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Coalition faces bruising week amid Premier's romance and grants scandal

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By [Alexandra Smith](#)

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The Berejiklian government handed out more than \$250 million in council grants, almost all in Coalition-held seats, in the months before last year's election without any signed paperwork.

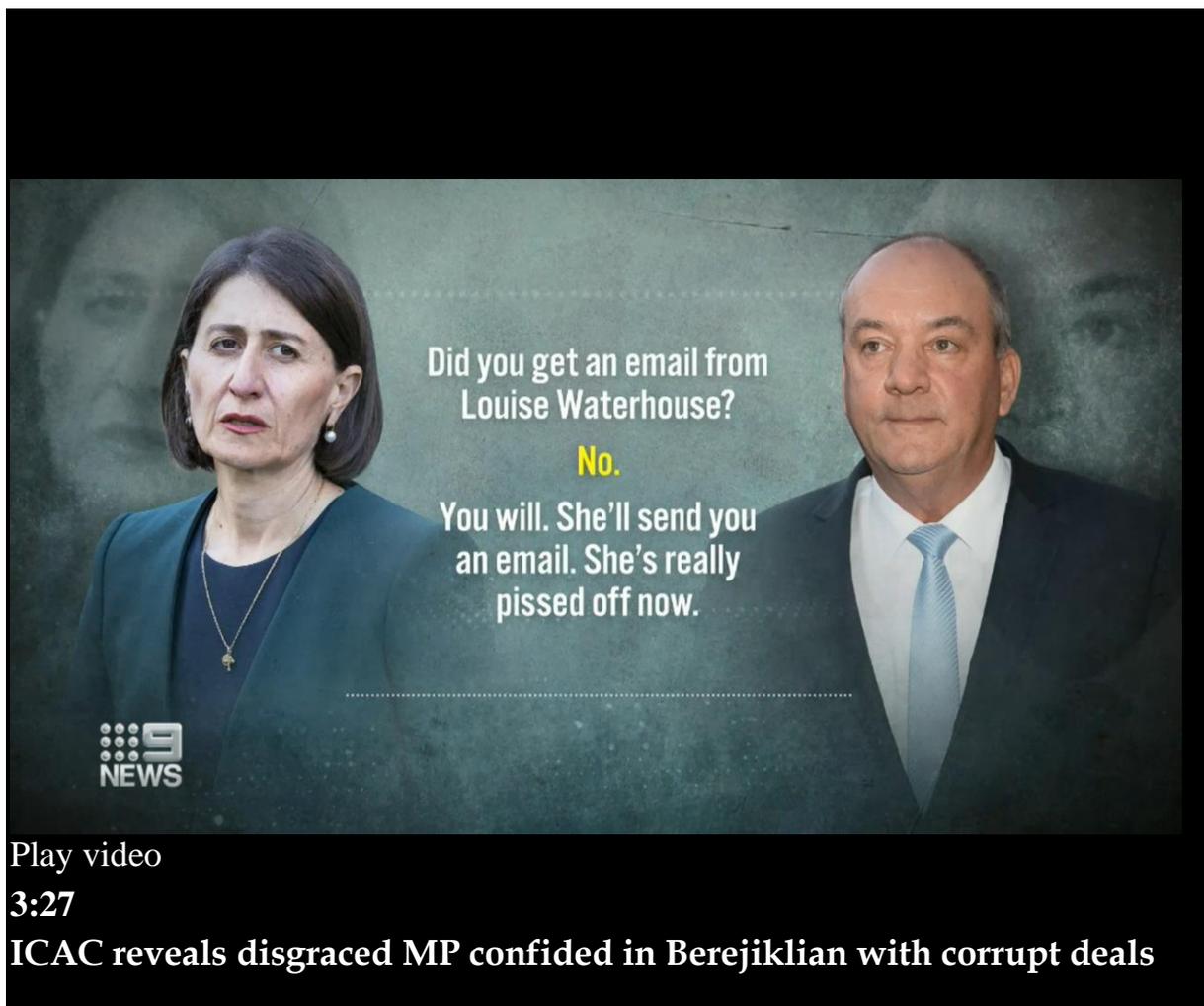
The government has confirmed no signed approvals exist for 249 grants rubberstamped between June 27, 2018, and March 2019 from the Stronger Communities Fund, established after council mergers.

