



EFA Annual Report
2013/2014

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Level 25, 201 Kent Street, Sydney 2000.

Letter from the Chairperson



31 October 2014

The Hon. Michael Bruce Baird, MP
Premier
Minister for Western Sydney
Level 40 Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Premier

In accordance with Section 8 of the *Annual Reports (Statutory Bodies) Act 1984*, I submit for tabling in both Houses of Parliament, the report on the operations of the Election Funding Authority of NSW for the financial year ended 30 June 2014.

Yours sincerely

A handwritten signature in black ink that reads 'Colin Barry' with a long horizontal flourish extending to the right.

Colin Barry
Chairperson

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Contents

Overview

Chairperson's Overview	4
Charter	5
About Us	6
The Year in Numbers	8
Corporate Plan	9
Objectives	10

Review of Operations

Registration	12
Disclosure	14
Audit	16
Compliance	20
Public Funding	24
Communication and Public Awareness	29

Governance

EFA Corporate Governance	32
Legislative Amendments	35
Privacy	40

Financial Performance

Financial Summary	42
Statement by the Members of the Election Funding Authority	43
Independent Auditor's Report	44
Statement of comprehensive income	46
Statement of changes in equity	47
Statement of financial position	48
Statement of cash flows	49
Notes to the financial statements	50

References

Abbreviations and Acronyms	56
Compliance to Annual Reporting Requirements	57
Glossary of Terms	59
Tables	61

Overview

Chairperson's Overview	4
Charter	5
About Us	6
The Year in Numbers	8
Corporate Plan	9
Objectives	10

Chairperson's Overview



Colin Barry, Chairperson

I am pleased to present the Annual Report for the Election Funding Authority (EFA) for the reporting period 2013–2014.

The past year has been very significant for the EFA, with valuable learnings emanating from both its own compliance processes and the public hearings of the Independent Commission Against Corruption (ICAC).

A substantial number of declarations of disclosures were not lodged in respect to candidates who contested the 2012 Local Government Elections, including for those who were elected and now serve as councillors. Whilst enforcement action was taken against those who failed to lodge, enforcement is not the primary motivator of the EFA. It is the object of achieving transparency and accountability in the area of campaign finance that motivates the EFA.

The public inquiries by ICAC over the last year only reinforce the EFA's concerns. Whilst it is important not to confuse activities involving corruption and elected officials with those of campaign finances and elections, it is the case that at times the lines are blurred.

The *Election Funding, Expenditure and Disclosures Act 1981* (the Act) presently provides for the compulsory appointment of an official agent by each candidate at an election for the primary purpose of managing campaign finances. The official agent, or a person appointed by the official agent, controls the election campaign account, and is responsible for the acceptance of donations and payment of election campaign expenditure. The official agent is responsible for lodging disclosures on behalf of candidates. This agency relationship isolates

the candidate from accountability for his or her campaign's financial activities.

Since the commencement of the Act in 1981, there has been a duty to lodge disclosures by or on behalf of parties, candidates and elected members. The question must therefore be asked, if, in 2013–14, agents are failing to lodge declarations of disclosures, is it because they are indolent, incompetent or concealing unlawful conduct? The possibility that available enforcement options under the Act are more palatable than making disclosures should not be dismissed.

As a consequence of the Joint Standing Committee on Electoral Matters 2013 Inquiry into the Act, the Government endorsed a comprehensive review of its provisions. The recent revelations in the area of campaign finance have lent further support for the need for a review of the Act's provisions and I welcome the announcement of the Expert Panel on Political Donations. In any such review, I recommend consideration of the need for candidates and elected members to be made directly accountable for the record keeping, reporting and disclosure of their own campaign finances. This must include significant, enforceable sanctions for those who fail in any of these obligations.

The EFA is committed to working with organisations, such as ICAC, to identify all relevant issues and to include strong messages in its information and education programme for election participants. This is particularly important in the coming year as New South Wales heads into a General Election in March 2015.

This awareness amongst both experienced and prospective election participants will be a focus of the EFA into the next year, together with a continued emphasis on compliance and enforcement practices.

I would like to take this opportunity, on behalf of the members of the EFA, to thank the staff of the EFA for their enthusiastic work, commitment and support.

Yours sincerely

A handwritten signature in black ink that reads "Colin Barry". The signature is written in a cursive style with a long, sweeping flourish at the end.

Colin Barry
Chairperson

Charter



The Election Funding Authority of NSW (EFA) is established under the *Election Funding, Expenditure and Disclosures Act 1981* (the Act) and has four main purposes:

- dealing with applications for registration of candidates, groups, third-party campaigners and agents;
- dealing with claims for public funding in respect to parties and candidates for State election campaigns and, in the case of parties and independent members of Parliament, for administrative and policy development expenses;
- to enforce the imposition of maximum amounts (or 'caps') on the value of political donations that might be lawfully accepted and the electoral communication expenditure that might lawfully be incurred, and to enforce the prohibition on donations from a limited class of intending donors; and
- to enforce the requirement to disclose the source and the amount of all political donations received and the amount of electoral expenditure for State parliamentary and Local Government election campaigns.

The Act imposes a duty on the EFA to exercise its functions in a manner that is not unfairly biased against or in favour of any particular party, group, candidate or other person, body or organisation.

About Us



The Election Funding Authority of NSW (EFA) is a statutory body responsible for administering the provisions of the *Election Funding, Expenditure and Disclosures Act 1981* (the Act) and the *Election Funding, Expenditure and Disclosures Regulation 2009* (the Regulation).

The EFA's role includes:

- the registration of candidates, groups of candidates, third-party campaigners and their agents for funding and disclosure purposes;
- receiving and processing disclosures of political donations and electoral expenditure lodged by or in respect to parties, elected members, candidates, groups, third-party campaigners and major political donors;
- receiving and processing claims for payment from the Election Campaigns Fund, the Administration Fund and the Policy Development Fund;
- publishing the disclosures of political donations and electoral expenditure on the EFA's website;
- seeking compliance with the requirements of the Act by election participants; and
- undertaking research in relation to public funding, political contributions, electoral expenditure and other matters relating to the Act.

Services Provided

The EFA is committed to the provision of quality services which meet stakeholder requirements and expectations and which have regard to their legal obligations and responsibilities. The EFA seeks to perform its functions, activities and responsibilities impartially, effectively and efficiently.

Services include, but are not limited to:

- ensuring the lodgement and publishing of disclosures lodged in respect to elected members, candidates, groups, parties, third-party campaigners and political donors;
- receiving and processing applications for the registration of candidates, groups, third-party campaigners and agents for elections;
- administration of claims for public funding;
- conducting compliance audits of compliance with the requirements of Part 6 of the Act by a party, elected member, group or candidate; and
- education and information programmes for parties, elected members, candidates, groups, third-party campaigners, agents and political donors.

The EFA's Stakeholders include:

- the people and electors of NSW;
- NSW Parliament;
- Members of Parliament;
- political parties;
- candidates;
- groups of candidates;
- political donors;
- third-party campaigners;
- Local Government councillors and mayors;
- official and party agents; and
- the media.

Vision

The EFA's vision is to contribute to an impartial electoral system in NSW by providing transparent, efficient and unbiased administration of public funding, expenditure and disclosure legislation.

Values

- Integrity
- Impartiality
- Professionalism

Governance Overview

The EFA's work is governed by the following main pieces of legislation:

- *Election Funding, Expenditure and Disclosures Act 1981* (the Act);
- *Election Funding, Expenditure and Disclosures Regulation 2009*; and
- *Parliamentary Electorates and Elections Act 1912*.

Members

The EFA is constituted as a corporation with the corporate name of the Election Funding Authority of NSW.

The members of the EFA are:

- the Electoral Commissioner for NSW as Chairperson;
- a member appointed by the Governor on the nomination of the Premier;

- a member appointed by the Governor on the nomination of the Leader of the Opposition in the Legislative Assembly.

