

REPORT OF PROCEEDINGS BEFORE

**STANDING COMMITTEE ON PARLIAMENTARY
PRIVILEGE AND ETHICS**

INQUIRY INTO THE PECUNIARY INTERESTS REGISTER

¾¾¾

At Sydney on Wednesday 16 October 2002

¾¾¾

The Committee met at 9.30 a.m.

¾¾¾

PRESENT

The Hon. Helen Sham-Ho (Chair)

The Hon. Amanda Fazio
The Hon. Patricia Forsythe
The Hon. Jennifer Gardiner
The Hon. John Hatzistergos
The Hon. Tony Kelly
Reverend the Hon. Fred Nile
The Hon. Peter Primrose

CHAIR: On 25 September 2002 the Legislative Council referred the matter of the pecuniary interest register to the Standing Committee on Parliamentary Privilege and Ethics for inquiry. The key paragraphs of the terms of reference state:

That the Standing Committee on Parliamentary Privilege and Ethics investigate and report on:

- (a) whether, under section 14A (2) of the Constitution Act 1902, the Honourable Edward Obeid, Minister for Mineral Resources, and Minister for Fisheries, has wilfully contravened the requirements of clause 12 of the Constitution (Disclosures by Members) Regulation 1983 by failing to disclose any pecuniary interest as required under the Regulation,
- (b) what, if any, sanctions should be enforced in relation to the conduct of the Honourable Edward Obeid, Minister for Mineral Resources, and Minister for Fisheries, in this matter, and
- (c) whether the provisions of the Constitution (Disclosures by Members) Regulation 1983 should be amended to provide for the provision of supplementary or amended disclosures by members.

The Committee is required to report on the matters listed in paragraphs (a) and (b) by 31 October 2002. On 26 September 2002 the Committee met and resolved to write to the Hon. Greg Pearce, the Hon. Edward Obeid, and the Clerk of the Parliaments requesting submissions. Submissions have been received from each of these persons. On 10 October 2002, the Committee resolved to conduct a public hearing today, with the two witnesses being the Hon. Greg Pearce, currently before the Committee, and the Hon. Edward Obeid, who will appear later. The Committee has set aside Monday 21 October for a further hearing, if required. Section 14A (2) of the Constitution Act 1902 provides that:

If a Member of either House of Parliament wilfully contravenes any regulation made under subsection (1), that House may, in accordance with subsection (3), declare his seat vacant and the seat of the Member shall thereupon become vacant.

The key issue for this Committee to determine is whether the Hon. Edward Obeid has wilfully contravened the provisions of the Constitution (Disclosures by Members) Regulation 1983. As this is a formal parliamentary hearing, the Hon. Greg Pearce is required to give evidence on oath or affirmation.

GREGORY STEPHEN PEARCE, Member of the Legislative Council, Parliament House, Sydney, affirmed and examined:

CHAIR: Are you conversant with the terms of reference of this inquiry?

The Hon. GREG PEARCE: I am.

CHAIR: Do you have a written submission?

The Hon. GREG PEARCE: I do.

CHAIR: Do you wish that submission to be included as part of your sworn evidence?

The Hon. GREG PEARCE: Yes.

CHAIR: Do you have any objection to that submission being made public?

The Hon. GREG PEARCE: No.

CHAIR: Do you wish to briefly elaborate on your submission or make a short statement?

The Hon. GREG PEARCE: Yes, I would like to make a short statement.

CHAIR: Before you do, I advise you that if at any stage during your evidence you should consider that in the public interest certain evidence or documents you may wish to present should be heard or seen only by the Committee, the Committee will consider that request. You may give your statement.

The Hon. GREG PEARCE: I appear before the Committee in my capacity as a member of Parliament pursuant to the Committee's resolution of 16 October 2002 inviting me to do so. I have also, at the request of the Committee, provided a submission dated 3 October 2002, in which I outlined the apparent false disclosures and omissions in Mr Obeid's pecuniary interest returns based on a comparison with publicly available Australian Securities and Investments Commission records. I note that pursuant to the resolution of the Legislative Council of 25 September 2002, the Committee is required to investigate and report on whether the member has wilfully contravened the requirements of clause 12 of the Constitution (Disclosures by Members) Regulation and the sanctions, if any, that should be imposed.

I note also that pursuant to that resolution the Committee has power to take evidence, and to send for persons, papers, records and things. In my written submission I have endeavoured to assist the Committee by setting out the breaches of the regulation as they appear from the public record. I refer the Committee to the schedule tabbed (1) in my written submission, which is a summary in tabulated form of the apparent omissions and false declarations. For example, Mr Obeid's primary return of 12 December 1991 appears to include nine false disclosures and 24 omissions; his 1992 declaration, sworn on 29 September 1992, appears to contain 43 omissions; his 1993 declaration contains 24 omissions; his 1994 declaration, sworn 30 September 1994, contains 18 omissions; and so on, down to the 1999 declaration, sworn 30 September 1999, some six months after being sworn in as a Minister, which contains four omissions and the 2000 declaration which contains one continuing omission plus a South Sydney Leagues Club omission, which Mr Obeid claims is a not-for-profit organisation.

In my written submission I have also pointed out that in order for the Committee to fully and effectively discharge its duties and to be in a position to comprehensively report to the House, the Committee will need to examine Mr Obeid's responses in relation to the breaches and his reasons for continuing the various breaches. In order to properly test Mr Obeid's assertions it will be necessary for the Committee to obtain evidence of the advice that Mr Obeid claims he acted upon from various accountants, evidence from his former business partners, and also documentation, in particular establishing the dates of the transfer of shares in various companies previously owned by Mr Obeid and/or his resignation from various positions in those companies.

A thorough investigation is also essential in order to ensure that the Committee's report is seen to be impartial and unbiased. The Committee's report will be considered by the House in determining what action, if any, to take in relation to Mr Obeid's conduct. In considering the report it would be helpful if the report is succinct and deals with the various matters at issue. First, the report should clearly establish the precise breaches of the regulation by the member in his various pecuniary interest returns. The Constitution Act and the regulation are abundantly clear in relation to this; either the member has correctly made the disclosures in his returns or he has not. Although this may seem harsh, at the time that the regulation was drafted it may be said that our strong tradition of Westminster government, which relies upon conventions and understandings to a large extent, also relies upon a well-established doctrine of parliamentary responsibility and accountability.

In the case of a Minister, the public and the Premier of the day expect an even higher standard and the Premier is expected to ensure strict compliance by Ministers with their obligations. The Committee should also lay to rest the diversionary argument that letters to the Clerk rectify, in some way, prior breaches of the regulation. There is no provision for such rectification and, indeed, the Clerk's practice on receipt of any such a letter was to write to the member, which he did to Mr Obeid on, I think, four occasions, informing the member that there was no such procedure. One would have thought that upon becoming aware of breaches, writing to the Clerk and receiving the Clerk's reply that there was no provision for rectification, a member would be doubly vigilant to ensure compliance in the next year.

Yet, in Mr Obeid's case he first sent a letter, on 1 November 1996, yet there appears to be at least seven ongoing omissions in his 1997 and 1998 returns plus the omissions in the 1999 and 2000 returns when he was a Minister. The second step for the Committee, having established what areas and omissions exist, is for the Committee to consider the issue of wilfulness. The Committee should clearly set out what it considers to be the meaning of that term and then it should be applied to the member's explanations and excuses in relation to the errors and false declarations. In addressing this issue, the Committee must be careful to distinguish between matters which may go to the sanction

or penalty to be applied and the question as to whether the omissions were in fact wilful or, as most dictionary definitions state, "deliberate".

In that regard ordinary constituents are well aware of the requirement of the law that they take responsibility for their actions or inactions even when they act under ignorance, mistake or wrong advice. Madam Chair, the member has made a number of points in relation to these matters. First, he says that he has never had a conflict of interest. Whether or not that is the case is, no doubt, a difficult matter for the Committee to establish. The member's family companies have a broad range of business interests. Until very recently the member very effectively exercised control, usually through his own shareholding control and through his sons. At least two alleged conflict situations are well-known. First, his family interest in the Olympic flag pole contract, through a company controlled by his sons, and, second, his family interests with Manettas Seafoods in the property at 129 Broadway, Sydney, which is leased from South Sydney council. I believe that one of the companies involved is Pondzsash Pty Ltd, which Mr Obeid told the crossbenchers:

... did not commence any ongoing trading activity until around 1997 or 1998 when it took out a lease on a restaurant at Broadway.

Mr Obeid ceased his shareholding in this adventure on 9 November 1999, well after becoming a Minister. Second, the member says he relied on his professional accountants to prepare and check pecuniary interest statements. This does not alter whether the declarations were correct; rather, it indicates that the member must be held responsible for the errors as the member acknowledges having been responsible for instructing the accountants and making the decision to include or not include the entries when the advice was given.

Next, the member claims not to have made any deliberate or wilful omissions in his pecuniary interest statements. However, this is completely inconsistent with the fact that the member's pecuniary interest statements contain a litany of inconsistencies. In some years he made correct disclosures, in other years he omitted to do so or made incorrect disclosures in relation to the same interests and positions. Next, the member states that he has not gained or sought to gain any advantage from any errors. However, the member has clearly gained pecuniary advantage from his interests in various companies through Obeid Corporation Pty Ltd and he has, on a number of occasions, disclosed that he was paid fees by that corporation. It is also noted that Obeid Corporation Pty Ltd and many of the other companies act as trustee companies. The member must therefore provide evidence that he has not received any income or other distribution as a beneficiary of these trusts if he is to be believed on this point.

Next, the member claims that on becoming aware of the errors he swiftly corrected the public record. Again, even if that statement were accepted, it would not go to either the issue of breaching the regulation or wilfulness. In fact, the member's letters to the Clerk were generated from time to time as a result of his need to rectify the appalling state of the Obeid group of companies' record keeping, to pursue business activity or litigation directed by Mr Obeid, or as a result of questions by the Opposition revealing various of the omissions. In this regard, the Committee must address the issue that over nine years and 10 pecuniary interest declarations, plus the various letters, the member did not fully and accurately disclose his pecuniary interests. The excuses and record simply lack credibility when, as I have demonstrated, a simple search of the asset records would have disclosed all of the interests and positions. The simple and unpalatable reality is that the member has indulged in a course of conduct whereby he recognises and deals with only those circumstances that suit him and his current objectives.

A clue appeared in his comments about a number of companies in which he said he had not disclosed his interest because he believed that he had ceased to have a formal interest in those companies. A similar position occurred with Law Foundation Superannuation Nominees Pty Ltd when he made no disclosure because it was not part of his own ongoing business activity. When the course of disclosures is viewed, it is apparent that once the member moved on he ceased to have any regard or responsibility for the entities in which he had previously been involved. Once he believed that a company no longer suited his purposes, he simply ceased to disclose anything about it and to comply with Corporations Law requirements. Instead, numerous companies were deliberately discarded and were eventually delisted by the Australian Securities and Investments Commission. In the case of virtually all of his private companies, delisting activity was commenced by ASIC—in some cases on numerous occasions—and it was reversed only when, for the member's own business reasons, it was —

necessary to resuscitate companies for ongoing business, court cases against accountants, other court cases or defamation action. This is the nub of the issue: The member simply walks away from his obligations whenever it no longer suits him to deal with them.

The Committee must give the House advice and recommend the sanction to be applied to the member. Under the Constitution Act there is only one sanction—expulsion from the House. As I mentioned earlier, at the time the Constitution Act was altered and the regulation made, it was expected that the Premier would enforce the conventions that are part of our Westminster tradition in response to relatively minor transgressions. In relation to the question of sanction, of course it is a matter for the House to take into account the various excuses offered by the Minister. If it accepts those excuses, the Committee must address how they might in any way offset the pattern of false disclosures over 10 returns and nine years, plus the other letters. The Committee must also address the fact that, even when making his excuses, the Minister has relied on half-truths and misleading generalisations rather than acknowledge the transgressions completely and openly and fully explain them. Honourable members should consider, for example, Mr Obeid's comments in his paper to the cross-bench in relation to Moona Plains Pastoral Pty Ltd. The paper states:

Since Mr Obeid entered Parliament and during the period Mr Obeid had an interest in the company it did not engage in any ongoing trading activity.

No, it did not, because from 1994 it was in liquidation on the application of his wife, Judith. In relation to Keltham Pty Ltd, Mr Obeid stated in the paper:

This company was operating in the business industry.

That is true, but there is no reference to the charge—which I will come to later—or the liquidation of the company, which occurred on Mr Obeid's personal application to the court.

The Committee must also address the issue of whether the Minister misled the House in the instances referred to in the motion and in his response to the House. Again, the expectation of our Westminster tradition is that misleading the House will be seen as a very severe transgression. I refer honourable members to the relatively recent example of the resignation of former Minister the Hon. Ted Pickering for misleading the House.

Finally, I wish to address the matter of Keltham Pty Ltd, which is referred to at tab No. 14 in my submission of 3 October 2002. The ASIC extract at tab No. 2 discloses the Minister's failure to declare his directorship of the company in 1992 and his failure to disclose in his primary return and his 1992 return that he was the secretary of the company. I will table an extract from ASIC regarding Keltham Pty Ltd and documents referred to in that extract.

These documents also disclose further failures by Mr Obeid to declare an interest in Keltham Pty Ltd in his 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001 and possibly 2002 declarations. The document dated 27 April 1993 that I have tabled is a charge or security created by Keltham Pty Ltd in favour of the ANZ Bank. Keltham Pty Ltd was the vehicle for a number of property developments which were undertaken in association with the Department of Housing and which were valued at several million dollars. The document dated 4 March 1994 is an assignment of that charge by the ANZ Bank to Mr Obeid. That is, on 4 March 1994, Mr Obeid acquired an interest as a registered chargee in Keltham Pty Ltd. The Committee may wish to obtain some legal advice to assist it to determine the nature of that interest. However, for the purposes of this submission, I refer to the definition of "interest" in clause 7(1) of the regulation, which in turn refers to an interest in a corporation within the meaning of the Securities Industry (NSW) Code. A registered charge of this nature is clearly an interest within that definition.

There are several reasons that Mr Obeid may have chosen not to disclose the existence of his interest in Keltham Pty Ltd. In April 1993, when the charge was originally created by the ANZ Bank, Keltham Pty Ltd was in fact in receivership pursuant to a court order obtained by the ANZ Bank in relation to previous funding. According to the instrument of appointment of the receiver and manager, the amount owing to the ANZ Bank was \$365,000 and the value of property available to satisfy the debt was \$140,000. Only \$19,500 had been paid to the bank when it assigned its charge to Obeid.

Early 1994 was an interesting time for Obeid. Paul Keating finally sold out of the piggery on 17 March 1994 and on 22 April 1994 Obeid became a director of Jensay Pty Ltd and Olympia Group Pty Ltd. On the same date, Redpoc Pty Ltd—another of Obeid's companies—entered into a contract to sell certain of its land at Bankstown to a company called Plyfee Pty Ltd. Various transactions have been reported in which Obeid's interests were said to have received a write-off of \$3 million from the ANZ Bank and \$2 million from the National Australia Bank.

Mr Obeid's knowledge of his security interest in Keltham Pty Ltd cannot be denied or blamed on an accountant. On 5 May 1995, Mr Obeid made application to the court to have Keltham Pty Ltd wound up and Mr K. J. Rennie was appointed as the official liquidator. As is the case with Moona Plains Pastoral Pty Ltd, Mr Rennie has—extraordinarily in my view—failed to complete the winding up and liquidation of Keltham Pty Ltd in the seven years that have now elapsed. The Committee should ask Mr Rennie why he has failed to conclude these liquidations. The fact that Moona Plains Pastoral Pty Ltd is in liquidation and that the process has not been concluded suggests why in 1999 when he owned up to some of his non-disclosures Mr Obeid chose the unusual path of attempting to back date the transfer of his share in the company to 15 April 1992. He wrote to the Clerk in 1999 and lodged a document with ASIC in which he claimed that the transfer was effective as at 15 April 1992.

We know that that cannot be true because a transfer is effective when it takes place; in this case in 1999. Mr Obeid did not want to be seen to be a shareholder in a company his wife had put into liquidation. The liquidation has not been concluded even though the assets were sold straightaway and the liquidator has been sitting on the companies without finalising the liquidation. Honourable members might care to compare the treatment of the share in Moona Plains Pastoral Pty Ltd with the transfer of the share in Linkban Pty Ltd, which took place at the same time. The transfer of the share in Linkban Pty Ltd was not backdated to 1992, nor was any attempt made to backdate it. I refer to the document dealing with Linkban Pty Ltd, which is behind tab No. 3 in the submission. I also table the supplementary document lodged in relation to Moona Plains Pastoral Pty Ltd.

CHAIR: What is that document?

The Hon. GREG PEARCE: It is the supplementary return. Mr Obeid's share in Moona Plains Pastoral Pty Ltd was not disclosed. It was transferred in 1999, but he attempted to make that transfer appear as having occurred in 1992 so that he would not be seen to be a shareholder of a company in liquidation.

Mr Rennie has shed some light on the machinations of the Obeid empire. His preliminary report as liquidator of Keltham Pty Ltd dated 18 September 1995 notes different reasons advanced by the Elias and Obeid families—who were the joint shareholders—for the failure of the company. The reason offered by the Elias family was "payment of Obeid family debts that were outside the normal operations of Keltham". It is a pity that some seven years later Mr Rennie has not completed the investigations into these companies that he indicated he was undertaking in 1995.

The report of the affairs of Keltham Pty Ltd filed by Damien and Paul Obeid also shed light on what was happening in 1992. That is also in the tabled documents behind a letter from Ernst and Young. Clearly, the very significant benefit derived by Obeid's interests from the reported ANZ Bank and National Australia Bank write-offs, if true, contradicts Mr Obeid's assertion that he did not receive any benefit from not disclosing his interest, particularly the existence of the Keltham Pty Ltd charge.

