

PRIMROSE COUPER CRONIN RUI

CRIME & MISCONDUCT COMMISSION
No 2005-5 Date 8 NOV 05

IN THE MATTER OF:

OF GRAND

EXHIBIT No 175
.....CLERK

Our ref: JMS:HCK:0512073
Direct Email: julanne.shearer@pccrlaw.com
Your ref: Ken Beml

The Crime and Misconduct Commission
Terrica Place
3rd Floor
140 Creek Street
BRISBANE QLD 4000

 MERITAS

Dear Sir

24 August 2005

Re: Blue Sky Capital Pty Ltd

In reply to the Section 75 *Crime and Misconduct Act 2001* Notice to Discover dated and served on Blue Sky Capital Pty Ltd on 12 August 2005 we advise we have been instructed by our client to respond and to disclose the following in response to the information detailed in the Schedule to the Notice:

1. Item 1 - all documentation in the possession and control of our client is as attached and listed below:
 - (a) Diary entires of our client for the periods: 16 to 18 February 2004; 8 to 10 March 2004, 15 to 17 March 2004, 25 to 28 March 2004;
 - (b) Email from Brian Ray to Con Nikiforides, with copy of cheque butt attached;
 - (c) Invitation to a breakfast and boat cruise by the Federal Member for McPherson, Margaret May MP and Trevor C Rowe AM, Chancellor, Bond University;
 - (d) Details for payment of donations to the Gary Baildon Campaign Fund;
 - (e) Letter from PRD Nationwide to Con Nikiforides dated 23 February 2004;
 - (f) National Party of Australia - Queensland official receipt for membership fee and/or donation evidencing donation of \$5,000.00 dated 29 January 2004;
 - (g) Facsimile from The National Party to Con Nikiforides dated 21 January 2004;
 - (h) Letter from the National Party to Con Nikiforides dated 22 January 2004;
 - (i) Donation form for the National Party of Australia - Queensland;
 - (j) Receipt dated 5 February 2004 evidencing donation to Peter Lawlor Campaign in the sum of \$2,000.00; and
 - (k) Invitation to Con Nikiforides and guests from Councillor Ted Shepherd to a wine tasting function on 11 May.



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2. Item 2 – a written Statement of Constantine William Nikiforides, Chief Executive Officer of the Niecon Group of which Blue Sky Capital Pty Ltd is one of its companies is as attached.
3. Item 3 – written statement of information is as included in the Statement of Constantine William Nikiforides referred to in 2 above.

We trust that the above information meets with your requirements.

If you require any further information please do not hesitate to contact Julianne Shearer of our office.

Yours faithfully

PRIMROSE COUPER CRONIN RUDKIN



Julanne Shearer
Partner

Enc

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QUEENSLAND CRIME AND MISCONDUCT COMMISSION

Crime and Misconduct Act 2001

Statement of Constantine William Nikiforides

1. I am the Chief Executive Officer of the Niecon Group of which Blue Sky Capital Pty Ltd is one of its companies. The directors of that company are William Nikiforides and Barry Francis Cronin. Barry Francis Cronin is the company solicitor and has no interest in the company, legal or otherwise. William Nikiforides is my father, who has been unwell for some years and takes no active part in the affairs of the Niecon Group or Blue Sky Capital Pty Ltd.
2. Over the years various entities in the Niecon Group have made donations to political candidates. Specifically during the past eighteen months, these include:
 - (a) a \$1,000.00 contribution to the McPherson Federal Campaign by way of a breakfast and boat cruise with Margaret May MP and Alexander Downer on 14 July 2005;
 - (b) \$5,000.00 to Gary Baildon by payment to the Gary Baildon Campaign Fund on 16 March 2004;
 - (c) \$5,000.00 on 29 January 2004 to the Nationals Campaign;
 - (d) \$2,000.00 to the campaign for the re-election of Peter Lawlor, Member for Southport on 5 February 2004;
 - (e) payment of \$695.00 on 11 May 2005 for the 2008 re-election of Ted Shepherd at a wine tasting function at Mudgeeraba.
3. The above are only the recent donations. Niecon Group has made other political donations over about 15 years. .
4. A few days before 17 March 2004 I had a telephone conversation with Brian Ray who is now deceased as a result of a recent tragic airplane crash. I had a long standing relationship with Brian Ray. Both of us were in the development industry and we exchanged information about the market, consultants, contractors and that type of information.
5. During the course of this conversation, Brian Ray said that he was organising a fund to assist Councillors and candidates who were prepared to get things done on the Gold Coast. He said he wanted to

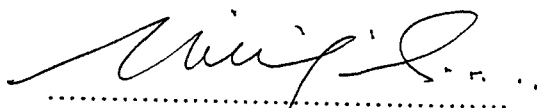


generate democratic debate about what should be occurring on the Gold Coast and he thought that a fund would assist Councillors and candidates who would be supportive and positive of this approach. He wanted me to make a contribution of \$10,000.00 to the fund which would assist those Councillors and candidates who would make a positive contribution to the Gold Coast. He asked me to come to a meeting at his office to meet with him and with others. Brian Ray was a person with a lot of people skills and if he asked you for a donation for what seemed a good cause, it was difficult to refuse. On other occasions I have asked Ray to donate to charitable causes in the past, and he has always done that.

