

Administration Fund procedures

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1. Abbreviations and definitions

Abbreviations

Electoral Commission	New South Wales Electoral Commission three-member statutory authority
EF Act	<i>Electoral Funding Act 2018 (NSW)</i>
EF Regulation	Electoral Funding Regulation 2018 (NSW)
Electoral Act	<i>Electoral Act 2017 (NSW)</i>

Definitions

Actual administrative expenditure – means administrative expenditure for which the elected member or party has a legal liability to pay or has paid.

Administrative expenditure – means expenditure for administrative and operating expenses and includes expenditure on or for:

- the administration or management of the activities of the eligible party or elected member
- conferences, seminars, meetings or similar functions at which the policies of the eligible party or elected member are discussed or formulated
- providing information to the public or a section of the public about the eligible party or elected member
- providing information to members and supporters of the eligible party or elected member
- the audit of the financial accounts of the eligible party or elected member
- equipment and training to ensure compliance by the eligible party, elected member or endorsed candidates of the party with obligations under the EF Act
- reasonable remuneration of staff engaged in the above activities for the eligible party or elected member (being the proportion of that remuneration that relates to the time spent on those activities)
- reasonable expenditure on equipment or vehicles used for the purposes of the above activities (being the proportion of the cost of their acquisition and operation that relates to the use of the equipment or vehicles for those activities)
- office accommodation for the above staff and equipment and
- interest payments on loans.

Administrative expenditure does not include:

- electoral expenditure
- expenditure for which a member may claim a parliamentary allowance as a member
- expenditure incurred substantially in respect of operations or activities that relate to the election of members to a Parliament other than the NSW Parliament and
- expenditure prescribed by the regulations.

Claimant/s means a party or independent elected member eligible for administrative funding.

Independent elected member means a member of Parliament who was not endorsed by any party when they were elected and is not a member or representative of any party.

Party means a body or organisation, incorporated or unincorporated, having as one of its objects or activities the promotion of the election to Parliament of a candidate or candidates endorsed by it or by a body or organisation of which it forms a part.

Registered Party means a party registered in accordance with Part 6 of the Electoral Act.

State election means a Legislative Assembly general election, a Legislative Council election or a by-election for the Legislative Assembly.

2. Introduction

- 2.1. The Electoral Commission is responsible for keeping an Administration Fund for registered parties and independent elected members in accordance with the law.
 - 2.2. The purpose of the Administration Fund is to reimburse relevant administrative and operating expenses of eligible political parties and independent elected Members of Parliament.
 - 2.3. The Administration Fund is administered under Part 5 of the EF Act.
 - 2.4. The overarching principles and aims of the Administration Fund, along with the Electoral Commission's functions in managing the Fund, are included in the Public Funding Policy.
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3. Purpose

- 3.1. The purpose of this document is to provide a guide as to how the Electoral Commission meets the principles and objectives stated in the Public Funding Policy in relation to:
 - eligibility for payment
 - payment and advance payments and
 - the claim process.
 - 3.2. This document supports the Public Funding Policy in relation to the Administration Fund by providing specific, factual information about the Administration Fund.
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4. Scope

- 4.1. These procedures apply to:
 - all claims for payment and payments made from the Administration Fund and
 - officers of the Electoral Commission, including contractors and third-party consultants, who are involved in the administration of this public funding scheme.
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5. How the Administration Fund works

- 5.1. The Administration Fund operates on a quarterly basis, claims for payment can be made each quarter, both in advance of a quarter (a quarterly advance payment) and following the end of a quarter (a quarterly payment).
 - 5.2. Quarterly advance payments are made at the beginning of each quarter, and the payment is equal to 100 per cent of the quarterly entitlement of the party or elected member in respect to that quarter. To receive a quarterly advance payment a party or elected member is required to claim the advance payment no later than two weeks before the beginning of the quarter.
 - 5.3. The Electoral Commission will make a quarterly payment (except quarterly advance payments) within 30 days after receiving all the required documents, such as:
 - a claim for payment, made within three months after the end of the quarter for which the payment is to be made
 - a declaration of expenditure incurred in the quarter, and
 - information or evidence to establish the eligibility for payment of the party or independent elected member.
 - 5.4. A party or elected member may carry over any unspent administration funding entitlement to a subsequent quarter within the same calendar year.
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6. Eligibility for payment

