

## ASX & Media Release

### **Deloitte review of AGL NSW political donations**

**14 August 2014**

Media reports earlier this week suggested that AGL Energy Limited (AGL) had not fully complied with legal obligations to report to the Department of Planning and Environment ("the Department") political donations made while the planning application in respect of Stage 1 of the Gloucester Gas Project was awaiting approval.

In response to those reports AGL engaged its external auditors, Deloitte, to conduct a review of disclosures made by AGL in relation to political donations in NSW since 2007. AGL also sought legal advice regarding AGL's political donation reporting obligations in relation to Stage 1 of the Gloucester Gas Project.

The legal advice obtained by AGL<sup>1</sup> is that, in relation to the planning application in respect of Stage 1 of the Gloucester Gas Project, AGL did not have any obligation to report political donations to the Department. This is because the obligation to report under the Environmental Planning and Assessment Act ("EPA Act") does not apply to planning applications made before 1 October 2008.<sup>2</sup> The planning application for Stage 1 of the Gloucester Gas Project was made on 6 August 2008 and determined by the independent Planning Assessment Commission.

The reporting obligations under the EPA Act do however apply in relation to other planning applications made by AGL, including the application in respect of the Gloucester Gas Project Pipeline Modification ("the Modification"). The review work performed by Deloitte has indicated that AGL has not fully complied with the timing aspects of its reporting obligations in relation to that planning application.

Deloitte's report regarding AGL's reporting of political donations in NSW is available on AGL's website<sup>3</sup>. Key points to note are:

- > Attached to the report is a schedule which sets out all reportable political donations made in NSW since 1 January 2007<sup>4</sup>.
- > In relation to Stage 1 of the Gloucester Gas Project, AGL has reported the substantial majority of political donations made in NSW. However, Deloitte found two instances of political donations, totalling \$250, that were not reported.

Key conclusions that can be drawn from the report include:

- > If, contrary to legal advice, AGL did have reporting obligations while the planning application in relation to Stage 1 of the Gloucester Project was on foot, 14 donations totalling \$52,400<sup>5</sup> were not reported within seven days of each donation being made.
- > In relation to the Modification, three political donations totalling \$11,000 have been identified which were reported, but not within seven days of each donation being made. Consequently, AGL has failed to fully comply with the EPA Act.

As a consequence of the review work undertaken by Deloitte, AGL is separately determining whether, and the extent to which, reporting obligations in relation to other planning applications made by AGL may not have been complied with.

Other than the two donations totalling \$250 referred to above, all NSW political donations were fully reported in accordance with the Election Funding, Expenditure and Disclosures Act.

The review undertaken by Deloitte has highlighted some deficiencies in AGL's processes for making, recording and reporting on a timely and consistent basis details of political donations made by AGL. AGL will co-operate fully with the Department to identify any and

all breaches of its reporting obligations. Measures to improve internal controls and compliance in respect of political donations will be implemented.

## NOTES

- <sup>1</sup> [Herbert Smith Freehills legal advice](#)
- <sup>2</sup> Section 147(13) of the EPA Act
- <sup>3</sup> [Deloitte report of factual findings](#)
- <sup>4</sup> As noted by Deloitte, this schedule was prepared by AGL
- <sup>5</sup> All stated on a GST inclusive basis

## Further inquiries:

### Investors

John Hobson, Head of Capital Markets  
Direct: +61 2 9921 2789  
Mobile: +61 (0) 488 002 460  
email: [john.hobson@agl.com.au](mailto:john.hobson@agl.com.au)

### Media

Karen Winsbury, Head of Corporate Communications  
Direct: +61 3 8633 6388  
Mobile: +61 (0) 408 465 479  
e-mail: [kwinsbury@agl.com.au](mailto:kwinsbury@agl.com.au)

## About AGL

AGL is one of Australia's leading integrated renewable energy companies and is taking action toward creating a sustainable energy future for our investors, communities and customers. Drawing on over 175 years of experience, AGL operates retail and merchant energy businesses, power generation assets and an upstream gas portfolio. AGL has one of Australia's largest retail energy and dual fuel customer bases. AGL has a diverse power generation portfolio including base, peaking and intermediate generation plants, spread across traditional thermal generation as well as renewable sources including hydro, wind, landfill gas and biomass. AGL is Australia's largest private owner and operator of renewable energy assets and is looking to further expand this position by exploring a suite of low emission and renewable energy generation development opportunities.