

JUNIOR FOOTY RULES OVERHAUL

MONDAY, MARCH 31, 2014

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WE'RE FOR VICTORIA

Herald Sun

Lawyer a secret police informer

EXCLUSIVE

ANTHONY DOWSLEY

A PROMINENT underworld lawyer was recruited by Victoria Police to inform on criminal figures running Melbourne's drug trade for more than a decade.

The controversial move to list the lawyer, whom the Herald Sun has chosen to name only as Lawyer X, as a registered informer gave the force unprecedented access to information on some of Australia's biggest drug barons and hitmen, including alleged corrupt police and others involved in Melbourne's gangland war.

The force's biggest secret in turning a high-profile criminal lawyer into an informer brings into question police ethics in cultivating "human sources", which went spectacularly wrong after the informer became a witness in one of Australia's biggest criminal investigations.

The case unravelled after another witness was killed.

It ended with Victoria Police's then chief commissioner Simon Overland agreeing to a settlement with Lawyer X.

The Herald Sun can also reveal a taskforce was then shut down without notice or explanation as investigators began probing whether Lawyer X had helped circulate more than 30 highly sensitive information reports stolen from the St Kilda Rd police complex in 2003.

The investigation was taken over by another taskforce, which is believed did not pursue the lawyer.

Just prior to the taskforce being shut down, then deputy commissioner Sir Ken Jones addressed investigators, who had spent six years working on the case, encouraging them to continue their work.

Sir Ken, who had concerns on the handling of informers and witnesses, left the force and was a target of the Office of Police Integrity after a public fallout with Mr Overland. The force's "human sources" unit was also shut down and re-formed.

CONTINUED PAGE 4

TAXPAYERS FACE MASSIVE CLEAN-UP BILL



PICTURE: JASON EMMERSON

TRASHED



A house of horrors has been so badly trashed by public housing tenants that taxpayers face a \$20,000 clean-up bill. Six tenants, including children, abandoned the Northcote home, leaving a mountain of junk, smashed windows, hole-riddled walls and mould.



HAVE YOUR SAY
heraldsun.com.au

FULL REPORT: PAGES 6-7

**ROOS RACE
AWAY FROM
DOGS** SPORT



**BY GEORGE,
YOU'VE
GROWN** P9



**CHEERS &
RUNS FOR
LUKE** P2



Herald Sun

FIGHT

FOR



TRUTH

**HERALD SUN SILENCED IN LATE-NIGHT COURT
CASE FROM TELLING YOU MORE ABOUT LAWYER X**

THE *Herald Sun* was last night silenced from publishing detail on Lawyer X which it believes is of extreme public interest.

Victoria Police took the extraordinary action of seeking a Supreme Court injunction at 7.30pm preventing the newspaper from publishing any information about Lawyer X, whom the *Herald Sun* had no intention of naming or identifying.

As the hearing commenced, the *Herald Sun* was ordered by the judge

to stop its presses. Editor Damon Johnston said that Victorians deserved to know the full truth.

"The police last night moved to prevent us from publishing important details that go to the heart of the public interest," Johnston said.

But Victoria Police obtained the court order prohibiting the publishing of any information that would tend to identify the lawyer.

The police's push to silence reporting on Lawyer X also comes despite

growing calls for a royal commission and the fact the issue could influence Victorian politics.

Johnston said: "We believe Victorians deserve to know the details of what we had intended to publish in today's newspaper."

Johnston said the *Herald Sun* would continue investigating and would explore all legal avenues in a bid to publish the details pulled from the paper shortly after 8pm.

CONTINUED PAGE 2

Herald Sun EDITORIAL

WE wanted to tell our readers an important story on today's front page. But last night, the Supreme Court prevented us from publishing the report. We can't tell you what the story was about. But we will fight for your right to know the truth.

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WEATHER

TODAY
MIN 21
MAX 23
A few showers

TOMORROW
MAX 19
Early showers

FRIDAY
MAX 20
Shower or two

SATURDAY
MAX 20
Shower or two



02 LOTTO: Draw: 1050
31, 10, 19, 40, 16, 1, 21. Supps:
42, 17. Div 1 prize pool: \$5 mil
Total prize pool: \$8,418,402.64
MONDAY LOTTO: Draw: 3334
18, 12, 29, 40, 33, 8. Supps: 39,
30. Div 1: \$1 mil, Div 2:
\$4448.95, Div 3: \$328.35
Div 4: \$23.85, Div 5: \$15.30
Div 6: \$12.90

Intralot

LUCKY LINES: Draw 2101: 5, 6,
14, 20, 25, 27, 35, 40
LUCKY 3: Draw 1766: 7, 8, 7
LUCKY 5: Draw 1766: 27, 18,
24, 1, 25 (red)
LUCKY KENO: Draw 2723: 2,
3, 10, 15, 20, 31, 32, 38, 41, 45,
46, 53, 54, 58, 61, 62, 65, 72,
73, 75.

ARE YOU A QUIZ MASTER?



In making a word each letter may be used only once, and the centre letter must be included. No stamp, hyphens, apostrophes or plurals ending in 's'. Minimum four letters. Good 12, Very good 18, Excellent 28

YESTERDAY'S SOLUTION
almost calm clad clam clam CLAMPDOWN clam
clap clam clad clam clam coal cola cold copal coat
lamp land learn lead learn loan modal noial noial
opal palm panel plan pilot

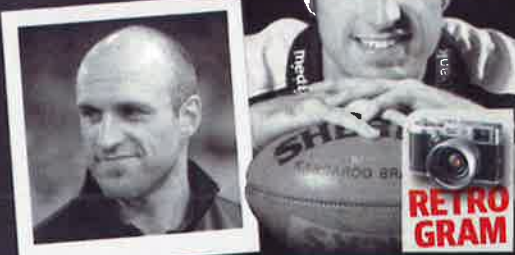
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HAIR TODAY, GONE TOMORROW

Retrogram reveals what AFL's famous baldies looked like with hair



SOCIAL SOAPIE

The Bombers saga recreated as a Facebook fight for your reading pleasure...

PAUL FOOT

Live chat with the zany comedian
FROM NOON



WIFE VISITS SEARCH CENTRE

THE wife of missing Malaysia Airlines passenger Paul Weeks has visited the RAAF Pearce air base north of Perth, which is being used as a staging post for the search and recovery operation.

Mr Weeks, a 39-year-old mechanical engineer based in Perth, was travelling to Mongolia for his first shift in a fly-in-fly-out job.

Danica Weeks (above) found out in a text message from the airline that her husband had likely died when flight MH370 crashed in the Indian Ocean and his sister, Sara, got a call from her mum.

Australia's former defence chief Angus Houston, who is leading the new Joint Agency Co-ordination Centre, said he had given his number to her and invited her to visit the centre for a briefing.

He said the search and recovery operation was the most difficult he had seen.

Jewellers loses shine

Bevilles goes into administration

JANE HARPER

ABOUT 250 retail workers may lose their jobs as Melbourne-based jewellery group Bevilles has gone into voluntary administration.

The 80-year-old family-owned company broke the news to its 477 employees in Melbourne, Sydney and Adelaide last night — but also unveiled a survival plan for the business.

Chief executive Michelle Beville warned some of the 27 stores would close, with 47 full-time and 200 part-time and casual jobs expected to go. "There will be some very difficult conversations over the coming weeks and my heart goes out to our staff," Ms Beville said.

"They are incredible people and we want to do everything we can to support them through this process."

Ms Beville, whose grandparents founded Bevilles in



A Bevilles store.

1934 in Bourke St, said a decision on the brand's future would be made by administrators PPB Advisory by the start of May.

Bevilles operates 17 stores in Melbourne, seven in Sydney and three in Adelaide. "The family is so passionate about the brand, but we are very focused on getting the best outcome for the staff and our creditors," Ms Beville said.

The Beville family have proposed a rescue plan that would see the family buy back a "significant" number of the

stores from the administrators and retain 230 full and part-time staff.

The rescued stores would be converted into smaller stores that would require fewer staff, and would scrap giftware in favour of concentrating solely on jewellery.

Rising costs and high rents on larger stores, combined with a tough retail climate, had taken a toll on the business, she said. "Bevilles is a fabulous brand, but the cost structure wasn't sustainable," Ms Beville said. "But people have surrounded the business want to take the Bevilles brand into this new world and want it to be successful."

Gift cards will be honoured during the administration period. Eternity Club loyalty points and credit notes are suspended, but will be reinstated if the Beville family's proposed restructure succeeds.

jane.harper@news.com.au
BUSINESSDAILY STARTS PAGE 27



DADDY'S GIRL TO COME FIRST

AFL star Nathan Jones has decided to put family before football by sacrificing his spot in the side to be at the birth of his first child.

The Melbourne co-captain and his wife Jerri are due to welcome a daughter into the world in early July, the same week the Demons travel to Darwin to take on Fremantle. "I'll definitely be at the birth," he said. "There was no way I was going to miss it, especially being the first."

Jones yesterday got an early taste of the colour pink his daughter will soon be wrapped in, launching the Melbourne guernsey to be worn in its May 10 Field of Women clash with the Western Bulldogs. A record 15,000 women and men are expected to flood the MCG.

Tickets to take part are on sale for \$55, with all proceeds going to the Breast Cancer Network Australia.

Overseas investors snap up Kew house

LIAM QUINN

ANOTHER of Melbourne's most luxurious locations has been snapped up by a Chinese investor, as local buyers continue to be priced out in desirable locations across the city.

The Kew house set the unnamed buyer back \$5 million, with former BHP Billiton Chief Executive Marius Kloppers pocketing a sizeable profit for handing over the keys.

The extravagant home boasts four bedrooms, five bathrooms, an indoor swimming pool, rumpus room and gym facility.

The sale comes after Reserve Bank of Australia governor Glenn Stevens warned a

parliamentary hearing about the wave of Asian investment last month, when he said it could lead to a dangerous threat to our housing market.

"The biggest threat to affordability in this country would be if we get a very large increase in house prices," Mr Stevens said.

"I suppose the question is really: how big a problem do you really think it is?"

Along with Kew, Brighton, Glen Waverley and Box Hill are some of the suburbs most heavily targeted by overseas buyers.

FIGHT TO TELL THE TRUTH

FROM PAGE 1

Lawyer Rob Stary, an accredited criminal law specialist, said a royal commission or independent commission would be the only way to restore confidence in the justice system.

"We have got to restore public confidence in the justice system," he said.

"A royal commission would achieve this as would a properly constituted independent commission," Mr Stary said last night.

State scrutiny on council salary deals

JOHN MASANAUSKAS

COUNCILS will come under more scrutiny over payments to their chief executives under new legislation to be announced today.

Independent experts will oversee CEO contracts to make sure they are not overly-generous.

The Napthine Government said it would introduce legislation to Parliament aiming to set higher standards.

The proposed reforms include more transparency of CEO employment contracts, independent panels hearing internal council complaints and increased powers for the Local Government Inspector-

ate to investigate. The changes come after the Herald Sun revealed city councils had spent more than \$100 million a year on generous salaries for a small army of senior bureaucrats.

Melbourne City Council was the top employer with more than 130 senior officers earning at least \$130,000 a year, including 18 executives getting \$200,000-plus.

Local Government Minister Tim Bull said the legislation would help rebuild community trust. "These reforms will provide a clear direction for all councillors and councils."

