



**HD** O'Farrell denies close relationship with AWH chief

**BY** Ashley Hall

**WC** 937 words

**PD** 15 April 2014

**SN** Australian Broadcasting Corporation Transcripts

**SC** ABCTRS

**LA** English

**CY** (c) 2014 Australian Broadcasting Corporation

**LP**

The former chief of Australian Water Holdings, Nick Di Girolamo, has told a corruption hearing in Sydney that he gave the premier Barry O'Farrell a \$3,000 bottle of **wine** to celebrate his election win. He's also told the inquiry he spoke to Mr O'Farrell as often as once every couple of weeks during the early days of the new government. Under fierce attack from the state Opposition, Mr O'Farrell has denied having a close relationship with the Liberal Party donor.

ELEANOR HALL: Under fierce attack from the State Opposition, the New South Wales Premier Barry O'Farrell has denied having a close relationship with the Liberal Party donor and former chief of Australian Water Holdings, Nick Di Girolamo.

**TD**

But today Mr Di Girolamo told a corruption hearing in Sydney that he gave the Premier Barry O'Farrell a \$3,000 bottle of **wine** to celebrate his election win.

He also told the inquiry that he spoke to Mr O'Farrell as often as once every couple of weeks during the early days of the new government.

Mr O'Farrell will give evidence himself this afternoon.

Ashley Hall is our reporter covering the inquiry and he joins us now.

So Ashley, what was the inquiry told about the nature of the relationship between Mr Di Girolamo and Mr O'Farrell?

ASHLEY HALL: Well Eleanor, Mr Di Girolamo was asked about a gift he bought for Mr O'Farrell and his wife. It turns out it was a \$3,000 bottle of Grange. Mr Di Girolamo said he bought it for the Premier to congratulate him on his election win, and he said he got Mr O'Farrell's home address from the Premier's Office and sent the **wine** by courier.

Mr Di Girolamo acknowledged he's never bought such an expensive bottle of **wine** for anyone else, his wife included, but said it was to congratulate Mr O'Farrell after 16 long winters in opposition.

As you can imagine, the counsel assisting, Geoffrey Watson SC, wasn't buying that. He asked, wasn't it an attempt to grease the wheels?

"No," Mr Di Girolamo replied.

Mr Watson went on, "Wasn't it an attempt to persuade Mr O'Farrell to make a decision favourable to Australian Water Holdings?"

"No," he responded.

At the time AWH was trying to negotiate a public-private partnership to provide water infrastructure in the north-west of Sydney, and Mr Di Girolamo was writing to ministers, asking them to direct Sydney Water to enter into negotiations for this partnership.

Mr Watson asked, "You were trying to **buy** your way into access to the Liberal Party?"

The response, "I didn't need to."

Importantly, Mr O'Farrell has played down his association with Mr Di Girolamo. He was asked by a Daily Telegraph journalist on March the 6th about this gift of **wine**, and he denied receiving it, nor has he declared it on the pecuniary interest register.

ELEANOR HALL: So, Ash, was Mr Di Girolamo also asked about the large number of Liberal Party linked lobbyists employed by AWH?

ASHLEY HALL: Yes, he was. The inquiry's been shown a number of donations, documents about donations, being given by the **company** to the New South Wales Liberal Party. There was \$30,000 for a dinner with Barry O'Farrell, \$10,000 for dinner with Joe Hockey and \$1,000 for dinner with Tony Abbott - "The cheapest of the lot," the counsel assisting remarked.

The Labor Party didn't go unnoticed either. There was a dinner with Anthony Albanese for \$2,000 and, as you mentioned, the **company** had a number of lobbyists on its books and each on \$5,000 or more a month, among them Michael Fotios, Tim Coleman and Paul Nicolaou.

Mr Di Girolamo explained they each bought a number of distinct skills that the **company** needed, and he denied he was paying them as a way to get access to Liberal ministers.

I asked why a document records a \$1 **million** success fee for Mr Fotios, which he denied agreeing to, that's Mr Fotios by the way, Mr Di Girolamo said it was a way of cutting the upfront costs, so a discount upfront and a success fee later on.

As I said, Mr Fotios was adamant that he did not accept such a relationship.

ELEANOR HALL: Now the Premier Barry O'Farrell is scheduled to appear at the inquiry this afternoon. What is the key line of questioning that he's likely to face?

ASHLEY HALL: Well, when he announced that he was planning to call the Premier today, Mr Watson offered an explanation. He said that he'd been in two minds as to whether Mr O'Farrell should be called, but that there have been things that have developed that make him think he should be called, or that he must be called and last week, the former finance minister Greg Pearce appeared before the inquiry and spoke about being called to a closed meeting between Mr Di Girolamo and Mr O'Farrell in May, 2011.

Mr Pearce said he felt like a "schoolboy" being called to explain to the headmaster why he hadn't done his homework in relation to this public-private partnership proposed by Australian Water Holdings.

Mr O'Farrell couldn't give evidence last week because he was in **China** on a trade mission, so the questions will flow this afternoon.

ELEANOR HALL: Ashley Hall, our reporter there covering the corruption hearings in Sydney, thank you.

**NS** gcorr : Corruption | gpol : Domestic Politics | ntra : Transcripts | gcat : Political/General News | gcrim : Crime/Courts | gfin : Financial Crime | gpir : Politics/International Relations | ncat : Content Types | nfact : Factiva Filters | nfce : FC&E Exclusion Filter | nfcpx : FC&E Executive News Filter | niwe : IWE Filter

**RE** austr : Australia | nswals : New South Wales | sydney : Sydney | apacz : Asia Pacific | ausnz : Australia/Oceania

**IPD** ICAC

**PUB** Australian Broadcasting Corporation

**AN** Document ABCTRS0020140415ea4f0005I