

Malcolm Turnbull's challenge: be like Mike

SMH April 1, 2016
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Under pressure to be like Mike: Malcolm Turnbull should be analysing the Premier's experience. Photo: Daniel Munoz

As Mike Baird's experience as Premier so clearly demonstrates, sometimes the most difficult decisions are easiest to make in a crisis.

Baird came to the job after Barry O'Farrell resigned over misleading the Independent Commission Against Corruption about the extravagant gift of a \$3,000 bottle of Grange Hermitage from a party fundraiser lobbyist, Nick di Girolamo.

The NSW Liberals – who had dined out on and won power off the back of Labor's corruption woes – were in absolute crisis.

Ten MPs had moved to the cross bench under a cloud, with two resigning from parliament altogether.

One of Baird's first moves was to declare he would clean up the donations and lobbying systems in NSW.

While he didn't achieve all he could have, he made significant improvements and reaped the political reward, with a significant honeymoon period.

Baird was even able to bring the electorate with him on the poisonous issue of electricity privatisation at the first election he faced as Premier.



Vowed to tackle tough issues, such as corruption in the political donations systems: NSW Premier Mike Baird. Photo: Nic Walker

If he isn't already, Prime Minister Malcolm Turnbull should be thinking hard about Baird's experience and how it relates to his apparent intransigence on the issue of national political donations reform.

It was almost exactly two years ago that Tony Abbott took the decision to stand down then assistant Treasurer Arthur Sinodinos from his front bench.

The NSW Senator had just been through the mill at ICAC over his involvement with an Eddie Obeid family-linked company, Australian Water Holdings.

ICAC had heard that AWH had been busy ripping off taxpayer-owned Sydney Water at a time when Sinodinos was AWH chairman.

Despite being NSW Liberal party treasurer at the time, Sinodinos claimed to have no knowledge of AWH's large political donations to the party, funded in part by the fleecing of Sydney Water.

It left more than a few wondering how someone who had displayed such astonishing ignorance of the goings on of a company he chaired could possibly be a safe pair of hands as assistant Treasurer.

Clearly Abbott felt the situation was damaging the new government. He would wait until ICAC reported on its findings and if Sinodinos were cleared he'd be back in the ministry.

But eighteen months later Abbott was toppled by Turnbull, who promptly brought Sinodinos – a key backer in the coup – back into the fold as cabinet secretary.

Just how bad was that decision?



Caught up in political donations row: Liberal Senator Arthur Sinodinos. *Photo: Wolter Peeters*

The answer has been settled by last week's statement by the NSW Electoral Commission about the NSW Liberal party's use of the Free Enterprise Foundation to "disguise and channel" donations banned in NSW elections into party coffers before the 2011 state poll.

Thanks to the commission sheeting home blame to members of the NSW Liberal finance committee at the time, Sinodinos – who chaired the committee – has again been caught up in a row over political donations.

Cue the fresh calls for Sinodinos to stand down or for Turnbull to make it happen. So far, Turnbull is refusing to act.

It's true that Turnbull is not experiencing the political disarray that was confronting Baird when he came to office.

But like Baird, Turnbull has been presented with the perfect political environment to turn a negative into a positive.

What better way to signal to the electorate that you are a political leader with no appetite for rorting of campaign finance rules than to fix the system?

The Free Enterprise Foundation "arrangement" was possible because of the comparatively weak laws governing financing of federal elections.

There was no restriction on developers donating to the federally-registered FEF and in turn, the FEF donating to the NSW Liberals for the state poll. The gap was ripe for exploitation.

Turnbull will almost certainly be rewarded by the electorate if he does two things.

The first is to stand down Sinodinos pending the ICAC report on Operations Spicer and Credo (into Liberal party donations and AWH respectively).

The second is to announce his intention to pursue national campaign finance reform – including disclosure thresholds of \$1,000 and donations and expenditure caps.

Failure to do so will leave the electorate asking a rather uncomfortable question: what has he got to hide?

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