On reviewing the documentation, it appears that another charge relating to Southpac Holdings Pty Ltd has not been disclosed by Mr Obeid. In his statement to the cross-bench members, Mr Obeid evasively stated that the company owned a property in Canterbury Road, Bankstown. In fact, the company was the subject of a brutal battle between Mr Obeid and the Elias family. However, Mr Obeid purportedly had the benefit of a charge. That is relevant. I table documents in relation to that charge. I note that in one of the documents, which is headed "Deed of assignment" and dated 12 February 1992, Mr Obeid countersigned the common seal of Redpoc Pty Ltd and Southpac Holdings Pty Ltd and also signed the document. The interest in Redpoc Holdings Pty Ltd was one of the non-disclosures for that period. Mr Obeid did not disclose that he was a director of Redpoc Holdings Pty Ltd but he signed the document in that role. The Committee must investigate these matters to determine whether Mr Obeid did indeed obtain a benefit from his failure to make these disclosures.

In conclusion, there are well over 100 omissions or false disclosures—as I said, I gave up counting—in 10 declarations over nine years. Plus the 10 or more non-disclosures of the Keltham charge that I have only just brought to your attention. These warrant decisive action if the public is to be reassured that this Government treats ministerial accountability and parliamentary ethics and responsibilities as anything but an irrelevant mockery.

CHAIR: Thank you for your very long statement. It is extremely involved and I may have missed some of your points so at times I may have to ask you about your verbal submission. My questions at this point are related directly to the content of your verbal submission. I propose to commence the questioning by taking you through your submission, page by page, and asking questions to clarify or draw out some additional information. Once I have asked my questions about page 1, for example, I will invite other Committee members to ask any questions that they may have about page 1. I will then move on to page 2 of the submission. I think that is the easiest way to proceed. Mr Pearce, in paragraph 3 on page 1 of your submission reference is made to an Australian Securities and Investments Commission personal name extract in relation to Mr Obeid. Are you satisfied that this extract shows all of Mr Obeid's interests or positions in corporations? You mentioned others during your verbal submission.

The Hon. GREG PEARCE: The document I am referring to there is behind tab 2: It is a personal name extract search from the Australian Securities and Investments Commission. I cannot vouch for whether it is complete; it is what the Australian Securities and Investments Commission has provided. The Australian Securities and Investments Commission depends for its information upon directors and secretaries of companies filing the relevant returns that are required in order to establish information about companies. Unfortunately, in Mr Obeid's case it is a persistent and regular habit of his and of the companies in which he is involved not to file the returns and not to file them on time. It is quite possible that there are other companies for which returns have not been filed or that there is other information that has not been provided by the Obeids.

CHAIR: There are some corrections—entries are crossed out—on the extract. Can you explain these corrections?

The Hon. GREG PEARCE: Yes. I provided to you the complete search from the commission. You will see that it lists many other companies, which I believe have been reported, because various of the Obeid sons are directors, secretaries or shareholders or are otherwise interested. For example, I think you will find that the company Lockaway was used by the Obeid sons to purchase property owned by Moona Plains from Mr Rennie, the liquidator. In other words, Moona Plains, which was half owned by the Obeids and the Eliases, was put into liquidation and then sold by the liquidator to a company set up by the Obeid sons.

CHAIR: I will come to Moona Plains later.

The Hon. GREG PEARCE: You will see other companies such as Streetscapes Projects Australia Pty Ltd, which I believe is the company involved with the Olympic flagpoles. It comes up because the Obeid name comes up. This is basically the case because one of the sons has a name similar to Mr Obeid. The member is Edward Moses Obeid and the son is named Moses Edward Obeid. There have been mistakes.

CHAIR: You have crossed them out by hand?

The Hon. GREG PEARCE: Yes.

CHAIR: Do Committee members have any questions about page 1 of the submission? If not, I will proceed to pages 2 to 5. From paragraph 5 on page 2 of your submission to paragraph 18 on page 5 you detail instances of apparent false entries or omissions in Mr Obeid's pecuniary interest returns. These are summarised in schedule 1. You said in your opening statement that section 14A (2) of the Constitution Act 1902 provides that if a member wilfully contravenes the requirements of the Pecuniary Interest Regulation 1983 the House may declare his seat vacant. Which of Mr Obeid's apparently false entries or omissions do you regard as wilful?

The Hon. GREG PEARCE: I do not want to anticipate the Committee's decision on this matter; it is for the Committee to come to a conclusion. I have not heard from Mr Obeid. I have not had the opportunity to investigate—other than in debate in Parliament and having seen the paper that Mr Obeid prepared for the crossbenchers—or to examine the accountants, whom he blames for many things. I have not had the opportunity to see the transfers, the resignation documents and other documents that would be controlled by the various companies that would establish, one way or another, whether Mr Obeid's excuses are true. I simply looked at some of the dictionary definitions of the word "wilful". The Oxford dictionary says that it means "intentional, deliberate". The *Macquarie Dictionary* has two definitions: "willed, voluntary, or intentional; self-willed or headstrong; perversely obstinate or intractable". When I read the latter definition I had to conclude that they were wilful.

CHAIR: You have alleged that Mr Obeid has been making false entries or omissions. What evidence can you present to the Committee to support the contention that any false entry or omission is wilful?

The Hon. GREG PEARCE: I cannot give you anything other than what is publicly available, and I have given you that. For my own part, I am willing to be convinced but I fail to see how anyone could in 10 declarations made over nine years, well over 100 times, with advice and having checked on numerous occasions and written to correct the information, having received responses from the Clerk and having been questioned in Parliament be said to have been other than deliberate in what he or she has done. I do not think any member of the public could conceive that this action is other than wilful.

CHAIR: In paragraph 1 on page 3 of your submission and also in your verbal submission you refer to Moona Plains Pastoral being placed in liquidation in 1994. You suggest that the Committee may care to obtain information from the liquidator. You mentioned in your verbal submission that the process had not been concluded. What possible assistance could the liquidator provide to the Committee in relation to the question of Mr Obeid's disclosure of interests or position in corporations in his pecuniary interest returns?

The Hon. GREG PEARCE: As I have said, there are two instances. One is Moona Plains in which Mr Obeid was a shareholder until 1999, which he did not disclose. In 1999, having done some sort of review and having discovered that he was a shareholder, he tried to reverse and hide that fact by claiming that the share had been transferred in 1992. It is the same with Keltham. However, in that case Mr Obeid was the person who commenced the liquidation. It seems beyond belief that Mr Obeid did not disclose his interest in Keltham—that charge—when he personally commenced the court proceedings. It seems that the only one who can explain why the investigations referred to in preliminary reports of Mr Rennie were not included is Mr Rennie.

CHAIR: Do members have any questions about pages 1 to 4 of the submission?

Reverend the Hon. FRED NILE: You can finish your questioning and then we will ask our questions. We are tackling the issues in a different way.

CHAIR: Okay. Mr Pearce, I would like you to explain your argument in paragraphs 21 and 23 on pages 6 to 8 as to why the apparent false entries or omissions were "intentional and deliberate".

The Hon. GREG PEARCE: The member indicated in his statement in Parliament that the accountants were to blame for the errors. The issue that I was trying to point to has two parts. First, if he had his accountants prepare advice, he clearly must have understood that he had an obligation to make disclosures. He gave instructions to the accountants, he received advice from them and then he acted having taken into account that advice. So he quite clearly went through a process of making a deliberate decision as to what he would disclose.

The Hon. JOHN HATZISTERGOS: What do you say is the motive?

The Hon. GREG PEARCE: I do not know; you will have to ask him.

The Hon. JOHN HATZISTERGOS: So you have no idea about motive?

The Hon. GREG PEARCE: How would I have any idea what his motive was?

The Hon. JOHN HATZISTERGOS: You are alleging that it was wilful and a calculated measure.

The Hon. GREG PEARCE: I have not said calculated; I have said that it seems to me that you cannot conclude that it was other than deliberate when he has said himself that he instructed his accountant, obtained advice from his accountant and then made a decision as to what to disclose. That is clearly deliberate.

The Hon. JOHN HATZISTERGOS: If people did things deliberately in the way that you have defined it, they would have done it for a purpose or reason. What is the purpose or reason that you believe is behind these claimed non-disclosures and false entries?

The Hon. GREG PEARCE: I can only go on what Mr Obeid has said and I have already commented about that.

The Hon. JOHN HATZISTERGOS: So you are unable to give us a purpose?

The Hon. GREG PEARCE: No, I am not able to give you a purpose. I understand that is the reason why you are calling Mr Obeid to appear before the Committee.

The Hon. JOHN HATZISTERGOS: We are interested in your spin on things.

The Hon. GREG PEARCE: I have speculated in relation to Moona Plains and Keltham.

CHAIR: On page 6 you use the words "deliberate and intentional". Why do you not use "wilful"?

The Hon. GREG PEARCE: Simply because these days we use the word "deliberate" more than "wilful" in normal parlance. It is a word that is basically a simile for wilful in the various dictionary definitions. I can refer you to other dictionary definitions—such as the Longman dictionary or Collins—all of which say "intentional or deliberate".

The Hon. JOHN HATZISTERGOS: They are not substitutes for the words "wilful contravention".

CHAIR: Do you believe in this case "wilful" and "intentional and deliberate" have the same meaning?

The Hon. GREG PEARCE: It is not for me to make that decision at the moment. I am telling you that, based on what I have seen and heard—

The Hon. PETER PRIMROSE: You can tell us what your understanding is. You used the word "simile" a few minutes ago. Do you believe the words are similes; do you believe they have the same meaning?

The Hon. GREG PEARCE: From what I have seen and heard to date, my current understanding and belief is that the Minister has been wilful.

The Hon. AMANDA FAZIO: But you were not prepared to say that in your submission. On the first page of your submission you refer to possible contraventions. You then go through other cases and use the words "intentional and deliberate". In fact, in your primary interest returns summary you call them "lies". If you are prepared to use that language and say that you believe the Minister lied in his pecuniary interest statement, why are you so shy about using the term "wilful" in your submission? Is it because you are not sure of your facts?

The Hon. GREG PEARCE: No, I am not at all shy about using the term. As I understand it, the process—perhaps you have not focused on this, Ms Fazio—is that this Committee is inquiring into the various issues. It is then for this Committee to make a recommendation to the House and for the

House to make a decision. My submission is a submission to the Committee. It is not a conclusion in itself so I did not need to use words of conclusion. I simply made a submission to try to assist the Committee in which I set out the facts that were publicly available at that stage. It is a matter for the Committee to determine whether they represent the full facts. When I am asked today what my conclusion is, as I said, I have not yet seen the rest of the evidence that the Committee will acquire. I have not seen yet the definition and the interpretation that the Committee recommends to the House so I have not finalised a concluded opinion. But as I sit here now it seems to me that there is no other conclusion than that the Minister was wilful. I hope that explains the circumstance.

Reverend the Hon. FRED NILE: To clarify that, when you moved the motion in Parliament to expel Mr Obeid you clearly believed and stated that it was wilful. That was the only way in which he could be expelled.

The Hon. GREG PEARCE: No. The motion followed the requirements of the Constitution, and in order for the matter to be debated it had to be in that form. There was no other form of motion that I could move.

The Hon. JOHN HATZISTERGOS: It could have been in the form that you subsequently moved.

The Hon. GREG PEARCE: I took advice of the Clerk and the motion that was moved was given to the Clerk, was redrafted by the Clerk and was moved with the Clerk's advice.

The Hon. JOHN HATZISTERGOS: So you had it corrected.

The Hon. GREG PEARCE: It was redrafted.

The Hon. PETER PRIMROSE: It was a subsequent correction.

The Hon. JENNIFER GARDINER: For which there is provision.

The Hon. GREG PEARCE: Yes. I think the normal course of procedure in the Parliament that is members wish to move motions—

The Hon. PETER PRIMROSE: So if you make a mistake it is quite reasonable to go and correct it?

The Hon. GREG PEARCE: Yes, that is right. Members ask the Clerk to assist them in preparing for appropriate resolutions and that is what I did.

CHAIR: In paragraphs 30 and 31 you refer to a "deliberate and repeated attempt to obfuscate and minimise the impact" of admitted omissions. Can you elaborate on that?

The Hon. GREG PEARCE: Yes. What I was referring to in paragraph 30 was that Mr Obeid has made a lot of comments about—sorry, one of his excuses has been that he rectified the record quickly when he became aware of incorrect disclosures or omissions. In support of that contention he referred to various letters he had written to the Clerk. When you go to those letters, they do not support what he has said because they do not completely and openly detail the disclosures or non-disclosures that he has made. And worse than that, in my view, they try to obfuscate and minimise the impact. In paragraph 30 I have referred to Mr Obeid's letter of 11 October 1999 to the Clerk where he says that he has "technical" involvement with various companies. The only reason that anyone uses the word "technical" in these circumstances is to try to minimise the impact, to try to put the view that he does not have any real interest in it. It is a technical interest. But in fact his interests in some of those companies were directorships and shareholdings. They are not technical interests by any stretch of the imagination.

Again, in the 9 November 1999 letter he did not disclose the various interests as a shareholder and positions as director and secretary but he simply listed periods of his involvement. So what he was trying to do was say, "I have disclosed ... because I said during this period I had an involvement". The regulation requires that you list the positions, and it requires that you list the

interests. So for him to claim that he had rectified it, he would have had to list the interests and list the positions. He does not do that; he simply says that he had it for a period of time.

Even in the last letter, the 17 September letter, he did both things again. He failed to differentiate between the interests and positions and did not disclose the interests and positions. So he still did not comply with the regulation. He mentioned periods of time but he did not comply by listing the positions and interests. Again he tried to minimise it by referring to "technical" involvement. Again, his involvement was not technical; he was a director, a shareholder or a secretary. It is not technical.

CHAIR: In paragraph 32 you state that, "these matters do go to the actions taken by the House in relation to breaches and should be investigated by the Committee". What matters are you referring to?

The Hon. GREG PEARCE: The member claimed repeatedly that he has not obtained any benefit from these companies. As I pointed out in the House, he certainly has obtained a benefit in that he obtained director's fees and consultant's fees from Obeid Corporation, and that is on his own admission. That is disclosed in a number of the pecuniary interest disclosures. However, virtually all of these companies are trusts and there was very significant funds in a lot of them. In order to test whether Mr Obeid has obtained any benefit, one would need to see what distributions or other benefits he has had from those trusts.

CHAIR: In paragraph 33 you say that the House should take appropriate action in relation to this matter. In your verbal submission you also talked about a sanction and penalty. What do you think is the appropriate action that the Committee should take?

The Hon. GREG PEARCE: Again, the reason we are here is for you, the Committee, to examine Mr Obeid and to examine and obtain other evidence and to quietly reflect on the question of wilfulness and the question of sanctions. I simply come at it from two angles. The first is that the Parliament, when it adopted the pecuniary interest disclosures, took the view that the only appropriate sanction for wilful omissions and non-disclosures was expulsion from the House. I cannot think of a worse case of non-disclosure than we have seen here. I do not know how many other non-disclosures there have been but I am sure that the total number of all the other members of both Houses would not have been equivalent to the non-disclosures he made in his primary return, much less all of the others.

The other issue I suppose is that the public is entitled, in our system, to see the Premier discipline Ministers. In this case there have been flagrant and continuous breaches, and I would have thought that it clearly indicates that Mr Obeid is not fit to be a Minister. Even his excuse that he is so incompetent in his business affairs and so flagrantly unprepared to comply with his parliamentary obligations make him unfit to be a Minister. It would have been the case, if the Premier was applying any sense of responsibility and accountability in relation to this Minister, that the Premier would have sacked him ages ago.

The Hon. JOHN HATZISTERGOS: I was interested in the statement that you made that "there is only one sanction" and you expected that "even minor transgressions would be enforced". That is preferable to the breaches of the regulations. Does that mean that any transgression that may be made in terms of a non-disclosure that you regard as wilful should be the subject of the one and only action which the Constitution provides?

The Hon. GREG PEARCE: You would have to look at each case as it occurs.

The Hon. JOHN HATZISTERGOS: I was wondering what you meant by the words "even minor transgressions would be enforced". Those are the words you used.

The Hon. GREG PEARCE: Was that in my—

The Hon. JOHN HATZISTERGOS: Statement.

The Hon. GREG PEARCE: —statement today? Let me just find those because I would not want to—

The Hon. JOHN HATZISTERGOS: I just wrote it down as you were saying it.

Reverend the Hon. FRED NILE: Can we have copies of that statement?

CHAIR: It will be in *Hansard*.

Reverend the Hon. FRED NILE: No, a copy now. Can you photocopy it and hand it to us?

CHAIR: Mr Pearce, would you be willing to hand your verbal submission to the Committee now?

The Hon. GREG PEARCE: Of course. I hear the comments around the table. I can only point out to you that I received a letter under your hand offering me the opportunity to make a statement and so I have done that.

CHAIR: It is just that the members would like to have your verbal submission available now.

The Hon. GREG PEARCE: Yes, certainly, but if I do that I obviously cannot refer to it until I get a copy back.

CHAIR: Maybe we can ask questions to you that you do not have to refer back.

The Hon. GREG PEARCE: Yes.

The Hon. JOHN HATZISTERGOS: I am just wandering, because other people have made omissions. The Leader of the Opposition, Mr Brogden, apparently made an omission and corrected it. The Leader of the Opposition in the upper House made an omission and he corrected it. Are all these matters wilful, and should we be looking at every one of them, bearing in mind your statement that even minor transgressions should be enforced?

The Hon. GREG PEARCE: I am just looking at the terms of reference and I do not see any reference to non-disclosures by other members.

The Hon. JOHN HATZISTERGOS: I am using those as examples.