The Act also provides for:

- an alternate member appointed by the Governor on the nomination of the Premier; and
- an alternate member appointed by the Governor on the nomination of the Leader of the Opposition in the Legislative Assembly.

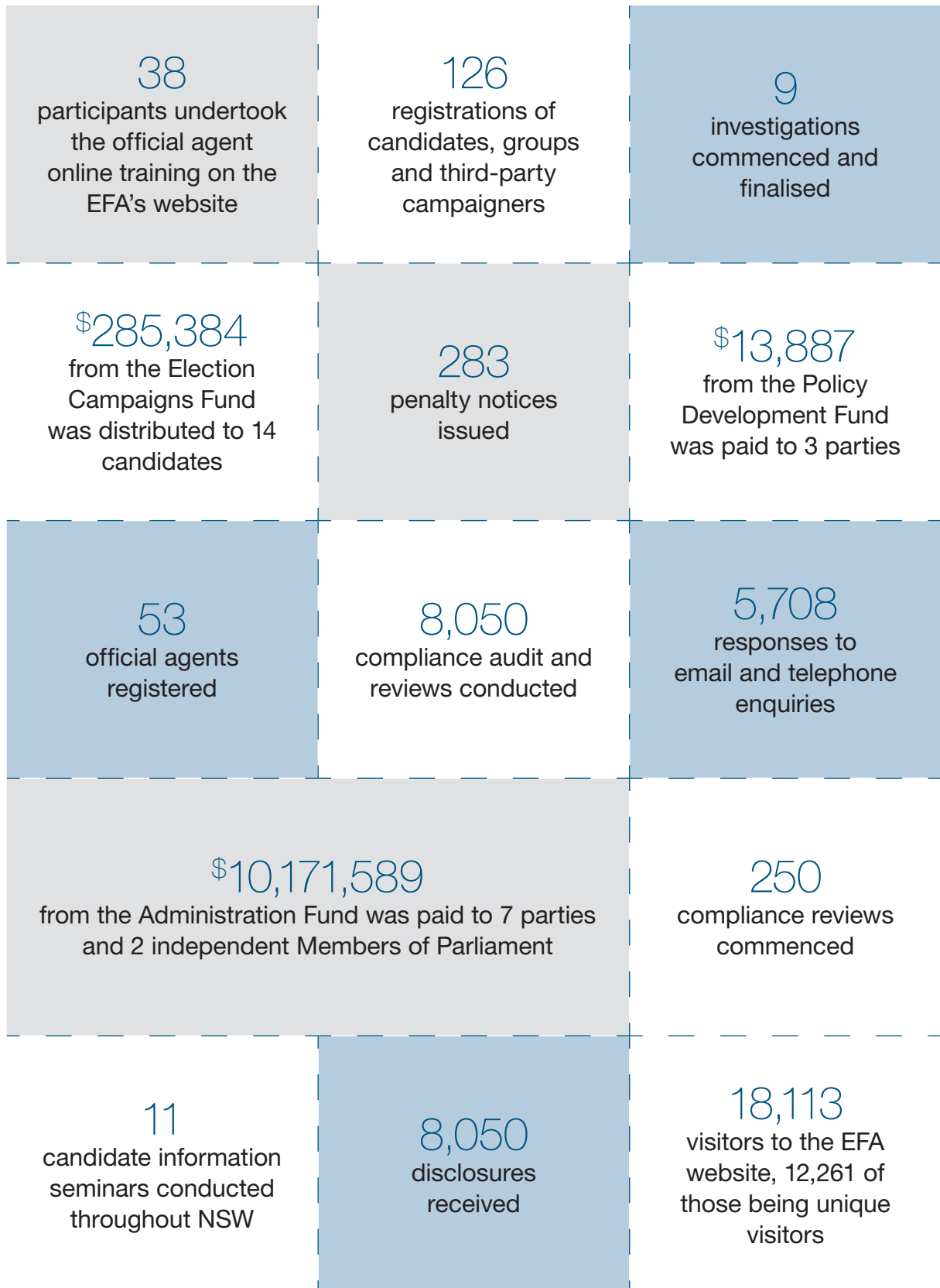
Appointed members' and alternate members' terms of office start six months after the return of the Writs for the previous State election and run until six months after the return of the Writs for the current election. Members and alternates may be re-appointed.

The NSW Electoral Commission (NSWEC) is the administrative unit through which the EFA undertakes its statutory responsibilities.

During the 2013–2014 year, the members of the EFA were:

- **Colin Barry**
Chairperson
- **Edward P Pickering**
Member appointed on the nomination of the Premier
- **Kirk S McKenzie**
Member appointed on the nomination of the Leader of the Opposition

The Year in Numbers



Corporate Plan

The EFA is responsible for administering the provisions of the Act and Regulation and undertakes this role with a view to meeting, to the greatest extent possible, stakeholder expectations.

However, results indicators are significantly impacted by influences beyond the control of the EFA. Many stakeholders contribute to the overall health and functioning of the NSW funding and disclosure system and all have major roles to play in making the system transparent and effective.

As a result of our services:

- parties, elected members, candidates, groups, third-party campaigners, political donors and agents are informed about their entitlements and responsibilities;
- State and Local Government candidates, groups, third-party campaigners and agents are registered for election funding, expenditure and disclosure purposes;
- eligible parties, elected members and candidates are paid their public funding entitlements in a timely manner;
- a robust compliance audit and enforcement regime is implemented; and
- information relating to political donation and electoral expenditure is made publicly available in an accessible and timely manner.

Table A: EFA Corporate Plan Results Indicators – Performance

Results Indicators	Target	31/12/2009	30/06/2010	30/06/2011	30/06/2012	30/06/2013
Disclosures required to be lodged		2,259	2,371	4,644	2,493	8,440
Disclosures actually lodged by the due date	95%	87%	79%	81%	84%	72%
Disclosures lodged after the due date*		7%	15%	11%	13%	22%
Disclosures not lodged	5%	6%	6%	8%	3%	6%
Timeliness of funding and disclosure information published on our website	Within 2 months of due date	100%	100%	100%	100%	100%

*includes those lodged by the date approved for an extension of the due date

This reporting year has seen a decrease in the number of disclosures lodged by the due date with only 72 per cent of disclosures being lodged by 23 September 2013. This was a decrease of 12 per cent from the previous reporting year which is reflective of the large number of disclosures required to be lodged by Local Government candidates and groups. Some 22 per cent of disclosures were lodged late (including those lodged by the date approved for an extension of the due date) leaving six per cent of disclosures not lodged.

The EFA will continue to work with our stakeholders with a view to achieving a robust funding and disclosure system in NSW and consequently giving credibility to a strong democratic process.

Objectives

The objective for the reporting year was to continue to develop and mature the overall public funding and disclosure regime.

The EFA is committed to ensuring the delivery of high quality services which are supported by excellence in people, processes and technology. Our challenge for the reporting year was to continuously review our services with a focus on the following:

- A regime for ongoing review, assessment and development of management and administrative systems and processes.
- Development and implementation of a computerised application to support business processes.
- Continued innovation in the identification and development of strategies to educate, assist and support stakeholders to manage campaign finances consistent with legislative requirements and, in particular, their reporting obligations.
- To continue to strive to ensure best practice is being achieved in the overall administration of funding, expenditure, disclosure, audit and compliance matters.

Future Directions

The EFA is committed to ensuring the delivery of high quality services which are supported by excellence in people, processes and technology. Our challenge for the next reporting year is to continuously review our services with a focus on the following:

- A regime for ongoing review, assessment and development of management and business systems and processes.
- Acceptance and integration into the business of a computerised application to support business processes.
- Continued innovation in the identification, development and implementation of strategies to educate, assist and support stakeholders to manage campaign finances and meet their legislated obligations with a particular focus on the 2015 NSW State General Election.
- To continue to strive to ensure best practice is being achieved in the administration of funding, expenditure, disclosure, audit and compliance matters including monitoring changes and innovations across Australian and international funding and disclosure jurisdictions.



