

Party Donations Return for the year ending 31 December 2011



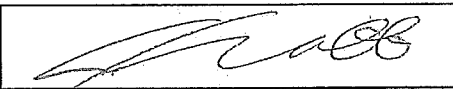
Fill in boxes highlighted in yellow
If completing the form manually - also fill in orange boxes

Party Name: NEW ZEALAND LABOUR PARTY

Party Secretary Name: CHRIS FLATT

Declaration

I declare that to the best of my knowledge this return contains all donations and information required pursuant to section 210 of the Electoral Act 1993, is an accurate record of the party donations and is not false in any material particular.

Signed: 
(Party Secretary)

Date: 27/4/12

Where you have completed the return electronically you will need to print the return. The return needs to be signed and dated by the party secretary and both the party secretary and the auditor must initial each page of the return. The signed return and the auditor's report must be received by the Electoral Commission by **Monday 30 April 2012**. Returns can be filed:

- By post at PO Box 3220 Wellington 6140
- Delivered to Level 9, 17-21 Whitmore Street, Wellington
- By fax to 04 495 0031
- By email to enquiries@elections.govt.nz

Please note, where the return is sent by fax or email the original signed return should also be sent or delivered to the Electoral Commission.

Checklist

Parts A to G completed (if no donations in a Part, then answer Nil in the first row)	Yes
Party Secretary has initialled every page	Yes
All relevant supporting documentation supplied to auditor	Yes
Auditor has stamped and initialled every page	Yes
Auditors report enclosed	Yes
Representation letter enclosed, if used	yes



A: Every donor who has donated over \$15,000 during the year Sections 210(1)(a) and 210(2)

This part - includes aggregations from the same donor (including those exceeding \$30,000 that have been reported during the year under section 210(c) - does not include contributors to donations, anonymous or overseas donations, donations protected from disclosure, or donations not exceeding \$15,000 (see Parts B, C, D, E and F)

The requirement to identify whether a donation contains contributions is in section 210(1)(b)

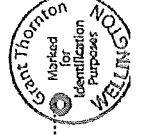
Total A \$0.00
\$225,200.00

Party Name		NEW ZEALAND LABOUR PARTY		Total A \$0.00	
Donor's name	Donor's address	Date donation received (or dates of each aggregated donation) DD/MM/YYYY	Does the donation contain contributions? (Yes or No)	Amount of donation or total aggregated donations \$0.00	
1 Todd Corporation Ltd	95 Customhouse Quay, Wellington	27/09/2011	No	\$50,000.00	
2 NZ Engineering, Printing & Manufacturing Union	7 McGregor Street, Rongotai, Wellington 6022	11/11/2011 15/11/2011 5/12/2011 22/12/2011	No	\$40,000.00	
3 Cao Jun	2 Taumata Road, Castor Bay, Auckland	25/04/2011	No	\$30,000.00	
4 NZ Dairy Workers' Union	34 Harwood Street, Hamilton	31/8/2011 5/9/2011	No	\$27,200.00	
5 Road Transport Trust	Level 3, 93 Boulcott Street, Wellington	19/10/2011	No	\$20,000.00	
6 Fletcher Building Ltd	810 Great South Road, Penrose, Auckland	5/09/2011	No	\$20,000.00	
7 Service & Food Workers' Union	35-39 George Street, Kingsland, Auckland	31/8/2011 5/09/2011	No	\$20,000.00	
8 NZ Meatworkers' Union	Trade Union Office, 199 Armagh Street, Christchurch	9/10/2011 3/11/2011	No	\$18,000.00	
9					
10					
11					
12					
13					

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Party Secretary Initial:

Auditor Stamp/Initial





D: (i) Every donation from an overseas person that was over \$1,500 Sections 210(1)(d) and 210(5),207k

Note: If a donation from an overseas person is over \$1,500 (either on its own or when aggregated with all other donations made by or on behalf of the same overseas person during the year) the party is entitled to keep \$1,500 and within 20 working days must either return the excess to the donor or pay the excess to the Electoral Commission.