The Hon. GREG PEARCE: Perhaps the member could re-ask the question and indicate how it is relevant to the terms of reference.

The Hon. JOHN HATZISTERGOS: The question I am asking is: Do you believe that any minor transgressions should be enforced? That is what was said. You said that there is only one sanction and you expected that even minor transgressions would be enforced. A number of members have made supplementary disclosures.

The Hon. PETER PRIMROSE: I suggest that the terms of reference ask this Committee to consider whether there need to be further amendments for supplementary or amended disclosures by members. It is there; it is part of our terms of reference, paragraph 4 (c). Therefore it should be perfectly in order to consider other matters.

The Hon. GREG PEARCE: I have not made any submission on that particular point other than what is in my written submission and what I have said today.

The Hon. AMANDA FAZIO: So you do not have any opinion on that?

The Hon. PETER PRIMROSE: On what the Leader of the Opposition in both Houses did.

The Hon. GREG PEARCE: I have already—

The Hon. AMANDA FAZIO: So you have nothing to say.

The Hon. GREG PEARCE: It is not within the terms of reference.

The Hon. AMANDA FAZIO: It is within the terms of reference.

The Hon. GREG PEARCE: If you are trying to divert attention away from the matters we are discussing today with cheap throwaway lines about other people, then people will see what you are doing.

The Hon. PETER PRIMROSE: If I may clearly state the terms of reference, clearly the member is not aware that:

4. That the Standing Committee on Parliamentary Privilege and Ethics investigate and report on:

...

(c) whether the provisions of the Constitution (Disclosures by Members) Regulation 1983 should be amended to provide for the provision of supplementary or amended disclosures by Members.

So as a consequence it is perfectly in order.

The Hon. GREG PEARCE: I am not suggesting that it is not in order.

The Hon. PATRICIA FORSYTHE: You can ask a question. He has chosen not to answer it.

The Hon. PETER PRIMROSE: If he refuses to answer, that is fine.

The Hon. GREG PEARCE: I am just looking at my submission to see where that matter is dealt with.

The Hon. JOHN HATZISTERGOS: It is towards the end. In fact, you made another statement—

The Hon. GREG PEARCE: Can I just have one at a time? Do you want me to answer or do you just want to keep throwing—

The Hon. JOHN HATZISTERGOS: I thought you might—it is a problem when someone else writes the submission for you. Perhaps you can find it.

The Hon. GREG PEARCE: I beg your pardon?

The Hon. JOHN HATZISTERGOS: I said it is a problem when someone else might write the submission for you. Perhaps you could find it.

The Hon. GREG PEARCE: I think the implication that the member has made is that someone else wrote the submission for me. I would ask the member to withdraw that implication.

The Hon. JOHN HATZISTERGOS: I will withdraw it if you are so sensitive.

The Hon. GREG PEARCE: The submission is my submission.

The Hon. JOHN HATZISTERGOS: I am trying to work out if you recall what is in it, that is all.

The Hon. GREG PEARCE: I am just looking to see if I addressed that particular point. I do not think I did, other than to suggest that I agree that there is some reform required to the current process.

The Hon. JOHN HATZISTERGOS: No, you even said that rectification to the Clerk, there was no such procedure and it was a diversionary issue to be raised. I wonder if that is what you think about other members, including both leaders of the Opposition, who have taken that action?

The Hon. GREG PEARCE: I'm sorry, what is your question?

The Hon. JOHN HATZISTERGOS: You said that there was a diversionary tactic used by the Minister, in this case, through the process of rectification to the Clerk, there was no such procedure.

The Hon. GREG PEARCE: If you want to debate what I said I think you will have to look at the statement, which we will both be able to do.

The Hon. JOHN HATZISTERGOS: I will be waiting for that. Well, what did you say about that?

The Hon. GREG PEARCE: Look, it is in my statement.

The Hon. JOHN HATZISTERGOS: Well, what did you say?

The Hon. GREG PEARCE: I said what I said in my statement.

The Hon. JOHN HATZISTERGOS: Do you regard that as a diversionary tactic?

The Hon. GREG PEARCE: The diversionary tactic I was referring to—there are a couple of diversionary tactics: one of them was the Minister, Mr Obeid's attempt to minimise the importance of his nondisclosures by referring to them as "technical", and he did that twice—at least twice—in his letter of 9 October 1999, and in his letter of 17 September 2002, and I said that I did not regard the nondisclosures as technical because they were positions such as director or secretary of the various companies and I did not regard it technical to be a shareholder.

The second diversionary tactic I referred to was the member's use of a period of time to describe his interest in companies and I pointed out that the regulation requires that a member disclose positions and interests and that the mere listing of a period of time in which, in this case, the member had a range of disclosable positions as director or secretary and also had interests as a shareholder, that I took the view that to say that he had rectified his nondisclosures is completely untrue, he has not done so.

The Hon. JOHN HATZISTERGOS: I thought you said rectification to the Clerk, that there was no such procedure.

The Hon. PATRICIA FORSYTHE: As the Clerk pointed out repeatedly in letters to Mr Obeid.

The Hon. GREG PEARCE: That is right.

The Hon. TONY KELLY: Do you think there should be a change to the Constitution to allow for a procedure to allow for supplementary disclosures?

The Hon. GREG PEARCE: I have not really turned my mind to it and I have not made a study of the—

The Hon. TONY KELLY: You might want to make one yourself.

The Hon. GREG PEARCE: Would you mind if I just finish the answer? There are various disclosure requirements of Parliaments around Australia. Clearly the requirement to disclose is considered to be a very important one and whilst it certainly has been the practice here—and I do not know about other jurisdictions—that omissions, where they have been accidental or whatever, have been ignored, I do not know whether that should be changed or not, and I am looking forward to this Committee's recommendations on that. But certainly in the case of Mr Obeid's performance something should be done.

Reverend the Hon. FRED NILE: Just to clarify that point you are making, what action do you think Parliament should take where a member does omit information from their pecuniary interest register? Referring back to your statement, page 4, where you take a literal view, you said "It should clearly establish the precise breaches of the regulation. The Constitution Act and regulations are abundantly clear in relation to this, either a member has correctly made a disclosure in his returns or he has not". You say "This may seem harsh", and it is harsh, and you seem to be upholding that it should be enforced against a member who omits information. Is that your position?

The Hon. GREG PEARCE: Well, Reverend Nile, I have been impressed on many occasions to hear you debate matters in which you have referred to various matters that you hold dear and that are harshly enforced. In this case we can only deal with now in the present. The situation is that the only sanction under the Act is expulsion. It is a matter for the House to make a decision and each member of the House will have to come to a conclusion as to whether in this case there has been wilful, deliberate nondisclosures that warrant expulsion or not. I would have thought that in terms of dealing with the sorts of issues that Mr Hatzistergos has brought up, if members have made one omission and it is raised with them I would have thought in most cases they would satisfy the House, or be able to satisfy the relevant House that those omissions were inadvertent and not wilful. But in this case I really await to see how the member can satisfy the House that the sanction should not apply.

Reverend the Hon. FRED NILE: But you do believe yourself that they were wilful, otherwise you would not be here now?

The Hon. GREG PEARCE: As I answered earlier, based on what I have seen I cannot see how any other conclusion is possible, but I am looking forward to seeing the other evidence that the Committee obtains and I am looking forward to the debate in the House when, with all of the evidence and members' views about it, and the benefit of this Committee's recommendations, and particularly the benefit of this Committee's interpretation of what is wilful and whether all of this can be considered wilful or not, then I will be in a position to make a final decision. But, as I sit here now, with just the bald facts of the nondisclosures, the explanations offered so far by Mr Obeid, and the letters and the contamination of the letters, in my interpretation, where the Minister in his letters tried to obfuscate and tried to minimise the impact, I cannot come to any other conclusion than on what we have at the moment that it is wilful, but I am looking forward to the Committee's report and recommendations to make a final decision.

Reverend the Hon. FRED NILE: If we take your literal interpretation—

The Hon. GREG PEARCE: That is the interpretation that is in the Constitution.

Reverend the Hon. FRED NILE: Yes, but obviously the House has not enforced that. You are the first person to actually raise it in the House since the introduction of the register. You are the first person. So to be consistent then, you should consider what action should be taken against other members who have omitted information from their pecuniary declaration register and they should face expulsion as well.

The Hon. GREG PEARCE: It is open to you, Rev Nile, to move such a motion whenever you wish to. I am not the keeper of the House, I do not have to do it. If you come to that conclusion you should move the motion.

Reverend the Hon. FRED NILE: I do not come to that conclusion but I believe you have set the precedent yourself.

The Hon. GREG PEARCE: I have set a precedent—

Reverend the Hon. FRED NILE: You are targeting one member as against other members.

The Hon. GREG PEARCE: No, I am not at all. In this case we have a member who over nine years at least made 10 declarations—including when a Minister—four letters to the Clerk, well over 100 omissions, false declarations, who has had no action taken. You are comparing that, are you, to somebody who has made one mistake once?

The Hon. PETER PRIMROSE: But you say that. That is what you say.

The Hon. TONY KELLY: You say it is expected in respect to even relatively minor transgressions, page 12, you say that.

The Hon. PETER PRIMROSE: That is your comment.

The Hon. GREG PEARCE: That is not in relation to—sorry, where is that?

The Hon. PETER PRIMROSE: The Constitution Act and the regulations.

The Hon. TONY KELLY: Then you would "enforce the conventions that form part of the Westminster tradition".

The Hon. GREG PEARCE: Exactly. Thank you for quoting it in context.

The Hon. JOHN HATZISTERGOS: At page 4 you also say, "Either the Minister has correctly"—

The Hon. GREG PEARCE: Can I deal with one at a time or do you just want to keep talking over me? The quote that Mr Kelly has referred to—

The Hon. TONY KELLY: And do not take it out of context. It starts at the top of the page, "Under the Constitution Act there is only one sanction"—I do not agree with this—"there is only one sanction, expulsion from the House". That is what you say.

The Hon. GREG PEARCE: What other sanctions are there under the Constitution?

The Hon. AMANDA FAZIO: Would you try and stop interrupting Mr Kelly when he is asking you a question?

The Hon. GREG PEARCE: I am just trying to get clear what his question is.

The Hon. TONY KELLY: It says "may" in the Constitution, it does not say "must".

The Hon. GREG PEARCE: But that is the only sanction.

The Hon. AMANDA FAZIO: It is the only one that is listed.

The Hon. TONY KELLY: There are other ones you can have.

The Hon. GREG PEARCE: Not under the Constitution.

The Hon. TONY KELLY: You have told us all day what the Committee should do but can you answer this question?

The Hon. GREG PEARCE: Can I answer the one four questions ago first?

The Hon. TONY KELLY: "Under the Constitution there is only one sanction"; you go on to say "The Premier must enforce the conventions even in respect of relatively minor transgressions". Do you now not agree with that?

The Hon. GREG PEARCE: I agree with that fully. What I said was, as I mentioned earlier, at the time that the Constitution Act was altered and the regulations made, it was expected in respect to even relatively minor transgressions the Premier would enforce conventions which form part of our Westminster tradition. So if you go back to the time the Constitution Act was amended and the regulation made, the early eighties, I stand by that completely, that at that stage I would have expected a Premier to have sacked a Minister who failed to properly disclose their pecuniary interests.

The Hon. TONY KELLY: And following on from the Reverend Fred Nile's question, which you did not answer, what about other members?

The Hon. GREG PEARCE: Well, I did answer that. I said that in relation to other members and transgressions, each individual case would have to be considered on its merits. That is what the process would be. I have not come to the conclusion that any other case that I am aware of would warrant expulsion and it is therefore a matter for any member of the House who comes to that conclusion to have the resolution drawn up and put it to the House.

The Hon. JENNIFER GARDINER: Mr Pearce, we got to this point only after considerable debate in the Parliament on previous occasions about Mr Obeid's failure to include required information in his pecuniary interests register. So to the best of my recollection there is no other member of Parliament whose register has been the subject of this sort of debate. So there has been an accumulation of evidence and even after the parliamentary debate there has still been a failure to provide information to the Parliament about the register. So it is not a matter of somebody just having picked out of the air Edward Moses Obeid, this has been an accumulation of apparent transgressions.

The Hon. GREG PEARCE: And I particularly point you again—and I assume the Committee has been provided with it now—to the letter that Mr Obeid provided to the Clerk on 17 September 2002—that is just a month ago—in which he again failed to comply with the terms of the regulation by disclosing positions and interests in companies he had and instead tried to obfuscate by listing periods of time for various companies that he has not previously disclosed his interest and positions in, and by trying to minimise the importance of it by trying to refer to technical interests when in fact he had been a director, secretary or shareholder.

CHAIR: I would just ask you to go back to your written submission, page 6, paragraph 19. You talk about (a) his relying on his accountant for advice in completing this statement and (b) that in relation to a number of companies this involvement had ceased so therefore he had not included reference to this company in various statements. Then in paragraph 20 you say that "His accountants" et cetera. What is your view about your statement in terms of getting the accountant's advice?

The Hon. GREG PEARCE: The starting point is the declaration has to be done by the member and, as I said earlier, clearly on his own admission the member instructed accountants, obtained advice and then made a decision as to what to disclose. If he is saying that the advice to him was wrong then that may go to the question of sanction. It may be a relevant matter for the Committee and the House in relation to the sanction to be applied, however, as to whether he had the responsibility to correctly disclose and whether he made the decision to correctly disclose, the accountant argument does not help him because the accountant argument in fact says that he obtained advice; he asked a question, he got the advice, and then he made a decision as to what to disclose. So in fact the accountant argument is against him in relation to the disclosures themselves.

This is why I said in answer to Reverend the Hon. Fred Nile that I am waiting to see what evidence the Committee comes up with, because when it comes to the question of the sanction to be applied the Committee may be convinced that it has been given evidence that shows that the accountants wrote to Mr Obeid and said, "You don't have to disclose these ones", and he then said, "Why don't I? I am sure I do", and they said, "No, you do not and here is the reason." Maybe he can then say, "I didn't do it because I was given this wrong advice."

The Hon. TONY KELLY: So you would support the House, sanction or no sanction?

The Hon. GREG PEARCE: Yes.

The Hon. TONY KELLY: So, there are more than one sanction?

The Hon. GREG PEARCE: No. You asked me a direct question before in relation to the quote in my statement in which I said, "Under the Constitution Act there is only one sanction—expulsion from the House." I stand by that quote. That is correct. As to whether the House has power to do other things, of course it does, of course the House has power. The House may decide just to suspend him. The House may censure him, but under the Constitution that is the only sanction listed. So, I stand by that quote. If your question is whether the House has power to do something else, of

course it does. That is a totally different matter. As I say, the House may censure, suspend or whatever.

Reverend the Hon. FRED NILE: You are now omitting any reference to the word "wilful". There is no sanction that you would be expelled from Parliament just for omitting something from the register?

The Hon. GREG PEARCE: That is correct.

Reverend the Hon. FRED NILE: So, it has to be proved that it is wilful? It is not an automatic expulsion just by the fact that it has been omitted?

The Hon. GREG PEARCE: Yes, that is correct. I have never disagreed with that.

Reverend the Hon. FRED NILE: But you are not stating it now in the way you are discussing it.

The Hon. GREG PEARCE: Well, I just said yes, I agree with you. I do not understand what you are saying. I agree with you, yes.

Reverend the Hon. FRED NILE: I think that is a point that should always be emphasised, that the Act does not say you should be expelled just because you omitted something from the register.

The Hon. GREG PEARCE: I was not asked that. I was asked about the paragraph on page 12 of my statement today. I was just responding to the particular question.

Reverend the Hon. FRED NILE: The other matter you raised earlier, you said that other members may have had only one omission, that maybe that is just a minor matter, and this is a serious matter because there are a lot of omissions. But it occurs to me that not many members of Parliament are in the same position as Mr Obeid.

The Hon. GREG PEARCE: Which is all the more reason why he should have been doubly vigilant.

Reverend the Hon. FRED NILE: No, I am just saying, in having a wide range of business interests—

The Hon. GREG PEARCE: He should have been doubly vigilant.

Reverend the Hon. FRED NILE: Yes, but I am just saying that a quantity of omissions, and the Leader of the Opposition has one, but he has only one business interest. Mr Obeid has 100 and he omits two or three. It is a bit relative. If someone has one and leaves out one he has left out a lot, but he has a lot of business interests as distinct from most members of Parliament. It may be we will get to the stage where a businessman—the head of Coles or something—will never become a member of Parliament because at some point he will always infringe this rule.

The Hon. GREG PEARCE: Any competent businessman would not have infringed this rule in the way he has. Anyone who was competent and paid due diligence and went about it deliberately could not possibly have done this.

Reverend the Hon. FRED NILE: That is a point that occurred to me, whether Mr Obeid is guilty of being incompetent. Stupid but not wilful, is that a distinction?

The Hon. GREG PEARCE: It is a distinction and the Committee may well conclude that Mr Obeid is incompetent and stupid, but that is a matter for the Committee.

The Hon. JOHN HATZISTERGOS: Are you, yourself, a shareholder in any company?

The Hon. GREG PEARCE: I am, but I do not see where that is in the terms of reference.

The Hon. JOHN HATZISTERGOS: I am just teasing out some of the issues with reference to the question you just answered from Reverend the Hon. Fred Nile. Are you a current shareholder in any companies?

The Hon. GREG PEARCE: Look, if you would like to discuss my pecuniary interests statement with me, I am happy to have a session with you in my office later and we can go through it, but it is not relevant to the terms of reference.

The Hon. JOHN HATZISTERGOS: Have you disclosed your shareholdings?

The Hon. GREG PEARCE: As I just said—

The Hon. PATRICIA FORSYTHE: Point of order: This is not within the terms of reference.

The Hon. JOHN HATZISTERGOS: All the information you have given in relation to Mr Obeid comes from ASIC, is that the case?