Review of Operations

02

Registration	12
Disclosure	14
Audit	16
Compliance	20
Public Funding	24
Communication and Public Awareness	29

Registration

Performance

- Processed 70 registrations for candidates
- Processed 53 registrations for party and official agents
- Processed 3 registrations for third-party campaigners

Candidates and Groups

Persons intending to stand as a candidate or as a group of candidates at a Local Government election or by-election are required to register with the EFA and appoint an official agent before they accept any political donations or incur any electoral expenditure for the election.

Similarly, persons intending to stand as a candidate or as a group of candidates for State elections or by-elections are required to register with the EFA and appoint an official agent (unless the candidate or group has an ex officio official agent) before they accept political donations or incur any electoral expenditure for the election.

During the reporting year the EFA processed a total of 70 candidate registrations for a total of 14 election events.

Official and Party Agents

The appointed official agents of candidates, groups, third-party campaigners and elected members must be registered with the EFA.

A party must appoint a party agent. The party agent must be registered with the EFA.

Official and party agents are responsible for:

- managing political donations received and electoral expenditure incurred, including operation of the campaign account (where required);
- keeping proper records of political donations received and electoral expenditure incurred;
- lodging disclosures of political donations received and electoral expenditure incurred; and
- lodging claims for public funding, when applicable.

Prospective official and party agents who are not otherwise exempt are required to complete the Official Agent Online Training which addresses the key processes and responsibilities inherent in complying with the provisions of the Act and Regulation.

During the reporting year, 38 people successfully completed the agent online training and a total of 53 official agents/party agents registered with the EFA. The 53 official agents/party agents registered with the EFA were appointed by six parties, 41 candidates, three elected members and three third-party campaigners.

A total of 22 state candidates registered with the EFA and had an ex-officio official agent. This is where the party agent of a state registered political party of which a candidate is a member is the official agent for the candidate.

There were 42 party agents registered with the EFA at the time disclosures became due for the period ending 30 June 2014.

Third-party Campaigners

Persons and entities (other than parties, elected members, candidates and groups of candidates) who incur electoral communication expenditure during a capped expenditure period that exceeds \$2,000 in total are considered to be third-party campaigners and are required to register with the EFA and appoint an official agent.

During the reporting year, a capped expenditure period applied to the Miranda State By-election held on the 19 October 2013. The EFA received three registrations from third-party campaigners for the Miranda State By-election.



Registers

The EFA maintains the following registers for each election:

- Register of Candidates (which includes persons associated with a group);
- Register of Party Agents;
- Register of Official Agents; and
- Register of Third-party Campaigners.

The Register of Candidates lists the details of persons who have registered as a candidate with the EFA for an election or by-election, including their association, if any, with a group.

The Register of Official Agents lists the details of those persons who have been appointed as an official agent by candidates or groups for an election or by-election.

The Register of Party Agents lists the details of those persons who have been appointed as the party agent of a political party.

All registers are available for public inspection at the office of the EFA by appointment.

Political parties applying for registration under the *Parliamentary Electorates and Elections Act 1912* or *Local Government Act 1993* are required to state in their application whether the party also wishes to be registered for the purposes of the *Election Funding, Expenditure and Disclosures Act 1981*. Only parties registered for State purposes are eligible to receive public funding for campaign, administration and policy development expenditure (should that party fulfil the other criteria necessary to receive funding).

Disclosure

Performance

- Processed 6,632 candidate and elected member disclosures
- Processed 496 donor disclosures
- Processed 48 party disclosures
- Processed 2 third-party campaigner disclosures
- Processed 872 group disclosures

Disclosure Requirements

The Act requires disclosure of political donations received and electoral expenditure incurred by parties, elected members, groups, candidates and third-party campaigners for the relevant disclosure period. This report covers the 12-month disclosure period ending 30 June 2013.

Disclosure Period Ending 30 June 2013

Disclosures for the 12-month period ending 30 June 2013 were due on 20 October 2013 for major political donors (except those who were also third-party campaigners), and 22 September 2013 for all parties, candidates, groups, third-party campaigners and elected members.

The EFA receipted and processed 8,050 disclosures for the period.

Tables B and C are summary reports of donations received and expenditure incurred by registered political parties for this period. (All figures are correct at the time of writing this report.) Amendments to disclosures received and processed by the EFA after this date will change the final disclosure figures for affected parties.

Copies of disclosures lodged for the disclosure period ending 30 June 2013 can be found on the EFA's website – www.efa.nsw.gov.au.

Table B: Summary Report of Donations Received and Expenditure Incurred by State Registered Parties for the Reporting Period 01/07/2012 – 30/06/2013

Party Name	Total Donations	Total Expenditure
Australian Labor Party (NSW Branch)	\$1,236,714.93	\$734,861.67
Building Australia Party	\$2,961.40	\$14,689.11
Christian Democratic Party (Fred Nile Group)	\$193,141.19	\$58,578.86
Country Labor Party	\$0.00	\$0.00
Family First NSW Inc	\$300.00	\$0.00
Liberal Party of Australia New South Wales Division	\$2,417,555.49	\$2,391,685.07
National Party of Australia – NSW	\$553,925.10	\$125,991.77
No Parking Meters Party	\$0.00	\$5,642.10
Outdoor Recreation Party	\$0.00	\$0.00
Save Our State	\$4,105.67	\$0.00
Shooters and Fishers Party	\$13,495.00	\$8,429.00
Socialist Alliance	\$4,470.20	\$1,080.00
Socialist Equality Party	\$0.00	\$0.00
The Fishing Party	\$0.00	\$0.00
The Greens	\$385,087.81	\$410,034.20
TOTALS	\$4,811,756.79	\$3,750,991.78

Table C: Summary Report of Donations Received and Expenditure Incurred by Local Government Registered Parties for the Reporting Period 01/07/2012 – 30/06/2013

Party Name	Total Donations	Total Expenditure
Albury Citizens and Ratepayers Movement	\$4,970.00	\$5,141.53
Australia First Party (NSW) Incorporated (Councils)	\$750.00	\$9,112.58
Australian Sex Party NSW	\$808.21	\$0.00
Bob Thompson's Independent Team	\$300.00	\$5,568.00
Burwood Community Voice	\$6,780.00	\$14,983.08
Clover Moore Independent Team	\$140,833.37	\$209,424.01
Community First Team	\$12,800.00	\$14,200.85
Community Service "Environment" Save Campbelltown Koalas	\$30,682.40	\$32,776.18
Democratic Labour Party	\$2,300.00	\$932.80
Eurobodalla First	\$3,200.00	\$5,140.90
Eurobodalla Ratepayers Action	\$14,234.00	\$55,477.41
Help End Marijuana Prohibition (HEMP) Party	\$0.00	\$0.00
Keep Coogee a Village	\$0.00	\$0.00
Kogarah Residents' Association	\$0.00	\$0.00
Liberal Democratic Party	\$100.00	\$110.00
Liverpool Community Independents Team	\$8,025.00	\$13,332.22
Lorraine Weame Independents	\$16,425.00	\$16,648.40
Manly Independents – Putting Residents First	\$0.00	\$0.00
Our Sustainable Future	\$845.00	\$675.00
Parramatta Better Local Government Party	\$7,521.83	\$6,646.83
Residents Action Group for Auburn Area	\$3,980.00	\$7,313.00
Residents First Woollahra	\$8,762.76	\$4,829.49
Residents for Mosman	\$19,600.00	\$27,683.58
Save Tuggerah Lakes	\$10,650.00	\$35,455.02
Serving Mosman	\$10,336.53	\$16,314.04
Shire Watch Independents	\$13,890.00	\$17,102.00
Shire Wide Action Group	\$154.00	\$154.00
Shoalhaven Independents Group	\$12,414.79	\$34,806.94
The Living Sydney Team	\$0.00	\$0.00
The Parramatta Independents	\$17,000.00	\$23,363.16
Totally Locally Committed Party	\$0.00	\$27,724.33
Woodville Independents	\$0.00	\$0.00
Your Warringah	\$32,882.05	\$38,834.07
TOTALS	\$380,244.94	\$623,749.42

Audit

Requirement

Clause 33 of the *Election Funding, Expenditure and Disclosures Regulation 2009* provides that the EFA “may conduct a compliance audit of compliance with the requirements of Part 6 of the Act by a party, elected member, group or candidate”.