Overseas person is defined in section 207k, along with the requirements to relinquish some donations with overseas components

		Total \$0.00					Total \$0.00	Party Name NEW ZEALAND LABOUR PARTY	
Name of overseas donor	Address of overseas donor	Amount of overseas donation or total aggregated overseas donations \$0.00	Date overseas donation received or dates of each aggregated donation DD/MM/YYYY	Was the excess returned to the donor or paid to the Electoral Commission?	Amount returned to donor or paid to Electoral Commission	Date excess returned to donor or paid to Electoral Commission DD/MM/YYYY	Amount of payment	Date received DD/MM/YYYY	
		NIL			\$0.00	DD/MM/YYYY	\$0.00		
					NIL				

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Party Secretary Initial: Auditor Stamp/Initial

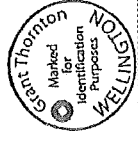


E: (ii) Every donation with contributions from an overseas person that was over \$1,500 Sections 210(1)(d) and 210(5),207k

Note: If an overseas contribution is over \$1,500, within 20 days, the party must either return the entire donation to the donor or pay it to the Electoral Commission.

Overseas person is defined in section 207k, along with the requirements to relinquish some donations with overseas components

Total \$0.00		Party Name NEW ZEALAND LABOUR PARTY			
Name of overseas person	Address of overseas person	Amount of contribution	Donation number in Part A or Part D that the contribution was part of and date donation made e.g. A13 13/08/2011	Date donation returned to donor or paid to Electoral Commission DD/MM/YYYY	Date received DD/MM/YYYY
		\$0.00			\$0.00
		NIL			



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Party Secretary Initial:

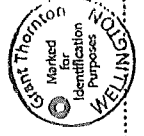
Auditor Stamp/Initial



F: All payments from the Electoral Commission of donations protected from disclosure Sections 210(1)(e) and 210(6)

Donations protected from disclosure are defined in section 208

Total \$0.00		Total \$0.00		Party Name
				NEW ZEALAND LABOUR PARTY
Date payment received	Amount of payment	Amount of interest included in payment	Amount of payment	(For Electoral Commission office use only)
DD/MM/YYYY	\$0.00	\$0.00	\$0.00	Date sent DD/MM/YYYY
	NIL	NIL		



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Party Secretary Initial: Auditor Stamp/Initial:



G: Details of all other party donations received
Section 210(6A)

This part - includes all other party donations received. The requirement to identify these is in section 210(6A) (a) - (d)

Party Name	Total Number of Donations	Total \$0.00
NEW ZEALAND LABOUR PARTY	176	\$695,338.42
Description of Donation	Number of Donations No.	Total Amount of Donations \$0.00
Number of anonymous donations not exceeding \$1,500	37	\$5,694.20
Number of overseas donations not exceeding \$1,500	NIL	NIL
Number of donations exceeding \$1,500 but not exceeding \$5,000	81	\$266,887.30
Number of donations exceeding \$5,000 but not exceeding \$15,000	58	\$422,756.92



Auditor Stamp/Initial

Party Secretary Initial:
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NEW ZEALAND LABOUR PARTY

Fraser House, Labour Party Head Office



27 April 2012

Brent Kennerley
Grant Thornton
PO Box 10712
Wellington

Dear Brent,

Letter of Representation for New Zealand Labour Party Donations Return for the 2011 calendar year

This representation letter is furnished in connection with the return of party donations for the 2011 calendar year (the return) by the New Zealand Labour Party (the Party) made in accordance with section 210 of the Electoral Act 1993 (the Act) which has been audited by you in accordance with section 210A of the Act.

I understand that your audit was conducted in accordance with the relevant provisions of the Act and the Auditing and Assurance Standards issued by the New Zealand Institute of Chartered Accountants.

I confirm and take responsibility for the following representations after taking all reasonable steps to assure myself of them:

- 1 The return has been prepared in accordance with the relevant provisions of the Act.
- 2 I am responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the return. I have done this, and all explanations or demonstrations of this to you have been complete and accurate.
- 3 All records, documents and accounts (records) have been kept by the Party (including subsidiary entities) and made available to you, and these materials will be retained in accordance with the requirements of the Act.
- 4 I have disclosed to you to the best of my knowledge:
 - 4.1 any material transactions not disclosed in the records;
 - 4.2 any alleged, suspected or proven illegal activity under the Act or other legislation potentially relevant to the return;
 - 4.3 the fact of, and results from, any assessment made by me that considered whether the records of the Party may be materially misstated or incomplete for any reason.
- 5 The return contains the total returnable donations received by the Party in the 2011 calendar year. The return includes:
 - 5.1 donations in the form of money, goods or services paid for by others, discounts given on goods or services provided to the party, premiums paid in respect of good or services provided by the party, and credit provided to the party at terms more favourable than the prevailing commercial terms, including the value of GST on any of those items;