6. I went to Brian Ray's office at 5.00 pm on 17 March 2004. The only other person at that meeting was Councillor David Power. This was the first time I ever met David Power. Brian Ray did most of the talking, but there was discussion about councillors who were positive and who worked to try and get things to happen on the Gold Coast. He said that he proposed to arrange a meeting at which people could meet councillors and candidates. . The meeting lasted only about 20 minutes.
7. I recall David Power saying that he supported a meeting at which councillors and potential candidates would be able to discuss what they represented, and people could get to know them. He thought that at some stage party politics would enter into the local elections on the Gold Coast but at this stage that hadn't occurred and contributing to a campaign fund was one way towards assisting those who would make a positive contribution towards developing the infrastructure necessary on the Gold Coast.
8. I thought the fund was to be controlled by Brian Ray and that the meeting would be held with the existing or potential councillors. To my knowledge, that meeting did not occur.
9. I recall receiving an email from Brian Ray on 1 March 2004. He rang me that day and asked me about making the \$10,000.00 contribution. I told him I hadn't received his earlier email, which he said he sent on 24 February 2004, and he sent it to me again. Even then I held back until I received a further call from him sometime around about a week or two prior to the elections, reminding me that I had to send the money. It was only then that I authorised the company accountant Ron Veness to draw the cheque. Details of payment of the cheque to Hickey Lawyers were included in the email from Brian Ray.

Wing J.

- 10. I do not know anything about the Lionel Barden Common Sense Fund or any similar name. That had not been mentioned to me, and I knew nothing about it.
- 11. I have met Lionel Barden. I first met him formally at a function called Innovation Showcase at the Gold Coast Airport, which was a Business Leaders meet Gary Baidon function. It was held on 16 March 2004. There was a further meet the candidates function on 25 March 2004 which I did not attend. I have never discussed the elections with him. Subsequently I met him on other occasions but the subject of Council elections has not been discussed.
- 12. Over the past twenty-five years my family has been developing property on the Gold Coast and during that time we have had contact with many councillors and many council officers. I have never received any favours out of the Gold Coast City Council. I find the current Council a very difficult Council to deal with in the sense of being difficult to have a development approved. From time to time I or my staff or consultants have telephoned councillors or council officers about particular developments or different development issues to discuss these issues with them. This is a regular activity of our business.



Constantine William Nikiforides



Witness [signature]

Date: 24 AUGUST 2005.

MARCH 2004

Eight Hours Day (TAS), Labour Day (VIC), Anniversary Holidays (Taranaki-New Zealand)

8 MONDAY
068/298 Week 11

7:00
 8:00 ~~8:30 - 10:00~~
 9:00 ~~9:00 - 11:00 (10:00 - 11:00) Home to 2pm (end)~~
 10:00 ~~10:00 - 11:00~~
 11:00
 12:00
 1:00
 2:00 ~~2:00 - 3:00~~
 3:00 ~~3:00 - 4:00~~
 4:00 ~~4:00 - 5:00~~
 5:00

9 TUESDAY
069/297 Week 11

(~~2 - 4 MAY 04~~)

7:00
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10 WEDNESDAY
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15 MONDAY

075/291 Week 12

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16 TUESDAY

076/290 Week 12

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17 WEDNESDAY

077/289 Week 12

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June						
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29	30					

(b)

Hold CN 16/03

Niecon Developments

From: Brian Ray [BRay@raygroup.com.au]
Sent: Monday, 1 March 2004 9:59 am
To: Con Nikiforides
Subject: FW:

Dear Con – copy of email , as discussed.

-----Original Message-----

From: Brian Ray
Sent: Tuesday, 24 February 2004 1:03 PM
To: 'Con Nikiforides'
Subject:

Dear Con

We were going to have a meeting of all of the participants in the Council election fund so that you could meet the candidates and discuss the progress of the promotions. I wondered whether it might be a good idea to push towards having that on 10th March and while everyone is there introduce Bernard in the last hour to let him have a chat about the Gold Coast book and see if we can get some interest in donations. Let me know if you think this is a good idea and I will implement it with your consent.

Would you also now remit the \$10,000 to Hickey Lawyers Trust Account as follows:

Hickey Lawyers
PO Box 5559
GOLD COAST MAIL CENTRE 4217

*OK / Ron please pay.
which company?
see @ /*

or you can electronically transfer it to their trust account:

BSB [REDACTED]
Account No. [REDACTED]

You were interested in the Beach House apartments at Salt. There is now only one left, No. 101 - a three bedroom apartment on the southern ground floor. The price is \$1.7 million. Do you have any interest in this or should I let it go to those who are enquiring.