PENALTY RATES
EASTER SHUTDOWN P3



RCH APPEAL P7
A LITTLE FIGHTER



LIFTOUT INSIDE
56 PAGES OF CARS

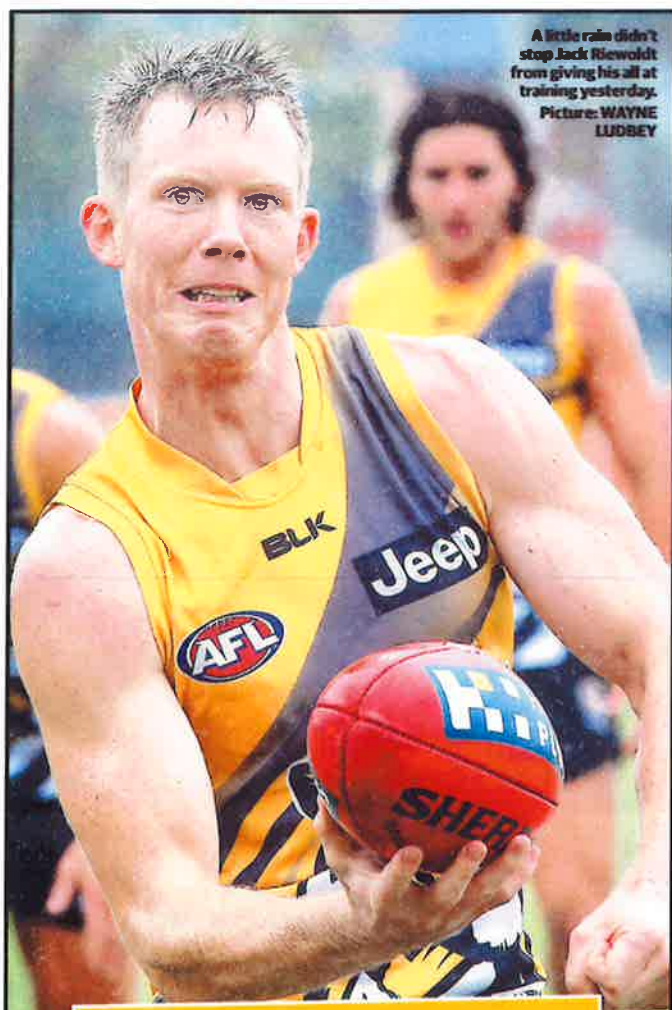


FRIDAY, APRIL 11, 2014

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WE'RE FOR VICTORIA

Herald Sun



A little rain didn't stop Jack Riewoldt from giving his all at training yesterday.
Picture: WAYNE LUDBEY

EYE OF THE TIGER

LEGENDS SAY
KICK IT TO JACK



DERMIE SAYS
TOUGHEN UP, TIGES

TAXI FARE HIT

Passengers told to buckle up for hip-pocket pain

CATCHING a taxi from the city to the outer suburbs on Saturday night will cost \$20 more under the first cab fare increase in six years.

Workers who catch a cab home on weeknights will also face a big fare increase.

The cost of a 20km trip will rise by more than \$6.

But pensioners and other needy Victorians using taxis during the day will face fare increases of only about \$1.

MATT JOHNSTON AND JAMES CAMPBELL

The new rates will begin as early as next month.

The current peak and off-peak system will be replaced by a "day" rate from 9am to 5pm, an "overnight" rate from 5pm to 9am, and a "peak" rate from 10pm to 4am on Friday and Saturday nights.

The cost of flagging a cab will increase from \$3.20 to up

to \$6.20, depending on the time of travel, to try to encourage drivers to take short fares.

While most taxi trips will cost more, a cut in the per-kilometre rate during off-peak times will mean some trips between midnight and 5am could be slightly cheaper.

The cost of taxis on Friday and Saturday nights will rise the most, to try to get more drivers working at those times.

CONTINUED PAGE 6

Why top cops split

THE demise of former top cop Simon Overland and his deputy, Sir Ken Jones, was the result of a dispute over Victoria Police's handling of informers that split the top levels of the force.

Sir Ken, who was marched

EXCLUSIVE ANTHONY DOWSLEY

out of his job by Mr Overland, regarded the handling of informers as an unexposed scandal.

CONTINUED PAGE 8



JUNK FOOD MUMS MAKE FAT BABIES P9

Informer crisis link to top cop split

FROM PAGE 1

The then deputy commissioner feared police practices endangered informers' lives, were an abuse of the justice system, and could place the force in contempt of court.

He also feared they could backfire and lead to the release from jail of gangland figures.

As a probe of the force by the anti-corruption watchdog gets under way, the *Herald Sun* can reveal senior police feared blowback from the handling of informers in big cases.

There was conflict over the use of informers in two major police corruption cases linked to high-profile murders. The rift led to the command crisis that ultimately embroiled Ted Baillieu's government.

Members of a steering committee overseeing the probe into one of the murders have described their discomfort at the handling of informers.

The *Herald Sun* can reveal detectives were instructed by chief commissioner Overland to get informers to swear witness statements.

Detectives who regarded this as high-risk and a potential danger to informers' lives refused to comply.

Defence lawyers are incensed that criminal trials may have been contaminated by police informers. Some want a full independent inquiry.

Bob Galbally, of Galbally Rolfe, echoed the sentiments of many about the effectiveness of an IBAC investigation.

"IBAC is not the appropriate body to be investigating the issues regarding informers revealed recently," he said.

"This is so serious and so unprecedented that it justifies a judicial inquiry."

"This is as serious as the circumstances that were investigated by the Kaye inquiry, which focused on the relationship between police and abortionists," Mr Galbally said.

Criminal defence lawyer Bill Doogue said confidence in justice had been undermined. anthony.dowsley@news.com.au



Police tactics under scrutiny

FOR detectives investigating the mounting toll of gangland war murders, the stakes could not have been higher.

Now the very tactics used to obtain convictions in high-profile crime and corruption cases will be under the microscope.

Former police chief Christine Nixon's trusted deputy, Simon Overland, was under enormous pressure to clean up both Melbourne's bloodied streets and a force his boss had pledged to rid of corruption.

Whether the methods used were ethical, or even legal, will be the focus of an inquiry by the Independent Broad-based Anti-corruption Commission.

ANTHONY DOWSLEY

Numerous lawyers and police officers have voiced their concerns over police practices in using informers to gain convictions.

It is not that informers were used, but who and how they were used that has been described as incompetent, murky and potentially unlawful.

Lawyers are taking instructions from clients, including Tony Mokbel, to reopen avenues of appeal. Dozens of convictions against high-profile criminals may be reviewed as defence lawyers begin subpoenaing police records.

For legal reasons the *Herald Sun* is limited in what it can tell the public.

In one high-profile case several leads remain unanswered.

Former deputy police chief Sir Ken Jones told taskforce detectives to continue gathering evidence on that murder.

But sources have told the *Herald Sun* that soon after the rousing speech, the taskforce was shut down and replaced by a new taskforce.

Sources say there was angst in the force that the new taskforce inherited the case but that the original detectives were not absorbed into the new taskforce.

At the time, detectives had informed the taskforce steering committee of a key development involving one of its witnesses, who was suspected of criminal involvement in distributing information reports on another informer to the underworld.

That interview was never conducted.

The gangland war was largely solved by the use of informers who became Crown witnesses. But the tactics involved in turning them into informers will now face years of scrutiny — if not by IBAC, then by the courts.

anthony.dowsley@news.com.au

FITNESS ON YOUR SLEEVE

UP to one in five buyers of a new smartphone range are expected to team it with the latest wearable fitness band to monitor their every move and drive exercise.

Telstra will begin rolling out the device today, and expects the Samsung Gear Fit to accelerate interest in accessories such as the FitBit which monitors exercise, calories burned, distance travelled and sleep patterns.

Telstra's John Chambers said the band could connect with emails, text messages, calendar entries and calls paired with a Galaxy S5.

Ita storm warning

STORM surges and flooding are expected to lash far north Queensland as cyclone Ita brings 280km/h winds towards 9000 people in its path.

Weather forecasters predict Ita will make landfall north of Cooktown tonight. The category four system is expected to bring massive storm surges, predicted to be 1.5m bigger than usual high tides, in the coastal town of about 2300 people, 300km north of Cairns.

A cyclone watch has been declared for areas up to 300km inland, including Palmerville, Kalinga, Laura and Chillagoe.

Latest news on cyclone Ita at heraldsun.com.au

MANGOES FETCH \$3000

A PAIR of mangoes grown in southern Japan sold yesterday for \$3000 — a record price for the fruit's first auction of the season, Kyodo News reported.

The "Taiyo no Tamago" (Egg of the Sun) brand mangoes were to be flown from Miyazaki in the far south of the country to a department store in Fukuoka, where they were to go on sale, the agency said.

To qualify as a "Taiyo no Tamago" mango, each must weigh at least 350g and have a high sugar content.

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MHS61201MA - VI

Herald Sun

Blitz on super, charges

ELLEN WHINNETT
POLITICAL EDITOR

SUPERANNUATION funds would perform better, credit card surcharges would be slashed and financial advisers would lift their game under a proposed overhaul of Australia's financial systems.

Treasurer Joe Hockey yesterday released the Murray report into Australia's banking and financial sectors, as the Government sought to get on the economic front foot.

"The recommendations of the inquiry seek to improve efficiency, resilience and fair treatment in the financial system allowing – a better standard of living for future and current generations," Mr Hockey said.

After two disastrous weeks of infighting, poor opinion polling and an apparent guerilla war erupting between the offices of the Prime Minister and the Treasurer, the Government sought to hit the reset button yesterday, with PM Tony Abbott confirming he would downgrade his \$5.5 billion "signature" Paid Parental Leave scheme.

"Obviously, I have spent a lot of time listening," Mr Abbott said, confirming that he would divert money into child-care rebates.

CONTINUED PAGE 9

EXCLUSIVE HODSON MURDERS BOMBHELL

KEY EVIDENCE NOT SHARED BY POLICE

DEADLY SECRETS

SPECIAL REPORTS

PAGES 4-7



A COVERTLY taped phone conversation between a senior legal figure and crime lord Tony Mokbel was kept secret by federal authorities for six years despite being crucial to the investigation of the Hodson murders.

Australian Federal Police recorded

ANTHONY DOWSLEY

the pair as they discussed distributing documents days before files exposing Terry Hodson as an informer were leaked to the underworld.

The Herald Sun can reveal the crucial recording was picked up on Mok-

bel's tapped phone in 2004, with the lawyer taped telling the gangland figure their "mutual friend Pauline" had documents for him to see.

Victoria Police is convinced "Pauline" is a reference to suspected corrupt police officer Paul Dale who remains the prime suspect for ordering Hod-

son's murder and stealing the confidential police files which outed him as an informer. But for six years, Victoria Police were not informed of the bombshell recording — well after Hodson and his wife, Christine, were executed.

The Herald Sun has chosen not to identify the lawyer.

NAT'S GRIEF FOR MENTOR

P20



TREE-MAIL MADNESS

P3

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Healsville Picnic Races - \$10 Entry

Werribee Christmas Party Race Day - \$18 Entry

Sunday 14 December

Italian Plate Day at Tatura - \$20 Entry

Next Week

There are Christmas meetings Kilmore, Bairnsdale, Seymour, Yarra Valley, Cranbourne, Yea, Wangaratta, Horsham and Bendigo.

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DEADLY SECRETS

THE SECRET PLOT

The police case involving Paul Dale, Carl Williams and the Melbourne lawyer

■ Australian Federal Police phone surveillance captured Tony Mokbel talking with a Melbourne lawyer about documents just days before the Hodson informer files were leaked to the underworld.

■ That lawyer, who legally represented Terry Hodson before his death, was used as a go-between by Paul Dale to make contact with Carl Williams to pass messages and arrange meetings while he was charged and under scrutiny for the Oakleigh robbery.

■ A "safe phone" under the fictitious name of Darren Johnson was used to communicate with

TONY MOKBEL

Drug crime Mr Big accused of distributing files exposing Terry Hodson as a "snitch" to the underworld.

PAUL DALE

Disgraced drug squad detective whose charges over a failed drug house burglary plot were dropped after the informant against him, Terry Hodson, was murdered.

LAWYER'S BUGGED CALLS HIDDEN IN FILES

Legal eagle

A HIGH-profile lawyer is suspected of being involved in the leaking to the underworld of stolen documents that exposed Terry Hodson as a police informer only months before he and his wife were murdered.