- 5.2 donations of more than \$15,000 in aggregate from an individual donor;
 - 5.3 donation contributions of more than \$1,500 from an individual contributor that add up to more than \$15,000 in aggregate from that contributor;
 - 5.4 anonymous donations, overseas donations, and contributions to donations of more than \$1,500;
 - 5.5 donation contributions from an overseas person of more than \$1,500;
 - 5.6 the number of, and aggregate amount of, donations of more than \$5,000 but not more than \$15,000;
 - 5.7 the number of, and aggregate amount of, donations of more than \$1,500 but not more than \$5,000;
 - 5.8 the number of, and aggregate amount of, anonymous donations, and overseas donations, of \$1,500 or less;
 - 5.9 payments received from the Electoral Commission of donations protected from disclosure.
- 6 The return's contents have been determined by considering the questions set out in the Appendix to this letter and the relevant provisions of the Act.
- 7 Where an assessment has been made of the reasonable market value of a donation, the basis of the assessment is fair and appropriate, and has been properly applied and recorded.
- 8 Any and all misstatements you have identified during the course of your audit have been adjusted in the final return.
- 9 I have completed my own procedures, distinct from your audit processes, to evaluate the accuracy and completeness of the return.
- 10 The return is free of any material misstatements or omissions.

These representations are made in terms mutually agreed between us, and to supplement information obtained by you from the records of the Party and to confirm information given to you orally.

Yours sincerely,



Chris Flatt
General Secretary

APPENDIX to Letter of Representation

The return's contents have been determined by considering, in the following sequence, these questions and the relevant provisions of the Act:

- 11 What benefits to the party were "donations"?
- 11.1 What gifts of money did the party receive?
- Any money donated to the party, regardless of method of payment, is a donation [section 207 definition of **party donation**]. This includes donations protected from disclosure [see below].
- 11.2 What gifts of goods or services did the party receive?
- Any goods or services donated to the party are donations, including the value of GST [section 207 definition of **party donation**, and section 207A].
- 11.3 What was the difference between the contract price and the reasonable market value (including GST) of any goods or services provided to the party at a discount?
- Where the reasonable market value is more than \$1,000, the difference in value (discount) is a donation [section 207 definition of **party donation** at paragraph (a)(i), and section 207A].
- 11.4 What was the difference between the contract price and the reasonable market value (including GST) of any goods or services provided by the party at a premium?
- The difference in value (premium) is a donation [section 207 definition of **party donation** at paragraph (a)(ii), and section 207A].
- 11.5 What was the value to the party of the terms and conditions of any credit provided to the party on more favourable terms and conditions than prevailed at the time?
- The value to the party of the more favourable terms and conditions is a donation [section 207 definition of **party donation** at paragraph (a)(iii)].
- 12 What donations were made to the "party"?
- 12.1 Was the donation provided to the party or to any person or organisation on behalf of the party? [section 207 definition of **party donation**]
- The "party" is the registered political party [section 3 definition of **party**, and paragraph 14 below].
- Apart from candidate donations [paragraph 13 below], all donations received throughout the party administration whether at the national or local level (or other subsidiary entities) must be returned as being received by the party.
- The only segment of political parties recognised distinctly in electoral law is "candidates"
- 13 Do any of the donations identified above, or components of those donations, fall within the party donation exclusions? [section 207 definition of **party donation** at paragraph (b)]
- the labour of any person provided free of charge by that person

- any candidate donation that is included in a candidate donation return filed under section 209

➤ Do not include these items in the calculation of party donations.

14 Apart from donations protected from disclosure, which persons made "donations" to the party and which persons made "contributions to a donation"? [section 210(1) and paragraph 15 below]

14.1 Did person A make the donation directly to the party (or any person or organisation involved in the administration of the affairs of the party)?

If yes:

- Person A is a "donor" and made a "donation" [section 207 definition of **donor** and definition of **party donation**].

Include this donation in the calculation of donations from person A.

If no:

14.2 Did person A give their donation to another person or organisation (person B) to forward on (transmit) to the party?

If yes:

- Person A is a "donor" and made a "donation" [section 207 definition of **donor** and definition of **transmitter**, and section 207B].

Include this donation in the calculation of donations from person A.

- Person B is a "transmitter" and is not a donor [section 21 definition of **donor** and definition of **transmitter**, and section 207B].

Do not include this transmission in the calculation of donations or contributions from person B.

If no:

14.3 Did person A give their donation to another person or organisation (person C) with the knowledge or expectation that it would be wholly or partly applied to funding a donation to the party?

If yes:

- Person A is a "contributor" and made a "contribution to a donation" [section 207 definition of **contribution** and definition of **contributor**, and section 207C].

