

Liberal Party backers were approached to buy Senator Arthur Sinodinos a home

SMH March 26, 2016
Kate McClymont



Labor Deputy: PM protecting Sinodinos

Prime Minister Malcolm Turnbull has been accused of protecting Liberal senator Arthur Sinodinos by refusing to stand him aside over a political donations scandal. (Video courtesy ABC News 24)

- [Why Arthur Sinodinos fails the pub test](#)
- [NSW Libs 'concealed' illegal donors before 2011 win](#)

Key Liberal fundraisers sounded out major donors to the party about chipping in to buy a house for Senator Arthur Sinodinos after the collapse of a potentially lucrative money-making venture.

The audacious plan originated in early 2013 after Senator Sinodinos relinquished a 5 per cent stake in Australian Water Holdings, a company that later became the focus of a landmark corruption inquiry.

Fairfax Media had earlier revealed Senator Sinodinos' shareholding in a company that employed Eddie Obeid jnr, the son of controversial Labor powerbroker Eddie Obeid.

At the time Senator Sinodinos said that although his shareholding was recorded on his parliamentary pecuniary interest declaration it was not publicly registered with the corporate regulator "because it was on a gentleman's agreement".

That agreement was with Nick Di Girolamo, AWH's chief executive and a Liberal fundraiser. Mr Di Girolamo was a central figure in a public inquiry by the Independent Commission Against Corruption that raised allegations of AWH's overcharging and fraudulent billings to Sydney Water, including for political donations.

The inquiry also heard that Senator Sinodinos earned \$200,000 a year for "a couple of weeks' work" and that he was employed in that role because as senior Liberal Party office holder he could "open doors".



Senator Arthur Sinodinos outside Parliament House in Canberra. Photo: Alex Ellinghausen

The commission heard that despite standing to make up to \$20 million if his lobbying efforts were successful, Senator Sinodinos never mentioned to Premier Barry O'Farrell or other ministers that he had "skin in the game".

The senator was similarly unaware that AWH had donated \$74,000 to the Liberal Party while he was on the board of AWH and at the same time party treasurer.

The plans to buy Senator Sinodinos a house were later shelved and Fairfax Media does not suggest Senator Sinodinos was party to any of the plans.

Senator Sinodinos confirmed he had "no knowledge of the plans".

Because of the damaging ICAC inquiry, Senator Sinodinos initially stepped aside and later, in 2014, resigned as assistant treasurer.

Senator Sinodinos was instrumental in the coup that saw Tony Abbott replaced as prime minister by Malcolm Turnbull in September 2015.

The former chief of staff to prime minister John Howard was rewarded for his crucial role as Mr Turnbull's numbers man with a promotion to the frontbench as cabinet secretary.

Three weeks before the coup, Senator Sinodinos finalised a potentially damaging matter. He, along with a number of AWH's former and current directors, was being sued in the Federal Court for misleading and deceptive conduct.

Just before 4pm on August 24, 2015, Senator Sinodinos notified the judge he was no longer part of the court case instigated by a group of angry AWH shareholders.

Central to the case is the allegation that Mr Di Girolamo and others persuaded the shareholders "to invest substantial sums of money only to squander their investments", Justice Anna Katzmann said.

The other defendants, who deny the claims, were furious. To this day they still do not know on what terms Senator Sinodinos, who had separate legal representation, extricated himself from the case.

One of the plaintiffs in the case confirmed to Fairfax Media that a confidential settlement had been reached with Senator Sinodinos.

Fairfax Media asked Senator Sinodinos about the nature of the settlement and whether it involved the payment of any money and, if it did, who had made the payments.

"The Cabinet Secretary has no comment," came the reply.

A fortnight before Senator Sinodinos settled the court case the senator amended his declaration of pecuniary interests.

The declaration, dated August 8, 2015, noted a personal loan with the National Australia Bank. It is not known whether the loan was related to the court settlement.

<http://www.smh.com.au/federal-politics/political-news/liberal-party-backers-were-approached-to-buy-senator-arthur-sinodinos-a-home-20160325-gnraih.html>