Purpose

The primary purpose of these compliance audits is to identify matters of non-compliance with Part 6 of the Act. This is substantially achieved through the audit of disclosures lodged by party agents and official agents and having particular regard to the following (the relevant sections of the Act are shown):

- the manner in which the disclosure is lodged (sections 88 – 95);
- political donation caps (sections 95A – 95D);
- electoral communication expenditure caps (sections 95E – 95J);
- campaign accounts (section 96B);
- prohibitions on donations (sections 96D – 96G); and
- requirements with regard to Audit Certificates (section 96K).

The compliance audits identify any matters of non-compliance with political donation, electoral expenditure and campaign financial management obligations and responsibilities and assist with any subsequent compliance or enforcement action. The information gained from these audits also contributes to educational and instructional strategies and ultimately the compliance audits are intended to promote transparency, accountability and integrity of election campaigns.

Scope

The scope of each compliance audit includes those matters provided for in Part 6 of the Act, including political donations and electoral expenditure. The audit will also examine all supporting documentation that is lodged with party, group, elected member and candidate disclosures.

Party disclosures are required to be accompanied by audited Annual Financial Statements as well as

accounting and bank records, in a form approved by the EFA, and these also form part of the compliance audit.

The compliance audit includes (but is not necessarily limited to) the following:

- verifying compliance with political donation and electoral expenditure caps, recording and vouching requirements;
- verifying electoral communication expenditure claimed is within the scope and timeframe of the claim;
- verifying that donors are individuals on the roll of electors for Federal, State or Local Government elections or entities that have relevant business numbers;
- verifying whether a campaign account was required to be established; and
- reconciling electoral communication expenditure disclosures with the supporting documentation.

Verification of compliance for certain aspects of the disclosure process is also achieved by reconciling data against other sources such as donor disclosure information.

Audit Process

The compliance audit regime includes:

- documented audit policy, systems and procedures (the Audit Policy is publicly available on the EFA website);
- standardised documentation including:
 - audit plans;
 - audit worksheets;
 - audit checklists (developed for stakeholder categories of parties, groups, candidates, elected members and third-party campaigners);
 - letter templates; and
 - audit reports.
- training of temporary audit team members;
- performing the actual compliance audits;
- communicating non-compliance matters with stakeholders (party and official agents);
- verification of amounts claimed for reimbursement by eligible parties and candidates from the Election Campaigns Fund;

- preparing audit reports for consideration by the compliance team; and
- issuing letters to stakeholders at the end of the compliance audit process.

For the disclosure period ending 30 June 2013, the EFA issued a formal audit plan to parties in June 2013.

Disclosures

All party, elected member, group and candidate disclosures for the period ending 30 June 2013 were subject to a compliance audit in accordance with the EFA's Audit Policy as well as reviews of disclosures made by political donors.

A total of 8,050 disclosures were examined in relation to the reporting period ending 30 June 2013. The increase in disclosures compared to the previous period (2,421) was due to the 2012 Local Government elections.

Table D: Summary of Disclosures Audited and Reviewed

Compliance Audits	Total Disclosures Audited and Reviewed
State Parties	14
State Members of Parliament	138
State Candidates at By-elections	15
Local Government Parties	34
Local Government Groups	872
Local Government Councillors	1,965
Local Government Candidates	4,514
Total Audits	7,552

Reviews

Third-party Campaigners	2
Political Donors	496
Total Reviews	498
TOTAL	8,050

The figures provided in Table D relate to all stakeholders with an obligation to make a disclosure for the reporting period ending 30 June 2013. However, at the time of preparing this report, a number of disclosures had not been lodged and will be subject to a compliance audit on receipt.

The compliance audits are generally dealt with on a 'first received' basis although disclosures received from parties are dealt with separately. Local Government candidate disclosures are audited jointly with any disclosure received from a group of which the candidate was a member to ensure all the financial activity has been appropriately recorded.

Major political donor disclosures received are reconciled to the relevant entity receiving the donation.

Outcomes

Each compliance audit undertaken results in an audit report being prepared and referred to the Compliance Team for consideration in terms of the EFA's Compliance Policy.

Conclusion

The compliance audits began in July 2013 and were completed by July 2014.

Compliance Reviews – Claims for Public Funding

Public funding schemes in NSW appropriate public money to reimburse eligible registered political parties and candidates for certain electoral expenditure incurred at a State election or by-election up to limits specified in the Act.

There is no public funding for Local Government elections in NSW, Local Government parties or for elected members of local councils.

There are three funds from which State parties, candidates and elected members can claim public funding:

These funds are:

- the Election Campaigns Fund
- the Administration Fund
- the Policy Development Fund

Audit continued

The Election Campaigns Fund provides public funding to eligible parties and candidates for electoral communication expenditure incurred during the capped expenditure period at a State election or by-election.

The Administration Fund distributes public funds to eligible parties and independent members of Parliament in respect of their annual administrative expenditure. A party that is not eligible for payment from the Administration Fund may claim funding from the Policy Development Fund in respect of their annual expenditure on policy development.

Claims for payment received in respect to claims for public funding are assessed through an audit process to ensure they meet the requirements of claims for payment made under Parts 5 and 6A of the Act and in accordance with the EFA guidelines.

Payment of claims for public funding is dependent on the agents of eligible parties and candidates providing the required supporting documentation in order for the expenditure claimed to be verified and assessed as eligible for reimbursement.

Election Campaigns Fund

NSW State Election 2011

There were no additional claims for public funding from the Election Campaigns Fund received from candidates for the NSW State Election 2011.

Audits were undertaken of substantiation (vouching) of electoral communication expenses included in claims by candidates for the NSW State Election 2011, but not previously paid, during the reporting period.

State By-elections

There were 10 payments made in relation to claims for public funding from the Election Campaigns Fund by candidates in connection with the Sydney, Northern Tablelands and Miranda State By-elections.

Subsequently 10 compliance reviews were undertaken of substantiation (vouching) of electoral communication expenses included in these claims during the reporting period.

Administration Fund

During the reporting period an assessment was undertaken of 26 claims for public funding from the Administration Fund. The increase in claims is due to claims now being made on a quarterly basis as opposed to a single annual payment.

Policy Development Fund

During the reporting year an assessment was undertaken of three claims for public funding from the Policy Development Fund.



Compliance

The compliance function of the EFA includes:

- the preparation and implementation of policy, guidelines, procedures and processes associated with the Act and Regulation;
- consideration of audit reports and other sources of possible non-compliance matters;
- the undertaking of preliminary reviews and assessments and investigations;
- taking action as provided for in the EFA's Compliance Policy with respect to instances where there has been an apparent failure to comply with the Act or Regulation; and
- the preparation and adjustment of monetary caps and guidelines under section 24 of the Act.

The EFA's Compliance Policy provides a framework within which decisions can be made with respect to the selection of enforcement action where there is an apparent breach of the Act or Regulation.

Overview

The Compliance Policy provides for a preliminary review and assessment of each matter of apparent non-compliance. This is not an investigation, but an investigation may be one of the courses of action recommended at the conclusion of a preliminary review and assessment.

In circumstances where the preliminary review and assessment provides sufficient information to establish whether or not a breach has occurred, it may be determined that no investigation or enforcement action is required; investigation is necessary; or no investigation is required and proceedings for enforcement may be initiated.

