."

The twins - Brenton from West Pennant Hills, Craig from nearby Mount Colah - have participated in twin studies since their mother registered them with the Australian Twin Registry soon after birth. Craig believes it is almost a

duty for twins, whatever their age, to register and take part in studies because of what scientists can learn from twins about the nature/nurture debate - the extent to which genes or environment influence physical and mental health.

"I thought I was participating in a research study as a way of helping others but as it turned out it helped save my life," Craig says.

The brothers said in separate interviews, but using almost identical words, that the ordeal had brought them closer, "if that was possible".

The director of the Australian Twin Registry, Professor John Hopper, said work with twins benefited all Australians, and the

registry was always looking for more participants.

Justine Gatt, of the Brain Dynamics Centre at the University of Sydney, the coordinator of the twin study on resilience, said the team had been shocked to discover Craig's tumour. "It's not something that happens often." As for a telepathic connection between twins, Dr Gatt says, "There's so much we don't know."

For any researcher on resilience, Craig is a case study in positive thinking. Five weeks after neurosurgery, he was playing competitive soccer. However, for the first time, it was not in his brother's team. He was a little out of condition.

# Thomson told to fix record on defamation

Kate McClymont and Phillip Coorey

AS THE federal MP Craig Thomson gives his long-awaited explanation to Parliament today, he faces a demand to correct false evidence he gave during a Fair Work Australia investigation.

Lawyers for Fairfax Media, the publisher of the *Herald*, claim Mr Thomson misled FWA about a defamation action he dropped against the company last year.

In 2009 Mr Thomson sued Fairfax over articles alleging that Mr Thomson had used Health Services Union money on prostitutes and cash withdrawals.

When those allegations were investigated by FWA, Mr Thomson indicated to FWA he had settled the defamation case by accepting a settlement offer from Fairfax as "winning would not have been great publicity either".

He also told the workplace regulator that Fairfax had settled because he had been able to prove he wasn't at the brothels on the dates his credit cards were used and that Fairfax had hired a handwriting expert who concluded Mr Thomson's signature had been forged.

"The statements ... made by you to FWA were false," the publisher said in a legal letter to Mr Thomson.

"Fairfax is extremely concerned that you have deliberately misled FWA in relation to the statements made by you ... and the circumstances leading to the settlement of the proceedings brought by you."

Mr Thomson told FWA that due to confidentiality provisions he had signed with Fairfax he was unable to provide FWA with more details as to what "influenced" Fairfax to settle the proceedings.

Mr Thomson has been notified that Fairfax consents to the lifting of any confidentiality restrictions regarding the defamation settlement to allow Mr Thomson to set the record straight.

Friends of the MP claim there will be few fireworks in his midday explanation to Parliament

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