The Hon. GREG PEARCE: It is based on the ASIC records, yes. There are other documents I have provided that are not ASIC records.

The Hon. JOHN HATZISTERGOS: Are they publicly available records?

The Hon. GREG PEARCE: It depends whether you publish them or not.

The Hon. JOHN HATZISTERGOS: Are they records available in public registries?

The Hon. GREG PEARCE: Primarily, yes.

The Hon. JOHN HATZISTERGOS: If you go to a government body or source you can extract copies of those records?

The Hon. GREG PEARCE: Yes. If you go down to Market Street, No. 55 Market Street, and you catch the elevator up to level 8, you will find an ASIC office there. You go into the ASIC office and look on the computer and you can search it by company name or, if you know the ACN number you can do it that way. You get the details of the documents you want from the computerised record which prints off by company a list of documents that have been filed against it. You fill in a form and you go over to another desk and you hand the form to a happy ASIC employee who, for a fee, will then print you off a copy of the documents you have requested. Anybody can do it. Most of the documents I have obtained that way, by personally going down to the ASIC office at 55 Market Street. Some I obtained through the library, the Parliamentary Library, and there are other people who do searching for you if you do not have time to do it yourself. But you can certainly do it through the Parliamentary Library. That is the way you can obtain it.

Indeed, that is one of the issues I find most extraordinary in all this, that Mr Obeid was not able to do it himself. Clearly, at various times, either because of his obligation to fill in his new pecuniary interests return—presumably, when he became a Minister somebody in the Premier's office said to him, "Have you got all this right?" The Opposition has questioned him at various times on various of these issues. You would have thought that after all that questioning, and so on, he would have been on notice if he was competent. Perhaps he is just incompetent and stupid, I am happy to accept that, but in this case you have to put it in the context of the pecuniary interests regulation and the Constitution and the obligations that flow under our Westminster system of government.

The Hon. JOHN HATZISTERGOS: If I want to look, for example, at your holdings in particular companies, I would go through the same approach? Go up to that building, look at the microfiche and find out what shareholdings you have?

The Hon. GREG PEARCE: Yes. You know the way to the building. You can walk straight through Pitt Street Mall and it is just up there.

The Hon. JOHN HATZISTERGOS: Are you are shareholder of IOA 1990 Pty Ltd and Alcuna Pty Ltd?

The Hon. GREG PEARCE: I am not here to answer questions about my pecuniary interests statement. I suggest you go and have look at my pecuniary interests returns.

The Hon. JOHN HATZISTERGOS: They do not disclose you as being a shareholder in those particular companies.

The Hon. PATRICIA FORSYTHE: Point of order: The member is not here to answer questions about his pecuniary interests declaration. It is not in the terms of reference, and I suggest you strike the question out.

The Hon. AMANDA FAZIO: There is no provision to strike questions out. We are not in a court.

CHAIR: I think the point has already been made that it has to be relevant to the terms of reference.

The Hon. JOHN HATZISTERGOS: I think it is. It is relevant because we are talking about transgressions and disclosures.

CHAIR: But you were asking about his personal pecuniary interests. His personal interests are not the subject of this inquiry.

The Hon. JOHN HATZISTERGOS: I just want to find out what he thinks should happen to him, that is all.

The Hon. TONY KELLY: Whether he has made a transgression.

CHAIR: I ask the member to desist from asking personal questions.

The Hon. GREG PEARCE: If you have an issue with my pecuniary interests disclosures you should come and speak to me about it, because you are going to embarrass yourself quite severely if you do anything otherwise.

The Hon. JOHN HATZISTERGOS: I am not going to embarrass myself, I am just asking questions.

The Hon. GREG PEARCE: There is five minutes to go. If you want to waste the time of the Committee by persisting with questions that are irrelevant, it is a waste of time.

The Hon. JOHN HATZISTERGOS: No, I do not. If you do not want to answer it, that is fine.

The Hon. GREG PEARCE: I suggest you go and look at my pecuniary interests returns in the Clerk's office.

The Hon. JOHN HATZISTERGOS: I have more interesting things to do. Page 4 of your supplementary submission reads:

The Constitution Act and the Regulation are abundantly clear in relation to this. Either the Member has correctly made the disclosures in his returns or he has not.

Is that your view as to the definition of the word "wilful"?

The Hon. GREG PEARCE: It does not say anything about "wilful".

The Hon. JOHN HATZISTERGOS: Then you say:

Although this may seem harsh, at the time that the Regulation was drafted it may be said that our strong tradition of Westminster Government which relies upon conventions and understandings to such a large extent, also relies upon a well-established doctrine of parliamentary responsibility and accountability.

The Hon. GREG PEARCE: Yes, you have correctly read my comments to the Committee.

The Hon. JOHN HATZISTERGOS: On page 5 you say:

The Committee should also lay to rest the diversionary argument that letters to the Clerk rectify, in some way, prior breaches of the Regulation. There is no provision for such rectification and indeed the Clerk's practice on receipt of any such letter was to write to the Member (which he did to Mr Obeid on four occasions) informing the member that there was no such procedure.

In other words, taking that altogether, if a person makes a breach by failing to disclose something, that cannot be rectified, it is infected and needs to be investigated and dealt with. Is that your view?

The Hon. GREG PEARCE: You have quite accurately read out extracts from my statement today, and I stand by those comments.

The Hon. JOHN HATZISTERGOS: Do you stand by those comments in relation to both the Leader of the Opposition and other members?

The Hon. GREG PEARCE: I am not going to stand by your comments, no. You stand by your comments. If you have something else to say go ahead and say it. I agree that you have been able accurately to read extracts from my statement today. They are in writing so it is fairly hard to dispute that that is what I said. You did read those accurately. As to your statements, I do not stand by them. They are not my statements.

The Hon. JOHN HATZISTERGOS: Has the Leader of the Opposition read this?

The Hon. GREG PEARCE: What sort of a nonsensical question is that?

The Hon. AMANDA FAZIO: You are under oath. Can you answer the question?

The Hon. JOHN HATZISTERGOS: Has he read the statement you have given to the Committee today?

The Hon. GREG PEARCE: Where do I say anything about the Leader of the Opposition here?

The Hon. JOHN HATZISTERGOS: Will you answer the question?

The Hon. GREG PEARCE: What was the question?

The Hon. JOHN HATZISTERGOS: Has the Leader of the Opposition read this submission that you have given us?

The Hon. GREG PEARCE: You did not ask that question at all.

The Hon. JOHN HATZISTERGOS: That is the question I am asking now.

The Hon. GREG PEARCE: Has the Leader of the Opposition read this submission? No. Any other questions?

The Hon. JOHN HATZISTERGOS: Perhaps he should have.

The Hon. GREG PEARCE: Why? I am the witness here. You called me.

The Hon. JOHN HATZISTERGOS: How do you think it may apply to him?

The Hon. GREG PEARCE: What may apply to him? It is my submission.

The Hon. JOHN HATZISTERGOS: What I just read on pages 5 and 6.

The Hon. GREG PEARCE: I will give it to him and he can read it.

The Hon. JENNIFER GARDINER: Can I just return to the question of wilfulness. At the top of page 6 of your original submission you say "Are the known disclosures wilful?" You refer to Mr Obeid's statement that he is relying on the advice of accountants, and you go on, "... supports the conjecture that his omission and false declarations were intentional and deliberate." They just happen to be the same words used in a submission to this Committee by the Clerk of the House in listing a number of definitions, but the one he refers to in the first instance is from the Australian *Concise Oxford Dictionary* that wilful means "(Of action or state) ... intentional, deliberate ... (*wilful murder wilful neglect, wilful disobedient*); obstinate ... headstrong ...". You have said at the top of your page 6, "Are the non-disclosures wilful?" Are you suggesting the words "intentional" and "deliberate" are elements in answering the question as to whether or not the Minister wilfully contravened the provisions of the Constitution Act?

The Hon. GREG PEARCE: Yes. I also made the point there that if the member did instruct accountants to assist him with his preparation, obtain advice and then make a decision as to what to disclose, he clearly deliberately and intentionally disclosed what he disclosed—or wilfully.

Reverend the Hon. FRED NILE: I wish to clarify something in your original submission, on the page headed "2000 Statement". In the earlier pages you used headings "Lies" in one column and then "Omissions" in the next column. In the 2000 statement, those items, "Director of South Sydney Leagues Club", is that an omission or a lie?

The Hon. GREG PEARCE: Yes, I am sorry, my computer skills are not great. In the 2000 statement the member, Mr Obeid, omitted to disclose his shareholding in Hafomo and he omitted to disclose that he was a director of South Sydney Leagues Club. He has now, in one of his letters—or one of the documents—indicated that he was a director of South Sydney Leagues Club but he says that that is a charitable or not-for-profit organisation. I do not know whether it is. Presumably, the Committee will ascertain that. But he has indicated that he did not disclose that directorship.

Reverend the Hon. FRED NILE: So would it be a fact then that—

The Hon. GREG PEARCE: If it is charitable or non-profit he did not have to disclose it.

Reverend the Hon. FRED NILE: So they should have been in that column on the right?

The Hon. GREG PEARCE: Yes. What I have—

Reverend the Hon. FRED NILE: That is okay.

The Hon. GREG PEARCE: Yes.

Reverend the Hon. FRED NILE: The point I want to get to is that that was signed on 25 September 2000.

The Hon. GREG PEARCE: Yes.

Reverend the Hon. FRED NILE: So in fact by 25 September 2000 there were only two items that had not been declared—two?

The Hon. GREG PEARCE: Well, no. There were only two items in that year that were not disclosed.

Reverend the Hon. FRED NILE: You would say that there were still other items that had not been declared?

The Hon. GREG PEARCE: Yes, there were still numerous—many, many other of the disclosures which were not made in earlier years which had not, even by then, been actually made by him.

Reverend the Hon. FRED NILE: So why do you not include those as omissions then?

The Hon. GREG PEARCE: I was just doing it year by year.

Reverend the Hon. FRED NILE: So we have to add those two to the earlier ones?

The Hon. GREG PEARCE: Yes.

The Hon. AMANDA FAZIO: Mr Pearce, you stated earlier that most of the documents that you provided to us had been obtained from the Australian Securities and Investments Commission. Can you advise us which documents you did not obtain from ASIC and where you obtained them from?

The Hon. GREG PEARCE: There are two documents in relation to Southpac which were sent to me, and I do not know where they came from.

The Hon. AMANDA FAZIO: Sent to you anonymously?

The Hon. GREG PEARCE: Yes.

The Hon. AMANDA FAZIO: And when were they sent to you?

The Hon. GREG PEARCE: I did not put a date on them. It was some time ago.

The Hon. AMANDA FAZIO: Weeks ago, months ago?

The Hon. GREG PEARCE: Months ago.

CHAIR: No more questions?

Reverend the Hon. FRED NILE: Just another quick one. I did raise this question earlier about witnesses giving evidence on oath. You have taken the affirmation today, which is the same as the oath. I gather the Minister does not have to take an oath.

The Hon. GREG PEARCE: Yes, he does.

CHAIR: Yes, he does. We checked.

Reverend the Hon. FRED NILE: That clarifies that point. It does become an issue of believing the honesty of the witness. Your submission is presupposing that we cannot believe the Minister so we have to get in accountants, legal advisers—a whole team of people—to try to prove that he was lying. You would take the position that we cannot believe a Minister on oath giving evidence that he is telling us the truth? I am just saying that from the point of view of our conducting this inquiry—

The Hon. GREG PEARCE: That is a matter for the Committee. But since the integrity of the Minister is the central question here I would have thought that it quite clearly is in the public interest, where it is relatively easily available, to provide substantiating evidence so that the Minister does not leave here with a cloud continuing over his integrity. I mean, I would have thought it was in his interest, you know, to produce the documents. I certainly would. It would be in your interest to produce the extra evidence so that no-one can then turn around and say, "Well, all you have got is his word", particularly when you have got all the ASIC records here that show the nondisclosures. I would have thought that it would be absolutely in his interest to produce all the bits of paper and to lay it to rest.

CHAIR: For the benefit of the Committee, it has been the traditional practice of the ethics Committee to swear in all the witnesses, including members and Ministers. And it has been the practice for the Senate and the House of Commons. The Minister is aware that he will be sworn in when he appears as a witness before our inquiry. Before we finish I just want to point out an unacceptable response to a question from Reverend the Hon. Fred Nile about the Hon. Greg Pearce's original notice of motion which referred to an advice received from the Clerk. I would draw your attention, Mr Pearce, to the following rulings of President Johnson and Deputy-President Gay in reference to the Clerks. I quote:

It is not in order for members to refer to advice tendered by the Clerks.

That ruling was made by President Johnson on 9 November 1988. On 27 October 1994 Deputy-President Gay ruled that a member who uses written advice from the Clerk in a speech in the Chamber is making that advice the member's own statement; it is not to be taken as a statement of the Clerk on the bill. So the point is that members need to take responsibility for their own actions and their statements on their own accounts.

The Hon. GREG PEARCE: I accept that.

CHAIR: I just wanted that in because members cannot just rely on the Clerk and say that it is the Clerk's advice. It should be the—

The Hon. GREG PEARCE: I fully accept that in relation to being in the House, Madam Chair, but I am here as a witness and I was asked to tell the truth. I was asked a question and so answered the question.

(The witness withdrew)

(Short adjournment)

EDWARD MOSES OBEID, before the Committee:

CHAIR: Minister, as this is a formal parliamentary hearing you are required to give evidence on oath or affirmation. Before you do so I will clarify a question raised by Reverend the Hon. Fred Nile about members and Ministers giving evidence on oath or affirmation, or otherwise, that was raised during the last parliamentary session. It is established practice for the Standing Committee on Parliamentary Privilege and Ethics to take evidence on oath, including from members; for example, by the Hon. Duncan Gay on 24 May 1993, and by the Hon. Franca Arena, on her first appearance before the Committee. It is also established practice for the privileges committees of the House of Commons and the Senate to take evidence on oath. Erskine May states:

The Committee on Standards and Privileges has reported that in any future investigation of matters of privilege or of complaints about the conduct of Members, it would be its normal practice to take evidence on oath.

Odgers *Australian Senate Practice* states:

As the Privileges Committee performs something like a judicial function, it is considered necessary that evidence is taken by the committee on oath.

Will you take the oath?

The Hon. EDDIE OBEID: I always wanted to take the oath.

EDWARD MOSES OBEID, Member of Parliament, Parliament House, Sydney, sworn and examined:

CHAIR: In what capacity do you appear before this Committee?

The Hon. EDDIE OBEID: As a Minister of the Crown.

CHAIR: Are you conversant with the terms of reference of this inquiry?

The Hon. EDDIE OBEID: Yes.

CHAIR: The Committee has received your written submission. Do you wish that submission to be included as part of your sworn evidence?

The Hon. EDDIE OBEID: Yes.

CHAIR: Do you have any objection to your submission being made public?

The Hon. EDDIE OBEID: No.

CHAIR: Good. Do you wish to briefly elaborate on your submission or make an opening statement?

The Hon. EDDIE OBEID: Madam Chair, thank you for this opportunity to discuss this matter. I acknowledge that a number of errors have been made in declarations of my various pecuniary interests. Since I became a Minister I can assure the members of this Committee that I have had no active participation in any business. In other words, I have no involvement in the operations of the companies which are listed. I have never had any conflict of interest as a parliamentarian or as a Minister. I welcome the opportunity for these matters to be examined by the parliamentary privilege and ethics Committee. I assure the Committee that any errors were not deliberate or wilful. Whenever I became aware of any inaccuracies I have acted promptly to correct any errors. Thank you.

CHAIR: As you know there are two matters to be discussed today. My first question is directly related to the content of your written submission. I propose to commence the questioning by taking you through your submission page by page, but I will not go right through it because we do not have time. Other members will ask further questions. After I have gone through your submission in

detail I will ask some general concluding questions, and that will happen this afternoon. In your written submission, on page 2, the first paragraph states:

Any suggestion that I have taken an active part in any professional practice or business since becoming a Minister is absolutely false.

What do you mean by "active part"?

The Hon. EDDIE OBEID: No part in the management or directions of any business.

The Hon. PATRICIA FORSYTHE: Does that mean being consulted?

The Hon. EDDIE OBEID: No part of management or direction of the business.

CHAIR: Did you play any active part in the period between your election as a member of the House and your appointment to the ministry?

The Hon. EDDIE OBEID: Since I came to Parliament in 1991, that applies.

CHAIR: On page 2, paragraph 7, you referred to various occasions in 1996, 1999 and in September 2002 when you have taken action, as you said, "to correct the public record by writing to the Clerk", when you discovered errors in your pecuniary interest returns. When you have written to the Clerk you have provided information to correct the record in relation to the dates of your involvement in various companies and most recently to provide the names of a number of additional companies that had not been listed previously, including Ashglide, Detuca, Jetset Constructions and Rainbow Pacific.

When you have provided such information in correspondence to the Clerk, why have you not provided information in relation to the nature of the interest, or a description of the position in each such corporation, or the principal objects of each such corporation?

The Hon. EDDIE OBEID: Madam Chair, to the best of my knowledge I have always informed the Clerk as to my interest in any of those organisations as I became aware of them. Each year I made arrangements for a professional accountant to undertake the necessary corporate searches and identify all the companies that my name was associated with. I assumed that that was the most effective way of ensuring that all of the necessary details were included in my pecuniary interest statements. It is now apparent that this process led to errors being made. I have corrected any errors in my pecuniary interest statements as I became aware of them.

CHAIR: I know that you have corrected the errors, but you have not actually specified the nature of the interest. You have not indicated whether you are a director, a company secretary or just a shareholder. Why have you not provided that information?