If either a preliminary review and assessment or an investigation establishes that a breach has occurred, the Compliance Policy provides a range of enforcement options. They include (in ascending order of severity):

1. A written warning or advice of breach;
2. Penalty notice;
3. Recovery of monetary amount;
4. Compliance agreements;
5. Supreme Court injunction; and
6. Prosecution.

The EFA is empowered under the Act to issue penalty notices for certain offences against the Act or the Regulation. Penalty notices are used as a tool for maximising compliance with disclosure obligations without resorting to court action.

The EFA may become aware of alleged breaches of the Act and the Regulation through, but not limited to, the registration, disclosure or audit processes; complaints made by members of the public; information received through media reports; and complaints or matters referred to the EFA by other government agencies.

Preliminary Reviews and Assessments

During the reporting period, the EFA commenced 250 general preliminary reviews and assessments. Of those 244 were finalised, resulting in the following recommendations:

- No further action (192);
- Merge with other matter (1);
- Refer to audit team for consideration with disclosure (3);
- Issue educative letter (3);
- Issue warning letter (23);
- Issue penalty notice (1, which is in addition to the penalty notices issued as a result of the penalty notice considerations, outlined below);
- Seek voluntary recovery of unlawful donation (4); and
- Commence investigation (17).

At the time of writing, the remaining 6 preliminary reviews and assessments were still in progress.

In addition to the above, 821 penalty notice considerations (which are preliminary reviews and assessments on specific potential penalty notice offences) were undertaken in the reporting period. Two were for the period ending 30 June 2012 and 819 were for the period ending 30 June 2013. They resulted in the following decisions:

- No further action (136);
- Issue warning letter (140);
- Issue caution letter (262);
- Issue penalty notice (283) (2 for 2011/2012 and 281 for 2012/2013).

Investigations

In the year ending 30 June 2014, the EFA commenced nine investigations, all of which were finalised in the reporting period. All nine investigations resulted from preliminary reviews and assessments, seven of which were finalised in the reporting period and two of which were finalised in the previous reporting period (ending 30 June 2013). The investigation outcomes were as follows:

- No further action (5);
- Issue warning letter (1);
- Issue caution letter (1); and
- Recovery of unlawful donation (2), both of which were recovered voluntarily.

Enforcement powers used

The following information indicates the use by the EFA of its enforcement powers under the Act during the reporting period:

- 18 notices issued pursuant to section 110A;
- 0 notices issued pursuant to section 110;
- 0 compliance agreements made pursuant to section 110B;
- 1 consent to commence proceedings against 1 person pursuant to section 111(5);
- 0 proceedings commenced pursuant to section 111;
- 294 penalty notices issued pursuant to section 111A; and
- 0 formal recoveries of monetary amount pursuant to section 96J.

Penalty notices issued

In accordance with section 111A(3) of the Act, a penalty notice issued by the EFA is declared to be a penalty notice for the purposes of the *Fines Act 1996*.

The 283 penalty notices were issued on 22 August 2013 (2), 29 January 2014 (5) and 24 April 2014 (276).

An additional 11 penalty notices were issued on 7 May 2014 (1, as a result of a general preliminary review and assessment, noted above), and 22 May 2014 (10).

Within the total 294 penalty notices issued in the reporting period, as at the date of writing, 10 were returned to the EFA as undelivered and 7 of those were reissued to updated addresses – 4 were issued during the reporting period, and 3 were issued after the end of the reporting period.

Penalty notice offences

Of the 294 penalty notices issued in the reporting period:

- 293 were in respect of the offence under section 96H (1) of the Act (failing to lodge a declaration of political donations and electoral expenditure within the required time).
 - 3 were in connection with the disclosure period 1 July 2011 to 30 June 2012
 - 290 were in connection with the disclosure period 1 July 2012 to 30 June 2013
- 1 was issued in respect of the offence under section 110A (6) of the Act (without reasonable excuse, failing to comply with a requirement made in a section 110A notice).

Penalty notice recipients

Of the 294 penalty notices issued:

- 139 notices were issued to official agents of candidates;
- 55 notices were issued to official agents of groups of candidates;
- 91 notices were issued to official agents of elected members;
- 6 notices were issued to party agents of political parties; and
- 3 notices were issued to major political donors

Compliance continued

Section 24A of the *Fines Act 1996* provides that a penalty notice recipient may apply for an internal review of the decision to issue a penalty notice. In the reporting period, the EFA received 136 applications for an internal review of decisions to issue penalty notices. Of those reviews, the following determinations were reached:

- Withdraw penalty notice (8);
- Replace penalty notice with a caution (20); and
- Penalty notice to stand (99).

The remaining nine reviews were yet to be determined as at 30 June 2014. 35 of those 127 determinations were communicated to State Debt Recovery after the end of the reporting period, in July 2014.

For further information about penalty notices, penalty notice reviews, and review determinations, see the EFA's Penalty Notice Guidelines and Caution Guidelines available on the EFA's website. These guidelines support the Compliance Policy of the EFA.

Recovery of monetary amounts

Pursuant to section 96J of the Act, if a person accepts a political donation, loan or indirect campaign contribution that is unlawful because of Part 6 of the Act, an amount equal to the amount or value of the donation, loan or contribution (or double that amount if the person knew that it was unlawful) is payable by that person to the State and may be recovered as a debt due to the State.

During the reporting period the EFA recovered six unlawful donations pursuant to section 96J of the Act with respect to unlawful donations accepted by the recipients as follows:

Donation recovered from	Reason for recovery	Value of donation
Registered political party	Prohibited donor	\$5,000
Registered political party	Prohibited donor	\$400
Registered political party	Prohibited donor	\$3,000
Registered political party	Donor not an enrolled individual	\$1,500
Registered political party	Donor not an enrolled individual	\$2,500
Registered political party	Close associate of a prohibited donor	\$5,000

Prosecutions

During the reporting period, no prosecutions were commenced or finalised.

Monetary Caps

Political Donation Caps

Caps apply to political donations in respect of State elections and elected members of the NSW Parliament.

For the period 1 July 2013 to 30 June 2014 the political donation caps were as follows.

Table E: Political Donation Cap Amounts

Capped amount	Made to or for the benefit of
\$5,500	A registered party
\$2,300	An unregistered party
\$2,300	An elected member
\$5,500	A group of candidates for the Legislative Council
\$2,300	A candidate
\$2,300	A third-party campaigner

The capped amounts referred to above are adjusted for inflation each financial year.

Electoral Communication Expenditure Caps

Electoral communication expenditure is capped during the capped expenditure period for a State election.

During the reporting period a by-election was held in one State electoral district.

The capped expenditure period for the by-election commenced on the day the writ was issued for the by-election and ended on election day for the by-election as follows.

Table F: Capped expenditure for by-elections held in the reporting period

State by-election	Capped expenditure period
Miranda	20 September 2013 to 19 October 2013

The caps on electoral communication expenditure that applied for this by-election were adjusted for inflation for the four year period commencing 27 March 2011. The adjusted amounts for the by-election held during the reporting period were as follows.

Table G: Electoral Communication Expenditure Cap Amounts from 27 March 2011

Electoral communication expenditure incurred by:	Cap on electoral communication expenditure during the capped expenditure period
A candidate for a Legislative Assembly by-election	\$222,300
A third-party campaigner for a by-election	\$22,300

Section 24 guidelines issued

Section 24 of the Act empowers the EFA to determine and issue guidelines, not inconsistent with the Act or the Regulation, for or with respect to any matters dealt with in the Act (except in certain parts of the Act).

During the reporting period, one section 24 guideline was determined and issued by the EFA, as follows:

EFA Guideline 16:

The 'generally prevailing interest rate for a loan of that kind' to be a nominal rate based on the cash rate of the Reserve Bank and would be set at the rate of 5% per annum commencing 1 January 2014, which would be reviewed on a calendar year basis.

