

Media statement

19 September 2019

Statement by the Chairperson

\$100,000 political donation to Labor in 2015 forfeited to the Electoral Commission

The NSW Electoral Commission regulates the public funding of elections and investigates and enforces compliance with NSW donations laws.

It has been actively monitoring matters raised at the Independent Commission Against Corruption's public inquiry into allegations that a \$100,000 unlawful political donation was received by NSW Labor in 2015.

The ICAC's public inquiry follows the Electoral Commission's late 2017 decision to refer its own investigation into the matter to the ICAC.

In light of the evidence given at the ICAC public inquiry, the Electoral Commission requested NSW Labor to advise whether it intended to take any action in relation to the donations compliance issues arising from that inquiry.

The party has now forfeited \$100,000 to the Electoral Commission on the basis donation/s received in 2015 in relation to a Chinese Friends of Labor fundraising event were unlawful.

The party has also amended its 2015 disclosure declarations to remove donors who were named as having made \$5000 cash donations in relation to the fundraising event.

A copy of the party's letter to the Electoral Commission is attached.

The amended disclosure declarations for the Australian Labor Party (NSW Branch) and the Country Labor Party have been published on the NSW Electoral Commission's [website](#).

The Electoral Commission will continue to monitor the ICAC inquiry closely and engage with political participants to support the integrity of the NSW public funding and disclosures system.

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ABOUT THE NSW ELECTORAL COMMISSION

In December 2014, the three member Electoral Commission was constituted. It is separate to the agency led by the Electoral Commissioner. The Commission is an independent, statutory authority. It approves public funding to political parties and others and enforces the provisions of four NSW Acts. These provisions govern electoral funding, expenditure and disclosures, the conduct of State and local government elections and the lobbying of government officials. The Commission's Chairperson is the Hon Keith Mason AC QC, a former President of the NSW Court of Appeal (1997 to 2008).

Information about this independent Commission's work can view viewed at:

www.elections.nsw.gov.au/About-us/Governance/Three-member-statutory-authority.



13 September 2019

NSW Electoral Commission
Level 25
201 Kent Street
Sydney NSW 2000

2015 Chinese Friends of Labor Donations

Dear Sirs

I write in relation to the current Independent Commission against Corruption (ICAC) Operation Aero Inquiry regarding donations received on or around a Chinese Friends of Labor dinner held in March 2015.

On the basis of evidence before the inquiry it is now clear that at this point of time the Australian Labor Party (NSW Branch) (ALP) and Country Labor Party (CLP) cannot be satisfied that the impugned donations were from the alleged donors disclosed in the 2015 donation disclosures. On this basis, the ALP and CLP will submit amended disclosures for the 2014/15 year removing the donations and alleged donors totalling \$100,000 received by both parties.

In addition, it is matter of public record in February 2019 that \$100,000 was placed in trust by the ALP and CLP pending the outcome of the ICAC inquiry. I can advise that we have directed the trustees, Perpetual Trustees to make this payment to the NSW Electoral Commission on behalf of the State pursuant to section 96J of the *Electoral Funding, Expenditure and Disclosures Act 1981* on the basis the donations were unlawful because the \$100,000 either originated from a prohibited donor(s) and/or were not made by the persons who alleged they were the donors.

I also take this opportunity to restate two commitments made to ICAC by the ALP and CLP. Firstly, the ALP and CLP has and will continue to co-operate with this inquiry and provide whatever assistance is required in order that ICAC be able to discharge its functions.

Secondly, if there were breaches of the law by employees or officers of the ALP and/or CLP, then these were not condoned or authorised by the ALP or CLP and would constitute a breach of Party Rules. If such evidence is revealed, then these individuals will be dealt with in accordance with the rules of the Party and/or their contracts of employment. The ALP and CLP is committed to ensuring that they comply with their lawful obligations under the *Electoral Funding Act 2018* and the predecessor *Election Funding, Expenditures and Disclosures Act 1981*.

The ALP and CLP have made a number of donation and governance arrangements since the initial December 2016 inquiries into the 2015 Chinese Friends of Labor dinner. These are:

- Provision of a document in 2017 to employees and members entitled "What you should know about donations".
- Developed a political donations policy document which is the Parties' current policy governing the receipt of political donations.
- Run training for staff, officers, candidates and elected members on the *Electoral Funding Act 2018 (NSW)*.
- Developed a "New Member Branch Administration Kit" which sets out a summary of the NSW political donation laws.
- Ceased accepting all cash donations of over \$1,000 in 2016/2017.
- Website reporting of single donations of \$1,000 or over within 7 days of receipt.
- Formed the Finance and Compliance Committee in February 2016 increasing our internal oversight.
- Created the Director of Governance position in September 2016 to oversight compliance with election funding laws.

The ALP and CLP are currently considering additional reform initiatives to be implemented over the coming months. To assist in this consideration I am requesting a meeting on behalf of the ALP and CLP senior officer holders and the NSW Electoral Commission to ascertain the Commission's views on the ALP and CLP reforms to date and other potential reforms that can be adopted.

I look forward to your response and I can be contacted on [REDACTED] or

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Yours sincerely

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Glenn Bacic
Governance Director