

ILLAWARRA MERCURY

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WEEKEND EDITION

In tomorrow's Mercury - 3 super liftouts



PLUS
AUSTRALIA'S
BEST RACE GUIDE



Beacon for reconciliation ... artist Lorraine Brown already has a design in mind to transform Port Kembla's stack into a Big Didgeridoo. Picture: KIRK GILMOUR

Ridgy-didge, it's the Big Didgeridoo

By GREG ELLIS

Coffs Harbour has the Big Banana, Nambour the Big Pineapple and Goulburn the Big Merino.

But Port Kembla could soon have the biggest tourist attraction of them all.

Moves are afoot to turn the giant smoke stack at Port Kembla Copper into the world's largest didgeridoo.

Supporters believe the economic benefits to

the Illawarra would be plentiful if a luminous Big Didgeridoo became a tourist icon for the region.

Port Kembla Chamber of Commerce Main Street Committee chairperson Dr Elizabeth Livingstone-Moller said the idea was raised at a public meeting last year.

Coomaditchy Artist Cooperative member Lorraine Brown started creating a design but the Chamber decided not to formally put the

CONTINUED PAGE 5

Lagoon insurers' demand to Harrison

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A London-based insurance company has demanded George Harrison's financial records as it investigates the razing of his Wollongong restaurant.

In what the Wollongong Lord Mayor described as the latest incident in a vicious poison-pen campaign, insurance giant Lloyd's had received letters claiming he had torched the Lagoon Restaurant, he said.

And his enemies have launched a persistent phone war, leaving mocking text messages on his mobile.

Police are investigating the latest incident, in which a caller referred to Councillor Harrison's

A MERCURY SPECIAL INVESTIGATION

By LISA GARTY and PAUL McINERNEY



acrimonious court battle with former investment partner Delcie Schipp (see stories inside).

Cr Harrison fought back tears as he told how his enemies had orchestrated an attack which

CONTINUED PAGE 2

The Harrison files - P6, 7



'Poor' Mayor has a range of rich assets

Harrison's worth is 'enough'

Wollongong Lord Mayor George Harrison has cried poor to the Supreme Court, but on paper he's a wealthy man.

His barrister made a point of outlining the Lord Mayor's financial difficulties, but a special *Mercury* investigation has revealed the city's Labor leader has an impressive property portfolio.

This week, Cr Harrison told the *Mercury* his main property investment, through a company called Hanjoena Pty Ltd, returned him more than \$200,000 a year in rent.

Its properties were valued at \$9 million, he said.

Last month, he said he would pay an outstanding debt of \$630,000 to former business partner Delcie Schipp, "through companies", but refused to give further detail.

He said his solicitors would contact Mrs Schipp's solicitors to work out a payment schedule.

The *Mercury* understands no arrangements have yet been made.

Documents held by the Australian Securities and Investment Commission show Cr Harrison is one of three equal shareholders on two of the city's prime real estate sites.

Those sites are owned by Hanjoena Pty Ltd, of three companies listed by Cr Harrison on his council pecuniary interest register.

On that register he notes that he owns one share in Hanjoena (a "property owner"); one share in Emibarb (which owned the razed Lagoon Restaurant business); and one share in Havenbeat (a "service company" run by his wife Vania and brother Harry Haralambides).

Hanjoena Pty Ltd is the proud owner of one of Figtree's finest commercial sites, on the corner of the Princes Highway and Bellevue Rd.

The big pink building houses a greengrocer, bakery, deli, butcher, two barbers, tutoring business, jeweller, travel agent, pizzeria, Chinese restaurant, stockbroker, investment adviser, hairdresser, fish and chip shop, and renovation specialists.

It's also home to two dental surgeries, including one owned by the Jones brothers, Paul (now retired) and Michael. They are two of Hanjoena's five directors, and between the two of them own one of the company's three shares.