Determined 28/01/2014

Relevant legislative provision: section 85 (3B)

In addition, during the reporting period, one previously determined and issued section 24 guideline was rescinded by the EFA. The guideline was EFA Guideline 13 and specified types of office accommodation expenditure which were at the time considered to be claimable from the Administration Fund. This guideline was determined to be invalid and it was rescinded on 10/03/2014.

Legislative Amendments

During the reporting period there were a number of changes to the Act. The changes were made through the *Election Funding, Expenditure and Disclosures Consequential Amendment Act 2014*, which was assented to and commenced 24 June 2014.

The High Court of Australia in the case of *Unions NSW & Ors v State of New South Wales* [2013] HCA 58 declared that certain provisions of the *Election Funding, Expenditure and Disclosures Act 1981* (being provisions that were inserted into that Act by the *Election Funding, Expenditure and Disclosures Amendment Act 2012*) are invalid. The provisions that were declared invalid:

- prohibited political donations from corporations or other entities; and
- required electoral communication expenditure incurred for a State election campaign by an affiliated organisation of a party to be combined with the expenditure of the party for the purposes of the applicable cap on expenditure by the party.

The amending provisions:

- removed the text of the invalid provisions from the *Election Funding, Expenditure and Disclosures Act 1981* (and restored provisions that were replaced by those invalid provisions); and
- reversed a number of consequential amendments that were made to the Act by the *Election Funding, Expenditure and Disclosures Amendment Act 2012* relating to the prohibition of political donations from corporations or other entities (so as to restore the operation of provisions of that Act that regulated political donations from corporations or other entities).

Public Funding



Public funding is available to reimburse eligible registered political parties, candidates and elected members for certain expenditure incurred up to limits specified in the Act.

There is no public funding for Local Government elections in NSW, Local Government parties or for elected members of local councils.

The Act imposes a duty on the EFA to exercise its public funding functions in a manner that is not biased against or in favour of any particular party, candidate, elected member or other person, body or organisation.

There are three funds from which State parties, candidates, and elected members can claim public funding:

These funds are:

- the Election Campaigns Fund
- the Administration Fund
- the Policy Development Fund

The Election Campaigns Fund provides public funding to eligible parties and candidates for electoral communication expenditure incurred at a State election or by-election.

The Administration Fund distributes public funds to eligible parties and independent members of Parliament in respect of their annual administrative expenditure. A party that is not eligible for payment from the Administration Fund may claim funding from the Policy Development Fund in respect of their annual expenditure on policy development.

Election Campaigns Fund

The EFA maintains the Election Campaigns Fund in respect of State elections and by-elections.

During the reporting period payments were approved by the EFA from the Election Campaigns Fund to candidates in respect of the following elections:

- NSW State Election 2011
- Sydney State By-election 27 October 2012
- Northern Tablelands State By-election 25 May 2013
- Miranda State By-election 19 October 2013

NSW State Election 2011

Payments in respect of candidates

During the reporting period the EFA approved payments to the following candidates in respect of electoral communication expenditure incurred for the NSW State Election 2011 as follows.

Table H: Payments made from the Election Campaigns Fund to candidates for the NSW State Election 2011

Candidate	Electoral District	Party Affiliation	Maximum funding entitlement	Total payments made during previous reporting periods	Payments made during the reporting period	Total amount paid
Boydell, Patricia	Pittwater	Labor	\$30,000.00	\$7,285.01	\$2,203.38	\$9,488.39
Cook, Therese	Miranda	Labor	\$30,000.00	\$12,493.95	\$2,605.08	\$15,099.03
Harris, David	Wyong	Labor	\$30,000.00	\$21,713.59	\$2,016.62	\$23,730.21
Laxale, Jerome	Ryde	Labor	\$30,000.00	\$14,414.42	\$6,152.15	\$20,566.57
Total amount paid					\$12,977.23	

Sydney State By-election

On 27 October 2012 a State by-election was held for the electoral district of Sydney. During the reporting period the EFA approved one payment to a candidate in respect of electoral communication expenditure incurred for the by-election.

Table I: Payments made from the Election Campaigns Fund to candidates for the Sydney State By-election

Candidate	Party Affiliation	Maximum Funding Entitlement	Payments made during the previous reporting period	Payments made during the reporting period	Total amount paid
Greenwich, Alex		\$100,035.00	\$64,335.37	\$3,784.27	\$68,119.64
Total amount paid					\$3,784.27

Northern Tablelands State By-election

On 25 May 2013 a State by-election was held for the electoral district of Northern Tablelands. During the reporting period the EFA approved three payments to candidates in respect of electoral communication expenditure incurred for the by-election.

Table J: Payments made from the Election Campaigns Fund to candidates for the Northern Tablelands State By-election

Candidate	Party Affiliation	Maximum Funding Entitlement	Payments made during the reporting period
Beyersdorf, Herman	Country Labor	\$66,690.00	\$40,484.70
Koops, Dora	The Greens	\$66,690.00	\$10,405.16
Maher, Edward		\$100,035.00	\$8,454.48
Marshall, Adam	The Nationals	\$66,690.00	\$54,264.78
Nicholson, Katherine		\$100,035.00	\$1,467.38
Total amount paid			\$115,076.50

Public Funding continued

Miranda State By-election

On 19 October 2013 a State by-election was held for the electoral district of Miranda. Six candidates were duly nominated for the by-election. Of those six candidates four were eligible for payments from the Election Campaigns Fund.

During the reporting period the EFA approved four payments to candidates in respect of electoral communication expenditure incurred for the by-election.

Table K: Payments made from the Election Campaigns Fund to candidates for the Miranda State By-election

Candidate	Party Affiliation	Maximum Funding Entitlement	Payments made during the reporting period
Capsis, George	Christian Democratic Party (Fred Nile Group)	\$66,690.00	\$10,427.98
Collier, Barry	Australian Labor Party (NSW Branch)	\$66,690.00	\$66,690.00
Scott, Murray	The Greens	\$66,690.00	\$9,738.20
Thomas, Brett	Liberal Party of Australia New South Wales Division	\$66,690.00	\$66,690.00
Total amount paid			\$153,546.18

Administration Fund

The EFA maintains an Administration Fund for eligible parties registered for State elections and elected members of the NSW Parliament.

The purpose of the Administration Fund is to reimburse administrative and operating expenditure incurred by independent elected members of the NSW Parliament and registered parties that have representatives in Parliament.

An eligible party or elected member is entitled to receive an annual payment for a calendar year, or a quarterly payment, only if the party or elected member makes a claim for payment. A claim must:

- be lodged with the EFA, and it must be made in writing;
- be accompanied by a declaration of administrative expenditure and evidence and information relating to the expenditure as required by the EFA; and
- be lodged within six months after the end of the calendar year to which the expenditure relates (except for a quarterly payment).

The annual amount to be distributed from the Administration Fund to an eligible party is the amount of actual administrative expenditure incurred by or on behalf of the party during the calendar year to which the payment relates, but not exceeding the amounts shown as follows:

Number of elected members endorsed by the party*	Maximum annual amount of a party – 2014 calendar year	Maximum annual amount of a party – 2013 calendar year
1	\$209,000	\$204,700
2	\$365,500	\$358,100
3	\$469,900	\$460,400
4 – 25	\$469,900 plus \$86,800 for each elected member between 4 and 25	\$460,400 plus \$85,000 for each elected member between 4 and 25

* the number of endorsed elected members of a party is determined as at the end of the calendar year on the assumption that the number of elected members endorsed by the party is the same when the party claims a quarterly payment during the calendar year.

The annual amount to be distributed from the Administration Fund to an eligible elected member, in respect of the 2014 calendar year, is the amount of actual administrative expenditure incurred by or on behalf of the elected member during the calendar year to which the payment relates, but not exceeding \$209,000. In respect of the 2013 calendar year expenditure, the maximum annual amount was \$204,700.

