

Australia: The assassination of Michael McGurk and the stench of NSW Labor

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At the end of August, Michael McGurk, stand-over man and last-resort lender, met with *Sydney Morning Herald* journalist Kate McClymont and told her he had in his possession an audio tape that would bring down the New South Wales Labor government. According to McGurk, the tape contained evidence of corruption surrounding the rezoning and redevelopment of land at Badgerys Creek, in western Sydney. He gave McClymont the name of a businessman who, he claimed, was trying to have him killed. McGurk indicated he would bring her the tape when they next met.

The opportunity never arose. In the early evening of September 3, McGurk pulled into the driveway of his home in the upper middle-class Sydney suburb of Cremorne. As he left his car he was killed by a single gunshot to the head. The killer vanished, leaving McGurk's 10-year-old son the only witness. Those who claim to know how such matters are organised say the hit-man was probably from overseas or interstate and left Sydney the next day.

It speaks volumes for the degeneracy of official politics in New South Wales, Australia's most populous state, that since McGurk's murder Sydney's newspapers have been able to show, without difficulty, that no more than 'three degrees' separated McGurk from the state Labor Party's key personnel and from leading property industry heavies. Indeed, the ultimate significance of the McGurk drama probably lies not in the loan shark's murder (it could be entirely unrelated to politics) nor in the scandal tape he claimed to have in his possession at the time of his death (perhaps he fabricated his claims for blackmail purposes). Rather, its significance lies in the sheer volume of sludge that has surfaced since the lead character's death.

Each new and lurid vignette—secret meetings with senior bureaucrats, land value increases in the realm of 10,000 percent, more than one unsolved murder—confirms that in the 14th fetid year of its NSW incumbency, Labor is being directed and funded by property industry parasites and their greasy hired help. Property companies, as a matter of fact, account for the bulk of donations to the ALP—some \$14 million since 2001. While property development has been booming, those services which are a matter of life and death for ordinary people—hospital wards, maternity facilities, basic infrastructure, have become abjectly dysfunctional.

The political landscape calls to mind Marx's description of the financial aristocracy's capture of political power in France after 1830, a degeneration that culminated in the country's 1848 revolution. The bourgeoisie's financial faction "clash[ed] every moment with the bourgeois laws...lusts wherein wealth derived

from gambling naturally seeks its satisfaction, where pleasure becomes debauched, where money, filth and blood co-mingle. The finance aristocracy, in its mode of acquisition as well as in its pleasures, is nothing but the resurrection of the lumpenproletariat transported to the heights of bourgeois society." As the events surrounding McGurk's murder indicate, the onset of the global financial crisis appears to have accelerated the co-mingling of money, filth and blood in NSW

Life and death of a money man

According to the website of Michael McGurk's loan company, Bentley Smythe (ghoulishly still on-line despite his death), McGurk's "extensive knowledge of all facets of property, finance and construction allows him and his teams to turn deals around and place Bentley Smythe as a lender of opportunity." The website indicates that if borrowers could stump up good security, Bentley Smythe could lend between \$1 million and \$100 million for periods of between 1 and 12 months. The website makes no mention of the usurious interest charges, reported to be up to 100 percent per month.

So what sort of people would come to Bentley Smythe for a loan? McGurk gave his own answer during an interview with a television business program earlier this year. Well-dressed and apparently comfortable with the 'respectable' attention his business model was receiving, McGurk told interviewers that while other major lenders had pulled back from business loans over the course of the financial crisis, Bentley Smythe was "expanding its loan book into the short term market." In other words, developers who could no longer find a mainstream lender to refinance their borrowings were being forced to go to McGurk for high-interest, short term money. They hoped, no doubt, that their property deals would soon come good.

When they did not come good, McGurk would be waiting. In the year before his death, McGurk was charged with two fire-bombings and three assaults. In one episode, he apparently attacked a land valuer with a crowbar. On another occasion, he allegedly used a cricket bat to break the arm of a Sydney business associate.