The Hon. EDDIE OBEID: To the best of my knowledge, as the Clerk of the Legislative Council has previously advised me and others, there is no set prescriptive procedure for the making of corrections to unintentional errors in pecuniary interest statements. In the absence of a prescribed form, when I made written corrections I attempted to communicate all the relevant information, particularly to highlight any omission of a company in a given year. My office has prepared a table that sets out my specific shareholding interests and corporate positions since I became a member of Parliament. I seek leave to table that document for the information of members.

The Hon. PATRICIA FORSYTHE: And incorporated in the transcript?

The Hon. EDDIE OBEID: I table the document.

The Hon. PATRICIA FORSYTHE: Will this be published?

CHAIR: We will deal with that later.

Motion by Reverend the Hon. Fred Nile agreed to:

That the document be tabled.

CHAIR: I did not make myself clear. The pecuniary interests declaration form requires members to declare all their interests specifically. Why did you not do that in those letters?

The Hon. EDDIE OBEID: As I have said on numerous occasions, I depended on a professional accountant to do the searches and to give me a list of those organisations in which I had an interest. They are the ones I gave to Parliament. As I said, the Clerk's advice was that there was no prescribed method of doing that. Therefore, I did it as I was instructed.

CHAIR: So, you acted on the advice of an accountant when you presented this rectification to the Clerk?

The Hon. EDDIE OBEID: Every year since I have been in Parliament I have asked the accountant doing the work at the time to do the searches and to inform me what I was involved in and my interests. As a consequence, that is what I put to the Parliament. Of course, I had further advice from the Clerk.

The Hon. JENNIFER GARDINER: We all fill in a standard form. When you realised that you had stuffed up, why did you not use the same form to correct the record?

The Hon. EDDIE OBEID: I have just answered that question. I repeat: I acted on professional advice and the form was filled in according to that advice.

The Hon. PATRICIA FORSYTHE: I refer to the instruction you give your accountant. Is it the same instruction each year?

The Hon. EDDIE OBEID: I give the same instruction each year; that is, to do the searches and give me a list of those organisations in which I am involved.

The Hon. PATRICIA FORSYTHE: Under the declaration—

The Hon. EDDIE OBEID: I have an interest in.

The Hon. PATRICIA FORSYTHE: You made a statement about companies and the entire year. Is that the advice you gave your accountant? Did you ask for the list as at 30 June or for the previous financial year?

The Hon. EDDIE OBEID: I asked for a list of the organisations I had an interest in at the date I asked. It could have been September, because the pecuniary interests declarations are due in by the end of September. It would have been in the period leading up to September—the latest date.

CHAIR: I refer you to paragraph five on page three of the submission. You refer to a number of companies and state that you have never controlled them. You also refer to technical associations. What do you mean by "I have never controlled those companies" and "technical associations"?

The Hon. EDDIE OBEID: They would be companies in which I had a minority interest. They would have been in the hands of other people. I believed I had left them ages ago. I will name a number of them. I was not aware that I still had a connection with them. They would have been companies such as Ashglide Pty Ltd, which was established to manage a project at Perisher. The project did not proceed. During the period in which I had an interest in that company, it did not engage in any ongoing trading activity. For all intents and purposes, my involvement in Ashglide Pty Ltd ceased before I entered Parliament. I never controlled the company and I believed that it had either been wound up or my interest had formally ended. I believe I was a shareholder when I entered Parliament in 1991. The company ceased to exist in April 1993. I was a director and the secretary of the company when I entered Parliament in 1991, although to my knowledge there were no meetings of the board and I performed no duties as a director or as secretary. My nominal status as a director and secretary of the company ended when the company ceased to exist in 1993. I declared my interest in Ashglide Pty Ltd in a letter to the Clerk on 17 September 2002. The interest was not included in my 1991, 1992 and 1993 pecuniary interests statements, but that was corrected in my letter to the Clerk. I

had no ongoing interest in the company. I would have had a 25 per cent shareholding; it was in the hands of the others. That was the technical interest of which I was not aware.

CHAIR: Your interest was only a shareholding and you did not exercise effective control of the company—indeed, you had only a 25 per cent interest. I think I misheard you.

The Hon. EDDIE OBEID: That is right.

The Hon. JENNIFER GARDINER: What is your definition of a "nominal director"?

The Hon. EDDIE OBEID: I have never defined it.

The Hon. JENNIFER GARDINER: You said you were a nominal director.

The Hon. EDDIE OBEID: A director should carry out the duties involved in running a company. This was a shelf company; it had no active business. It was set up to do something that did not happen. Therefore, it did not have board meetings or gatherings to decide anything because there was nothing to decide. It was put away, probably by the accountant who formed it. In effect, I believed that when there was no more business to carry on, it ceased to exist. I was never called to a meeting and I did not participate in anything, nor do I believe any of the others did. It was left to an accountant to decide to liquidate it because it was not active

CHAIR: What was the point of the maintaining a shareholding in these companies?

The Hon. PATRICIA FORSYTHE: It was more than that; he was a director and secretary.

The Hon. EDDIE OBEID: When three or four people agree they would like to do something they formalise the arrangement in a company. If whatever they have decided to do does not happen, the company is left idle. There is no interest because there is no activity. The company is probably left on the accountant's shelf until someone decides what to do with it. The four or five people originally involved go their own ways. No-one wants to use a company that has a previous history; everyone starts fresh companies. To the best of my knowledge, that is the history of most of the shelf companies that were established to do something that never happened.

The Hon. PATRICIA FORSYTHE: You said that a professional accountant undertook searches. Given that anyone can look at the Australian Securities and Investments Commission register and find a company such as Ashglide Pty Ltd, why was the accountant not able to do so and establish that you were a director and the secretary?

The Hon. EDDIE OBEID: That is exactly what I am saying. It amazes me. Everything that is being referred to here is on the public record. The error was that it was not translated to my pecuniary interests declaration by the accountant who was asked to do the search. Everything that has been mentioned today is already on the public record; it is there for everyone to see. It was a question of doing the searches year by year and reflecting the information in my declarations. That did not occur and I acknowledge that. Those errors were corrected as different accountants came in and searched appropriately and found them. We acknowledged that in Parliament. It is one of those issues. I cannot answer better than that.

The Hon. PATRICIA FORSYTHE: With each of your pecuniary interests declarations you have lodged an appendix. Has that always been as it was provided by the accountant?

The Hon. EDDIE OBEID: Yes.

The Hon. PATRICIA FORSYTHE: You have simply lodged whatever your accountant told you to lodge.

The Hon. EDDIE OBEID: Yes. I expect a professional accountant to be able to do the searches and give me a list of companies in which I have an interest. I present exactly what is given to me. In 1991, practically everything was declared. However, for some unknown reason the 1992 document did not have all those interests. It was the advice of a different accountant and his

interpretation. I am not for one minute blaming accountants; I have acknowledged those errors in Parliament and I acknowledge them here. I have corrected them as I have been made aware of them. That was done in a form that was acceptable to the Clerk. The buck stops with me; I accept responsibility. However, if errors were made I corrected them when I was made aware of them by the accountant doing the work at the time and I informed the Clerk of the House.

CHAIR: Your return for 1991-2000 discloses interests and positions held in a number of corporations. The number ranges from five to 22. In contrast, your return for last year lists only one corporation and your 2002 return lists no interests. What is the explanation for the sudden decline in interests and positions?

The Hon. EDDIE OBEID: To which year are you referring?

CHAIR: The declarations are: 1991, 22; 1992, five; 1993, six; 1994, seven; 1995, seven; 1996, seven; 1997, seven; 1998, seven; 1999, nine; 2000, 11; 2001, one; and 2002, none.

The Hon. EDDIE OBEID: I have had different accountants at different times. Those figures reflect their advice and how they saw fit to get me to withdraw from those companies. Most of them have no ongoing business. About 12 of those entities were shelf companies established to start a printery. It never got off the ground, so those shelf companies were lying around. Different members of the family wanted to use them rather than pay for a new company. The responsible accountant was required to ensure that the paperwork was done in accordance with the procedures. On becoming a Minister, I ensured that I relinquished all those interests. As a consequence, my role has diminished totally.

CHAIR: You talk about businesses. There are no businesses. What do you mean by "business activities"? Which of these companies continues to trade or conduct business? What is the object of those companies?

The Hon. EDDIE OBEID: I will go through this to the best of my ability. I have provided a list of companies. I will start with 15 Garners Avenue (No. 1) Pty Ltd. That has had no ongoing business activity since 1986, and the same is true for 15 Garners Avenue (No. 2) Pty Ltd. I do not want to provide incorrect dates. I am happy to go through the list of companies one by one and to provide the history of the companies for the record.

CHAIR: That would be good.

The Hon. EDDIE OBEID: I need the Committee to go through them one by one. I will then address each case. The table does not provide sufficient information and I do not want to make an error with the dates.

CHAIR: Answer the questions as you see fit, Minister.

The Hon. EDDIE OBEID: I will start with 15 Garners Avenue (No. 1). This was previously known as Media Press Holdings Pty Ltd. It owned premises at Garners Avenue from where the Media Press Group operated. The land and building were sold in 1986 when the Media Press Group was sold—in the same year. This company did not engage in any ongoing trading activity from 1986 until my interest in the company ended.

The Hon. PATRICIA FORSYTHE: Was the land sold to Media Press Group?

The Hon. EDDIE OBEID: No, it was sold to the Herald and Weekly Times. Garners Avenue (No. 2) Pty Ltd was previously known as Media Press Sales Pty Ltd. This company was the printing arm of the Media Press Group, which was sold in 1986. This company did not engage in any ongoing trading activity from 1986 until my interest in the company ended. The company 15 Garners Avenue (No. 3) Pty Ltd was known as Media Typesetters Pty Ltd and was the typesetting arm of the Media Press Group, which was sold in 1986. This company did not engage in any ongoing trading activity from 1986 until my interest in the company ended. Beirut Sydney Publishing Pty Ltd—

The Hon. PATRICIA FORSYTHE: I have a question about 15 Garners Avenue.

The Hon. EDDIE OBEID: I am happy to answer whatever questions you want to ask in detail, but allow me to answer the Chair's question first. Beirut Sydney Publishing Pty Ltd was part of the Media Press Group. It was the publishing arm of the Lebanese language newspaper *El Telegraph*. The Beirut Sydney Publishing company ceased publishing *El Telegraph* in 1986.

CHAIR: You missed Ashglide.

The Hon. EDDIE OBEID: Ashglide Pty Ltd was intended to be a management company for a proposed Perisher project. This project did not proceed and the company ceased in April 1993—almost 9½ years ago. It did not have any ongoing business or any role. It was formed and left to die. The purpose of Brinba Pty Ltd, which was later named Maxicon Group Pty Ltd, was to establish a new printing group in the late 1980s. This never eventuated. The company was not engaged in any ongoing trading activity while I had interest in it. I was a director of this company when I entered Parliament in 1991. I ceased to be a director on 6 April 1992. It was never active. It was a shelf company that was later transferred to the Maxicon Group, which I had no relationship with.

The Hon. PATRICIA FORSYTHE: When do you believe you ceased to be a shareholder?

The Hon. EDDIE OBEID: I ceased to be a director on September 1992. I declared Brinba Pty Ltd in my 1991 primary interest statement. It was not included in my 1992 statement. Basically this error occurred because my accountants mistakenly believed that an interest in a company needed to be declared only if it was current at the end of the financial year. Madam Chair, you will find that a series of companies were not included in my pecuniary interest statements because I was out of them midyear and my accountant at that time—whoever was advising me—did not list them as part of my pecuniary interests. He felt that if they were not there as at 30 September they did not have to be reported. That has happened on a number of occasions.

The Hon. PATRICIA FORSYTHE: When you resigned as director of that company did you maintain your shareholding?

The Hon. EDDIE OBEID: In accordance with these records, my shares were divested at the same time: in 1992. That is the chart I have just tabled.

The purpose of Detuca Pty Ltd was to develop the site at Wood Street, Lane Cove. It was intended that this development would take place in 1988. However, it did not proceed. I have had no involvement in the company and have derived no benefit from it since I became a member of Parliament. I believe I was a shareholder of this company when I entered Parliament in 1991. I ceased to be a shareholder when the company was dissolved in June 1993. This is one of those companies that was set up to do something but it did not. I was a minority shareholder—I had a 25 per cent interest. The company was left in the hands of the others and it stayed on the shelf.

Cecourt Pty Ltd operated the function centre at the Bellevue in Bankstown. I was a shareholder in this company when I entered Parliament in 1991. The Australian Securities and Investments Commission records indicate that I ceased to be a shareholder prior to July 1996. I was a director of this company when I entered Parliament in 1991 and I ceased to be a director on 20 August 1993. As a result, I ceased to have a management role in relation to this company in August 1993. I first declared Cecourt in my 1991 primary interest statement. I also declared it in my statements for 1993, 1994, 1995, 1996, 1997 and 1998—it appears that we have overstated this. It was originally not included in my 1992 statement for the reasons that I have explained—different accountants have different ideas about these things. I identified this in Parliament on 25 September 2002.

Hafomo Pty Ltd was the owner of land in Garners Avenue, Marrickville. I first declared Hafomo Pty Ltd in my 1991 primary interest statement. It was originally not included in my statements from 1992 to 1995. I corrected this in a letter to the Clerk on 9 November 1999. Hafomo was deregistered in July 1994 and it was reregistered in September 2000 with me still listed as a shareholder. I divested myself of this shareholding in October 2000. Because I was a shareholder when Hafomo was reregistered I declared it in my 2001 pecuniary interest statement. I was a director of this company when I entered Parliament in 1991. I ceased to be a director of Hafomo on 15 April

1992—some 10½ years ago. As a result, I ceased to have a management role in relation to Hafomo in April 1992.

Jensay Pty Ltd owned a property at Meeks Road, Marrickville that was the business location of the Olympia Group. I was never a shareholder in Jensay. I was a director of Jensay in April 1994 until November 1994, when I ceased to be a director. As a result, I ceased to have a management role in relation to this company in November 1994. I first declared Jensay Pty Ltd in my 1994 pecuniary interest statement. It was originally not included in my 1995 statement. I believe my accountants made the same error because I got out of it midyear. I assume this error occurred because my accountants mistakenly believed that an interest in the company needed to be declared only if it was current at the end of the financial year. I corrected this in a letter to the Clerk on 3 September 2002.

Keltham Pty Ltd was operating in the building industry. I was a director and secretary of this company when I entered Parliament in 1991. I ceased to be a director and secretary in April 1992. As a result, I ceased to have a management role in relation to this company in April 1992. I first declared Keltham in my 1991 primary interest statement. It was originally not included in my 1992 statement for the very same reason: I assume this error occurred because my accountants mistakenly believed that an interest in the company needed to be declared only if it was current at the end of the financial year. Of course, I vacated my roles in April 1992, which was before the end of the year. I corrected this in a letter to the Clerk on 17 September 2002.

I verbally resigned as a director and secretary of Jetset Constructions Pty Ltd around 1984. However, it appears that the then corporate affairs was not advised of my resignation—of course, I was only a 25 per cent shareholder. I have had no further involvement with the company since my verbal resignation. I had never controlled this company and I believed either it had been wound up or my interest had formally ended. I believed I was a shareholder of this company until it was dissolved in February 1992. Records held by the Australian Securities and Investments Commission show me as a director and secretary of this company until the company ceased to exist in February 1992. To my knowledge, there were no meetings of the board after I resigned and I performed no duties as director or secretary. I declared Jetset Constructions Pty Ltd in a letter to the Clerk on 17 September 2002. The company was originally not included in my 1991 and 1992 statements. I corrected this in a letter to the Clerk.

Law Foundation Superannuation Nominees Pty Ltd managed the super fund for the employees of the non-profit Law Foundation. My involvement in this company was an unpaid activity. I was not a beneficiary of the superannuation scheme and I did not benefit in any way from the operation of the company. I was involved because I was a former governor of the Law Foundation. I was a shareholder in this company when I entered Parliament in 1991. I ceased to be a shareholder when the company ceased to exist in December 1998. I was a director of this company when I entered Parliament in 1991 and I ceased to be a director on 16 December 1994. As a result, I ceased to have a management role in relation to this company in December 1994. I declared my interest in the Law Foundation Superannuation Nominees Pty Ltd in a letter to the Clerk on 17 September 2002.

I was involved in Legal Expense Insurance Pty Ltd as a result of being a member of the non-profit New South Wales Law Foundation. My formal and informal involvement with Legal Expense Insurance ended before I entered Parliament in September 1991. I was not a director of this company at any time that I was a member of Parliament. I was never a shareholder in this company.

Linkban Pty Ltd is the publisher of the *El Telegraph* Lebanese language newspaper. I first declared Linkban Pty Ltd in my 1991 primary interest statement. I was a shareholder in this company when I entered Parliament in 1991. I divested myself of this shareholding in 1992. However, this was not processed until 1999. As a consequence, Linkban was originally not included in my statements from 1992 to 1999. I corrected this in a letter to the Clerk on 11 October 1999. I also declared Linkban in my 2000 pecuniary interest statement. I was a director of this company when I entered Parliament in 1991. I ceased to be a director of Linkban in April 1992. As a result, I ceased to have a management role in relation to this company in April 1992. The circumstances around the transfer of my shareholding in Linkban and the implications for my pecuniary interest statements were explained at length in the Legislative Council three years ago on 21 October 1999.

I understand that Max Cutting Pty Ltd is a trading company that operates a vegetation plant hire business in the western suburbs of Sydney. The circumstances surrounding my nominal shareholding in Max Cutting Pty Ltd were explained at length in the Legislative Council three years ago on 21 October 1999. In any event, I am happy to restate the circumstances for the benefit of the Committee. I believe a single share was issued to me as an administrative measure when I was employed in an accountancy firm in 1971—31 years ago. Since the early 1970s I have not participated in the operation of the company, attended any meetings or received any financial benefit from this company.