A covertly recorded phone conversation between drug baron Tony Mokbel and the lawyer remained in the files of the Australian Federal Police for six years despite being cru-

ANTHONY DOWSLEY

cial to Victoria Police's investigation into police involvement in the murders of Terry and Christine Hodson in 2004.

The failure to share intelligence between police agencies may have cost the Hodsons their lives.

The Herald Sun can reveal the crucial recording was picked up on Mokbel's tapped

phone in February 2004, with the lawyer taped telling the gangland figure their "mutual friend Pauline" had documents for him to see.

Victoria Police are convinced "Pauline" is a reference to suspected corrupt police officer Paul Dale — who is the prime suspect for ordering Hodson's murder and stealing the confidential police files that were disseminated to the

underworld, exposing Hodson as an informer.

The revelation is a fresh blow to the force, which is being investigated for its handling of police informers.

Within days of the recorded call between Mokbel and the Melbourne lawyer, that lawyer met with Paul Dale.

According to police, the informer files hit the street and were in the hands of the under-

DEADLY SECRETS



Carl, the Melbourne lawyer and other Dale associates.

■ Dale made many desperate attempts to contact Carl from February to May in 2004, culminating in a call to Carl's dad, George, on the lawyer's phone where a drunken Dale exclaimed: "Tell Carl to ring (the lawyer). He's a fucking useless prick."

■ Within days, Carl and George met the lawyer where Carl alleges the lawyer gave Carl the number to Dale's "Johnson phone".

■ The next day on May 6, 2004, Carl rang the "Johnson phone" from a public pay phone at the

Watergardens Shopping Centre. The same day, Dale allegedly ordered the execution of Hodson.

■ The same day, Carl met Dale in Hillside despite there being no policing reason to do so.

■ On May 7, two meetings between Carl and ruthless killer Rodney Collins took place in Manbyrmong and later in the city.

■ Within 10 days, Collins, who knew Hodson, allegedly shot Hodson and his wife.

■ The Petra taskforce investigating the Hodson deaths maintained that they

corroborated "99 per cent" of Carl's two statements, made in 2007 and 2009. Carl could not have "fluked" his first statement to police in 2007, having no way of knowing that his father's car, in which he travelled to Hillside, was covertly being monitored by tracking and listening devices.

■ Victoria Police has investigated whether there were outside influences in ordering Carl's murder because of his co-operation in murder investigations.



THE LAWYER

High-profile Melbourne lawyer caught on tape talking to drug bigwig Tony Mokbel about documents days before informer files leaked.



ROD COLLINS

Carl Williams' crony, assassin for hire, also known as "The Duke" whom police believe killed Terry Hodson on behalf of Carl and Paul Dale.

CARL WILLIAMS

Gangland kingpin who told police Dale asked him to arrange the killing of police informant Terry Hodson.

linked to fatal leak

world within days of that meeting.

It is not known however if the lawyer was intentionally involved in distributing the files that exposed Hodson as an informer.

Dale was accused of ordering Hodson's murder to prevent the career criminal testifying against him and turning Crown witness over the bungled burglary of a

Mokbel-linked drug house in Oakleigh in 2003.

Authorities alleged Dale masterminded the burglary with now-jailed, detective David Mischel and Hodson.

The 31 information reports in a blue folder were stolen hours after Mischel and police informer Hodson were captured at the burglary scene.

All three burglary suspects were charged, but Dale avoid-

ed prosecution after Hodson was killed.

The police case alleges Dale, months after disseminating the informer file, used his corrupt relationship with Carl Williams to hire veteran hitman Rod Collins to kill Hodson. But in a stunning failure of the justice system, the recordings only came to the light when Williams was bashed to death in Barwon Prison in

2010 after he had made statements against Dale over the execution.

Victoria Police Petra taskforce investigators probing the Hodson murders had planned to interview the lawyer on the recording after the tapes came into their possession.

But in a surprising turn of events, the taskforce was shut down shortly afterwards and replaced by the Driver task-

force, which primarily investigated the death of Williams.

It is understood detectives from the Driver taskforce never interviewed the lawyer over the telephone call with Mokbel.

Poor surveillance on the Hodson's house, which was reviewed by Victoria Police as part of protective measures for Hodson, failed to capture the killer's identity, who muted

alarms and took the surveillance footage with him after the shootings.

Williams's death in jail resulted in murder charges being withdrawn against Dale and Collins.

The intercepted phone call was also not made available to the 2005 Office of Police Integrity probe into the stolen "blue folder" informer files. anthony.dowdsley@news.com.au



DEADLY SECRETS

GETTING AWAY

IT WAS A TALE OF COPS, ROBBERS AND RUTHLESS KILLERS AS MELBOURNE'S UNDERWORLD PLAYED A SINISTER GAME OF BETRAYAL, WRITES **ANTHONY DOWSLEY**

PAUL Dale tried hard not to look at the cold-blooded killer who was willing to give him up for the right price.

As Rod "The Duke" Collins walked from the witness stand back to the dock, Dale glanced, but there was no acknowledgment.

Both men were once charged with murder.

By design or sheer bad luck, their lives are inextricably linked by dead drug boss Carl Williams over the alleged plot to murder police informer Terrence Hodson.

Collins — who was allegedly paid \$150,000 to kill Hodson — was also charged with killing his wife, Christine, who died just for being at home that fateful night on May 16, 2004.

But Dale is the one the force spent millions trying to convict.

Dale remains a suspect in ordering and paying for Terry's murder. The motive: Terry had ratted on him over a botched burglary on Grand Final day, September 27, 2003, and turned Crown witness against him and his partner, Dave Mielch.

To make matters worse, the Oakleigh drug house was allegedly linked to crime boss Tony Mokbel and, it is alleged, up to \$750,000 and bags full of ecstasy tablets went missing.

It is the police case that Dale, who had formed a corrupt relationship with Williams over the previous year — would call on his underworld contact in Williams to have Hodson executed.

Years later, Williams would confess to the murder and that he had contracted Collins, a veteran criminal who was "looking for work".

It took years for police to unravel a web of phone calls, safe phones, faxes and relationships inside and outside the law, which all started about four years before the murders.

WHEN PAUL MET TOMMY

PAUL Dale's introduction to the underworld began with Tommy Ivanovic — a Brunswick criminal whom he picked up on drug matters in 2001. Their relationship would blossom and shortly after little Tommy graduated from drug dealer to killer.

On January 8, 2002,

Ivanovic shot motorcyclist Ivan Conabere dead outside his West Brunswick house in a road rage incident. It was even captured by his own CCTV cameras. When homicide detectives arrested him, Ivanovic asked the officers to call Paul Dale and his police partner.

Dale attended Moonee Ponds police station to speak to some homicide investigators, but surprisingly, had nothing to help them regarding the murder probe.

What became apparent, however, was Dale initially failed to mention a threat to Ivanovic's life — made by a stranger after Dale had been out drinking with his contact.

The sergeant, however, would visit Ivanovic in jail, where they would talk about a range of topics, including his murder charge.

But questions over Dale's credibility would come after he made a statement about the night in the pub, recalling the threat about Ivanovic being a "dead man walking".

And although Dale's version of events were viewed sceptically by the Office of Public Prosecutions — and he was not called as a witness — the drug squad detective avoided serious internal scrutiny by the force.

Dale would visit Ivanovic six times for "professional" reasons during the early part of his prison stint — telling superiors he was cultivating him as an informer but getting little useful information.

During one visit, Ivanovic gave Dale a name — Carl Williams — which the promoted drug squad detective entered into the police LEAP program as "Karl Williams" before getting the spelling correct on his second attempt.

It wasn't long before Dale arranged to meet Williams, informing his superiors he wanted covert equipment — which they could not supply. Their highly controversial relationship would end with Williams informing on Dale and others from prison, and bashed to death for it — right in front of little Tommy — in 2010.

Investigators from the force's Petra taskforce — set up to investigate the Hodson murders — found Dale's relationships with both



Christine and Terrence Hodson: and (inset) their daughter Mandy. Opposite page, police at the scene of the Hodsons' murder: and detective Paul Dale.



Ivanovic and Williams were corrupt but ultimately would fail to land a conviction.

Whether Dale was corrupt or not, he was certainly living life on the edge. A series of incidents showed he was a very colourful individual.

Dale returned \$1620 seized from Ivanovic for no apparent reason. He falsely stated Ivanovic claimed drugs seized in his house were found in his brother's room and recommended charges not be laid. (They weren't. And the record shows Ivanovic made a "no comment interview".)

OAKLEIGH BURGLARY THEORY — A RECAP

VICTORIA Police has made many attempts to get jailed corrupt police officer David Mielch to lag on his former boss, Paul Dale. He never did.

Romeo's restaurant in Toorak.

It would prove critical that although alarm bells were sounding about Dale's behaviour, his crew was given Operation Galop — and had the drug house under surveillance.

Mielch, who was in a relationship with Hodson's daughter, Mandy, was bitten by a police dog when he was caught fleeing the burglary.

A key police error was that Dale was not immediately banned from any interaction with Mielch and restricted from entering the St Kilda Rd Police Crime Complex after the burglary.

It is the police theory that Dale, after an unsupervised visit to Mielch at the Epworth Hospital after being injured by the police dog, stole a "blue folder" from the St Kilda Rd Police Complex filled with Hodson's informer files.

In his book *Disgraced?*, Dale argues it is fanciful for police to believe that he would get his share of the loot without committing the burglary. Police maintain he was meant to be there, but pulled out on the night.

The "blue folder", containing 31 information reports about Hodson's snitching, was taken that

night, September 27, and distributed five months later to the underworld on February 28, 2004.

THE "DARREN JOHNSON" SAFE PHONE

AS investigators scrutinised him, Dale suspected his regular phone would be "off" and used a "safe phone" under the fictitious name of "Darren Johnson" to call key people, including a lawyer.

The pair would meet as police attempted to link Dale to the burglary. At the time, the lawyer was giving legal advice to Hodson.

Hodson, already under suspicion after being caught near the burglary crime scene, was told by the lawyer to speak to ESD after meeting him, and his son Andrew, at the Celtic Club in the city.

The lawyer made several notes of the 2003 meeting. "Paul Dale is off and involved as is entire d/squad hierarchy," read one.

"Mielch will keep his mouth shut."

"Message to Dale" "Mandy and Mielch relationship for a long time."

The message the lawyer was to deliver to Dale was that Hodson wanted to meet. It didn't eventuate.

But the lawyer did begin to

DEADLY SECRETS



WITH MURDER



see Dale informally in the months after the burglary and prior to his arrest, later stating that Dale was desperate to know whether Hodson had implicated him.

On December 5, 2003, Dale, Miesel and Hodson were charged over the Oakleigh burglary and Dale, detained in the Melbourne Custody Centre, phoned the lawyer. The lawyer met him in the cells, beneath the Melbourne Magistrates' Court.

Nine days later, following another phone call, the lawyer went to see Dale again, this time in Port Phillip Prison. The lawyer refused to act for him.

They chatted about Carl Williams' daughter's christening, which was going to be at Crown Casino later that day.

Dale told the lawyer he would have gone to the casino event regardless of what the police thought.

On December 19, Dale successfully argued to be released on bail.

Early in 2004, Dale and the lawyer would continue having dinners and drinks.

He would even ask whether Azzam Ahmed, the drug trafficker in charge of the Oakleigh house, had made a statement to police regarding the theft of drugs and money.

THE BLUE FOLDER

IT had been five months since the "blue folder" and its contents went missing from the St Kilda Rd Crime Complex, but they had not yet hit the underworld.

In late February, 2004, that would change when 31 pages confirming Hodson as a police snitch were spread across the nation. Although Victoria Police fingered Dale for the missing "blue folder" early on, what they crucially did not know at the time was that the Australian Federal Police had intercepted a phone call between drug boss Tony Mokbel and the lawyer.

Other phone taps picked up the lawyer talking with Williams, telling him he was supposed to catch up with his "other adviser" — a reference believed to be to Dale.