A MERCURY SPECIAL INVESTIGATION



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The extensive development is supported by a 50-spot car park and is adjacent to another Hanjoena-owned property - a three-unit commercial property in Bellevue Rd.

In Wollongong, Hanjoena owns one of the city's best sites - the large commercial development on the corner of Cliff Rd and Bourke St.

Ironically, given Cr Harrison's

interest in the now defunct Lagoon Restaurant, that building houses one of Wollongong's premier seafood establishments, the Beach House.

A cornerstone of the Figtree and Wollongong holdings is an AM Ruttly real estate agency.

ASIC records show that real estate agent Anthony MacDonald Ruttly is a shareholder, director and secretary of

CLOCKWISE FROM BELOW: George Harrison leaves the NSW Court of Appeal in 1997. Cr Harrison is one of three equal shareholders on two of the city's prime real estate sites.

The Harrison's home in Mangerton. The Beachhouse Restaurant and building in North Wollongong.

The AM Ruttly building on the corner of Princes Hwy and Bellevue Rd, Figtree.

Pictures: ANDY ZAKELI, HANK van STUIVENBERG



Hanjoena. Mr Ruttly, who works out of the Cliff Rd building, refused to discuss his connection with Cr Harrison.

"He's my solicitor and any discussion would be a conflict of interest," he said.

Michael Jones did not return the *Mercury's* call; and Paul Jones was uncontactable.

George Harrison says he doesn't know how much he's worth, but it's enough to stave off bankruptcy and the sack from the city's top job.

He says his property investment company Hanjoena has properties valued at \$9 million, but he doesn't know the value of his legal practice.

He does know, however, that Hanjoena holdings returns an annual rental of up to \$700,000 and that he receives a third.

If pushed, he could sell his Hanjoena share to cover the debt he owes Delcie Schipp and his legal team.

Cr Harrison said his financial position had worsened since November 1999 when his barrister told the Supreme Court he did not have enough money or assets to cover the Schipp debt.

Asked by the *Mercury* to explain how he could now pay the debt, he at first said his Hanjoena holding was tied up in a family trust.

He emphasised that he personally did not have the funds, then or now.

However, when pressed, he agreed that the Australian Companies and Securities Commission records - which list George Andrew Harrison, not a trust, as a shareholder - were correct.

He agreed the Hanjoena asset was his alone.

Apart from selling his Hanjoena share, Cr Harrison has another plan to pay Mrs Schipp, a plan he does not wish to detail.

Cr Harrison said if he needed help from his family to pay his bills he would at first turn to his wife Vania, seeking her agreement to the sale of some family trust assets.

But there's always his multi-millionaire brother and business partner Harry Haralambides, a Sydney fashion mogul with an amazing array of property in the inner city.

Cr Harrison said his young brother had been "wonderful - a tower of strength" - but he hoped he would not have to seek a loan.

Any financial assistance would have to come from Vania, he said.

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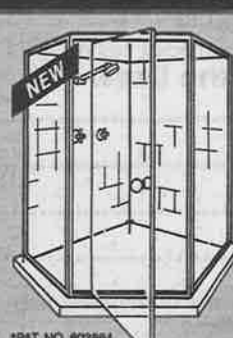


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Brother a tale of rags to riches

Business is booming

If George Harrison requires any business tips he need only look to his younger brother for advice.

Thirty-eight-year-old Harry Haralambides (Councillor Harrison anglicised his name years ago) has amassed an impressive business and real estate portfolio.

The fashion mogul heads two Sydney rag trade businesses - the Gem and Odyssey groups - and is the director and secretary of the Harrison company Emibarb, which operated the now-defunct Lagoon Seafood Restaurant in Stuart Park.

Emibarb's registered office is the unassuming 22 Morley Ave, Rosebery, home owned by Helen Haralambides, mother of Cr Harrison and his brother.

Gem and Odyssey are based in a sprawling factory in Marrickville where the Haralambides name proudly adorns the Carrington Rd signage.

