

ICAC's long-awaited donations report the first of a twin set

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The NSW corruption watchdog's report on political donations scams perpetrated by former state Liberal MPs is just one piece of a bigger puzzle.

The second piece is the Independent Commission Against Corruption's report on Australian Water Holdings, a controversial infrastructure company with ties to both sides of politics including federal Liberal Senator Arthur Sinodinos.



Senator Arthur Sinodinos escaped censure in ICAC's report on political donations. Photo: Rob Homer

The investigations were conducted alongside each other and Australian Water was the bridge between the two.

Many of the same characters - including former NSW Labor minister Joe Tripodi and Liberal fundraiser and Obeid family associate Nick Di Girolamo - featured in both inquiries.

On Tuesday ICAC made adverse findings against both men and put Senator Sinodinos in the clear, in a move likely to set the tone for its subsequent report.

The political donations inquiry heard Australian Water, headed by chief executive Mr Di Girolamo, paid more than \$183,000 to a "sham company" called Eightbyfive linked to former NSW energy minister Chris Hartcher.



Nick Di Girolamo. Photo: Nick Moir

ICAC concluded the money, which was paid both before and after the 2011 state election which installed Mr Hartcher and his colleagues in government, was "a gift made to, or for the benefit of...Mr Hartcher". The money was disguised as payments to a former Hartcher adviser, Tim Koelma, for "government relations advice and lobbying services".

ICAC concluded Mr Di Girolamo, Mr Hartcher and Mr Koelma acted with the intention of subverting political donations laws and the money was in fact used to pay Mr Koelma to work for Mr Hartcher during the 2011 election campaign.

The money was not declared and the payments made after January 2011 exceeded the cap on donations that could be made to individual candidates.

Senator Sinodinos, a former chairman of Australian Water, was called to give evidence at both inquiries.

On Tuesday he escaped censure over the Free Enterprise Foundation (FEF), a Canberra-based entity ICAC concluded was used by the NSW Liberal Party to "wash" illegal donations from property developers and channel them back to NSW.

The donations were not banned at the federal level but were outlawed in NSW in 2010.

ICAC found former Liberal party official Simon McInnes and party fundraiser Paul Nicolaou were "knowingly involved in ... concealing the true source of those funds" which passed through the FEF.

But it said there was insufficient evidence to conclude other senior Liberal Party officials including Senator Sinodinos, then chair of the Liberal Party finance committee, knew of the practice.

In a statement, Senator Sinodinos said he was pleased ICAC made no findings against him but the process "has taken its toll on me and my family." He said he now looked forward to "helping to provide the good government and economic leadership that Australia needs and deserves."

In its inquiry into Australian Water, ICAC heard Senator Sinodinos stood to make up to \$20 million if his lobbying efforts to advance the interests of the company were successful.

However, he did not tell then Premier Barry O'Farrell or other ministers that he had "skin in the game" due to a shareholding in the company.

He is not expected to face a corruption finding when ICAC releases its report, which has been delayed by criminal charges laid against members of the Obeid family who are also implicated in the investigation.

<http://www.smh.com.au/nsw/icacs-longawaited-donations-report-the-first-of-a-twin-set-20160830-gr4lrw.html>