The lawyer admitted passing messages between Dale and Williams despite suspecting they had a corrupt relationship. The lawyer later told police of meeting Dale for a drink that night, and police taps would catch Williams on the phone.

"How are ya buddy?" Dale says to Williams.

"Was hoping to catch up with you tonight. Been trying to get on to you for some time."

Williams reply was friendly: "...organise for one day during the week. Door's open for you any time."

Williams would later confirm the voices are his, Dale's and the lawyer's and that there was no legitimate reason for the call.

Mokbel was in possession of the 31 pages of informer management file contained in the "blue folder" the following day, February 28, 2004.

They were faxed from Taiba Stables — linked to Mokbel — to underworld figure Mark Smith in Queensland.

The *Herald Sun* has learned that detectives investigating the Hodson murders — the Petra taskforce — only became aware of the intercepted conversation between Mokbel and the lawyer after Williams' death in 2010.

Petra detectives planned to question the lawyer — by then their only living key witness in their investigation of the Hodson killings — over the intercepted phone call they did not know about for six years, but it never happened.

HILLSIDE MEETING

POLICE would monitor Dale in the months after he got bail in December 2003, but the

Purana taskforce cracking down on the gangland war had physical and electronic surveillance on Williams.

The attention moved to Hodson, who after making allegations about his corrupt relationships with Dale and Miesel, was offered witness protection.

Hodson, who wanted to be near family, refused and even continued to sell drugs from his Kew home.

The heavily fortified house got a security upgrade, which ultimately would fail to save him or identify his killer.

The "Hillside" meeting, for which there is circumstantial evidence, is where police would allege Dale would offer \$150,000 for the hit.

COLLAPSE

IN 2009, Dale was charged with murdering Terrence Hodson. Collins was charged over both murders, as the gunman.

Collins toyed with co-operating with police, offering some information, but wanted to strike an unrealistic deal, including a large reward for his girlfriend, Kylie.

All charges were dropped when Matthew Johnson, in an astonishing failure of the corrections system,

killed Williams in their jail unit in April, 2010.

Johnson told police: "I acted alone." There is much to suggest he lied.

Dale had one more hurdle to clear and he was acquitted of lying to the Australian Crime Commission in 2013.

The lawyer was not called to testify.



WEDNESDAY, FEBRUARY 11, 2015

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Herald Sun

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THE SET!**

WATCHDOG MAULS POLICE OVER INFORMER SCANDAL



MOKBEL FREEDOM FARCE

Criminals line up to appeal convictions

GANGLAND figures including Tony Mokbel are considering legal bids for freedom after the corruption watchdog found "negligence of a high order" in Victoria Police's handling of informers.

The Independent Broad-based Anti-corruption Commission's damning report was prompted by a *Herald Sun* investigation of the force's controversial use of informers to get information on gangland crimes, drug lords and corrupt police.

ANTHONY DOWSLEY, CARLY CRAWFORD, PADRAIC MURPHY AND ALEXANDRA WHITE

IBAC's inquiry, led by former Supreme Court judge Murray Kellam, found the force failed in its handling of endangered informers and may have subverted Victoria's justice system.

The *Herald Sun* can today reveal one witness central to the IBAC inquiry has said senior police once threatened to

take away a child unless the child's parent joined the secretive witness protection program.

IBAC found police had failed to follow their own guidelines and policies and made 16 secret recommendations on how to handle "human sources".

Police passed the report to prosecutors, as Premier Daniel Andrews vowed to oversee reforms "to learn where things have gone wrong".

CONTINUED PAGE 4



EXCLUSIVE
**TAX CUTS FOR
FOOTY STARS**

SPORT

7-DAY TV GUIDE
**BAND OF
BROTHERS**

**SWITCHED
ON**

POLICE THREAT

Cops hit hard over informers

FROM PAGE 1

Acting Chief Commissioner Tim Cartwright said he would take responsibility, despite not being in command at the time of the controversial decisions.

The report is secret, but there were calls for it to be made public as IBAC revealed the force's handling of cases may have adversely affected the administration of justice.

The ramifications of the informer scandal could intensify the demand for a judicial inquiry into the police handling of a series of notorious cases.

The *Herald Sun* understands several major criminals, including jailed kingpin Tony Mokbel, convicted killer Faruk Orman and a jailed drug figure, are considering their legal options because of the possible contamination of their cases.

Mokbel, who is serving at least 22 years for drug trafficking, has legal advice that the informer crisis could be the basis of a successful appeal against his conviction and sentence.

A Mokbel friend said: "We've been approached by some lawyers who say ... he might knock off a few years, because they have conspired against him."

Police had previously told the Office of Public Prosecutions more than a dozen cases may have been tainted by their handling of informers.

Mr Cartwright said: "Victoria Police acknowledges there were shortfalls in our management of human sources during that time (2005-09). We didn't follow best practice and it's important that lessons were learnt and they have been."

But he said that the force and prosecutors had found no evidence of a contaminated trial at state level.

"In terms of the state in the last couple of years, there is no evidence at this stage of any threat to any conviction or any evidence of mistrial," he said.

Any miscarriage of justice would be acted upon, he said.

Opposition police spokesman Ed O'Donohue said: "Daniel Andrews should urgently release a safe, redacted version of this report otherwise his lack of transparency could unfairly erode public confidence in our police force."

Mr Andrews would not rule out releasing a redacted report.

"It's my expectation that Victoria Police get on and implement each and every one of the recommendations that IBAC have made ... given the history of this matter, I do hope to have more to say soon. "But at the same time we do need to be very careful."

He would not be drawn on why a key source was not interviewed by IBAC.

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HOW THE HERALD SUN EXPOSED INFORMER SCANDAL



MARCH - APRIL 2014

The *Herald Sun* publishes the results of a six-month investigation, including several front page stories we can no longer publish, revealing serious mishandling of police informers.



MA' FET BABIES
APRIL 11

Herald Sun front page report reveals that the falling out between former top cops Simon Overland and Sir Ken Jones was the result of a dispute over the handling of police informers.

Police royal commission revelation

EXCLUSIVE ANTHONY DOWSLEY

A POLICE taskforce flown to South-East Asia to interview a proposed witness in part of a murder probe refused

JULY 14

Herald Sun front page report revealing that a police taskforce flew to southeast Asia to interview a police informer the police wanted to turn into a witness in the double murder of the Hodsons. The police officer, Ron Iddles, refused to take the statement fearing it was unethical.

Herald Sun

CENSORED

JULY 15

IBAC broadens its investigation into the informers scandal, appointing former Supreme Court judge Murray Kellam to grill top cops and search secret police files. The Kellam probe would seize \$500 police documents and questions witnesses, including Mr Overland, under oath.



APRIL 4

IBAC launches investigation into Victoria Police in the wake of *Herald Sun* investigations. "The public demand confidence in police. If there has been police misconduct, we will further investigate this thoroughly and fairly," commissioner Stephen O'Brien said.



DECEMBER 8

Herald Sun publishes special five-page report revealing a high-profile figure was involved in the leaking to the underworld of stolen documents that exposed Terry Hodson as a police informer only months before he and his wife were executed.

YESTERDAY

IBAC releases summary of investigation, finding that Victoria Police was guilty of "negligence of a high order" in the administration of informers and this had the potential to adversely affect the administration of justice in Victoria.

But 16 recommendations of changes were not released and will remain secret.

We owe that to every Victorian, to learn where things have gone wrong and make sure they're better for the future'

PREMIER DANIEL ANDREWS

FOR BREAKING NEWS
HERALDSUN.COM.AU

Kept in the dark on this dirty skeleton

Herald Sun EDITORIAL

compromised by the police conduct in the police informer scandal.

It's possible the police breaches identified by IBAC could result in a rush of convicted gangland killers applying to have their cases reopened. This would amount to a disaster for the Victorian justice system.

Former Supreme Court judge Murray Kellam conducted the top-secret IBAC probe

that made 16 recommendations. But, in keeping with the cloak of secrecy that has blanketed this story — first revealed almost a year ago by the *Herald Sun* — the full report and recommendations will not be released publicly.

This is wrong. The police informer scandal strikes at the very heart of the administration of our police force and the justice system. Victorians have a right to

know what went on and transparency is one important way to help ensure these mistakes are not repeated. The police informer scandal intersects with the double murder of police informer Terry Hodson and his wife a decade ago. It remains unsolved.

Key questions remained unanswered. Among them: Which gangland convictions could be in jeopardy? Who in Victoria Police was responsible for this secret scandal? Why have no police officers been disciplined?

Remember, the police informer scandal is a story Victoria Police didn't want you to know about.

Victoria Police has tried to cover up this scandal.

Victoria Police has gone to extraordinary lengths to block the *Herald Sun* from publishing details about the police informer scandal. We remain unable to tell you key details or even why this newspaper is blocked from telling Victorians information they deserve to know.

The *Herald Sun* believes Victorians deserve to be trusted with the full IBAC report. If certain details need to be redacted to protect lives then so be it. But we call on Premier Daniel Andrews to release it.

There has been too much secrecy.

TO TAKE CHILD

Witness claims family faced lack of security

A PARENT linked to the police informer scandal has told how senior officers threatened to take their child unless they entered the witness protection scheme.

Despite police claiming to have information the witness was in danger, officers refused to increase security without an agreement to enter the "Wit-sec program", the witness said.

The senior officers raised the prospect of getting the Department of Human Services involved with the child if the parent did not agree, the parent has told the *Herald Sun*.

The revelation comes as Victoria Police's handling of informers comes under fire following the partial publication of the corruption watchdog's report, which found the force had behaved negligently.

IBAC's findings came after 14 witnesses — believed to include former chief commissioner Simon Overland and senior police on the Petra Taskforce steering committee — gave sworn evidence, and IBAC officers reviewed 5500 documents.

In the wake of the bombshell finding, lawyer Sarah Garde-Wilson said that for police to be told to hand over the report to the OPP, there must be serious doubts about undermining of the criminal justice system by witnesses.

"To undermine the course of justice, given it is not asserted police conduct was not unlawful, it can only be that their involvement with witnesses undermined the justice system," she said.

An IBAC statement said: "Mr (Murray) Kellam further found that Victoria Police failings had the potential to have adversely affected the administration of justice in Victoria.

"He did not, however, find that any unlawful behaviour had occurred."

Lawyer Nicole Spicer, who represents murdered crime

ANTHONY DOWSLEY, CARLY CRAWFORD AND PADRAIC MURPHY

kingpin Carl Williams's father, George, called for more scrutiny of secret police processes.

"Where there is corruption in relation to the legal or judicial systems or failures to follow up proper due process, we stringently support continued investigation into, and scrutiny of, these failings," she said.

"Individuals, organisations and governments should be held accountable where such failings are identified."

The failings have now raised the prospect of convicted criminals launching appeals in bids to be freed from jail.

These are understood to include gangland hitman Faruk Orman, who was convicted of killing underworld heavyweight Victor Peirce.

