

Mike Baird letting former Liberal MPs 'off the hook' in donations probe, says Labor

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Premier Mike Baird is resisting calls to revisit political donations laws so that nine of his former Liberal colleagues can be prosecuted for trying to "evade" campaign finance rules before the 2011 election that brought the Coalition to power.

In its Operation Spicer report tabled on Tuesday, the Independent Commission Against Corruption found the former Liberal MPs sought to "evade" the law in relation to disclosure of donations and the ban on property developers as donors in force since 2010.



Operation Spicer's big three findings

The Independent Commission Against Corruption has recommended criminal charges following its investigation into political fundraising. Sean Nicholls reports.

However, under existing laws, the three-year time frame within which prosecutions can be launched has expired as the offences were committed in 2010.

Mr Baird changed the time frame to 10 years in late 2014, following the ICAC hearings, but the change only applies to offences committed after that date.

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On Tuesday, Opposition Leader Luke Foley said "it's essential" that Parliament reconsider the laws.

"You now have a situation where Members of Parliament have been found to have engaged in acts to evade the legitimate electoral laws of this state," he said.



"Look at what they have been through": Premier Mike Baird on Tuesday. Photo: Edwina Pickles

"I think we need to have a debate as a Parliament as to whether these people are let off the hook or whether action ought to be taken, as has been the case in other offences, to ensure justice occurs."

But Mr Baird noted that ICAC's report said that it was "very unlikely anything other than fines would apply".

"I think none of those MPs get off the hook. Look at what they have been through," he said.

"They have been named in this report. They carry that for life. I strongly believe that they've paid a heavy, heavy price."

The ICAC found former police minister Mike Gallacher, former energy minister Chris Hartcher and their fellow ex-Liberal MPs Andrew Cornwell, Garry Edwards, Tim Owen and Chris Spence "acted with the intention of evading" laws.

It found another two former Liberal MPs, Craig Baumann and Darren Webber, acted similarly in trying to evade disclosure of developer donations, while a third, Bart Bassett, "knowingly solicited a political donation" from a developer.

One of the inquiry's biggest scalps is Mr Hartcher, whom ICAC has referred to the Director of Public Prosecutions for consideration of larceny charges over \$4000 worth of donations destined for the NSW Liberal Party.



Chris Hartcher leaves the ICAC after giving evidence in 2014. Photo: Daniel Munoz

The inquiry found cheques for the donations were instead banked by a law firm and later given to Mr Hartcher in cash.

"These steps are inconsistent with an intention on the part of Mr Hartcher to apply the \$4000 for the benefit of the NSW Liberal Party," the report finds.

The ICAC found former Labor MP Joe Tripodi engaged in serious corruption and has been referred to the DPP for possible charges of misconduct in public office.

It said Mr Tripodi leaked a confidential Treasury report to advance the interests of former mining magnate Nathan Tinkler's company Buildev in February 2011.

Buildev was proposing a fifth coal terminal at Mayfield in Newcastle, which was being opposed by Mr Tripodi's colleague Jodi McKay, who was then the Member for Newcastle.

The ICAC found Mr Tripodi engaged in serious corrupt conduct by "betraying his duties and obligations as a Member of Parliament to favour Buildev for the purpose of achieving a personal advantage".

Another casualty is Mr Gallacher, who had hoped to return to cabinet following the report, which found he willingly evaded election funding laws via his involvement in a political fundraiser at Doyle's restaurant on New Year's Eve, 2010.

It found Mr Gallacher invited a property developer, Buildev executive David Sharpe, to pay \$7000 to attend the event along with other Buildev employees.

In late 2010, the report says, Mr Gallacher, Mr Hartcher and David Williams of Buildev were also involved in donations totalling \$53,000, via Liberal Party-linked entity the Free Enterprise Foundation, earmarked for the seats of Newcastle and Londonderry.

The commission says it "does not consider Mr Gallacher was always a truthful witness and place no reliance on his evidence unless it is corroborated".

On Tuesday Mr Baird said Mr Gallacher "will not be returning to cabinet".

"Obviously those findings are quite stark," he said, adding that he would not be welcome back into the parliamentary Liberal Party from the cross bench.

Mr Gallacher protested his innocence and said he would not be resigning from Parliament.

"I have had no corruption allegations made against me, I haven't been referred to any government instrumentality for consideration of prosecution," he said.

"Yet now I find myself not only never to return to cabinet, but kicked out of the Liberal Party."

Mr Gallacher said he was looking at options to appeal.

The 2014 inquiry saw 10 Liberal MPs, including Mr Gallacher, move to the crossbench in response to evidence at the ICAC.

Only one of them, former Liberal MLC Marie Ficarra, escapes any adverse finding in Tuesday's report.

The commission found former Liberal Party official Simon McInnes, ex-party fundraiser Paul Nicolaou and Canberra lawyer Anthony Bandle used the Free Enterprise Foundation to "channel" illegal political donations to the NSW Liberal party for its 2011 campaign.

The report found that there was insufficient evidence to conclude that other senior Liberal party officials including now Senator Arthur Sinodinos - then chair of the Liberal Party finance committee - knew of the practice.

The commission recommends the DPP consider bringing charges against Mr Cornwell, his wife Samantha Brookes, and a former staff member to Mr Hartcher, Tim Koelma, for giving false or misleading evidence to its inquiry.

The inquiry was sparked by a \$5000 donation Central Coast builder Matthew Lusted believed his company had made to the NSW Liberal Party but had in fact been made to a company, Eightbyfive, owned by Mr Koelma.

ICAC found Eightbyfive was used by Mr Koelma to "channel" illegal political donations for the benefit of Liberal MPs on the Central Coast, including Mr Hartcher, Mr Spence and Mr Webber.

<http://www.smh.com.au/nsw/mike-baird-letting-former-liberal-mps-off-the-hook-in-donations-probe-says-labor-20160830-gr4rbb.html>