2012 Calendar Year

Seven parties and two elected members were entitled to make a claim for payment from the Administration Fund for administrative expenditure incurred in the 2012 calendar year.

During the reporting period the EFA made the remaining payments from the Administration Fund to three parties as shown below.

Table L: Payments made from the Administration Fund in respect of the 2012 calendar year

Party or elected member name	Maximum Funding Entitlement	Payments made during the reporting period
Christian Democratic Party (Fred Nile Group)	\$350,000.00	\$7,433.48
National Party of Australia – NSW	\$2,276,000.00	\$54,309.20
The Greens	\$699,000.00	\$157,209.27
Total amount paid		\$218,951.95

2013 Calendar Year

Seven parties and two elected members were entitled to make a claim for payment from the Administration Fund for administrative expenditure incurred in the 2013 calendar year.

During the reporting period the EFA made payments from the Administration Fund to all seven parties and both elected members.

Table M: Payments made from the Administration Fund in respect of the 2013 calendar year

Party or elected member name	Maximum Funding Entitlement for 2013	Payments made during the reporting period
Australian Labor Party (NSW Branch)	\$2,330,400.00	\$2,330,400.00
Christian Democratic Party (Fred Nile Group)	\$358,100.00	\$358,100.00
Country Labor Party	\$460,400.00	\$460,400.00
Liberal Party of Australia New South Wales Division	\$2,330,400.00	\$2,330,400.00
National Party of Australia – NSW	\$2,330,400.00	\$2,330,400.00
Shooters and Fishers Party	\$358,100.00	\$358,100.00
The Greens	\$715,400.00	\$715,400.00
Alexander Greenwich	\$204,700.00	\$204,680.34
Gregory Piper	\$204,700.00	\$8,782.00
Total amount paid		\$9,096,662.34

Some payments towards a claimant's maximum funding entitlement may have been made before or after the reporting period.

Public Funding continued

2014 Calendar Year

Seven parties and two elected members are assumed, under section 97GA(5) of the Act, to be entitled to make a claim for payment from the Administration Fund for administrative expenditure incurred in the 2014 calendar year.

During the reporting period the EFA made payments from the Administration Fund to three parties and one elected member.

Table N: Payments made from the Administration Fund in respect of the 2014 calendar year

Party or elected member name	Maximum Funding Entitlement for 2014	Maximum Quarterly Entitlement for the 1st quarter of 2014	Payments made during the reporting period
Australian Labor Party (NSW Branch)	\$2,379,500.00	\$594,875.00	\$594,875.00
Christian Democratic Party (Fred Nile Group)	\$365,500.00	\$91,375.00	\$91,375.00
Country Labor Party	\$469,900.00	\$117,475.00	\$117,475.00
Alexander Greenwich	\$209,000.00	\$52,250.00	\$52,250.00
Total amount paid			\$855,975.00

All of the above payments were made in respect of the first quarter of 2014, in accordance with section 97GA of the Act. The maximum first quarterly payment amounts are therefore included in the table above.

Policy Development Fund

The EFA maintains a Policy Development Fund for eligible parties registered for State elections who are not entitled to receive funds from the Administration Fund.

The purpose of the Policy Development Fund is to reimburse policy development expenditure incurred by eligible parties.

An eligible party is entitled to receive an annual payment for a calendar year only if the party makes a claim for payment. A claim must:

- be lodged with the EFA and it must be made in writing;
- be accompanied by a declaration of administrative expenditure and evidence and information relating to the expenditure as required by the EFA; and
- be lodged within 6 months after the end of the calendar year to which the expenditure relates (except for a quarterly payment).

2012 Calendar Year

During the reporting period the EFA made payments to three parties from the Policy Development Fund with respect to policy development expenditure incurred by or on behalf of the parties during the 2012 calendar year.

Table O: Payments made from the Policy Development Fund in respect of the 2012 calendar year

Eligible party	Maximum funding entitlement	Payments made during the reporting period
Building Australia Party	\$5,200.00	\$5,000.00
Outdoor Recreation Party	\$9,369.88	\$4,087.13
Save Our State	\$5,200.00	\$4,800.00
Total amount paid		\$13,887.13

2013 Calendar Year

During the reporting period, no payments were made from the Policy Development Fund in respect of the 2013 calendar year.

Communication and Public Awareness



Objectives

- To ensure that parties, candidates, groups, elected members, third-party campaigners and political donors have access to current information about their entitlements and obligations; and
- ensure the public and the media have access to publicly available disclosure documents by publishing the disclosures of political donations and electoral expenditure.

Performance Overview

- Revision of educational material resources and publications available to the EFA's stakeholders in the lead up to the 2015 State election;
- Introduction of an additional 12 How To Sheets relating to the 2015 State election;
- Conduct of 11 candidate information seminars for both State and Local Government by-elections;
- Development of the Candidate Information Seminar presentation for the 2015 State election and arrangements made to conduct 17 seminars across NSW in August and September 2014;
- Development of the media advertising strategy for the 2015 State election
- Development of the media advertising strategy to increase awareness of political donation laws in NSW;
- Development of the online portal through the EFA website specific to 2015 State election participants;
- Redevelopment and 'go-live' of the EFA's website; and
- Response to amendments made to the Act.

Communication and Public Awareness continued

Future

- 'Go-live' of the online portal through the EFA website specific to 2015 State Election participants;
- Conduct of 17 Candidate Information Seminars across NSW in August and September 2014 for 2015 State election participants;
- Continue to raise awareness of political donation laws in NSW;
- Provide assistance to the 2015 State election participants in meeting their disclosure obligations; and
- Continue review of website and publications and respond to feedback from stakeholders and changes to the legislation.

Stakeholder Communications

During the financial year, the EFA provided information to candidates, groups, parties, elected members, donors and other stakeholders on their obligations and responsibilities under the funding and disclosures legislation.

In addition to the website the EFA provides stakeholders with a range of ways in which to access information which includes a dedicated telephone help desk enquiry service and an email enquiry service.

During the year the EFA responded to 4,528 telephone enquiries and 1,180 email enquiries from stakeholders.

EFA Website

The EFA undertook a Website Redesign Project in 2013–14 seeking a new look and feel and additional functionality for the website after considering stakeholder feedback following the 2012 Local Government election.

The new EFA website was launched in January 2014.

The EFA website was visited 18,113 times during the reporting year by 12,261 unique visitors.

Education of Stakeholders

A comprehensive review was undertaken of all information available to our stakeholders via the

EFA website as well as all of our publications. This included guides and forms having particular regard to the High Court's decision that amendments to the Act that came into effect on 9 March 2012 concerning the prohibition on political donations from corporations and other entities invalid.

Educational material for the EFA's stakeholders by way of Funding and Disclosure Guides for each type of stakeholder and specific to the election event, Fact Sheets that provide information by topic as well as How-to sheets were developed specifically to address responsibilities of candidates and their official agents for the 2015 State election.

The Act requires that a person is not qualified for appointment as a party agent or an official agent unless the person has completed an authorised training program provided by the EFA for that purpose. This is delivered via an online training module on the EFA's website. As this is a compulsory requirement (unless a person is exempt) this is an avenue available to the EFA to have a significant impact on the education of agents. As such, the EFA undertook a redevelopment of this training material to specifically address identified areas of low compliance by agents in previous elections as well as to update the training to reflect the changes to the political donation laws following the decision of the High Court.

Candidate Information Seminars

During the reporting year, the EFA provided 11 Candidate Information Seminars in addition to the 58 Candidate Information Seminars in relation to both State and Local Government by-elections conducted in 2013–14.

Media Monitoring

The subject of political donations and expenditure and the disclosure scheme continued to attract media and public interest in the reporting year.

The EFA notes that the scheme presents challenges and encourages public debate and feedback on funding and disclosure issues as a further means to electoral transparency.