Kind regards Brian

PAID
AMOUNT... \$10,000 -
DATE 23/03/04
CHQ No. 880

063301
+
0193206428110903

Date 17-03-04
To ~~Matru~~
For ~~Matru~~
Amount 2,810,876.35
Balance ~~_____~~

+
0193206428110903

Date 23-03-04
To ~~Herby~~
For ~~Herby~~
~~Trip etc~~
Amount 10,000-
Balance ~~_____~~

(K)

INVITATION

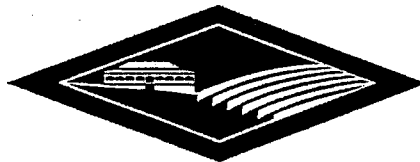
Councillor Ted Shepherd
Division 9 GCCC



requests the pleasure of the company of

Con Nikiforides & guests

at a special presentation by David Bladin, Winemaker and
a tasting of his award winning premium Albert River Wines



ALBERT RIVER
W I N E S

Wednesday 11 MAY
5.30pm for 6.00 through 8.00pm

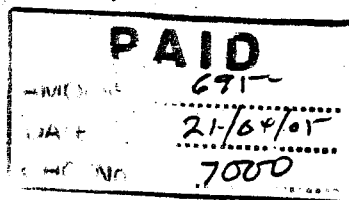
WOODCHOPPERS INN
Railway Street, Mudgeeraba

**PROCEEDS TO REAFFIRM TED'S COMMITMENT TO
RE-ELECTION IN 2008**

Light Refreshments & Entertainment provided

Tickets \$75 each or Block Bookings - \$695 (table of 10)

RSVP by Friday 6 May to PO Box 322, Mudgeeraba 4213 or contact Sue Shepherd 07 5530 2261



PRIMROSE COUPER CRONIN RUDKIN

LAWYERS

CMC CLASSIFICATION	
<input type="checkbox"/>	Highly Protected
<input type="checkbox"/>	Protected
<input type="checkbox"/>	In-Confidence
<input type="checkbox"/>	Unclassified
Initials:.....	
Date:...../...../.....	
Reg No:.....	

Our ref: JMS:HCK:0512073
 Direct Email: Hamish.Kiddle@pccrlaw.com.au
 Your ref:

The Crime and Misconduct Commission
 Terrica Place
 3rd Floor
 140 Creek Street
 BRISBANE QLD 4000

CRIME AND MISCONDUCT
RECEIVED
2 NOV 2005
COMMISSION



Dear Sir

1 November 2005

Re: Blue Sky Capital Pty Ltd

Further to our correspondence dated 24 August 2005, our client has discovered another relevant email from Brian Ray dated 10 March 2005.

We now submit a copy of same in reply to the Section 75 *Crime and Misconduct Act 2001* Notice to Discover and wish to include same with the documents submitted by our client under the cover of our letter dated 24 August 2005.

We look forward to receiving your advice as to when our client is required to appear at the inquiry.

Yours faithfully
PRIMROSE COUPER CRONIN RUDKIN

Julanne Shearer
Julanne Shearer
 Partner

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CRIME AND MISCONDUCT COMMISSION

Tracy Cooke

From: Brian Ray [BRay@raygroup.com.au]
Sent: Wednesday, 10 March 2004 11:32 AM
To: Rosalie
Contacts: Con Nikiforides

Con

We have had to cancel this afternoon as it conflicts with the UDIA conference and we just cannot get the starters. I'm really sorry about this but it will be necessary for you and me to work out another time for our colleagues to listen to Bernard's vision for the Gold Coast. Please let me know when you would like to arrange such a meeting.

In the meantime, we are now anxiously awaiting the remittance of your \$10,000 commitment to the fund as on the basis of your undertaking the advertising agency has allocated that expenditure.

Kind regards Brian

20/10/2005

PRIMROSE COUPER CRONIN RUDKIN

LAWYERS

Our ref: JMS:HCK:0512073
Direct Email: Hamish.Kiddle@pccrlaw.com.au
Your ref:

CMC CLASSIFICATION	
<input type="checkbox"/>	Highly Protected
<input type="checkbox"/>	Protected
<input type="checkbox"/>	In-Confidence
<input type="checkbox"/>	Unclassified
Initials:.....	
Date:...../...../.....	
Reg No:.....	

The Crime and Misconduct Commission
Terrica Place
3rd Floor
140 Creek Street
BRISBANE QLD 4000

CRIME AND MISCONDUCT
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COMMISSION



RECEIVED BY THE MERITAS GROUP

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Julianne Shearer
Julianne Shearer
Partner

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Primrose Couper Cronin Rudkin

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Contacts: Con Nikiforides

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20/10/2005