I have been advised that the owner, Mr Max Cutting, and his family now hold several hundred shares. I was unaware that my name was still associated with the company until it was brought to my attention in September 1999. As a consequence I declared Max Cutting Pty Ltd in my 1999 and 2000 pecuniary interest statements. I also wrote a letter to the Clerk on 11 October 1999. The letter indicates that the company was not included in my statements from 1991 through to 1998. I ceased to be a shareholder in October 1999. I did not receive any benefit for relinquishing the single share I had nominally held in this company.

The Hon. JENNIFER GARDINER: What sort of employee were you? What was your job there?

The Hon. EDDIE OBEID: I was an assistant to an accountant, doing books for clients.

The Hon. JENNIFER GARDINER: A clerk.

The Hon. EDDIE OBEID: Yes. Media Corporation Ltd was created in 1979 with the intention that if the Media Press Group was ever listed on the stock exchange this company would be the vehicle for it. That was for the Media Press Group. This never eventuated. This company has not engaged in any ongoing trading activity since the sale of the Media Press Group in 1986. I was a director of this company when I entered Parliament in 1991. I ceased to be a director when the company was dissolved in June 1993. I first declared Media Corporation in my 1991 primary interest statement. It was originally not included in my 1992 and 1993 statements. I corrected this in a letter to the Clerk on 17 September 2002.

I was a director and secretary of Metrona Pastoral Pty Ltd when I entered Parliament in 1991. I ceased to be a director and secretary when the company was dissolved in June 1993. I first declared Metrona Pastoral Pty Ltd in my 1991 primary interest statement. I also declared it in my 1992 statement. It was originally not included in my 1993 statement. I assume this error occurred because my accountant mistakenly believed, as was the case with a number of them, that an interest in a company only needed to be declared if it was current at the end of a financial year. I corrected this in a letter to the Clerk on 17 September 2002. The company owned land in Kurrajong. This land was sold in around 1990. From the time I entered Parliament through to the dissolution of the company, it did not engage in any ongoing trading activity.

Moona Plains Pastoral Pty Ltd owned unimproved rural land at Walcha. I first declared Moona Plains Pastoral in my 1991 primary interest statement. I was a shareholder of this company when I entered Parliament in 1991. I divested myself of this share in 1992. However, this was not processed until 1999. As a consequence Moona Plains Pastoral was originally not included in my 1992 statement and statements from 1994 through to 1999. I corrected this in a letter to the Clerk on 11 October 1999. I also declared Moona Plains Pastoral in my 2000 pecuniary interest statement. I was a director of this company when I entered Parliament in 1991. I ceased to be a director in April 1992. As a result I ceased to have a management role in relation to this company in April 1992. The circumstances surrounding the transfer of my shareholding in Moona Plains Pastoral and the implications for my pecuniary interest statements were explained at length in the Legislative Council three years ago, on 21 October 1999.

The purpose of Oceania Export and Import Company Pty Ltd was potentially export-import trading. This trading did not eventuate. During the period I had an interest in this company it did not engage in any ongoing trading activity. I was a director and secretary of this company when I entered Parliament in 1991. I ceased to be a director and secretary in April 1992. As a result I ceased to have a management role in relation to this company in April 1992, some 10½ years ago. I first declared

Oceania Export and Import Company in my 1991 primary interest statement. It was originally not included in my 1992 statement. I assume this is the same error that has occurred before by my accountants. They mistakenly believed that an interest in a company only needed to be declared if it was current at the end of the financial year. I corrected this in a letter to the Clerk on 17 September 2002.

Oceanline Constructions Pty Ltd was a construction company undertaking trading in the 1980s. From the time I entered Parliament to the dissolution of the company it did not engage in any ongoing trading activity. I was a director and secretary of this company when I entered Parliament in 1991. I ceased to be a director and secretary in March 1993 when the company was dissolved. I first declared Oceanline Constructions in my 1991 primary interest statement. I also declared it in my 1992 statement. It was originally not included in my 1993 statement for the same continuous error that this particular accountant made. He believed that an interest in a company only needed to be declared if it was current at the end of the financial year. I corrected this in a letter to the Clerk on 17 September 2002.

Olympia Group Pty Ltd owned meat chilling technology and operated a refrigeration business in Marrickville. I was never a shareholder in Olympia Group. I was made a director of this company in April 1994. I ceased to be a director in November 1994. As a result I ceased to have a management role in relation to this company in November 1994. I first declared Olympia Group Pty Ltd in my 1994 statement. It was originally not included in my 1995 statement for the very same reason. That particular accountant did not feel it necessary to include a company unless it was there at the end of that particular year. I corrected this in a letter to the Clerk on 3 September 2002.

Rainbow Pacific Pty Ltd was formed in the mid 1980s by Mr and Mrs John R. B. Sabe to develop a resort on the mid North Coast. This development never eventuated. Any actual involvement I had with that company ended well before I entered Parliament in 1991. I had never controlled this company and I had believed that either it had been wound up or my interest had formally ended. I was a director of this company when I entered Parliament in 1991, although to my knowledge there were no meetings of the board and I had performed no duties as director. My nominal status as a director of this company ended when the company ceased to exist in June 1996. I declared Rainbow Pacific Pty Ltd in a letter to the Clerk on 17 September 2002. It was originally not included in my statements from 1991 through to 1996. I corrected this in a letter to the Clerk.

The Hon. JENNIFER GARDINER: Whereabouts on the mid North Coast was that resort development hopefully to occur?

The Hon. EDDIE OBEID: In the Bonnyrigg area.

The Hon. JENNIFER GARDINER: Bonnyrigg?

The Hon. EDDIE OBEID: Somewhere around there.

The Hon. JENNIFER GARDINER: That is out near Liverpool, is it not?

The Hon. EDDIE OBEID: I am sorry, is there a Bonny Hills?

The Hon. JENNIFER GARDINER: Bonny Hills near Port Macquarie.

The Hon. EDDIE OBEID: Something like that. Redpoc Pty Ltd owns a property in Bankstown. I was a shareholder of this company when I entered Parliament in 1981. The Australian Securities and Investments Commission records indicate that I ceased to be a shareholder prior to July 1996. I was a director and secretary of this company when I entered Parliament in 1991. I ceased to be a director and secretary on 20 August 1993. As a result I ceased to have a management role in relation to this company in August 1993. I first declared Redpoc in my 1991 primary interest statement. I also declared it in my 1993, 1994, 1995, 1996, 1997 and 1998 statements. It was originally not included in my 1999 statement. I identified this in Parliament on 25 September 2002.

Riovale Pty Ltd owned an interest in a restaurant trading in Haberfield. This restaurant closed in the early 1990s. I was a director of this company when I entered Parliament in 1991. I ceased to be

a director on 15 April 1992. As a result I ceased to have a management role in relation to this company in April 1992. I first declared Riovale in my 1991 primary interest statement. It was originally not included in my 1992 statement for the very same reason that the accountants mistakenly advised that an interest in a company only needed to be declared if it was current at the end of the financial year. I corrected this in a letter to the Clerk on 17 September 2002.

It was intended that Pondzsash Pty Ltd would be part of a planned new printing business in the late 1980s which never eventuated. Pondzsash did not commence any ongoing trading activity until around 1987 or 1988 when it took out a lease on a restaurant in Broadway. I was a shareholder of this company when I entered Parliament in 1991. I ceased to be a shareholder in November 1999. I was a director of this company when I entered Parliament in 1991. I ceased to be a director in April 1992. As a result I ceased to have a management role in relation to this company in April 1992. I first declared Pondzsash Pty Ltd in my 1991 primary interest statement. I also declared it in my 1995, 1996, 1997, 1998, 1999 and 2000 statements. It was originally not included in my 1992, 1993 and 1994 statements. I corrected this in a letter to the Clerk on 9 November 1999.

Sydney Shout Pty Ltd was part of the Media Press Group. This trading ceased in the mid 1980s. Between that date and the dissolution of the company it did not engage in any ongoing trading activity. I was a director of this company when I entered Parliament in 1991. I ceased to be a director on 13 August 1993. As a result I ceased to have a management role in relation to this company in August 1993. I first declared Sydney Shout Pty Ltd in my 1991 primary interest statement. It was originally not included in my 1992, 1993 and 1994 statements. I corrected this in a letter to the Clerk on 17 September 2002.

Southpac Pty Ltd was intended to be part of a planned new printing business in the late 1980s that never eventuated. During the period I had an interest in this company it did not engage in any ongoing trading activity. I was a director of this company when I entered Parliament in 1991. I ceased to be a director on 15 April 1992. As a result I ceased to have a management role in relation to Southpac Pty Ltd in April 1992. It is worth noting that Southpac Pty Ltd was a separate company to Southpac Holdings Pty Ltd. I first declared Southpac Pty Ltd in my 1991 primary interest statement. It was originally not included in my 1992 statement, and I assume for the very same error. This accountant mistakenly believed that an interest in a company only needed to be declared if it was current at the end of the financial year. I corrected this in a letter to the Clerk on 17 September 2002.

Southpac Holdings Pty Ltd owned a property in Canterbury Road, Bankstown. I was a shareholder of this company when I entered Parliament in 1991. I ceased to be a shareholder in November 1999. I was a director of this company when I entered Parliament in 1991. I ceased to be a director on 20 August 1993. As a result I ceased to have a management role in relation to this company in August 1993. It is worth noting that Southpac Holdings Pty Ltd was a separate company to Southpac Pty Ltd. I first declared Southpac Holdings Pty Ltd in my 1991 pecuniary interests statement. I also declared it in my 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999 and 2000 statements.

In relation to South Sydney Leagues Club Ltd, I made a discretionary disclosure of my brief four-week involvement as a board member of South Sydney Leagues Club on 17 September 2002. This disclosure was not required under clause 12 of the regulation because South Sydney Leagues Club is a non-profit community-based organisation. I was not paid any money for being briefly involved in the leagues club. That completes the list.

CHAIR: There is a Stables Perisher.

The Hon. EDDIE OBEID: Stables Perisher, later known as ScobeD, leased land in connection with a proposed Perisher project. I was a director of this company when I entered Parliament in 1991. I ceased to be a director on 26 August 1993. As a result I ceased to have a management role in relation to this company in August 1993. I first declared Stables Perisher, later known as ScobeD, in my 1991 primary interest statement. I also declared it in my 1992, 1993 and 1994 statements.

CHAIR: I think you have concluded the register of all your interests in other companies. I think this is a good time to take a break until the next session. I thank the Minister for informing the Committee of all the companies.

(Luncheon adjournment)

CHAIR: Thank you very much for the list of your corporations but there is no reference in the tabled documents to Obeid Corporation which has been disclosed in a number of your pecuniary interest returns. Why is that not mentioned and could you provide similar details for Obeid Corporation?

The Hon. EDDIE OBEID: Obeid Corporation Pty Ltd manages the Obeid Family Trust. I first declared Obeid Corporation in my 1991 primary interest statement. I also declared this company in all my statements up until the year 2000. I divested myself of my shareholding in November 1999. I have not been a director of Obeid Corporation Pty Ltd since August 1993. During the 1990s I did some consultancy work for Obeid Corporation. This consultancy work has been properly recorded in all of the relevant pecuniary interest statements. There has never been a need for me to make any corrections to my pecuniary interest statements relating to the source of my income. This has always been correctly recorded. The consultancy arrangement with Obeid Corporation ended prior to my appointment as a Minister in 1999. Since I became a Minister I have had no active part in any professional practice or in any business. Obeid Corporation was not included in the table because it was not one of the companies named by the Hon. Greg Pearce in Parliament.

CHAIR: In addition to the corporations referred to by Mr Pearce and in addition to the Obeid Corporation, have you held an interest or position in any other corporation since your election as a member of the Legislative Council which has not been disclosed to date?

The Hon. EDDIE OBEID: I am not aware of anything. I have declared everything I am aware of or have been made aware of.

CHAIR: In other words, can I assume that you have made that correction to your corporations?

The Hon. EDDIE OBEID: I have, to the best of my knowledge and to the advice I have got I have.

CHAIR: Following that, are there any companies in which you have an interest or position or in which you have previously held an interest or position, which you have ever had a contract with or been a successful tenderer to a government department or certain corporations.

The Hon. EDDIE OBEID: No, Madam Chair.

CHAIR: You might want to take this on notice, this is a long one, and I read this to you, under clause 12 (1) of the Constitution (Disclosure by Members) Regulation 1983 a member is required to disclose in a primary or ordinary return certain details of any interest the member held in any corporation. The term "interest" in relation to a corporation is defined in clause 7 to mean "Available interest within the meaning of the Corporations Act 2001 of the Commonwealth in any securities issued or made available by the corporation." Section 9 of the Corporations Act provides that "relevant interests" has a meaning given by section 608 and 609 of the Corporations Act. Section 608 (1) states, inter alia, that a person has the relevant interests in securities if they have power to exercise or control the exercise of a right to vote attached to the securities. It does not matter how remote the relevant interest is or how it arises, if two or more people can join in the exercise of one of these powers each of them is taken to have the power. The power or control in relation to securities is exercised through a Trust agreement or perhaps any combination of that, that is section 608 (2). "Securities" is defined in clause 7 of the regulation to have the same meaning as it has in section 92 (1) of the Corporations Act. Under Section 92 "Securities" means (a) Debentures, stocks or bonds issued or proposed to be issued by the government, (b) shares in or debentures of the government, (c) interests in a managed investment scheme or (d) units of such shares.

This is the question, in the period covered by your 2002 return did you have power to exercise or control the exercise of a right to vote attached to any (1) debentures, stocks or bonds issued or proposed to be issued by the government, (2) shares in or debentures of a body, (3) interests in a managed investment scheme or (4) units of such shares?

The second question is were you a trustee of any Trust which had the power to exercise or control such a right to vote?

The Hon. JOHN HATZISTERGOS: I do not understand that question. I think it is important that we understand it as much as the person answering it.

CHAIR: We are talking about trusts.

The Hon. EDDIE OBEID: Does that include the superannuation trust which we all belong to, the Parliamentary Superannuation Trust?

CHAIR: If you have a family Trust and you are the trustee, that has to be disclosed because it belongs to the interest in securities. The last question in relation to this particular question is did you have the power to appoint or remove the trustee of any Trust which had the power to exercise or control such a right?

The Hon. EDDIE OBEID: Madam Chair, I have nothing to add more than what I have declared in my pecuniary interests for 2002. If you go one by one with all those bonds and government guarantees, the answer is no. To all that you mentioned the answer is no, I have got nothing further to add other than what is stated in my pecuniary interests for 2002.

CHAIR: What is your understanding of the meaning of "wilfully contravene section 48 (2) of the Constitution Act 1902"?

The Hon. EDDIE OBEID: My belief, in simplistic terms, is I have to have willingly known that I was not declaring something that should have been declared in my pecuniary interests.

CHAIR: Mr Pearce in his submission identifies numerous mistakes in your pecuniary interests returns over the years. Can you assure the Committee that none of these mistakes were deliberate or wilful?

The Hon. EDDIE OBEID: Madam Chair, I acknowledge mistakes were made. I acknowledge errors were made. I have attempted to correct them upon the advice I got at the time when I got it and I can only say that I am not blaming anyone for this, I have taken full responsibility for that and, as I am made aware of any issue in relation to my pecuniary interests I declare it to the Clerk.

The Hon. PATRICIA FORSYTHE: Just to be absolutely clear, Minister, could you clarify again what you said this morning about taking no active interest in any of the companies? You mean that companies listed by Mr Pearce, the companies where you have made omissions, or all of the companies, and for what period of time?

The Hon. EDDIE OBEID: I have not given a lengthy list of all of those companies named by Mr Pearce. I have indicated the times I was a director, the times I was a shareholder, and the times there was no ongoing trading, and I have indicated the relevant time of when I was not involved in any management aspect of that, or decision-making aspect of that company. If you want to nominate a particular one I am more than happy to go over it and clarify that for you.

The Hon. PATRICIA FORSYTHE: I will just take it a bit further. In the period since you have been a Minister, since 1999 until today, are there any companies in which you have an active interest?

The Hon. EDDIE OBEID: Since I have been a Minister?

The Hon. PATRICIA FORSYTHE: Yes.

The Hon. EDDIE OBEID: Only in accordance with what I have declared in my pecuniary interests. South Sydney Leagues Club was in the period that I was a Minister, South Sydney Football Club which I have nominated them individually in the information that I gave to the Committee before lunch.

The Hon. PATRICIA FORSYTHE: At various times since you have become a member of Parliament your wealth, or alleged wealth, has been the subject of media comment, media speculation.

The Hon. JOHN HATZISTERGOS: That is a bit out of order.

The Hon. PATRICIA FORSYTHE: I have not finished yet. As at today can you say whether you take an active involvement in any company making decisions about your assets?

The Hon. EDDIE OBEID: Let me first say this, my exaggerated wealth in accordance with the *Sydney Morning Herald* would inflate anyone's ego and I wish I had 10 per cent of that. But, nevertheless, I have not been involved—in the time since I have been a Minister, is that what you are saying?

The Hon. PATRICIA FORSYTHE: Yes.

The Hon. EDDIE OBEID: I have not been involved in any of the businesses since I have been a Minister, in accordance with your question.

The Hon. PATRICIA FORSYTHE: And in the period 1995 to 1999?

The Hon. EDDIE OBEID: I can only go back and repeat, I have named individual companies one by one, told you exactly. If you can pinpoint some company I will clarify it but a broad statement is, I was director for a few years in certain companies and then I relieved my interest as a director and quite obviously you do not then become part of any decision-making or any management but if you name a particular company I will specifically address that.

The Hon. PATRICIA FORSYTHE: Have you ever received a distribution from any of the trusts that you have listed in your pecuniary interests statement?

The Hon. EDDIE OBEID: No.

The Hon. PATRICIA FORSYTHE: Not any of them?