Parties

- 6.1. A party is eligible for payments from the Administration Fund for a quarterly period if:
 - it was a registered party at the previous State election, and the party continued to be a registered party at the end of the quarter for which the payment is made
 - it endorsed candidates who were elected at that election, and the Electoral Commission is satisfied that the elected members claimed to be endorsed by the party
 - the Electoral Commission is satisfied that the elected members continued to be members or representatives of the party at the end of the quarter for which the payment is made
 - the party has no outstanding disclosures of political donations and electoral expenditure or annual financial statements and
 - the party has provided to the Electoral Commission a list of senior office holders and a summary of their roles and responsibilities.

Independent member of NSW Parliament

- 6.2. An elected member is eligible for payments from the Administration Fund for a quarterly period if:
 - the elected member was not an endorsed candidate of any party at the State election at which they were elected
 - the Electoral Commission is satisfied that the elected member is not a member or representative of any party at the end of the quarter for which the payment is determined.

Quarterly amounts

- 6.3. The quarterly amount payable to an eligible party or independent elected member is the amount of actual administrative expenditure incurred by the party or elected member during a quarterly period up to a maximum amount.
- 6.4. The maximum amount for a party for a quarterly period is based on the number of elected members of Parliament who are endorsed by the party as at the end of the quarter. The amounts are adjusted for inflation each year. The adjusted amounts can be found on the NSW Electoral Commission website.

7. Payments

Quarterly advance payments

- 7.1. A claim for quarterly advance payment is to be made at least two weeks before the end of each quarter. A quarterly advance payment is equal to 100 per cent of the quarterly entitlement of the party or elected member in respect to that relevant quarter. Quarterly advance payments are made at the beginning of each quarter.
- 7.2. The amount of quarterly advance payment is determined based on the following assumptions:
 - In the case of a party, that the number of elected members endorsed by the party at the end of the quarter will be the same as the number of elected members endorsed by the party at the date on which the claim for the quarterly advance payment is determined.
 - In the case of an independent elected member, the person will continue to be an elected member at the end of the quarter.
- 7.3. A quarterly advance payment is to be made to the party agent of the party or the elected member.

Quarterly payments

- 7.4. In order to receive a payment from the Administration Fund, a claim for payment must be lodged with the Electoral Commission by the party agent (or in certain circumstances, a registered officer) of a party or by an elected member.
- 7.5. A claim can be made within three months of the end of each quarter. A quarterly payment takes into account whether a party or elected member has received a quarterly advance payment for the relevant quarter. It also takes into account the amount of actual administrative expenditure included in the claim for payment for the quarter.
- 7.6. If the actual administrative expenditure incurred by a party or independent elected member is in excess of the party or elected member's quarterly entitlement the excess amount may be included in a claim for quarterly payment for a subsequent quarter in the same calendar year.
- 7.7. If actual administrative expenditure is incurred by the party or elected member in a quarter which is in excess of their entitlement, the excess can be carried over to a subsequent quarter in the same calendar year.
- 7.8. If a party or elected member has received a quarterly advance payment in excess of the amount they are found to be entitled to receive, the excess must be repaid to the Electoral Commission within 60 days of receiving notice from the Electoral Commission.
- 7.9. If the actual administrative expenditure incurred by a party or elected member in a quarter is less than the party or elected member would have been entitled to receive, the underspend may be carried over to a subsequent quarter in the same calendar year.

8. The claim process

Advice of eligibility

- 8.1. Following a State election, the Electoral Commission identifies eligible elected members in accordance with the EF Act, using reliable sources of information to check their eligibility. The sources of information include election results and registration details submitted to the Electoral Commission. Eligible parties are identified with reference to the Register of Parties maintained by the Electoral Commission.
- 8.2. Before the commencement of a quarterly period, the Electoral Commission advises each party and elected member of their potential eligibility to receive a quarterly advance payment and after the end of a quarter the Electoral Commission advises each party and elected member of their eligibility to receive a quarterly payment, and the maximum payments available. The Electoral Commission provides forms to eligible claimants for making a claim for payment.