As well as Marrickville, Odyssey's jeans with a "smooth dream fit" are sold through retail outlets in Darling Harbour, Liverpool, Burwood, Castle Hill and North Ryde.

Land Titles Office searches showed Mr Haralambides owns a range of other property, much of it dilapidated, in Marrickville and South Sydney council areas.

Among his assets are several properties in Epsom Rd, Zetland, including an old warehouse which its selling agents say is ideal for conversion to residential units.

In Surry Hills, Mr Haralambides owns a line of three run-down terraces in Foveaux St, Sydney's fashion centre.

There's another similar property around the corner, and half a block away is a derelict former shop with what appears to be offices upstairs.

These neglected properties have something in common with the once-magnificent waterfront mansion in Oatley he just sold at auction for a little over \$1.3 million.

The sale, three weeks ago, came three years after he bought the Llewellyn St, property for \$1.2 million.

The multi-storeyed home, which has a boatshed and a large in-ground pool adjacent to the Georges River, was liveable when he bought it but has fallen into disrepair. Mr Haralambides had intended to restore the home for him and his mother.

He told the *Mercury* he sold the house because Hurstville Council had taken too long to pass the plans, and he had had disputes with neighbours.



What the court was told in 1999

George Harrison's financial position was so precarious that the Delcie Schipp case could push him into bankruptcy and out of public office.

That's what the Supreme Court was told in November 1999 when the then newly elected Lord Mayor was objecting to a public examination of his finances.

On instruction from Councillor Harrison, his then barrister said his client did not have enough money or assets to cover all of the \$600,000-\$700,000 debt he and former Wollongong real estate agent Don Cameron owed Mrs Schipp.

Last month the NSW Court of Appeal upheld the Supreme Court's earlier decision that the men had bullied Mrs Schipp in two business deals and should pay her compensation.

Cr Harrison agreed he would have to pick up the \$630,000 tab because Mr Cameron was broke.

Cr Harrison said he also had legal debts of about \$400,000, bringing his outstanding debt to about \$1 million. He told the *Mercury* the case had already cost him \$1.5 million in legal fees.

In November 1999 the barrister told the NSW Court of Appeal President Justice Keith Mason that Cr Harrison had not disposed of assets, apart from in the usual course of business, and had undertaken not to dispose of assets.

A review of his finances had shown that he would not be able to pay the judgment in full.

The *Mercury* has discovered that the family home in Mangerton is owned by his wife Vania, and mortgaged to the National Australia Bank.



TOP: The Oatley residence recently sold for \$1.325 million. ABOVE CENTRE: Gem and Odyssey Headquarters. ABOVE: A poster for one of his fashion businesses on the side wall of three Haralambides-owned terraces in Surry Hills. RIGHT: Mr Haralambides outside his home in Rosebery. Pictures: KEN ROBERTSON

One neighbour told of regular arguments with the man he called "Harry Houdini". Despite the fact that he never lived in the house it is listed with the Australian Securities and Investment Commission as the registered address for not only Gem and Odyssey but another company of which he is a director, Junena Pty Ltd.

Mr Haralambides was reluctant to discuss his business success with the *Mercury*.

And he said he knew little of his big brother's plight in the wash-up of the Delcie Schipp case.

Cr Harrison had not approached him for a financial assistance, he said, noting that "George is a big boy who can take care of himself".

"If he did (ask for financial assistance) I would have to look at our own position," Mr Haralambides.

Apart from their Emibarb link Cr Harrison is bound to his brother by their connection to the family company Havenbeat Pty Ltd.

It has Cr Harrison and his wife Vania as directors and the only shareholders, and Mr Haralambides as secretary.

On Wollongong City Council's pecuniary interest register Cr Harrison described Havenbeat as a "service company".

He told the *Mercury* it is the company behind his Wollongong legal practice Harrison and Associates.

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