The Hon. EDDIE OBEID: I have declared my income from Obeid Corporation for the period I did and my income has never been a source of questioning as far as my pecuniary interests are concerned.

The Hon. JENNIFER GARDINER: Could I just clarify with respect to active involvement in companies since you were elected as a member of Parliament? In particular, say, Media Corporation. You were involved, I think, in a court action against Mr Ian Ferrier as recently as February 1999 in which you made a statement that "I am a member of the Legislative Council of New South Wales" and you went on to describe what you did as the managing director of Media Press Pty Ltd, Media Press Sales and Media Typesetters until your retirement as a director in 1992. You said that in that role you were "responsible for the overall strategy of the companies, hiring and firing staff, seeking new clients, entering into contracts with clients and arranging credit and payment terms. Any changes to the terms under which our clients traded with Media Press group had to be approved by me. I was aware of the terms of trade of each of the group's clients directly involved".

The Hon. EDDIE OBEID: You are mixing up things because that was not Media Corporation. Media Corporation was a public company that was a shell, it did not trade; it only anticipated if the Media group went into public ownership, that it would be the vehicle that would take it. You are referring to the Media group which was sold in 1986 and Mr Ferrier happens to be a guarantor for one of those clients before 1986 and he failed to pay that guarantee and, as the course of action, litigation was taken against him many years before 1986, and it kept drawing out and drawing

out, I think, for about 10 years but eventually I was the witness. Whilst those companies were not active or did not have any ongoing business, I was still the witness from the past that had to give evidence against him failing to honour a guarantee that he gave in writing for a client that never paid his bill.

The Hon. JENNIFER GARDINER: But you signed a statement that said you were the managing director.

The Hon. EDDIE OBEID: This was for the media press group that sold its business back in 1986.

The Hon. JENNIFER GARDINER: You said, "I was the managing director until my retirement as a director in 1992."

The Hon. EDDIE OBEID: But the business ceased. The assets were sold, the business was sold, it was a company that even changed its name to Garners Avenue 1, 2 and 3, because the media name was sold with the business. So, you had companies that were shelves but there was an ongoing litigation against this particular person, this client that he guaranteed, and I was the witness in that. Any statements to that effect would have been made on the basis that the media group was operating. That was my function, and that ceased in 1986.

The Hon. JENNIFER GARDINER: So, why did you make the statement that you were involved?

The Hon. EDDIE OBEID: I think you are taking the statement out of context, because you are referring to the media group, which was the operating arm of the companies, and that is typesetting, printing and sales. They were the ones that took action against Mr Ferrier's client with Mr Ferrier's guarantee. That business ceased in 1986. There is no more printery, there is no more media press, it all went to the *Herald and Weekly Times*, but the litigation continued to come to an end result which ended up with Mr Ferrier paying up. He did not like it, but he paid up.

The Hon. PATRICIA FORSYTHE: Do you have any influence or interest in business decisions by any of companies formerly associated with you?

The Hon. EDDIE OBEID: You direct me to any particular company you want me to address. This is about companies that have been listed by Mr Greg Pearce, questioning how I accounted for them in my pecuniary interests. You give me any particular company you want and I will address that. But I do not think you can ask me such sweeping statements without specifically narrowing it down to particulars with a company, and I will address that point by point. This is what I am here for, to address everything that the Committee wants to ask me, but it has to be about my pecuniary interests.

The Hon. PATRICIA FORSYTHE: It is.

The Hon. EDDIE OBEID: You name me the company.

The Hon. PATRICIA FORSYTHE: No, I am not making an allegation. I am asking you a question, and that is do you have any influence or interest in business decisions by any of companies formerly associated with you?

The Hon. EDDIE OBEID: I do not.

The Hon. PATRICIA FORSYTHE: It is a very simple answer, then, is it not?

The Hon. EDDIE OBEID: But if I allow you, every time you want to ask me a sweeping question—I have notes here, I have articulated all my involvement, and for the benefit of all other members I would like to answer a specific question to the best of my ability.

The Hon. PATRICIA FORSYTHE: Can I ask you about some of those companies, not all of them.

The Hon. EDDIE OBEID: Yes, go ahead.

The Hon. PATRICIA FORSYTHE: You have three companies listed—15 Garners Avenue, Nos 1, 2 and 3?

The Hon. EDDIE OBEID: Yes.

The Hon. PATRICIA FORSYTHE: How do you explain the discrepancy in the declaring of 15 Garners Avenue Nos 1 and 2 in 1995, 1996, 1997 and 1998, but not No. 3? If this is correct in respect of all three of them, you resigned as a director on the same date and you lodged with ASIC your shareholding at the same time.

The Hon. EDDIE OBEID: Let me go over it. Garners Avenue Nos 1, 2 and 3 were all part of the media group. I had different functions. I indicated that to the Committee. As to Garners Avenue No. 3, which is media typesetters, I cannot answer on the advice that I was given, because each year I made arrangements for professional accountants to undertake the necessary corporate searches and identify all the companies that my name was associated with. I assumed this was the most effective way of ensuring that all the necessary details were included in my pecuniary interests statement. Quite obviously it is now apparent that this process led to errors being made, and I have corrected all these errors in my pecuniary interests. So, it is one of the errors that has been made and that I have acknowledged but, as I said, the business Media Typesetters Pty Ltd was sold in 1986 and it changed its name, the shelf company, to 15 Garners Avenue No. 3 and it has not had any ongoing trading activity since 1986 and it did not have any while I was still there as a director or shareholder, which was from 1991 to 1994. I remained a shareholder from 1991 to 2000. I think the interest was divested in November 1999.

The Hon. PATRICIA FORSYTHE: Did you ever read the annexures to your pecuniary interests which you said this morning had been prepared by your accountant before you submitted them?

The Hon. EDDIE OBEID: I am sure even you will agree that with the variety of attempted interests and issues that we were involved with in a 30-year period in business, there were so many of them and they were intertwined. It was important to make sure it was professionally done. I was not going to rely upon myself to do hours and hours of research and try to put things together. It was up to the relevant accountants of the day, who had all the information, and that was what their job was, to do the searches and give me a list, which I accepted as the professional effort of that particular accountant, and I used that. That is how the process worked for me.

The Hon. PATRICIA FORSYTHE: If you work through the extract that has been provided to us, and indeed confirmed by your own submission this morning, there is a list of companies. It would seem that you resigned from about 12 companies at the same time in April 1992—at least that is the date in the ASIC extract. But you acknowledge a shareholding in five of those companies at the same time. Given the activity in these companies in 1992, that must have been familiar to you when you forwarded your pecuniary interests. Did you check?

The Hon. EDDIE OBEID: Let me stop you there. You tell me which are the ones that were active in 1992. Let us go through them one by one. If you want to go through all those companies I resigned from as a director in 1992, we can go through them again and decide which was active and which was not active.

The Hon. PATRICIA FORSYTHE: Did you resign in writing?

The Hon. EDDIE OBEID: Of course. It was the accountants who prepared the documentation which I signed off.

The Hon. PATRICIA FORSYTHE: It is not a question of whether the company is active, it is whether you were being proactive in your own duties as a director or shareholder. Would you have lodged with ASIC returns for these companies?

The Hon. EDDIE OBEID: I do not lodge with ASIC. The accountant lodges with ASIC. It is the duty of the accountant to prepare the documents and for me to sign them, and they will be lodged by the accountant. That is what his job is.

The Hon. AMANDA FAZIO: We are looking at pecuniary interests. We are not looking at whether Mr Obeid may have discharged his duties as a director.

The Hon. PATRICIA FORSYTHE: Can I go through a couple more of the companies?

The Hon. EDDIE OBEID: Certainly.

The Hon. PATRICIA FORSYTHE: Brinba, which is renamed Maxicon?

The Hon. EDDIE OBEID: Yes.

The Hon. PATRICIA FORSYTHE: As you included this in your 1991 return, why did it not come to your attention until this year when you notified the Clerk that it had been omitted from your 1992 return?

The Hon. EDDIE OBEID: As I explained in my brief before lunch, I ceased to be a director in Brinba on 6 April 1992. I had no further management role in relation to that company from April 1992. I have already stated that I had not engaged in any ongoing trading activity while I had an interest in it. It was one of those companies that the accountant at the time felt that if I had got out of it in April 1992, it was not necessary to report on 30 September. That was a series of mistakes that was made for the 1992 year, and I read them out one by one. That was one of them. That is the only explanation I can offer you. Most importantly, I had no ongoing trading activity while I had an interest in it.

The Hon. PATRICIA FORSYTHE: Are you aware that the ASIC extract show you were a shareholder until 6 January 1993, in which case it should have been recorded in your 1993 pecuniary interests?

The Hon. EDDIE OBEID: As I said, it is one of those companies that I fully explained. If you want me, I will explain it again. It was declared in the 1991 pecuniary interests and I ceased to be a director in 1992, April 1992. In accordance with my list, if you look at it there, in the 1992 year the interest divested prior to July 1993. So, I think you might have made a mistake there, saying that I continued as a shareholder. It appears from this schedule that I was a director and shareholder for those two years, 1991 and 1992, and I believe they were declared.

The Hon. PATRICIA FORSYTHE: Minister, you have made a number of corrections, and I have not finished going through the companies yet, at different times when you became aware of omissions. At any stage did you ask your accountants to do a full review of all of the companies of which you had either a shareholding or a directorship so that you could satisfy yourself that all of them had been included in your pecuniary interests?

The Hon. EDDIE OBEID: Each year that was the instruction, a full review. You do not want to half do a job. A full review by the then accountant to give me a list of all companies or organisation's I had an interest in. That was the actual request and that was what the professional accountant was paid for.

The Hon. JENNIFER GARDINER: Was that in writing?

The Hon. EDDIE OBEID: That is not part of my pecuniary interests statement. If you want to ask me a question about my pecuniary interests, that is fine. You are talking about issues 10 years ago or 12 years ago. I am happy to answer specifics, but if you ask me wide, encompassing questions, obviously I am not going to try to recall things of 10 or 12 years ago.

The Hon. JENNIFER GARDINER: This morning you specifically mentioned one instruction to your accountants, which was a verbal instruction.

The Hon. EDDIE OBEID: Which was that, for which company was that?

The Hon. JENNIFER GARDINER: I cannot remember.

The Hon. EDDIE OBEID: If you cannot remember what you asked me this morning, how do you want me to remember 10 years ago?

The Hon. JENNIFER GARDINER: You said to the Committee that you had given one set of instructions verbally. I am wondering whether all the other instructions were in writing and, if so, can you provide them to the Committee?

The Hon. EDDIE OBEID: Unless you can refer to what this instruction was for that was a verbal—

The Hon. JENNIFER GARDINER: You said in your return to the Clerk that the accountants were instructed and they failed to do this. Can you give those instructions to this Committee?

The Hon. EDDIE OBEID: As I am advised, the only one I referred to verbally was my resignation from Jetset Constructions back in 1984. So, your question indicates that I was asking the verbally for everything and anything. That is not true. That is why I asked you to refer to exactly where I referred to a verbal request. Yes, I verbally resigned from Jetset Constructions back in 1984, some 18 years ago. That is as far as it went and apparently they kept this company—I was a minority shareholder in it—going. It did not trade to my knowledge and I was never called to a board meeting or a director's meeting. As far as I was concerned that was the end of my association with them.

The Hon. JENNIFER GARDINER: Can you give us a copy of the resignation and transfer of shares where they are relevant to your declaration of pecuniary interests? Can you do that?

The Hon. EDDIE OBEID: I have given you a list of all the companies, of my involvement in them year by year as a director and as a shareholder, and that has been available to the Committee.

The Hon. JENNIFER GARDINER: So, you will not provide that instruction?

The Hon. EDDIE OBEID: You are not asking me anything relevant as to whether I willingly included or excluded, and the circumstances about the pecuniary interests items that the Hon. Greg Pearce has mentioned. You are asking me to remember things from 10, 12 or sometimes 30 years ago.

The Hon. JENNIFER GARDINER: I am happy for you to go away and bring them back.

The Hon. EDDIE OBEID: I am happy to say that this is the table of the companies, the times I was a director, the times I was a shareholder. If you want to ask me anything relevant about these particular companies in detail, I am happy to answer that. You have got to understand that once you vacate the directorship of these companies—and predominantly in 1992—you are not in control or you are not a custodian of any further records. You have got no more involvement.

Reverend the Hon. FRED NILE: Mr Obeid, I want to clarify something you said earlier about the meaning of "wilfully omitted" information. It can be assumed that "wilfully omitted" suggests that it is being done to conceal something—to conceal some benefit that you are receiving by being a director or shareholder. So it is not simply the omission by accident or error and so on. In your primary return you listed 22 different corporations. Some of the criticism of you says that one of those companies may not have been shown in 1992. But the principle of actually revealing the names of companies you have fulfilled. You certainly listed 22 of them in the primary return. It can hardly be a wilful omission if in the next year you did not include it, because anyone could see, could check the two.

The Hon. EDDIE OBEID: I am glad Reverend the Hon. Fred Nile goes down that path. If I were to adopt the principle both Opposition members are quoting—I had them on file in 1991, which was probably the best time that they were all declared—

The Hon. PATRICIA FORSYTHE: Most.

The Hon. EDDIE OBEID: Yes, fine, the five that I had long gotten rid of and was a majority shareholder and forgotten, fine. But why would I not just duplicate that for 1992 if I had not been given it to an accountant to advise me on the exact position I held in those companies? It does not stand for two reasons. There is no motive. There is no hiding of any participation or interest in any of these companies. I have had no benefit from them. I have made that quite clear to the House. I make it quite clear now. My income has never been questioned. My sources of income have never been questioned. It is error after error and I have acknowledged that and I have accepted responsibility for that. But I must say: never did I willingly or knowingly know that I was a participant in a company and failed—because there was no advantage to me; it was just a disadvantage and, as it turns out, you know, it is not a very pleasant situation.

Reverend the Hon. FRED NILE: Just to follow that point up, you obviously, as you realised there were omissions, then added these extra reports or statements to the Clerk, which you assumed you could do. Are you aware that there are at least 16 other members of the upper House, let alone the assembly, who have made those additional disclosures over a period of years?

The Hon. EDDIE OBEID: No. The answer to that, Reverend the Hon. Fred Nile, is no, I am not aware. I have not been watching over my shoulders what other people have been doing. I have a business life spanning over 35 years. What you see now is participation and encompassing those 35 years in this activity. I have to the best of my ability, with information available to me, put it all on the table. Whenever I was made aware—and there is no advantage whatsoever for me to hide anything or not declare anything because there is no benefit and it would be rather silly knowing something that you had an interest in and not declaring it because there is no advantage to you—no advantage to me, at least.

Reverend the Hon. FRED NILE: So you assumed, because obviously other people were doing it, that it was a legitimate procedure to have these additional disclosures even though they are not covered by our parliamentary law?

The Hon. EDDIE OBEID: Amazing enough, I did look at pecuniary interests of other members but I noticed there was a disclaimer on most of the members' pecuniary interests which quite obviously said that this is what they are aware of; if they are made aware of anything during the year they would declare it. And I put in a disclaimer to that effect too—copied it off one of the other disclaimers. So I was aware that if anything popped up by the accountant or some lawyer that brought me any information I would certainly do what I believe others were doing and that was to straight away write to the Clerk and get it put on the record.

Reverend the Hon. FRED NILE: So even though it was not covered by legislation it had become custom of members to do that, convention?

The Hon. EDDIE OBEID: I believe that was normal for members to do if they inadvertently were not aware of something at the time of filling that pecuniary interest—they were later. The honest thing to do was to declare it. If the system changes, if this Committee advocates something else, I and everyone else would have to abide by that.

The Hon. PATRICIA FORSYTHE: I would like to return to a couple more of the companies, first, Cecourt. It would seem that you made a correction to the Clerk on 17 September but did not advise on this omission until 25 September. How did this one come to your attention?

The Hon. EDDIE OBEID: As I said, I was a director of this company when I entered Parliament in 1991. I ceased to be a director on 20 August 1993. As a result I ceased to have any management role in relation to this company since August 1993. I first declared Cecourt in my 1991 primary interest statement. I also declared it in 1993—which means 1992 is not there—93,94, 95, 96,97, 98. It was originally not included in my 1992 statement and I identified this in Parliament on 25 September 2002. So it has been declared in all those years except 1992. And when that was identified we notified the Parliament on 25 September 2002.

The Hon. PATRICIA FORSYTHE: Did it occur to you before you lodged your letter with the Clerk on 17 September to check whether there were any other omissions from that year?

The Hon. EDDIE OBEID: As I said, there are so many companies there that it would be amiss of me trying to put all that together. You request the accountant who is handling the affairs of those companies. You ask him to make a list. You get the list. I do not sit down spending my time trying to correct his list, because I am not armed with the information, nor the searches, nor whatever effort he has put in. So I accept—

The Hon. PATRICIA FORSYTHE: Is it not your responsibility as a member?

The Hon. EDDIE OBEID: Yes, of course. I have acknowledged that. I have acknowledged that the errors were made. I am responsible, I am accountable. I have corrected them whenever I was made aware. But I was not going to do the job of an accountant, especially when you—

The Hon. PATRICIA FORSYTHE: When are you going to do the job of a member of Parliament?

The Hon. EDDIE OBEID: Maybe you should suggest that to all members of Parliament, that you are not entitled to update your pecuniary interests if you are made aware of something new. If that is the rule for everyone, fine, I will be like everyone else and not allowed to update my pecuniary interest, and let us work out then what the next step is you do, because it is something that should be for everyone rather than be very selective about my admission and accepting of responsibility of those errors. I have accepted those responsibilities.

The Hon. JENNIFER GARDINER: You were told that repeatedly by the Clerk and you still kept doing it.