Completing and lodging claims for quarterly payments

- 8.3. A claim for a quarterly payment must be lodged after the end of a quarter, further to advice of eligibility received from the Electoral Commission.
- 8.4. The claim:
 - must be made in writing by the party agent of a party (or in certain circumstances, a registered officer) or elected member (a claim form is provided to the claimant with advice of eligibility)
 - can be for an amount of actual administrative expenditure incurred up to the maximum quarterly amount, minus any quarterly advance payment received, and
 - must be accompanied by a declaration of expenditure
 - can be made by a registered officer if the party agent is absent and the registered officer has:
 - completed the Electoral Commission’s agent training (unless they are exempt); and
 - the Electoral Commission has been notified in writing (by the party agent or registered officer).
- 8.5. The declaration:
 - must be made by the party agent (or in certain circumstances, a registered officer) of a party or elected member (a declaration form is provided to the claimant with the claim form) and
 - must include an amount of actual administrative expenditure incurred by the party or elected member in a quarterly period.
- 8.6. The actual administrative expenditure included in the declaration must be supported with appropriate vouching including supporting invoices, receipts and any other required documents.

Completing and lodging claims for quarterly advance payments

- 8.7. A claim for quarterly advance payments is lodged two weeks before the beginning of the relevant quarter, after the claimant receives advice of eligibility from the Electoral Commission.
- 8.8. The claim:
 - must be made in the manner determined by the Electoral Commission (a claim form is provided to the claimant with advice of eligibility), and
 - is for a predetermined amount, which is 100 per cent of the estimated quarterly maximum amount for the corresponding quarter.

- 8.9. There is no declaration of expenditure at this stage, as the payment is an advance payment.
- 8.10. In order to remain entitled to keep a quarterly amount payment, the claimant must validly declare and vouch for an amount of actual administrative expenditure in their claim for the corresponding quarterly payment that at least equals the amount of the quarterly advance payment.
- 8.11. If a claimant does not validly declare and vouch for an amount received in a quarterly advance payment, this means the claimant has been paid more than the amount of expenditure incurred, and the excess amount will be deducted from the subsequent quarterly payment or be recovered by notice from the Electoral Commission.

Assessing claims

- 8.12. A claim for payment is assessed to ensure it complies with the EF Act. If the Electoral Commission is satisfied that the claimant is eligible to receive the payment, a payment will be made to the nominated bank account via Electronic Funds Transfer (EFT).
- 8.13. The assessment is undertaken by officers of the Electoral Commission. It first involves a check of the claimant's eligibility.
- 8.14. The expenditure is then assessed to determine the payment amount. The payment amount is the amount of validly declared and vouched actual administrative expenditure up to the relevant maximum amount.
- 8.15. A risk-based approach may be used to plan and execute the assessment. The Electoral Commission may contact the party agent of a party, registered officer, or elected member to seek further information about particular items of expenditure. The reimbursement of those items of expenditure may depend on that information being provided.
- 8.16. The Electoral Commission may reject items of expenditure for reasons including:
- the expenditure does not meet the definition of administrative expenditure (under section 84 of the EF Act and the *general guidelines*)
 - the expenditure has previously been reimbursed
 - the expenditure was not incurred in the relevant quarter or was not incurred by the party or elected member
 - The expenditure is not actual administrative expenditure.
- 8.17. For all claims, the eligibility for payments will be assessed before a payment is processed.

Making a payment

- 8.18. Quarterly payments are made within 30 days of the date that a valid claim was received by the NSW Electoral Commission.
- 8.19. Quarterly advance payments are made at the beginning of the relevant quarter.
- 8.20. Payments are made to the party agent of the party or elected member, by Electronic Funds Transfer (EFT) into the nominated account.

Summary of claim of lodgement, assessment and payment process

Quarterly payment

- 8.21. Advise of eligibility
- notification to eligible parties and elected members by email after the end of the quarter
 - includes information about maximum payment amount
 - includes claim form and declaration form.