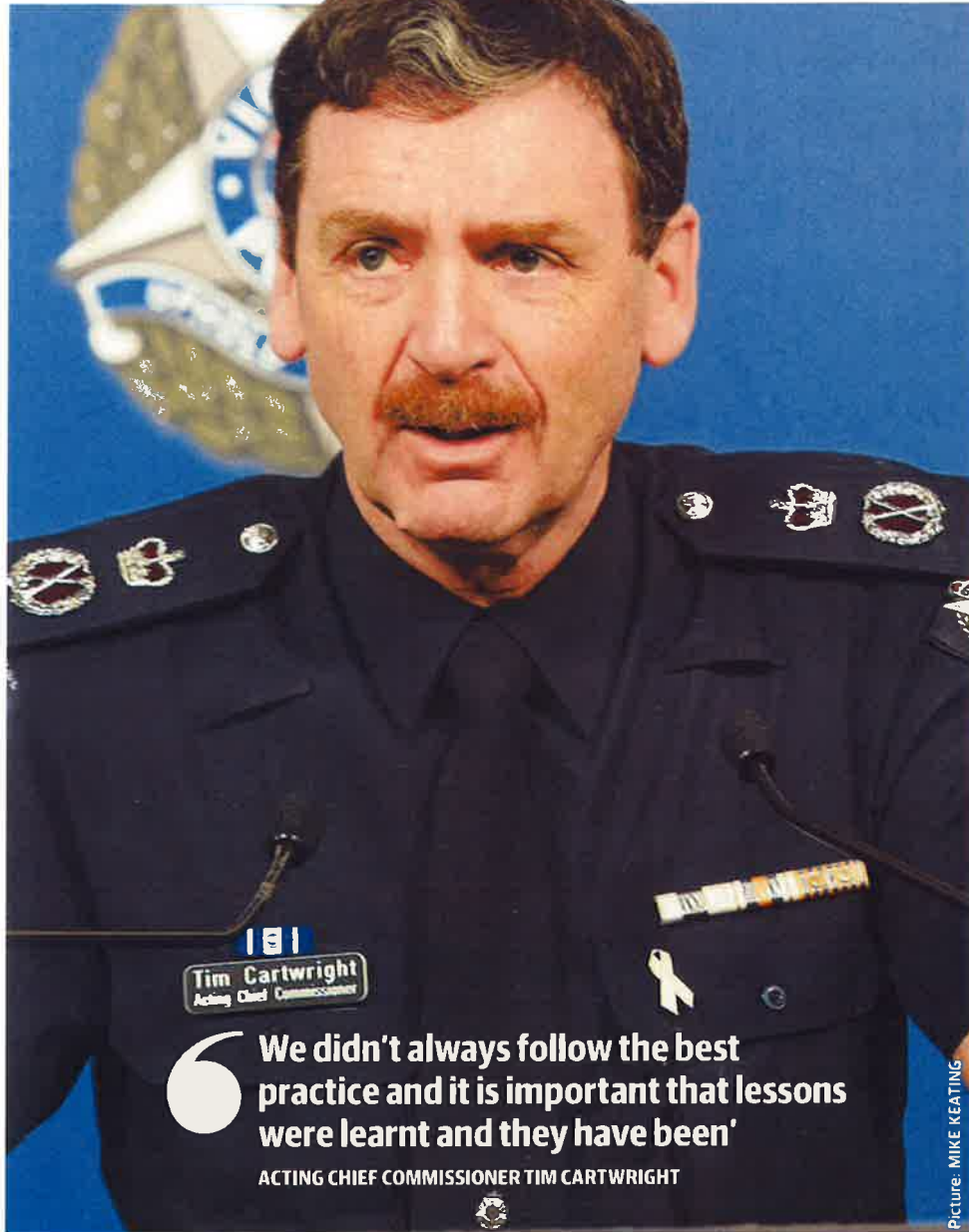
A figure involved in the police informers scandal is understood to have known crucial information about rogue police officer Dave "Docket" Waters, who was investigated by the force for his alleged activities with a veteran hitman who confessed to the crime.

In another failing, a federal police phone tap was not passed on to Victoria Police investigating the killings of police informers Terry and Christine Hodson until years after the murders.

Petra Taskforce officers wanted to probe the phone tap when it finally came to light but were instead asked to cease the investigation.

The *Herald Sun*'s year-long investigation into the police informers scandal has resulted in Victoria Police engaging some former "high-ranking" police officers, including an international expert, to overhaul its informer and witness protection management models.

anthony.dowsley@news.com.au



"We didn't always follow the best practice and it is important that lessons were learnt and they have been"

ACTING CHIEF COMMISSIONER TIM CARTWRIGHT

Picture: MIKE KEATING

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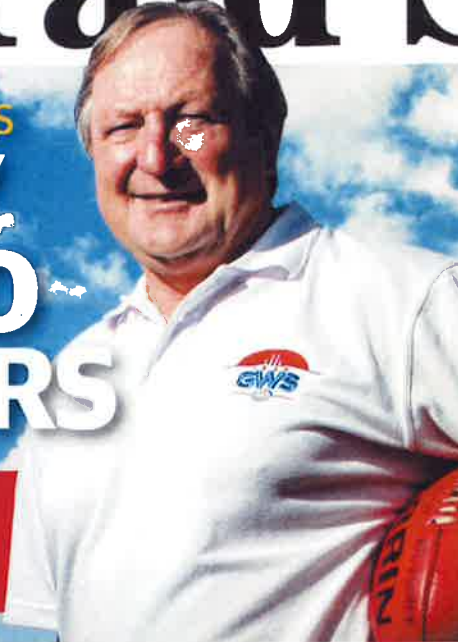
Herald Sun

GODFATHER RETURNS

SHEEDY BACK TO BOMBERS



**No.1 FOR
FOOTY
SPORT**



MOOMBA FAMILY FUN GUIDE

**PLAN
YOUR
LONG
WEEKEND
P5**



POLICE INFORMERS SCANDAL



MAFIA BOSS BOMBSHELL

EXCLUSIVE Top secret anti-corruption report flags \$440 million drug kingpin

A MAFIA boss jailed over the world's biggest ecstasy bust could be thrown a lifeline after his case was flagged in an anti-corruption report on the police informers scandal.

The *Herald Sun* can reveal that Rob Karam (right) — serving a 19-year sentence for trying to smuggle 15 million ecstasy tablets in tomato tins — is among at least four criminal identities named in the secret report.

The report by Murray Kellam, QC, for the Independent Broad-

**ANTHONY DOWSLEY,
JAMES CAMPBELL AND
CARLY CRAWFORD**

based Anti-corruption Commission, slammed the police force's use of informers and raised the prospect that some criminal convictions may have been compromised.

The explosive revelation that Karam is referred to deepens the informers scandal, significantly raising the stakes for Victoria Police and for

a number of former and serving senior police officers.

If Karam were able to use the details in the report to help overturn his conviction, it would deliver a devastating blow to the justice system and to the police force's credibility.

It can be revealed that the report also refers to Tony Mokbel, Carl Williams and a criminal who cannot be named for legal reasons.

The report and its 16 recommendations have been classified top se-

cret by Victoria Police and the State Government.

Director of Public Prosecutions John Champion, SC, is considering the report, completed last month, to see if there have been any miscarriages of justice.

Legal experts have told the *Herald Sun* it is highly unlikely that the Office of Public Prosecutions will be in a position to review prosecutions itself.

CONTINUED PAGE 4



**FISKVILLE ACTION
HEADS
ROLL** P6-7



**WE'RE LICKED
STAMPS
UP TO \$1**



**NCIS STAR'S
KISS
& TELL**



**SWITCHED
ON**

GP fee a big mistake

ANNIKA SMETHURST

PRIME Minister Tony Abbott says he "should have known better" than to try to force a Medicare co-payment through against doctors' opposition.

After a year of political pain the Federal Government finally dumped its unpopular \$5 GP co-payment plan yesterday, at a cost of about \$800 million to Budget savings.

New Health Minister Susan Ley declared the Government was determined to change Medicare to ensure its

sustainability, but the co-payment to visit a general practitioner would not go ahead.

Mr Abbott told Parliament he, as a former health minister, should have known better than to attempt "major health reform without the strong co-operation and support of the medical profession".

Doctors had warned they would pass any cuts to the Medicare rebate on to patients.

Backbencher Andrew Laming attacked his own party for its handling of the plan, saying it was "the most unpopular Budget policy from 2014 and the prime reason for backbencher dissatisfaction".

"(It was) all about the money and nothing about quality. Putting the savings into a research fund was a smokescreen that fooled very few," he writes in News Corp

papers today, saying MPs were not involved in the design of the policy and were unable to sell it to their constituents.

Despite the Government's decision to scrap the fee, Ms Ley flagged further reforms yesterday, saying that Medicare was growing at an unsustainable rate and "doing nothing was not an option".

"We recognise that we cannot introduce reforms to

build a strong, sustainable Medicare without the support from the public and the Parliament," Ms Ley said.

She said that the Government would push ahead with a planned freeze on indexation of Medicare rebates for GP and non-GP items, which would garner \$1.3 billion in savings.

But Ms Ley dismissed the option of raising the Medicare levy as a "lazy option".

Abbott says he should have known better

The Royal Australian College of General Practitioners welcomed the Federal Government's decision to abandon its \$5 GP co-payment, but urged it also to lift the freeze on patient rebates.

Shadow health minister Catherine King said the Government was still determined to destroy Medicare, saying: "We know there are still \$1.3 billion on the table of cuts to general practice, which will be passed on to patients."

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Troops ready to roll out

ELLEN WHINNETT
NATIONAL POLITICAL EDITOR

AUSTRALIA will send around 150 additional troops to Iraq, after Prime Minister Tony Abbott announced a change in the nation's efforts to fight the evil hordes of the Islamic State terror group.

Most of the 170 special forces troops currently deployed in the Middle East training the Iraqi counter-terrorism units will return to Australia in about September.

Their numbers will be replaced by around 300 regular Army troops who will continue to train and advise the Iraqi defence forces.

The rise in the number of Australians serving closely with Iraqis could potentially raise the risk of "green-on-blue" or insider attacks, but Mr Abbott said while such attacks could never be ruled out, there was a strong force protection element within the deployment.

Chief of the Defence Force Mark Binskin went further, saying insider attacks posed "a real risk".

"It's a risk I take very seriously. As the Prime Minister said, there is a large force protection element involved in this deployment and we're making sure that we take all our lessons learnt after the last 10 or so years of operations in the Middle East into account when we've been planning," he said.

Opposition Leader Bill Shorten offered bipartisan support and said the troops were



Tony Abbott, Defence Minister Kevin Andrews (right) and Mark Binskin yesterday. (Inset) IS executioner 'Jihadi John'.

doing important work training Iraqi soldiers on ethical and lawful military organisations.

"We welcome the measures being put in place for force protection and will continue to seek reassurance in this respect. I can appreciate the risk of green on blue and indirect fire and that is something which, of course, has to be managed and minimised but it is dangerous work," he said.

The rise in troop numbers means Australia will have around 300 people on the ground in Iraq, and around 400 supporting the Super Hornet jets which are flying out of the

United Arab Emirates. Mr Abbott said the new deployment followed a formal request from the Iraqi and United States governments.

"This decision marks the next phase of Australia's contribution to the international coalition to disrupt, degrade and ultimately defeat Daesh or (the) IS death cult," he said.

"We have slowed Daesh's advance but Iraq's regular forces now require support to build their capacity to reclaim and to hold territory."

The Australians will work closely with New Zealand troops in a "build partner ca-

capacity force" but will not be formally badged as Anzac troops.

Mr Abbott said it was not a combat mission, and the troops would stay "inside the wire".

"I want to stress that we haven't taken this decision lightly. Ultimately, it is Iraq that must defeat the death cult but we do not want to leave the Iraqis on their own."

The final decisions on the deployment will be made in June, and Mr Abbott said it would be reviewed every year, but at this stage was envisaged to be a two-year commitment.

The new contingent will be based at Taji, north of Baghdad.



Secret plan to fine unis

SIMON BENSON

A SECRET federal plan to fine universities who overcharge students has been floated to crossbenchers in an effort to win Senate passage for tertiary deregulation plans.

Education Minister Chris Pyne's higher education reforms are stalled in the Senate.

The Government is believed to have offered crossbenchers an olive branch in the form of a penalty regimen for greedy universities.

At least two Senate crossbenchers have been approached about Mr Pyne's plan, which would seek to impose a tax of up to 20 per cent on the amount any university overcharged for a degree.

But some experts labelled the idea a "tax" by stealth on students, which could add a further \$11,000 to the cost of some degrees.

Mr Pyne's office said the idea was among those being discussed with crossbenchers including senators Ricky Muir and David Leyonhjelm.

