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Winston Peters' party fundraising faces a Serious Fraud Office inquiry. Photo: Lynn Greiveson



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Sam Sachdeva is Newsroom's political editor, covering foreign affairs, trade, defence, and security issues.

COMMENT

Second SFO inquiry into donations a worry for NZ democracy

The referral of allegations about the New Zealand First Foundation to the Serious Fraud Office is unsurprising - but will Winston Peters' latest donations scandal end as it did in 2008?

For one political party's donations to be referred to the Serious Fraud Office may be regarded as misfortune; a second referral looks like carelessness.

If news [the SFO was pursuing criminal charges against four people](#) over allegations of electoral fraud involving donations to the National Party was not enough, we now know the office has been asked to look at other claims of wrongdoing related to the New Zealand First Foundation.

The Electoral Commission's decision to refer the matter to police, who in turn passed the parcel onto the SFO, is not the biggest surprise in the world given the claims raised by Stuff's investigation of the foundation and its role in funding the party after which it is named.

New Zealand First leader Winston Peters insists the foundation is lawful, claiming it replicates National's own foundation - but Opposition MPs and staffers have been equally adamant that the two are materially different, with donations to National's foundation disclosed as if they were made directly to the party.

The commission may lack the powers to determine whether or not any electoral laws have been breached, but its conclusion that donations to the foundation were not properly transmitted or disclosed is still damaging.

Peters offered a bullish response, claiming he had already advised New Zealand First to refer the matter itself to police - for the sake of clarifying New Zealand's donations regime, rather than any admission of impropriety.

If the events of 2008 are any guide, the investigation into the foundation may not offer the clarity that Peters' supporters and detractors alike are hoping for.

Private investigation, public dissection

Back then, the SFO's director ultimately concluded there was no basis for laying fraud charges, but noted unanswered questions about other potential breaches of electoral law which were not within its remit.

A police investigation also failed to result in any charges, while the Electoral Commission ruled that New Zealand First's return of donations for 2007 was "materially false" but not in breach of the law.

It would be a mistake to assume the facts of the case are identical, or that there will be an identical outcome - but there is enough to suggest that clear-cut wrongdoing or innocence will not be that easily identified.

But while that investigation takes place behind closed doors, there will be a far more public dissection of the issue as Parliament resumes sitting this week.

National leader Simon Bridges will be feeling more comfortable with his decision to pre-emptively rule out New Zealand First as a coalition partner, and his party will doubtlessly seek to tie the claims made against Peters' party to the larger target that Labour presents.

In 2008, Peters stood aside from his ministerial portfolios - perhaps jumping before he was pushed by Helen Clark - while the SFO carried out its investigations.

Such an offer has been neither made nor requested, according to Jacinda Ardern: speaking to media at her weekly post-Cabinet press conference, the Prime Minister insisted it was too early to render any judgment.

Peters set his own precedent in 2008 with the decision to step aside, and it is understandable that some will ask why he does not do the same again.

Of course, the circumstances are somewhat different: Peters was serving as a minister outside of Cabinet due to New Zealand First's confidence and supply arrangement with Labour, while he is now far more intimately involved thanks to his party's formal coalition deal and his role as Deputy Prime Minister.

Most pertinently, where there was little doubt about Clark's ability to lay down the law should the circumstances demand it, Ardern has seemed far less willing - or able - to step in and hold her junior coalition partner to account.

Of course, Peters would doubtlessly point out that he is entitled to natural justice and the presumption of innocence as the SFO makes its inquiries.

But he set his own precedent in 2008 with the decision to step aside, and it is understandable that some will ask why he does not do the same again.

That could yet occur as pressure builds, although Peters may look back on the decision as a misstep that helped to usher New Zealand First out of Parliament.

Dropping out then was seen as the party's death knell (inaccurately, as it turns out), and if it was to happen again it would seem hard for New Zealand First to find a way back in.

But there is a wider concern here, that New Zealanders lose faith in our democratic processes as a result of the investigations into both National and New Zealand First.

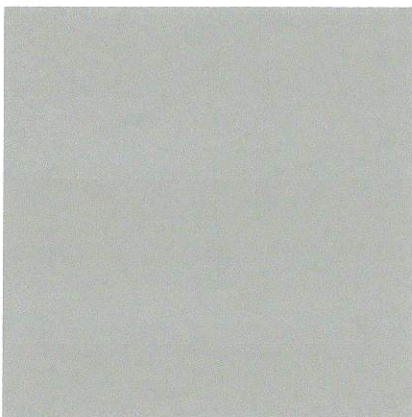
Of course, neither has yet resulted in any proven wrongdoing, and the parties deserve the benefit of the doubt until proven otherwise. But as Ardern pointed out, all New Zealanders must have faith in New Zealand's electoral system and donations regime - and whether or not there is guilt established in these particular cases, it is beyond clear that our laws must be reformed, sooner rather than later.

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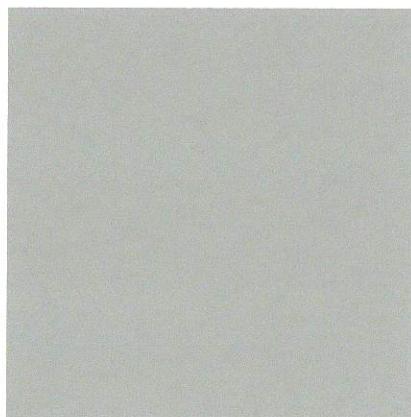


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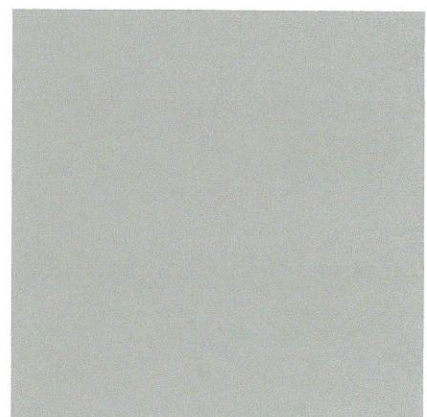


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