8.22. Documents to lodge

- Claim Form **EF.697**
- Declaration Form **EF.698**
- copies of invoices, receipt and other supporting vouching documents for declared expenditure
- Electronic Fund Transfer (EFT), Payment Authority form **EF.770** (only required if account details have changed).

8.23. Lodgement due date

- quarterly payments must be claimed within three months after the end of the quarter to which the claim relates.

8.24. Assessment of claim

- confirmation of claimant's eligibility
- check of claimant's status regarding compliance with other legislative obligations for example, a claimant is not eligible if they have any outstanding disclosures for a past period, financial statements or list of senior office holders (relevant to parties only)
- assessment of expenditure to determine payment amount

8.25. Payment

- made to account nominated by party agent or elected member
- made within 30 days of lodgement of valid claim
- a copy of the claim is published on the NSW Electoral Commission's website
- copies of or extracts from any other document received in connection with the claim may, on application, be provided for public inspection

Quarterly advance payments

8.26. Advise of eligibility

- notification to eligible parties and elected members by email approximately one month before the beginning of the quarter
- includes information about maximum payment amount
- includes claim form

8.27. Documents to lodge

- claim Form **EF.707** (for parties) or **EF.707A** (for elected members)
- Electronic Funds Transfer (EFT) Payment Authority form **EF.770** (only required if account details have changed).

8.28. Lodgement due date

- at least two weeks before the first business day of the relevant quarter

8.29. Assessment of claim

- confirmation of claimant's eligibility
- check of claimant's status regarding compliance with other legislative obligations (for example: outstanding disclosures, financial statements or list of senior office holders)

8.30. Payment

- made to account nominated by party agent or elected member
- made on the first business day of the relevant quarter
- a copy of the claim is published on the NSW Electoral Commission's website
- copies of or extracts from any other document received in connection with the claim may, on application, be provided for public inspection

9. Roles and responsibilities

Who	How
Electoral Commission	Approve the Administration Fund procedures and associated documents
Executive Director and Directors Funding, Disclosure and Compliance	<ul style="list-style-type: none">• participate in the consultation process• determine policy instrument content and compliance with electoral funding laws• communicate policy development and revision with Governance Unit and Legal Unit and the Policy Coordinator
Senior Governance Officer Governance	<ul style="list-style-type: none">• coordinates administration of the policy development and review process• manages the publication, amendment or archiving of approved policy instruments in the Policy Library
A/Manager Regulatory Education and Policy	<ul style="list-style-type: none">• develops or amends policy instruments as required• forwards approved policy instruments to the Policy Coordinator for registration and publication• forwards approved policy instruments to the Policy Implementer (if not also the Policy Author) for implementation

10. Monitoring, evaluation and review of this policy

10.1. This policy will be reviewed every three years, or whenever it becomes apparent that a revision is needed.

11. Associated documents

11.1. Public Funding Policy

12. Relevant legislation

12.1. The administrative funding for parties and independent elected members is administered under Part 5 of the *Electoral Funding Act 2018*.

13. Document control

Document management

Approved by:	Signature:
The NSW Electoral Commission	Signature Redacted Date approved: 9 August 2023
Executive Director Review:	Signature:
Rachel McCallum Executive Director, Funding, Disclosure and Compliance, and General Counsel	Signature Redacted
Director Review:	Signature:
Emma Keene Director, Client Experience Regulatory Services	Signature Redacted

Publication details

Document Type:	<input checked="" type="checkbox"/> Policy <input type="checkbox"/> Standard <input checked="" type="checkbox"/> Procedure <input type="checkbox"/> Guidelines	
Responsible Business Unit: Regulatory Education and Policy	Author: Policy and Project Officer, Regulatory Education and Policy	Publication: <input type="checkbox"/> Not for publication <input type="checkbox"/> Internal catalogue <input type="checkbox"/> Intranet only <input checked="" type="checkbox"/> Intranet and website

Revision record

Date	Version	Revision description
1 August 2016	V 1.0	New procedures
13 February 2019	V 1.1	Legislative change – <i>Electoral Funding Act 2018</i>
11 December 2019	V 1.2	Clarification of actual administrative expenditure
1 February 2023	V 1.3	Triannual review and legislative amendments