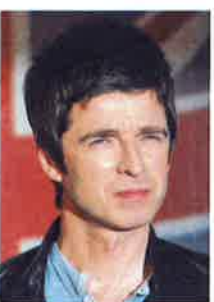
The Opposition slammed the idea, claiming it was absurd to tax overcharging when the Government didn't know what an acceptable charge would be.

"Minister Pyne has spent the past 12 months swearing black and blue that price gouging won't happen under his plan. Now he is preparing a secret tax plan to stop something he said would never happen," Labor higher education spokesman, Kim Carr, said.

GALLAGHER GOING BLIND

BRITISH rocker Noel Gallagher is beginning to lose his sight and is planning to have laser eye surgery if it worsens.

The former Oasis star, 47, refuses to wear glasses and insists he will wait until he can barely see before seeing a specialist. He also fears going bald and says he'd rather lose his writing skills than his hair.



Noel Gallagher

Informer crisis drug boss shock

FROM PAGE 1

This raises the real prospect of a full judicial inquiry into the informers scandal.

IRAC began its investigation after the Herald Sun exposed problems with the use of police informers last year.

Mr Kellam examined more than 5500 documents and interviewed several witnesses over nearly a year.

He slammed Victoria Police for failing to obtain advice

about the legality of obtaining information from certain informers.

He was also scathing about how senior police had travelled to Britain to study its handling of informers and then completely ignored what was learned from the trip.

Karam, 48, was jailed last month for at least 15 years over his major role in the importation of 4.4 tonnes of ecstasy, with a street value of \$440 mil-

lion, in tomato tins from Italy. He is appealing against that conviction.

In 2007 he was acquitted of charges over the importation of 1.2 tonnes of ecstasy tablets seized in 2005.

Last week the State Government said it would not be releasing the Kellam report.

Do you know more? Contact anthony.dowdsley@news.com.au, james.campbell@news.com.au or carly.crawford@news.com.au

FALLEN TRAIN SURFER DIES

A TRAIN surfer critically injured during an incident last week has died in hospital.

Police confirmed the 23-year-old, from Albert Park, lost his battle for life.

He allegedly jumped from a train roof at McKinnon railway station in Melbourne's southeast about 10.45pm on Wednesday.

Herald Sun

Secret court face-off

TOP-secret legal action has been launched in the Supreme Court.

The *Herald Sun* is aware of the parties involved in the highly sensitive legal action and some of the key details surrounding the case.

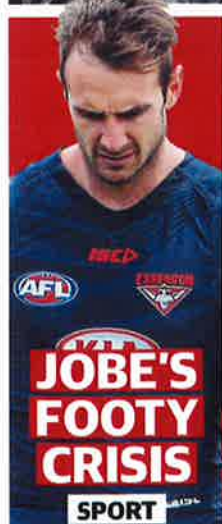
But two extraordinary suppression orders issued by the court on Monday prevent the newspaper from informing Victorians about the case in any detail.

The *Herald Sun* is allowed to report the case is being heard by Justice Tim Ginnane and the three parties involved can be referred to only as AB, EF and CD.

Justice Ginnane has issued two suppression orders; the first covers an action between AB and EF and CD. The second covers an action between EF and CD.

The *Herald Sun* believes there is a significant public interest in Victorians being informed about this story and will continue to explore legal avenues to eventually tell it.

FIRST PHOTOS INSIDE PARKVILLE JAIL



YOUR TAXES TRASHED

EXCLUSIVE Rampage bill up to \$10 million

THE extent of destruction caused by rampaging teens in the state's main youth prison can be revealed for the first time.

Dozens of images of two separate riots on May 6 and August 17, exclusively obtained by the *Herald Sun*, show large holes in ceilings and walls, smashed doors and windows, and office equipment destroyed by the thugs.

The photos were released as a Parkville Youth Justice Centre inmate

ANGUS THOMPSON AND MARK BUTTLER

pleaded guilty in a Children's Court yesterday to a litany of crimes, including meth-fuelled joy rides, CBD bashes and throwing urine at emergency response staff inside the detention centre.

Youth justice sources claim the damage bill from the mayhem in Parkville and Malmesbury detention centres

over the past two years will cost taxpayers up to \$10 million. A DISS spokesman said he did not believe the figure was that high but did not have a damage cost estimate available.

It comes as one of the teens accused of leading police on a dangerous chase across the city, climaxing in an interception on the West Gate Bridge, was freed on bail.

A *Herald Sun* poll released on Monday revealed more than two-thirds of

Victorians believe authorities are losing the battle against Apex gang thugs while nearly as many believe the government is too soft on youth crime.

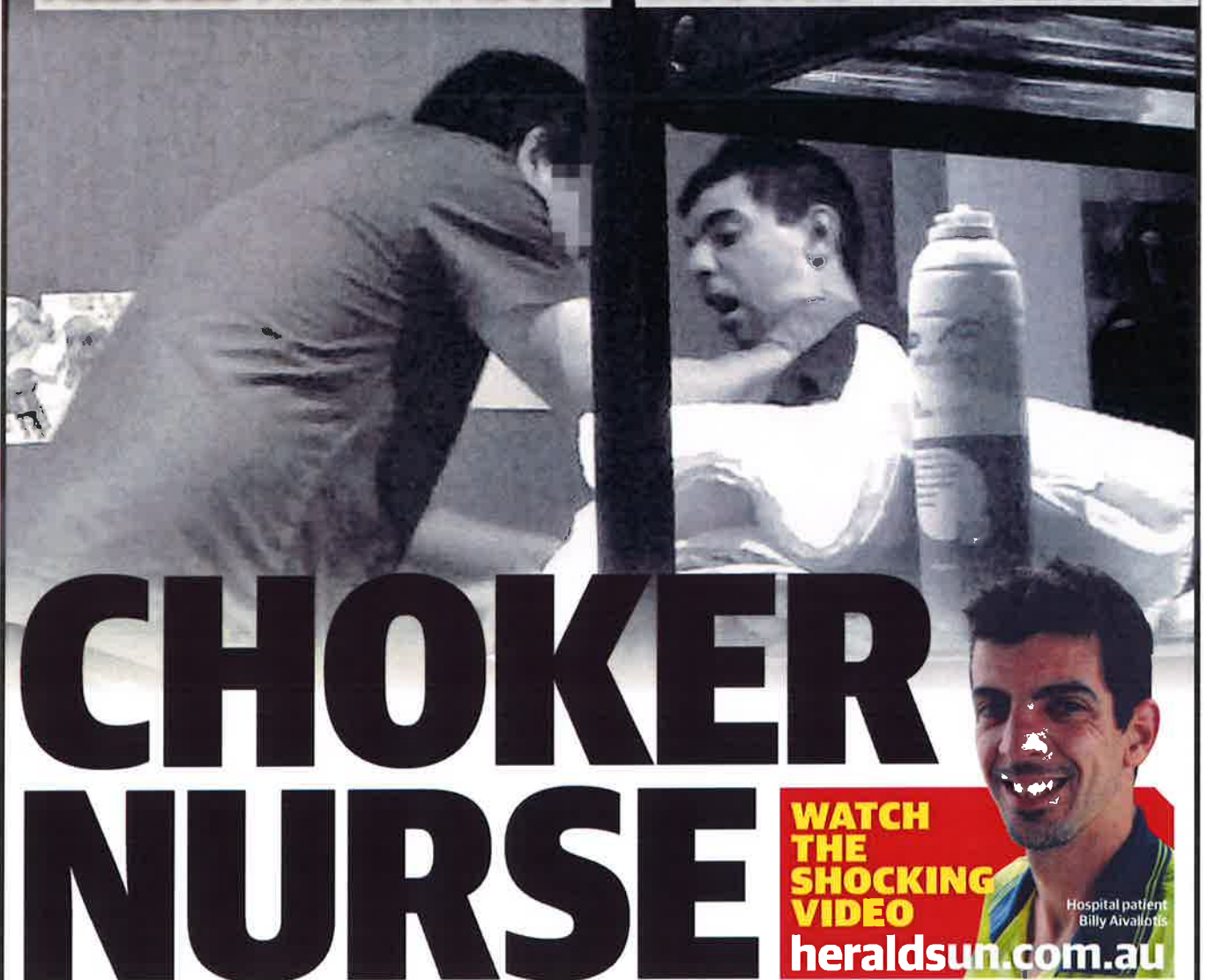
The Children's Court heard yesterday that a 17-year-old Parkville rioter with a lengthy and violent criminal history had also pulled a Malmesbury youth prison worker on to the ground and rained punches on his head during an unprovoked attack on March 1.

CONTINUED PAGE 6

Herald Sun

**HIDDEN CAMERA FILMS
ALLEGED PATIENT ABUSE**

**POLICE LAUNCH PROBE
INTO HOSPITAL HORROR**



CHOKER NURSE

**WATCH
THE
SHOCKING
VIDEO**

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Hospital patient
Billy Aivaliotis

SHOCKING footage has emerged that shows a nurse abusing a defenceless patient in his hospital bed.

Police have begun investigating after they received the footage, which was filmed at Caulfield Hospital, earlier this week.

The camera was hidden in a picture frame by the patient's family, who said concerns they raised with hospital staff had fallen on deaf ears.

**EXCLUSIVE
DAVID HURLEY**

Last night, the hospital told the *Herald Sun* the nurse had been stood down and no longer worked there.

Law firm Arnold Thomas and Becker, acting on behalf of the patient, is initiating civil proceedings against the hospital in both the County and Federal courts.

Footage filmed on January 22 shows a male nurse grabbing the patient, Billy Aivaliotis, by the throat.

The footage was given to the *Herald Sun* yesterday with the consent of the family and of the guardian of Mr Aivaliotis, 33.

Mr Aivaliotis, who was born with cerebral palsy, was struck by a vehicle last May 22 and suffered a significant brain injury and multiple

leg and rib fractures. After treatment in the Royal Melbourne Hospital, he was transferred to Caulfield Hospital.

But his family became concerned when he began losing weight and showing signs of bruising.

They told the *Herald Sun* they raised concerns about his treatment with hospital staff many times, but were dissatisfied with the response.

"For months, we were totally ignored," a family member said.

So the family decided to set up a camera in his hospital room.

"Billy fought for his life after the accident. To beat death and recover, only to be abused and mistreated when completely defenceless, is totally devastating and infuriating," the family said.

CONTINUED PAGE 4



PAGE 7 & SPORT

Top secret action being launched in the High Court

AUSTRALIA'S highest court is set to hear an extraordinary top secret case that will shake a significant Victorian government institution and could trigger a royal commission.

In a major development, the institution has lodged an application with the High Court in a last-ditch bid to

ANTHONY DOWSLEY

thwart an action from a separate government organisation.

Suppression orders imposed prevent the *Herald Sun* from identifying the institution, the organisation, and a third party, other than as AB, CD, and EF.

The case has already worked its way through Victoria's Supreme Court and Court of Appeal.

The institution has now sought special leave from the High Court to appeal against those earlier decisions.

Unless the appeal is successful, it is likely a series of dramatic developments

will unfold, leaving the Andrews Government with little choice but to order a royal commission or set up some other form of judicial body to investigate events.

The developments that could trigger the royal commission cannot be detailed for legal reasons. Senior government figures

are being briefed, and are leaving the way open for a judicial inquiry.

If secretive legal orders are lifted, and the *Herald Sun* is able to tell this story, it will captivate and appal Victorians, and leave some former senior figures from the institution facing serious questions.

CHEAP PIES

COLLINGWOOD STARS TAKE PAY CUT FOR DAYNE BEAMS



CAR OF THE YEAR

PAGE 6 & MOTORING

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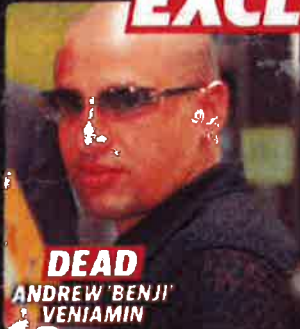
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HOT OFFER
SIADAY
DETAILS P34

EXCLUSIVE



DEAD
JASON MORAN



DEAD
ANDREW 'BENJI' VENIAMIN



DEAD
CARL WILLIAMS



DEAD
GRAHAM 'THE MUNSTER' KINNIBURGH

BIGGEST CRISIS IN VICTORIA'S LEGAL HISTORY TO EXPLODE

JAILED CRIMS TO LAUNCH BIDS FOR FREEDOM

GANG WAR SCANDAL



ANTHONY DOWSLEY AND PATRICK CARLYON

DOZENS of criminals will soon claim that their convictions were compromised, in a development that will expose one of the biggest scandals in Victoria's legal history.

