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HD **Developers keep pouring in the funds for political parties, despite bans**
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Property developers continue to donate hundreds of thousands a year to state political parties four years after the state government banned the practice.

A Fairfax Media check of donations disclosures shows parties are continuing to take major developer donations, long after voters were assured state politics was rid of perceptions developer money influenced planning decisions.

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The law prohibits political donations from companies or people who are developers - anyone who profits from planning applications.

But the law banning **property** developers can be sidestepped because prohibited donors are allowed to donate to the NSW branch of any party provided the party declares the money is going to federal campaigns.

However, state and federal regulators are unable to say if anyone is policing the parties' claims that the money is spent in line with the law.

Donations to the NSW branches of the two main parties in the past two financial years include:

- \$150,000 from Steve Nolan Constructions to the NSW Liberals. Searches of **property** and council records show Mr Nolan and his partners **sold** \$17 million worth of properties he redeveloped and he and his family's **property** empire was valued at \$16 million when he went bankrupt in February. He had applied to modify applications for several projects including a \$30 million **apartment** block that was before North Sydney Council at the time of his donation.

- In 2012-13, donations totalling \$490,000 to Liberal and Labor parties were made by Yuhu **Group** and its chief executive, Huang Changren. The **Chinese company** describes itself as a business for the "development of **residential, commercial** and mixed-use land".

- Between 2011-13, donations totalling \$44,000 were declared by construction giant Brookfield Multiplex as being sent to the finance director of the NSW Liberals. A spokesman for the **company** said the money was raised through the Millennium Forum, a NSW Liberal fund-raising body that is run by senior party figures.

Experts say the practice is legally defensible: donations for federal campaigns are beyond the reach of the NSW law.

But they say it raises perceptions that developers could be using the practice to win favours through a backdoor.

"It's a way of getting around the provisions," said Anne Twomey, a professor of constitutional law at the University of Sydney.

"They're not breaking the law, they're just giving the money to the parties for the purposes of Commonwealth elections, but still may be using that as a lever to influence state ministers."

The state and federal Liberal Party said the money had been spent on federal campaigns but refused to answer further questions.

Kevin Rozzoli, the former speaker of the NSW Parliament and a long-serving Liberal MP, said: "How well is spending delineated between state and federal campaigns? I suspect that isn't very well done and is fairly blurred."

Money flows back and forth between party branches, which get money from a range of fund-raising bodies and "associated entities" such as the Free Enterprise Foundation and the Millennium Forum.

A \$50,000 donation to the Free Enterprise Foundation was made by Harry Triguboff of **property** giant Meriton. The **company** said it donated to the foundation "on the basis it be used for the federal Liberal Party".

The Free Enterprise Foundation has been named in ICAC as a means of laundering illegal campaign contributions from prohibited donors back into NSW.

The chairman of the Millennium Forum, Paul Nicolaou, resigned last month after a corruption inquiry heard allegations the body was used to disguise payments from prohibited donors.

The revelations raise questions about who is auditing the parties' claims that the money is used for federal campaigns, because they fall into a grey area between the federal and state governments.

The NSW regulator, the Election Funding Authority, said: "It is for the recipient of the donation to decide to what purpose it will be put."

ALP secretary Jamie Clements said money from the **Chinese** developing giant went into a separate ALP NSW bank account reserved for federal campaigns.

The Liberals declined to comment on how they handled donations, other than to say they were for federal campaigns and were compliant with the law.

Multiplex donation \$44k

Steve Nolan Constructions donation \$150k

Yuhu **Group** donation \$490k

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