[Premier Gladys Berejiklian in Parliament and former Wagga Wagga MP Daryl Maguire leaving ICAC. *CREDIT: STEVEN SIEWERT, JAMES BRICKWOOD*]

Premier Gladys Berejiklian directly approved more than \$100 million in the grants, but the only records of the approvals are in the form of emails from policy advisers. After a tumultuous week, Ms Berejiklian is bracing for another bruising parliamentary period, with all focus to be on her secret five-year romance with disgraced former MP Daryl Maguire and the return to work of NSW Nationals leader John Barilaro.

Ms Berejiklian also faces the embarrassing spectacle of the leader of the government in the upper house being suspended from the chamber over the "failure to table documents ... relating to the tied grants round of the Stronger Communities Fund".

If successful, the leader of the government Don Harwin will be suspended from the chamber for two sitting days — the first time since former Labor treasurer Michael Egan was suspended in 1998.



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ICAC reveals disgraced MP confided in Berejiklian with corrupt deals

Phone taps at ICAC revealed that disgraced MP Daryl Maguire confided to Gladys Berejiklian in schemes while confessing to the commission he was corrupt.

Ms Berejiklian spent last week defending her integrity after her shock evidence before the Independent Commission Against Corruption, where she revealed she had been in a "close personal relationship" with Mr Maguire since 2015. She kept it secret because she is a "very private person".

On the weekend, Ms Berejiklian gave an interview to a gossip columnist at *The Sunday Telegraph*, where she detailed her personal life, telling the paper she had been in love with Mr Maguire and thought they would marry.

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Ms Berejiklian said she would not resign after her bombshell evidence at the corruption inquiry, which is investigating whether her former lover used his position as an MP for financial gain. "Hand on heart, I did nothing wrong," Ms Berejiklian said on Friday.

A spokeswoman for Ms Berejiklian said on Sunday the communities fund guidelines "were signed off by the Premier, the Deputy Premier and the Minister for Local Government at the time".

"The upper house has been provided with all relevant documents, including the written and signed briefs approving the expenditure of funds. No application process was required for the Stronger Communities Fund as it provided funding to new councils created in 2016 and councils impacted by a merger proposal," she said. "At all times funding allocations followed the agreed guidelines."

Finance Minister Damien Tudehope told the house last week that the government "cannot manufacture a document that does not exist". "If they do not exist, then that is clearly a political issue," he said.

Ms Berejiklian's colleagues have vowed there will be no leadership challenge, insisting her popular public profile means she will only leave politics at a time of her own choosing.

But some of her MPs have been left dismayed, with one senior Liberal, who only spoke on the condition of anonymity, saying: "She will never be able to enforce discipline again."

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Another Liberal MP said Ms Berejiklian's evidence "raised more questions than it answered".

Mr Barilaro will also return to Parliament on Wednesday, [more than four weeks after he took mental health leave following the bitter Coalition spat over the contested koala planning policy.](#)

Meanwhile, Labor MLC John Graham has moved a motion in the upper house, which is awaiting a ruling from the president John Ajaka, calling on Mr Harwin, as the most senior government member in the chamber, to be suspended for being in "contempt of the house". Mr Graham said it "beggars belief" that 249 grants to councils could be approved without signed paperwork, telling the upper house: "Was this done on a whiteboard or a Post-it note?"

In one case, Ryde Council received funding of more than \$2 million for a skate park before applying for a grant, while Hornsby Council, which was not amalgamated, received \$90 million to turn a quarry into a park. Both councils are in Coalition-held seats.

The fund is the subject of a parliamentary inquiry over allegations of roting, and it prompted an order for the government to produce all documents relating to the approvals for the grants.

One Nation leader Mark Latham told Parliament the government was "playing this house as mugs".

"The proposition that the government ran the \$250 million grants program with no guidelines, no publicity, no application forms and no printed material which pointed to how the decisions were made is fantastic," he said.

Labor has repeatedly maintained that 95 per cent of the total funding went to Coalition seats, with only five of the funded projects in Labor seats.

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