

# Arthur Sinodinos under renewed pressure over Liberal donations scandal

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## **LIBERAL FUNDING SCANDAL COULD REACH \$7M**

*The NSW Liberal Party's administrative funding may come under scrutiny to the tune of a further \$3M if administrative funding is taken into account by the Electoral Commission. Vision courtesy ABC News 24.*

- NSW Liberals 'concealed' illegal donors
- Commission turns on NSW Liberals



Under pressure cabinet secretary Arthur Sinodinos has publicly lashed out at the NSW Electoral Commission over a political donations scandal, branding as "flawed" its report into the illegal funnelling of donations to the state Liberal Party.

As Prime Minister Malcolm Turnbull came under pressure to stand down his cabinet secretary, Senator Sinodinos said his lawyers had demanded it "immediately retract all references to me in the publication".



*Cabinet secretary Arthur Sinodinos is under pressure over the NSW Liberal party's political donations scandal. Photo: Andrew Meares*

It was an escalation of the dispute, following the damning finding by the NSW Electoral Commission against the NSW party at a time when Senator Sinodinos was its finance director.

Interviewed on ABC TV on Thursday night, Prime Minister Malcolm Turnbull said the donations should be disclosed.

"Election donations, political donations, whether they are made to a state division of the Liberal Party or the Federal division, should all be disclosed in accordance with law. All of those donations should be disclosed. This is related to a State election in 2011 and I note that Mike Baird has said precisely the same thing, that all of those donations should be disclosed. I have no doubt that they will be.

"The fact is the party must comply with the law. If the law has not been complied with they should fess up, set all the facts out on the table and let the cards fall where they may."

The scandal pitted Premier Mike Baird against his own party office on Thursday, after he called on it to "cop it on the chin" and accede to the commission's demand for it to disclose who donated \$693,000 via the controversial Free Enterprise Foundation before the 2011 state election.

Mr Baird said he had spoken to NSW Liberal state director Chris Stone and told him the Liberal Party "should comply".

"It's very clear that it looks like we have done the wrong thing, so we have to cop it on the chin, and we need to get on with it," he said.



*Illustration: Ron Tandberg*

Later, Mr Stone said he had written to the electoral commission "seeking their assistance in resolving any areas of uncertainty about the legal status of donors in the 2010/2011 period so as to comply with our obligations."

However, it remains unclear if the party will agree to disclose the names of the donors as the commission has demanded.

Mr Stone said the NSW party had been waiting for the Independent Commission Against Corruption to deliver its findings in Operation Spicer during which the donations issue came to light.

The call for Senator Sinodinos to stand aside came after the NSW Liberal party was slammed by the state Electoral Commission for "concealing" the identities of major donors before the 2011 state poll, including via the secretive Free Enterprise Foundation.

The commission said that, based on evidence given to ICAC during Operation Spicer in 2014, the federally registered foundation was used by senior NSW Liberal party officials to "channel and disguise donations by major political donors some of whom were prohibited donors".

The commission said it had relied on evidence given to ICAC by senior party officials including about the "involvement" of members of the then NSW Liberal finance committee, which included Senator Sinodinos.

Senator Sinodinos was finance director and treasurer of the NSW Liberals at the time but has previously denied any knowledge of the use of the Free Enterprise Foundation to circumvent state donations laws to funnel property developer and other illegal donations into the campaign.

The NSW Liberals refusal to formally disclose the names of the donors led the commission to withhold \$4.4 million in campaign and administrative funding claimed by the NSW Liberals from the 2015 state election. It has also frozen future public funding to the division until it complies.

The commission is unable to prosecute the party for not filing a "requisite declaration" containing the donor details due to a three-year statute of limitations on the offence, which occurred in 2011.

Acting shadow attorney-general Brendan O'Connor called on Senator Sinodinos to stand aside following the commission's "extraordinary finding".

Mr O'Connor said "it beggars belief that he has no role in this at all. It doesn't pass the pub test that somehow all of this happened and he's oblivious to all of it".

Mr Sinodinos said he had "no role in the NSW Division's decision to decline to update information disclosed in [its donations declaration], as was requested by the Commission".

<http://www.smh.com.au/nsw/arthur-sinodinos-under-renewed-pressure-over-liberal-donations-scandal-20160324-gnqhsf.html>