It is one of the more curious features of McGurk's final days

that just two weeks before his death, the Office of the Director of Public Prosecutions withdrew all these charges. The DPP has refused to provide any explanation, and no one in government or media has pressed for one. But it must be noted that, despite being a bit-player in the Sydney scene, McGurk was well-connected. For instance, his \$100,000 bail was posted by property billionaire, Bob Ell. Ell's company, Leda Holdings, has for several years been a significant donor to NSW Labor.

Graham Richardson and the scandal tape

The only person to have so far admitted hearing the McGurk tape is Graham Richardson, a former federal Labor minister for health and the environment and the ALP Right's most notorious factional heavy. Richardson played the role of 'kingmaker' in the Hawke and Keating governments and since leaving politics in 1994 has followed the well-trodden Labor path of exploiting his political contacts for personal gain. Richardson has become a leading political 'consultant' and lobbyist, a well-paid 'go to' man for big business when it wants to open Labor doors.

In addition to being the NSW ALP's leading factional 'head-kicker', Richardson's main claim to fame is a string of political and business scandals. These date from his time as a federal minister and, more recently, from allegations in 2006 of tax evasion, after a Federal Court Judge released a document showing that Richardson had an undeclared Swiss bank account of \$1.4 million. Suspicions also persist over the 1993 incineration of the Offset Alpine printing plant, in which Richardson was a secret shareholder. The plant had been insured for three times its value.

Richardson claims he heard McGurk's tape in his role as lobbyist for Sydney property moguls Roy and Ron Medich, former business partners of McGurk. The Medich brothers pay Richardson \$5,000 per month (some reports claim \$25,000). Richardson says McGurk played him the tape during a 10 minute meeting at a Sydney club in order to extort \$8 million from Ron Medich. Another McGurk associate, violent criminal Jim Byrnes, says McGurk told him the tape contained information about 875 hectares of prime suburban land at Badgerys Creek that the Medich brothers purchased from the federal government in 1996 for \$3.5 million. A sympathetic rezoning decision by the NSW department of planning would place its value in the hundreds of millions. In other words, the simple flick of a ministerial pen would deliver a windfall. Interestingly, the Medich brothers have donated \$218,000 to the NSW ALP in the last five years.

Apparently in order to pre-empt being 'outed' by the papers as having heard the tape, Richardson carefully organised his confession with TCN 9, a commercial television station that employs him as an election-night commentator. Richardson told his interviewers that "a critical part [of the tape] where there was supposed to be allegations of bribery was completely inaudible. There was nothing on the tape that you could understand, neither content nor name." Mr Richardson went on to say that "McGurk never even alleged that there was a politician named on this tape.

That's why I'm so surprised by the allegations of the past few days."

Richardson's comments contain obvious contradictions as well as subtle silences, none of which have been raised by the uniformly pliant media. Why would, and how could, McGurk purport to blackmail Medich using a tape whose key allegations were inaudible? How does Richardson know that a certain part of the tape was critical given that he could not make out what was said? Is Richardson's evidence credible when he begins by claiming that part of the tape was inaudible then, later, that *all* of it was?

Even if Richardson is telling the truth when he says that McGurk's tape makes no mention of politicians, that leaves open the possibility that it mentions senior bureaucrats or even ex-politicians (like Richardson himself). In fact, it now seems likely that the conversation McGurk recorded was one he had with Medich regarding the latter's dealings with Sam Haddad, head of the NSW department of planning. Haddad, Medich and the NSW minister for planning, Kristina Keneally have all appeared this week before a parliamentary enquiry into the McGurk affair. Keneally obtained her position through the patronage of the Right's factional bosses.

In his evidence before the enquiry, Haddad conceded that on four occasions in the last year he met with Richardson, who had come to see Haddad on behalf of the Medich brothers. The last occasion was on the day before McGurk's death, when Haddad and Richardson had a conversation about the Badgerys Creek land. Haddad otherwise claims to recall little of what was discussed. Most significantly though, he did not tell Keneally about these meetings. The 'don't ask, don't tell' tactic has a long pedigree and is particularly useful for protecting ministerial skins from close association with the lobbying process—a prominent and increasingly sordid feature of NSW Labor politics.



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