A special court is expected to be set up to handle a flood of appeals from criminals, several of them high-profile, as a result of police misconduct on an unprecedented scale during and after Melbourne's gangland war.

Systemic wrongdoing by police, sanctioned at the highest levels and which endangered lives, is due to be detailed after the scandal erupts next week.

Demands for a royal commission to be called are likely. The misconduct was prompted by a desperation among police to end the gangland war, which lasted from 1998 until 2010.

Carl Williams' vendetta against the Moran family and the so-called Carlton Crew led to the murders, often in public, of almost 20 underworld figures, including Jason Moran, Andrew 'Benji' Veniamin, Graham 'The Munster' Kinniburgh, and Williams, himself.

The extraordinary revelations could lead to charges of perjury and perverting the course of justice, and might have political ramifications.

Police Minister Lisa Neville is understood already to have been briefed on the matter.

CONTINUED PAGE 4

Scalpers in crosshairs

TOUGH national laws proposed by the Opposition would expose scalpers preying on sport and entertainment fans to fines of up to \$10 million.

The crackdown plan, to be announced by federal Labor today, would include bans on the use of ticket-buying "bot" software that snaps up tickets to major events, and a cap on ticket resale prices of

EXCLUSIVE
PETER ROLFE

10 per cent above face value. The laws would apply across state borders.

Corporations breaching the law would face penalties of up to \$10 million, and individuals fines of up to \$500,000.

FULL REPORT, PAGE 3

TAKE OUR NEWS QUIZ
WIN \$500



HOW TO PLAY
P35

WEST GATE TUNNEL STOUSH

VICTORIA'S powerful construction unions are going to war on a key Andrews Government roads project, fighting a deal that would see many of the workers earn more than \$180,000 a year.

Days into its new term, Labor faces an industrial relations headache after its building-union backers failed to reach a deal

JAMES DOWLING AND KIERAN ROONEY

with the consortium building the \$6.7 billion West Gate Tunnel.

After more than six months of negotiation, the contractors have used a legal loophole to force it through without the five unions signing off on it.

CONTINUED PAGE 4

It takes three, kids

SUSIE O'BRIEN

VICTORIAN children from grade 3 will be taught "sometimes it takes three to make a baby" under new teaching resources released today by fertility experts and family planning groups.

The classroom teaching modules will transform the way sexual and reproductive health is taught in schools, providing information about infertility as well as the different ways families are made through assisted reproduction techniques.

Pupils to get IVF and fertility lessons

They are designed to normalise assisted reproduction and donor conception so children understand there are many ways to make a baby.

Existing sexual education resources focus much more on biology and standard conception, including a focus on how not to get pregnant.

The new resources, funded by the state government, aim to get children as young as nine thinking about their future fertility as well as

diverse families such as same-sex, donor and IVF families.

It is billed as "sex-positive, accurate and non-judgmental information" which is "inclusive of different sexualities, genders, cultures and ways of living".

Classes on basic conception will include assisted reproductive treatment and surrogacy.

By grade 5, lesson plans include "Dear Fertility Doctor" letters signed by "Cuddly", who is 20kg overweight, and

"Smokin' Sally", who smokes.

By year 9, the focus is fertility optimisation.

"When we think of sexual and reproductive health education in schools, we typically imagine students learning about sexually transmitted infections and how not to get pregnant," Family Planning Victoria schools team manager Bonnie Lee said.

"And while these are still really important subjects, students also need to

understand about their fertility and the factors that may affect it — in particular, when they are ready to start a family.

"Around 5 per cent of children born in Australia in 2016 were conceived as a result of assisted reproductive treatment — these resources will help children understand that there can be many ways to make a baby, and that there are many different ways that families are created," she said.

Parents will be given the choice to withdraw their children from the classes.

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TUNNEL STOUSH IN WEST

FROM PAGE 1

The contractors have submitted it to the Fair Work Commission for arbitration. The legal stoush will be played out next year, with all five unions vowing a fight.

One union said the consortium was "dudding workers" because it and the state government had under-budgeted the project.

The consortium's deal would see most tunnel workers earn almost \$200,000 a year with overtime, penalties and a site allowance of \$7.50 an hour when they work an industry standard 56-hour week.

But the Australian Workers' Union has told its members the deal would make them more than \$800 a week worse off and wants a site allowance of \$9.10 and a bump of nearly \$3 an hour in most workers' standard rate.

The Chinese-owned John Holland and the Spanish-controlled CPB Contractors used a little-known clause in the Fair Work Act, allowing them to lodge a draft agreement for arbitration if they have negotiated with unions for six months.

It is one of the first times the clause has been used.

AWU state secretary Ben Davis said the contractors sought to pay the workforce as little as possible.

"For this to happen on one of Victoria's biggest infrastructure projects is an embarrassment," he said.

"They are alienating the union and their workforce."

CFMMEU secretary John Setka said John Holland workers wouldn't be "dudded on mega projects" because John Holland and the state government couldn't add up.

"If this project starts with a dispute it's on John Holland, not us," he said.

The \$11 billion Melbourne Metro Tunnel project agreement, which has sailed through to Fair Work with unions' tick of approval, has similar pay rates and the same \$7.50 site allowance.

But also included is a \$45 daily travel allowance, more generous redundancy pay and greater roster flexibility.

"We urge all parties to continue to negotiate in good faith," a government spokesman said yesterday.

A spokesman for the John Holland-CPB Joint Venture said it had no comment.

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Gang war push for freedom

FROM PAGE 1

People who were at the time senior police, politicians, and in the highest levels of the judiciary are expected to be asked what they knew.

Authorities have spent millions of dollars over the scandal. Police have been desperate to keep it from the public.

Sir Ken Jones is believed to have raised concerns about misconduct while he was Victoria Police deputy chief commissioner.

It is understood that Sir Ken became aware of problems in 2010 and 2011, and warned that the scandal would erupt at some point.

Senior legal figures have described the police tactics as "out of control".

Others close to the scandal have described it as "a systemic abuse of the Victorian criminal court process", saying trials were distorted over many years. "Some state witnesses, especially police, will have had to perjure themselves", one source said.

Several major investigations of crimes committed from 1999 to 2014 — and the resulting convictions — could be affected. Criminals still serving time as a result of convictions during that era are hoping that the scandal will result in years being wiped off their sentences, or even the overturning of their sentences.

Compensation claims for millions of dollars could follow.

Among those murdered during the gangland wars were Jason Moran, shot with minder Pasquale Barbaro, in a van



Carl Williams ordered at least four of the gangland killings.

parked at an Auskick football clinic in Essendon, while five children sat in the back; hot dog vendor and drug dealer Michael Marshall, gunned down in a South Yarra street in front of his five-year-old son; and Carlton Crew member Graham "The Munster" Kinniburgh, who was ambushed and executed in his Kew driveway.

Gun-for-hire Andrew "Benji" Veniamin, who worked

for both the Carlton Crew and Williams' mob, was killed at Carlton's La Porcella restaurant by former associate Mick Gatto, who was acquitted after claiming self-defence.

Williams, who ordered at least four and as many as 10 hits during the gangland war, was himself bashed to death with the stem of an exercise bike seat while he was in Barwon jail in 2010.

Gangland boss Tony Mokbel, who had sided with Williams during the gangland hostilities, made headlines in 2006 when he disappeared while on bail on drug charges.

He laid low in Bonnie Doon for about seven months before sailing from Fremantle, Western Australia, to Athens on a yacht called the Edwena.

In June 2007, after 15 months on the run, a wigged

Mokbel was arrested while hiding out in Greece.

In 2012, he was sentenced to serve a minimum of 22 years' jail on drug importation and trafficking charges.

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AVOID PARENTING WITH MR WRONG

PAGE 5

CORONER TO PROBE HUGE FIRE

MARK BUTTLER AND ANDREA HAMBLIN

THE State Coroner will investigate a huge suspicious fire which took hold of a factory and caused a major smoke event in West Footscray earlier this year.

The extraordinary move to hold an investigation by a body that normally deals with fatalities comes as police continue to investigate the cause of the blaze, which burnt for days and caused acrid smoke to blanket parts of the city's west.

The arson squad would be looking for a firebug if it was deemed deliberate.

The blaze generated extreme heat and released toxic fumes across more than a dozen suburbs after it began on August 30.

The *Herald Sun* has been told that the heat was so intense in the 14,000sq m building that, even a week after the fire, workers said the soles of shoes were dissolving.

The Coroners Court confirmed last night it would investigate.

CONTINUED PAGE 6

CAROLS BY CANDLELIGHT WIN FAMILY PASSES

DETAILS, P12



GANG WAR SCANDAL

DRUG LORD TONY MOKBEL HOPING FOR FREEDOM

AWIG AND A PRAYER

Drug dealer Tony Mokbel wearing a wig in his police mugshot following his capture in Greece in 2007.

DRUG lord Tony Mokbel is hoping to walk out of prison within four years thanks to what will next week be exposed as one of the biggest scandals in Victoria's legal history.

The *Herald Sun* revealed yesterday that dozens of criminals will soon claim that their convictions were tainted by systemic police misconduct during and after Melbourne's gangland war.

EXCLUSIVE ANTHONY DOWSLEY AND PATRICK CARLYON

It is expected that a major development early next week will finally reveal the full extent of the scandal.

The *Herald Sun* has followed the matter for years, but has been prevented from revealing full details of what occurred.

It can be reported that Mokbel, who in 2012 was sentenced to a minimum of 22 years in prison over a series of drug importation and trafficking charges, has been watching developments for some time.

A bewigged Mokbel was arrested in Athens, Greece, in June 2007, 15 months after fleeing Melbourne while on bail during a trial on cocaine importation charges.

The drug lord has long suspected that his convictions were compromised by what has been described by high-ranking police as a scheme so unethical that it "distorted trials" and compelled state witnesses and some officers to perjure themselves.

Senior police privately believe that Mokbel's hopes of an early release may have merit.

CONTINUED PAGE 6



THAI RESCUE SECRETS

GREAT CAVE ESCAPE

AMAZING BOOK EXTRACT, PAGE 61

'Deeply remorseful' Trolley Man in court

THE heroic homeless man who wielded a trolley during the deadly Bourke St terror attack this month is in custody, accused of a burglary in East Melbourne this week.

Michael Rogers, who was dubbed "Trolley Man" after confronting terrorist Hassan Khalif Shire Ali, fronted court yesterday over the alleged burglary on Wednesday. Police confirmed a 46-year-old man had been charged with burglary, theft and commit indictable offence while on bail.

Mr Rogers gained fame after slamming a trolley into Shire Ali, as the knife-wielding attacker lunged at police.

Melbourne Homeless Col-

SELBY STEWART

lective founder Donna Stolzenberg — who also created a GoFundMe for Mr Rogers that raised over \$136,000 — yesterday told the *Herald Sun* Mr Rogers was "deeply remorseful" over his arrest.

"He is really desperate to keep moving forward," Ms Stolzenberg said.

Ms Stolzenberg said she had received messages from Mr Rogers through his lawyers, and that Mr Rogers had been "working hard behind the scenes". Ms Stolzenberg said Rogers' recent arrest did not affect his access to the GoFundMe donations.

MAN CHARGED OVER COLD CASE MURDER

ANDREA HAMBLIN

A MAN has been charged over the stabbing death of a Melbourne nurse that has remained unsolved for more than 30 years.