Include this contribution in the calculation of contributions to donations from person A.

- Person C is a "donor" and made a "donation" [section 207 definition of **donor** and definition of **donation funded from contributions**, and section 207C].

Include the donation that person A contributed to (that is, the entire donation that was given to the party by person C) in the calculation of donations from person C.

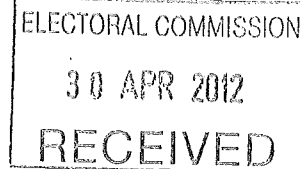
NOTE: whether an intermediary is a **transmitter** of a donation on behalf of a donor, or is a **donor** making a donation funded from contributions, will be a question of fact taking into account all of the provisions pertaining to **transmitters** and **contributions**.

- 15 Which donations must be included in the return? [section 210]
- 15.1 Which donors donated more than \$15,000 in aggregate during the calendar year? [section 210(1)(a)]
- This includes any donations made through a transmitter [paragraph 14.2 above].
- Include these donations in the return in **Part A**
- 15.2 Did the party disclose donations exceeding \$30,000 during the year? [section 210C].
- Include these donations in the return in **Part A**
- 15.3 Which contributors to donations made contributions exceeding \$1,500 during the calendar year, which when aggregated exceeded \$15,000? [section 210(1)(b)]
- Include these contributions in the return in **Part B**
- 15.4 Which anonymous donations exceeded \$1,500 and who was the excess returned or paid to? [section 207 definition of anonymous, section 207I and section 210(1)(c)]
- Include these donations in the return in **Part C**
- 15.5 Which donations made by overseas persons exceeded \$1,500 in aggregate during the calendar year, and who was the excess returned or paid to? [section 207K(1) definition of overseas person and the remainder of section 207K, and section 210(1)(d)]
- Include these donations in the return in **Part D**
- 15.6 Which contributors who are overseas persons made a contribution of more than \$1,500 during to calendar year to any party donation?
- Include these donations in the return in **Part E**
- 15.7 How much did the party receive from the Electoral Commission in payments of donations protected from disclosure and how much interest was included in those payments? [section 208D and section 210(1)(e)]
- Include these donations in the return in **Part E**



Grant Thornton

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Independent Auditor's Report

Audit

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To The New Zealand Council of the New Zealand Labour Party

Report on the Financial Statements

We have audited the attached Return of Party Donations (the Return) for the period 1 January 2011 to 31 December 2011. The Return is prepared in compliance with section 210A of the Electoral Act 1993. The Return provides information about party donations made to The New Zealand Council of the New Zealand Labour Party.

Party Secretary's and Financial Agent Responsibilities

The Party Secretary and Financial Agent is responsible for ensuring that the Electoral Commission receives a return of the Party's donations received for the period 1 January 2011 to 31 December 2011. This is done on behalf of The New Zealand Council of the New Zealand Labour Party.

Auditor's Responsibilities

Our responsibility is to express an opinion on the Return in terms of the requirements of section 210A of the Electoral Act 1993. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the total donations received by the Party are fairly reflected in the Return prescribed by section 210A and are free from material misstatement whether caused by fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the Return, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Return that fairly reflects matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in The New Zealand Council of the New Zealand Labour Party.

Basis for Qualified Opinion

In forming our opinion on the Return for Party Donations we considered the following:

Donation income belongs to an organisation once it is received, but there are generally no practical procedures available to give auditors assurance that all income of this nature, whether in the form of cash or as donated services, received by an organisation is actually recorded by that entity. Accordingly, auditors of organisations receiving significant amounts of donations usually qualify their audit opinions to reflect the practical limitations of an audit in this area.

In common with other organisations receiving similar income, control over donations income received by The New Zealand Council of the New Zealand Labour Party prior to it being recorded is limited, and as commented in the preceding paragraph, there are no practical audit procedures to determine the effect of this limited control. Due to the nature of the issue, we do not believe there is further information that can be provided to us by The New Zealand Council of the New Zealand Labour Party which would allow us to determine the effect of this limited control.

In addition, we were unable to obtain independent confirmation of the residency status of particular donors and therefore have gained no assurance over the associated disclosure according to 210 (1) (d) of the Electoral Act 1993. We were unable to satisfy ourselves as to the residency-status of these particular donors by any other audit procedures.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the Return fairly reflects the party donations received by the Party Secretary and Financial Agent, for the period 1 January 2011 to 31 December 2011.



Grant Thornton New Zealand Audit Partnership
Wellington, New Zealand
27 April 2011