The Hon. EDDIE OBEID: Your questioning—you are trying to quote what the Clerk said to me and I said to him. As a matter of fact, I have never spoken to the Clerk about it. It was always in writing addressed to the Clerk. Now if you want to hearsay the Clerk that is up to you. But I am not prepared to verbal the Clerk. I have never communicated directly with the Clerks. I write to them it and it is there on the record.

The Hon. PATRICIA FORSYTHE: You say in your submission that Hafomo owned land in Garners Avenue, Marrickville.

The Hon. EDDIE OBEID: Yes.

The Hon. PATRICIA FORSYTHE: Is that the same land that you say was sold by 15 Garners Avenue in 1986?

The Hon. EDDIE OBEID: No.

The Hon. PATRICIA FORSYTHE: So it is other land?

The Hon. EDDIE OBEID: This was a house just a few doors up.

The Hon. PATRICIA FORSYTHE: Is that 7 Garners Avenue?

The Hon. EDDIE OBEID: No, that is 15 Garners Avenue.

The Hon. PATRICIA FORSYTHE: No, the house a few doors further up?

The Hon. EDDIE OBEID: No. The house was 15 Garners Avenue and the Media press group were in 1 to 7—I think 1 to 9 it was—Garners Avenue. That is what was sold.

The Hon. PATRICIA FORSYTHE: You have said that you would have basically had no conflict, no business interests at any time when that company was registered. Did you ever lodge any development applications in relation to land that it owned in Garners Avenue?

The Hon. EDDIE OBEID: I will go back and repeat to you that I declared my interest in Hafomo. It was originally not included in my statements of 1992 through to 1995. I corrected this in a letter to the Clerk on 19 November 1991. I was a director of Hafomo when I entered Parliament in 1991 and I ceased to be a director of Hafomo on 15 April 1992. So if you are suggesting—

The Hon. PATRICIA FORSYTHE: But you are a shareholder?

The Hon. EDDIE OBEID: Yes, but shareholders are not necessarily informed of everything management does. I cannot recall who put in the development application but to the best of my recollection it was Maxicon that eventually did the project. I do not know whether they put it in or not.

The Hon. PATRICIA FORSYTHE: How can you say categorically that you have never had any conflicts of interest, particularly conflict of interest, if this is a company that has been engaged in some activities?

The Hon. EDDIE OBEID: I said my directorship of that company ceased on 15 April 1992 and from there on—

The Hon. PATRICIA FORSYTHE: But you were a shareholder.

The Hon. EDDIE OBEID: A shareholder does not have responsibility for the management.

The Hon. PATRICIA FORSYTHE: Were you a minority shareholder in that company?

The Hon. EDDIE OBEID: I do not recall but to the best of my knowledge—I do not recall, sincerely. I do not recall. I think it was one of those nominal shares. I think the majority of shares were held by another organisation.

The Hon. PATRICIA FORSYTHE: Can I just clarify about Jetset Constructions? You said this morning that you believed that you had verbally resigned around 1984.

The Hon. EDDIE OBEID: Yes.

The Hon. PATRICIA FORSYTHE: Is the fact that it is a verbal resignation an explanation for why the asset register shows that you were still secretary-director until February 1992?

The Hon. EDDIE OBEID: As I said, I attended a directors meeting back in 1984 and I decided there and then I did not want any more part of it. I had a 25 per cent interest in it and from then on I had no association with the directors or that company; nor was I aware of what they did with it. But I do not believe it traded after then.

The Hon. PATRICIA FORSYTHE: Your director's address when you were a director was given as 7 Garners Avenue.

The Hon. EDDIE OBEID: Yes, but that is 1 to 9.

The Hon. PATRICIA FORSYTHE: That is what?

The Hon. EDDIE OBEID: The official address is 1 to 9. That is the block it covers. So sometimes for convenience sake for people you put a middle number there, 5 or 7, and they opted for the lucky number 7. So it is 1 to 9 really—1 dash 9. It covered a number of blocks. So they are entitled to use 7 if they want to.

The Hon. PATRICIA FORSYTHE: In relation to Linkban—I am just working through some of the companies here and I may come back later to it—you state in your written submission that the reason that the company was omitted from your returns from 1992 to 1999 was that former accountants did not process a request to transfer your single shareholding to another person. Is it a fact that you were a director of the company until 1992—not shareholding but a director—and on that ground alone you should have included it in your 1992 return?

The Hon. EDDIE OBEID: As I said earlier this morning, I divested myself of this share in 1992. However, this was not processed until 1999. I was a director of this company when I entered Parliament in 1991 and I ceased to be a director in April 1992. So what is specifically your question? I ceased being a director in April 1992.

The Hon. PATRICIA FORSYTHE: My specific question is: You have given us the reason that it did not make it into your pecuniary interest declarations between 1992 and 1999 because you had asked your former accountants to process a request for a share transfer. What I am saying to you is that in 1992 you were in fact a director, still a director, and on that ground alone you should have sought to include it in the 1992 pecuniary interest.

Reverend the Hon. FRED NILE: Is it a fact, Mr Obeid, that you did declare it in 1991?

The Hon. EDDIE OBEID: Yes.

Reverend the Hon. FRED NILE: So we are back to the question of wilful emission of material.

The Hon. EDDIE OBEID: Yes, but I have declared that I was a director in accordance with the records of the schedule I have tabled to the Committee. I declared I was a director and shareholder in 1991 and 1992.

The Hon. PATRICIA FORSYTHE: I will quote from your written submission, to make it clear.

The Hon. EDDIE OBEID: Have a look at the chart.

The Hon. PATRICIA FORSYTHE: I can see it quite clearly. But what you first put to the Committee was that you first declared Linkban in the 1991 primary return and declared it in 2000. You then say "Former accountants did not process the request to transfer Mr Obeid's single shareholding to another person". As a consequence Linkban was originally not included in 1992 to 1999. This was corrected in a letter to the Clerk on 11 October 1999. The company was the publisher of *El Telegraph*. Leaving aside the transfer of the share that you believed you asked your former accountants to do, were you still a director of the company in 1992? On that ground alone you should have sought to declare it in 1992. It is not a question of transferring the shareholding, you were a director.

The Hon. EDDIE OBEID: I have provided a chart which shows that clearly I was a director in 1991 and 1992. That is what the chart shows.

The Hon. PATRICIA FORSYTHE: I am relying on your submission. You tried to say that the basis for you omitting Linkban between 1992 and 1999 was—

The Hon. EDDIE OBEID: Between 1992 and 1999, which is 1993 to 1999.

The Hon. PATRICIA FORSYTHE: But you have said that as a consequence Linkban was originally not included.

The Hon. EDDIE OBEID: Let us get this straight. You are saying "between 1992 and 1999", that starts in 1993, it does not start in 1992, because I had already declared in 1992. So we are talking about 1993 to 1999, I omitted to declare my shareholding because my accountant was asked to transfer that share and he had not done it until 1999. When I was made aware of it I declared it, in 2000.

The Hon. PATRICIA FORSYTHE: Let me make it clear. You said that you first declared it in your 1991 primary return. You said you also declared it in 2000. It would seem to me that somewhere between 1991 and 2000 it was not declared. You give that as the reason that you asked the former accountants to process it, and they had not processed the request to transfer a single shareholding. In 1992, regardless of any transfer of shares, that might be an explanation for you as

shareholder, but you were still a director in 1992. On that ground alone you should have declared Linkban. You cannot use the excuse of the accountants.

The Hon. EDDIE OBEID: You have not listened to my explanations that I went through for an hour this morning.

The Hon. PATRICIA FORSYTHE: I certainly did.

The Hon. EDDIE OBEID: I have said that I resigned as a director from Linkban on 15 April 1992. Then the accountant, as he has done with so many companies in 1992, because I was not there on 30 September 1992, felt it should not be in the list. It was one of those companies that if I had left the directorship during the year 1992, the accountant decided, as he did with many other companies, not to include it in the list, because it was part of the year. When we picked that up he corrected it.

The Hon. PATRICIA FORSYTHE: Minister, you have used as your justification that "Former accountants did not process a request to transfer Mr Obeid's single shareholding to another person". That is the explanation you have given for omitting Linkban between 1992 and 1999. Based on your explanation, you cannot explain the omission for 1992 on the non-processing of a request for a transfer of the shareholding, because you were still a director. You should have declared it that year as a director. If as you say the accountant did not know what happened when it got to 30 June, that is still not an explanation.

The Hon. EDDIE OBEID: It is an explanation because the instructions were to vacate the directorship which happened on 15 April, and to transfer the share. Quite obviously the directorship happened on 15.4.92 so by 30 September the accountant felt justified to not include it because I was not a director as at the 30th. As to the shareholding, quite obviously it had not been processed as requested in 1992 and it kept going until 1999. When it was picked up in 1999 it was also picked up that I had to declare if I was a director for part of the year, and I should have declared it for the end of the year. They were both included in that year because the mistakes were found. Madam Chair, I think I have answered this sufficiently. It will not get any better, because that is exactly what happened.

The Hon. PATRICIA FORSYTHE: I refer to Moona Plains Pastoral Pty Ltd. In your explanation you said that you first declared it in the 1991 primary return and you declared it in 1993 and 2000. Then you said, "Former accountants did not process a request to transfer Mr Obeid's single shareholding to another person". When was that request made?

The Hon. EDDIE OBEID: It would have been made at that time.

The Hon. PATRICIA FORSYTHE: Therefore, can you explain how he managed to include it in your 1991, 1993 and 2000 declarations?

The Hon. EDDIE OBEID: In accordance with the chart, I was a director in 1991 and 1992. I divested my share in 1992; however that was not processed until 1999. You are putting the same argument.

The Hon. PATRICIA FORSYTHE: Why did you include it in 1993?

The Hon. EDDIE OBEID: Was it included in 1993?

The Hon. PATRICIA FORSYTHE: You have stated that in your written submission.

The Hon. EDDIE OBEID: The chart will show you that I was not a director in 1993. If you are asking me what is in the submission and what is in the chart, I suggest you look at the chart and you will see that I was a director in 1991 and 1992 and I was a shareholder in 1993, but not a director.

The Hon. PATRICIA FORSYTHE: You have given the explanation that it was omitted for a number of years, and not included in 1992 and the years from 1994 to 1999, because it was a consequence of the former accountants "not processing a request to transfer Mr Obeid's single shareholding". How did you manage to include it in 1993 if you thought it had been the subject of a transfer?

The Hon. EDDIE OBEID: This is part of the pattern of vacating directorships on 15.4.92 and the accountant not including me at the end of September as having a pecuniary interest note. This is a series. It is very important to go back and emphasise that each year I made arrangements with professional accountants to undertake the necessary corporate searches and identify all the companies with which my name was associated. That is what I was given at the time. I did not assume that they would be incorrect. I assumed that they would have been interpreted correctly, as they should be. They would have had a copy of the pecuniary interest, each year it is sent to them. I have adopted that process all through the years. As far as I am concerned, I have accepted that an error was made. It was corrected when another accountant picked up that that was not the way it should have been declared. We corrected it all.

Reverend the Hon. FRED NILE: You cannot be accused of wilfully including material can you?

The Hon. PATRICIA FORSYTHE: No, I am not trying to do that. I am trying to understand the explanation that the Minister has given for why some companies were omitted.

The Hon. EDDIE OBEID: We are not talking about companies that have been omitted. We are talking about me and whether I was involved with them. From this morning I have been saying that the accountant at that time, if I was only a director or shareholder for part of the year, felt he did not have to list it if I was not there as at 30 September. That is where the mistake was made. That error has been corrected. It probably was not picked up until 1999 when we had a new accountant who went over everything, and it was corrected. That is as far as it goes. I cannot change that, but there was no intention of wilfully not putting this on my pecuniary interest, because there was no advantage in not putting it on.

The Hon. PATRICIA FORSYTHE: Was 1999 the year you asked the accountants to check back all the statements?

The Hon. EDDIE OBEID: I do not want to apportion blame on any accountant I have had in the past. That is not what this is about. I believe that the person who was responsible in that period was very thorough and meticulous, and did his job well.

The Hon. PATRICIA FORSYTHE: When did you become aware that a pecuniary interest declaration required you to list all companies with which you were involved during the previous financial year?

The Hon. EDDIE OBEID: I did not pay much attention to it. I accepted the advice I got that if I was there for only part of the year I did not have to list it. I did not question that, there were so many of them I was not about to go and scrutinise each one. I accepted that a professional accountant would have a copy of the pecuniary interest form and I sent him all the material that was necessary in case there were changes that year. He would do the searches based on that return and hand them to me and I would lodge them as they were.

The Hon. PATRICIA FORSYTHE: How many corrections have you made this year?

The Hon. EDDIE OBEID: Madam Chair, that is on the record. It has been well canvassed.

CHAIR: You mentioned Moona Plains Pastoral Ltd, you said you declared it in 1993 to 2000 and there was a mention of Judith Obeid for 1994 by the Hon. Greg Pearce. Can you explain that?

The Hon. EDDIE OBEID: Could you repeat the question?

CHAIR: In your early submission you mentioned Moona Plains and said that you had shares all the way through. In your original submission you declared that in 1991, 1993 and 2000. Can you explain why there was a court order for liquidation of that company in 1994?

The Hon. EDDIE OBEID: Both Moona Plains and Keltham were in the one group, one ownership, between my family and another family. There was an assignment of a mortgage to me on 4.3.94. That was reassigned on 17.4.94 because the guarantee for that was paid out by a member of the family and they had the mortgage assigned to them.

CHAIR: Moona Plains is not liquidated?

The Hon. EDDIE OBEID: Moona Plains Pastoral Pty Ltd has been liquidated, and so has Keltham.

CHAIR: So how could you have had shares right through until 1999?

The Hon. EDDIE OBEID: That is one of the ironies. This is the record. I cannot explain why they were there for all that period, because that was liquidated. It is true that the liquidation took place around 1994 and still today, eight years down the track, the liquidator has not completed his report. He has done a draft report for Keltham and we will have the final report in the very near future, hopefully.

CHAIR: In your 2002 return there is no corporation. This should still be a corporation in that return because it has not been liquidated.

The Hon. EDDIE OBEID: But you must understand that as far as Linkban and Moona Plains Pastoral are concerned, I have clearly told this Committee that my instructions were to transfer my share back in 1992 out of those companies. They were not processed until 1999. For all intents and purposes, I should not have been a shareholder.

The Hon. JENNIFER GARDINER: Is it not in your interests to let the Committee know how that direction to transfer was communicated?

The Hon. EDDIE OBEID: It would have been communicated in a similar fashion to the relinquishing of the directorship.

The Hon. JENNIFER GARDINER: In writing?

The Hon. EDDIE OBEID: I did get out as a director, but quite obviously I did not get out as a shareholder because of a failure to carry out the instructions as indicated.

Reverend the Hon. FRED NILE: You have reported it in your pecuniary interests declaration. I cannot see the point. You are now being accused of including things.

The Hon. EDDIE OBEID: I am here to answer any question, within reason, about my pecuniary interests.

The Hon. AMANDA FAZIO: The Chair's questions suggest that she is under the impression that you did not divest your interests in those two companies in 1999. Can you confirm that you no longer have an interest in those companies?

The Hon. EDDIE OBEID: I no longer have an interest; I have divested my interest. My instructions in 1992 were to divest my interests in those two companies and many other companies. However, that was not carried out for Linkban Pty Ltd and Moona Plains Pastoral Pty Ltd.

Reverend the Hon. FRED NILE: The honourable member's line of the questions seems to be designed to prove that the Minister was inefficient.

CHAIR: That is not in the terms of reference.

The Hon. AMANDA FAZIO: Performance as a director is not an issue.

The Hon. JENNIFER GARDINER: This morning you were sworn in your capacity as a Minister of the Crown. Have you filed with the Premier a separate register of pecuniary interests as required under the ministerial code of conduct?

The Hon. EDDIE OBEID: Yes.

The Hon. JENNIFER GARDINER: Does that differ in any way from the register we are examining?

The Hon. EDDIE OBEID: You are talking about from 1999 onwards.

The Hon. JENNIFER GARDINER: That is correct. Would you be prepared to provide a copy of that?

The Hon. EDDIE OBEID: It does not differ.

The Hon. JENNIFER GARDINER: Is it exactly the same?

The Hon. EDDIE OBEID: It is exactly what I have given the Committee from 1999 onwards. That is what I gave to the Premier as is normal for any Minister.

The Hon. JENNIFER GARDINER: Can you provide that to the Committee?

The Hon. EDDIE OBEID: They are exactly the same.

CHAIR: We will let the witness answer the question.

The Hon. JENNIFER GARDINER: Mr Obeid volunteered to appear in his capacity as a Minister of the Crown. He could have volunteered to appear in his capacity as a member of the Legislative Council.

The Hon. EDDIE OBEID: I am a member of the House first and that is where my pecuniary interests lie. The Chair asked me what is my occupation. I am a Minister of the Crown.

The Hon. JENNIFER GARDINER: She asked in what capacity you were appearing.

The Hon. EDDIE OBEID: Obviously I have been asked to appear as a member of the upper House to discuss my pecuniary interests register, but I am acting as a Minister.

The Hon. JENNIFER GARDINER: Are you prepared to provide your pecuniary interests as a Minister to this Committee?

The Hon. EDDIE OBEID: You have asked me a question and I have said that they are exactly the same. There is no difference between what I have provided to the Clerk—

The Hon. JENNIFER GARDINER: In that case you would be happy to provide it.

The Hon. EDDIE OBEID: You have it.

CHAIR: Order!

The Hon. EDDIE OBEID: I am happy to answer any question. I would like to continue.

CHAIR: We are subject to a time limit and this session must be closed. On behalf the Committee, I thank the Minister for appearing and for the time and effort he put into preparing his submission.

The Hon. EDDIE OBEID: Thank you, Madam Chair. I thank honourable members for their courtesy.

(The witness withdrew)

(The Committee adjourned at 3.35 p.m.)