The breakthrough means the family of Ina-Doris Warrick is now one step closer to justice and finding out what happened the night of March 21, 1986.

Detectives went to a home in Bairnsdale at 9am yesterday to arrest their suspect, a 63-year-old man.

He was charged with one count of murder.

Ms Warrick, 25, was stabbed to death in her North Ringwood home after having



Ina-Doris Warrick

dinner with hospital orderly Colin Earl Graham, who maintained he had dropped her home and had no hand in her death.

Police had offered a \$1 million reward for information.

Coroner to probe huge factory fire

FROM PAGE 1

Under the Coroners Act 2008, the Country Fire Authority or Metropolitan Fire and Emergency Services Board can ask the coroner to investigate a fire even if it is non-fatal.

The coroner must investigate, if they deem it in the public interest.

The investigation could help identify systemic failings and the coroner could make recommendations to help prevent or deal with future emergencies. The coroner could also rule on the cause and source location of a fire, in cases where those factors have not been identified.

WorkSafe Victoria said the warehouse was not registered under the Dangerous Goods Act, which enables authorities to identify and monitor sites that contain combustible materials, poisons and other dangerous products.

Victoria Police declined to comment on its ongoing investigation as the matter before the coroner.

Other major fires which have been investigated recently include the Wye River and Separation Creek bushfires of Christmas 2015, in which 116 houses were destroyed. A finding in that event was made without an inquest.

TONY: I WAS

GANG WAR SCANDAL TIP-OFF TWIST

EXCLUSIVE
ANTHONY DOWSLEY AND
PATRICK CARLYON



Tony Mokbel is transferred to an Athens jail in May 2008 in preparation for his extradition to Australia.

TONY Mokbel says a close confidant at the centre of what is about to explode as one of the biggest scandals in Victoria's legal history urged him to flee the country in 2006, prompting a global manhunt.

The gangland boss and drug lord, now 53, has claimed the person, well connected in police circles, warned him he was about to be charged with multiple murders in 2006 and said that he should "f--- off".

Mokbel skipped bail in March 2006 during a trial for cocaine importation.

He initially sought refuge in Bonnie Doon, where he hid for seven months.

While there, he received special deliveries, such as his mother's tabouli, and visits from his then girlfriend, Danielle McGuire.

In a court hearing following Mokbel's flight, police publicly blamed a solicitor not involved in the trial for warning him that murder charges were about to be laid against him.

Mokbel travelled across the Nullarbor, posing as a mute named Wes, before boarding the yacht *Edwena* — complete with a purpose-built hidey hole and separate toilet for the fugitive — for a voyage to Greece.

He was eventually arrested in an Athens seaside cafe in

Drug lord hopes to be free in four years



Yesterday's Herald Sun.

FROM PAGE 1

But senior police point out that Mokbel did plead guilty to very serious crimes. They also say he could be charged with other crimes that were struck out or withdrawn under the complex 2011 plea deal.

The *Herald Sun* revealed yesterday that a special court was expected to be set up to deal with a deluge of appeals from criminals, including several high-profile figures, as a

result of police misconduct during Melbourne's gangland war and beyond.

The systemic wrongdoing, which was sanctioned at the highest levels in the force and which some officers feared was endangering lives, is due to be detailed when the scandal erupts next week.

Major investigations from 1999 to 2014, and convictions resulting from them, could be affected. It is believed crimi-

nals serving time as a result of convictions during this period are hoping that the scandal will result in their sentences being reduced or overturned.

There has also been talk of compensation claims in the millions of dollars.

A royal commission could be convened. Premier Daniel Andrews said in 2014, while he was opposition leader, that it should be considered.

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NEW BLUE FLAME

CONFIDENTIAL



WATER WISE

STAY SAFE THIS SUMMER **PAGE 11**

LOOKING UP

PAGE 7

OUR MOST INSPIRING GYM JUNKIE

Power to surge

ROB HARRIS

THE "big three" energy companies are on track to make a combined profit of almost \$3 billion next year amid growing pressure from the federal government to cut power bills.

The Herald Sun can reveal the profits of AGL, Origin and EnergyAustralia are again forecast to rise sharply over the next 18 months, completing a jump of almost 50 per cent in just four years.

Federal Energy Minister Angus Taylor has told energy companies to put families first as he prepares a Bill that would give the government power to force them to sell assets in the event of "dodgy" behaviour.

But energy and industry groups blame the government for high power prices.

CONTINUED PAGE 6

CITY IN THE SLOW LANE

EXCLUSIVE
KIERAN ROONEY

TRAFFIC flow in Melbourne is worse than in New York and Rome, according to new data.

Analysis by GPS company Here Technologies reveals that Melbourne has some of the worst congestion in the world and is ranked 25th in a list of 38 major cities.

The data reveals motorists in Melbourne are delayed by more than 30 minutes for every 100km they drive and the weekend peak now stretches for up to five hours.

Melbourne also ranked poorly for public transport coverage and the frequency of services on the network.

REPORTS, PAGES 8-9

EXCLUSIVE \$440 million 'Tomato Tins' drug sting convictions could be crushed



PASQUALE BARBARO



JOHN HIGGS



CAN OF WORMS



CONVICTIONS resulting from one of the world's biggest drug busts are under threat due to a major police scandal expected to become public as early as today.

The celebrated Tomato Tins-importation sting — in which 32 criminals were sentenced to almost 300 years in jail — is one of dozens of

ANTHONY DOWSLEY
AND PATRICK CARLYON

cases compromised due to systemic police misconduct.

The widespread police malpractice, during and after Melbourne's gangland war, is expected to be exposed today in a major development.

It has been described as

one of the biggest scandals in Australian legal history and could embroil former chief commissioners Simon Overland and Christine Nixon.

The Herald Sun has followed the matter for years, but has until today been prevented from revealing extensive details of what occurred between 1999 and 2014.

Among those involved in the Tomato Tins smuggling scam who are hoping to get out of jail early as a result of the police misconduct scandal are Griffith-based Calabrian Mafia boss Pasquale Barbaro, the ringleader, and Black Uhlans bikie gang founder John Higgs.

CONTINUED PAGE 6



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ROB HARRIS

VicPol angry at Labor encryption curb

VICTORIA Police has attacked a compromise deal which would have granted security agencies — but not state forces — the power to intercept the encrypted messages of potential terrorists.

A spat over the proposed national security laws is set to dominate the final week of federal parliament for the year, after the government accused the Opposition of "playing games" by not endorsing the legislation as proposed.

Victoria Police intelligence and covert support command Assistant Commissioner Neil

Paterson has raised "significant concerns" about Labor's attempts to cut a deal.

He said the restraint would "significantly impact" Victoria Police's "fight against many crime types" which use secret messages.

Encryption was now evident across 98 per cent of all state warrants issued.

"I would respectfully suggest that limiting powers under the Bill to only Commonwealth agencies does not address the current serious harm to the Victorian

community presented by terrorists, serious and organised crimes identities ... and would also significantly hamper the partnership approach to policing these issues," Assistant Commissioner Paterson said in a letter to the Parliamentary Joint Committee on Intelligence and Security.

He said not all investigations progressed to the Joint Counter Terrorism Team consisting of Victoria Police, the AFP and ASIO.

Federal Labor put forward the interim deal on Friday

which included only granting the powers to spy agency ASIO and the Australian Federal Police for investigations into terrorism and child exploitation.

The Opposition, like technology giants such as Facebook and Google, fear the proposed laws could expose Australia to security breaches and hacking from China and Russia.

That position has been supported by Senetas, the global company which protects the information of Australian, US

and Israeli agencies and defence forces. It argues without safeguards the laws compromise the security of citizens, businesses and governments.

Opposition legal affairs spokesman Mark Dreyfus accused the government of walking back on an interim deal in a "desperate and dangerous attempt to distract from the chaos they are in".

Attorney-General Christian Porter will present the contentious Bill for consideration by the parliament this week despite failing to reach bipartisan agreement through the committee.

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POWER PRICES TO SURGE

FROM PAGE 1

A major coalition of energy companies says the government's actions are contributing to uncertainty.

The Australian Energy Council says the government must abandon the proposed divestment legislation, which would impede badly needed investment in the sector.

The "big three" — which generate their own power and sell it through retail arms — made \$1.453 billion in the 2014-15 financial year and are projected to make a profit of \$2.866 billion in 2019-20.

"It is no wonder the big energy companies are pushing back against the big stick legislation we are introducing to parliament," Mr Taylor told the *Herald Sun*. "They have been taking record profits from the wallets of hardworking Australians for years — and they don't want it to end."

But the companies argue the data is "cherry picked" and that profits have risen because of a huge rise in wholesale prices after the closure of the Northern and Hazelwood power stations, and more than a decade of policy uncertainty. They say Canberra must acknowledge the part it has played.

A spokesman for Origin said the data ignored that for many years, companies were unable to earn a sufficient return on billions of dollars invested in power generation.

Between 2006 and 2014, EnergyAustralia, which owns the Yallourn power station, lost about \$200 million in aggregate and had to write off about \$1.9 billion from the value of its assets.

AGL interim CEO Brett Redman said he understood the concerns that prices had been too high. "We know more needs to be done but we are genuinely concerned this legislation will drive prices up because it will freeze investment," he said.

An AEC spokesman said prices and margins were high in the wholesale energy sector because of market volatility and tight supply.

"But much needed generation won't be built to stabilise the current market volatility until the policy question is resolved," he said.



Richmond's Dan Butler and Jack Graham meet young Tigers fans Grace, 5, Alex, 6, and Lizzie, 9, at the Alannah and Madeline Foundation Christmas Party. Picture: JASON EDWARDS

Tiger fans roar for kids

RICHMOND fans have helped raise a record amount for the Alannah and Madeline Foundation to help keep children safe from violence and bullying.

The Tiger army helped raise \$235,672 for the charity this year through a dedicated match and a share of memberships and merchandise sales.

Richmond player Dan Butler said the players were

proud their fans had contributed to such a good cause.

"We're really proud to play our small part in helping the foundation with their important work to protect children from violence and bullying," he said.

"This year's donation to the foundation is really incredible and we know it will make a real difference in kids' lives."

\$440m 'tomato tins' drug sting convictions could be crushed

FROM PAGE 1

In June 2007, police secretly intercepted 15 million ecstasy pills with a street value of \$440 million hidden in tomato tins shipped from Naples to Melbourne's dock, then infiltrated the organised crime syndicate as it desperately sought to find the drugs.

Gang members were under surveillance for 10,000 hours and 185,215 telephone conversations were secretly recorded before eventual raids across four states in August 2008.

It was the world's biggest drug bust at the time, heralded

as a "success story" in beating "transnational crime".

The *Herald Sun* revealed on Saturday that drug lord Tony Mokbel, now 53, is among several other jailed criminals hoping for an early release due to the police scandal. Mokbel was sentenced in 2012 to a minimum of 22 years in prison over a series of drug importation and trafficking charges.

He was extradited from Greece in 2008 after 15 months on the run. The *Herald Sun* revealed on Saturday that Mokbel claims a close confidant at the centre of the scandal urged

him to flee Australia in 2006, sparking the global manhunt.

He hid in a Bonnie Doon farmhouse before being whisked across the Nullarbor to Fremantle and put on a yacht to Athens. A bewigged Mokbel was eventually arrested there in June 2007.

The revelation of the police scandal could prompt a royal commission. Premier Daniel Andrews said in 2014 when he was Opposition leader that it should be considered.

Hundreds of convictions are expected to be called into question, with talk of compensation

claims in the millions of dollars. The fallout over the "unethical" scheme, which some senior officers feared was endangering lives, will also embroil high-ranking police at the time, as well as government agencies and politicians.

Whittlesea Council CEO Simon Overland, who as a senior police officer presided over the Purana taskforce set up to end the gangland war, is expected to face scrutiny. His then boss, Christine Nixon, who he followed as chief commissioner, will face questions.

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Friday's *Herald Sun*



Saturday's *Herald Sun*