Governance

EFA Corporate Governance	32
Legislative Amendments	35
Privacy	40

EFA Corporate Governance

The NSW Electoral Commission (NSWEC) is the administrative unit through which the EFA exercises its statutory responsibilities.

The NSWEC's Funding and Disclosure Branch is headed by the Director, Brian DeCellis.

During the 2013–2014 year the members of the EFA were:

- **Colin Barry**
Chairperson
- **Edward P Pickering**
Member appointed on the nomination of the Premier
- **Kirk S McKenzie**
Member appointed on the nomination of the Leader of the Opposition

Colin Barry took the position of EFA Chairperson upon his appointment as NSW Electoral Commissioner on 1 July 2004.

The Act provides that members hold office from the end of the period of six months commencing on and including the day of the return of the writs for the previous election and until the end of the period of six months commencing on and including the day for the return of the writs for the next state general election.

The EFA held regular meetings throughout the reporting year. The following table lists the meeting dates.

Table P: Meetings of the EFA 2013–2014

Meeting No	Date	Participants
144	10/07/2013	Colin Barry, Kirk McKenzie, Edward Pickering
145	31/07/2013	Colin Barry, Kirk McKenzie, Edward Pickering
146	26/08/2013	Colin Barry, Kirk McKenzie, James Longley
147	02/10/2013	Colin Barry, Kirk McKenzie, James Longley
148	14/11/2013	Colin Barry, Kirk McKenzie, Edward Pickering
149	18/12/2013	Colin Barry, Kirk McKenzie, James Longley
150	28/01/2014	Colin Barry, Kirk McKenzie, Edward Pickering

Meeting No	Date	Participants
151	10/03/2014	Colin Barry, Kirk McKenzie, Edward Pickering
152	31/03/2014	Colin Barry, Kirk McKenzie, Edward Pickering
153	13/05/2014	Colin Barry, Kirk McKenzie, Edward Pickering
154	11/06/2014	Colin Barry, Kirk McKenzie, Edward Pickering

Human Resources

Staff members who undertake the work of the administration of the EFA are employed by the NSWEC. Wages, salaries and allowances are included in the annual report of the NSWEC and key components of human resource management and industrial relations policies and practices are satisfied through the resource management planning and reporting activities of the NSWEC.

Training and Development

The opportunity to foster a learning culture within the EFA and the NSWEC to support the promotion and maintenance of professional and committed staff is an essential prerequisite to delivering services effectively.

The EFA, through its administrative unit in the NSWEC, provides an opportunity for personal development for EFA staff in areas such as communications, information technology, audit practices, logistics, resourcing, event management and electoral administration.

For information on training courses undertaken by staff see the NSWEC Annual Report for 2013–14.

Work Health and Safety

The Work Health and Safety system incorporating the Return to Work Program is managed by the NSWEC. Safety incidents, injuries and claims statistics are available in the NSWEC Annual Report for 2013–14.

Workforce Diversity

The NSWEC's Workforce Diversity information is available in the NSWEC Annual Report for 2013–14.

Disability Plans

Details of the Disability Action Plan applicable to the EFA are set out in the NSWEC's Annual Report. The NSWEC is required to report on Disability Plans on a triennial basis. More information is available in the NSWEC Annual Report for 2013–14.

Multicultural Policies and Services Program

Details of the Multicultural Policies and Services Plan applicable to the EFA are set out in the NSWEC Annual Report for 2013–14.

Public Interest Disclosures

The EFA received nil Public Interest Disclosures under the *Public Interest Disclosures Act 1994* during the reporting year.

Information Technology

The Information Technology Branch of the NSWEC plays an important role by supporting central election funding and disclosure processes and in assisting the EFA to conform to certain legal and statutory requirements.

Records Management

The EFA is committed to the secure and controlled management, handling and storage of sensitive documents, records, files, materials and information in accordance with business and client needs and to comply with the *State Records Act 1998*. Several NSWEC policies, including the NSWEC Security Policy, the NSWEC Communication Devices and Electronic Records Policy Statement, the EFA and NSWEC Privacy Policy and the Records Management Policy, outline how the NSWEC complies with the *State Records Act 1998* and *Privacy and Personal Information Act 1998* regarding the retention and security of records held by the NSWEC and EFA.

Environmental Management

The EFA recognises that administrative practices particularly associated with disclosure, reporting and public inspection obligations should be subject to ongoing review, with the objective of avoiding paper

product waste, increasing the purchase of recycled product content and increasing resource recovery.

For those areas where election processes utilise paper products, office equipment and consumables, the EFA has developed waste mitigation and minimisation strategies.

The NSWEC's Waste Reduction and Purchasing Plan identified key reduction areas and resulted in improvements during the last reporting year.

Risk Management and Insurance Activities

The NSWEC has introduced risk management strategies to assess upcoming risks in all operating areas of the NSWEC and EFA. The Director of the Funding and Disclosure Branch of the NSWEC is responsible for managing and implementing a continuous review process for EFA risks. These registers contain identified areas of potential risk, the probability of the risk occurring, potential impacts and the risk response strategy.

Audit and Risk Committee

The NSW Electoral Commission Audit and Risk Committee reviews practices and processes of the NSWEC and the EFA and can make recommendations designed to reduce business risk and improve corporate governance.

Details of the Audit and Risk Committee applicable to the EFA are set out in the NSWEC Annual Report for 2013–14.

Legislative Compliance

The NSWEC Legal Branch provides high quality, impartial legal advice and assistance to the EFA including advice on investigations into potential breaches of campaign finance laws and evidentiary matters.

The EFA's work is governed by the following legislation:

- *Election Funding, Expenditure and Disclosures Act 1981*;
- *Election Funding, Expenditure and Disclosures Regulation 2009*; and
- *Parliamentary Electorates and Elections Act 1912*.

EFA Corporate Governance continued



Internal Audit and Risk Management Attestation for the 2013-14 Financial Year for the Election Funding Authority of New South Wales

I, Colin Barry, am of the opinion that the Election Funding Authority of New South Wales, has internal audit and risk management processes in operation that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*. These processes provide a level of assurance that enables the senior management of Election Funding Authority of New South Wales to understand, manage and satisfactorily control risk exposures.

I, Colin Barry, am of the opinion that the Audit and Risk Committee for the Election Funding Authority of New South Wales is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Committee are:

- Independent Chair, Brian Suttor, reappointed on 2 December 2013 for four years with the term ending 1 December 2017.
- Independent Member, Kathleen Haddock, reappointed on 14 May 2014 for four years with the term ending 13 May 2018.
- Independent Member, John Gordon, appointed on 13 October 2010 for four years with the term ending 13 October 2014.

Colin Barry
Chairperson
Election Funding Authority of New South Wales

Dated: 30 June 2014

Legislative Amendments

During the reporting year, the Legal Branch provided advice and legal support to the EFA on a number of matters including:

- coordination of aspects of the investigation into suspected failures to disclose the making of political donations, drafting briefing papers and legal instruments in connection with those investigations and subsequent prosecutions;
- the preparation of submissions to the Government and Parliamentary Committees in relation to proposals for legislative reform;
- the impact of legislative reforms on EFA operations;
- questions relating to enforcement of breaches of election funding and disclosures legislation;
- the outcomes and implications of prosecutions commenced;
- the interpretation and application of election funding and disclosures legislation and other laws on EFA operations; and
- the development and review of prescribed forms, policy documents, guidelines, and other instruments.

The Election Funding, Expenditure and Disclosures Consequential Amendment Bill 2014 came into effect on 26 June 2014. The purpose of the Bill was to remove text of the invalid provisions from the *Election Funding, Expenditure and Amendments Amendment Act 2012* and to reverse a number of consequential amendments that were made by that Act relating to the prohibition of political donations from corporations or other entities.

Government Information (Public Access) Act 2009

Section 125 of the *Government Information (Public Access) Act 2009* (GIPA Act) requires an agency to prepare an annual report on the agency's obligations under the GIPA Act. The *Government Information (Public Access) Regulation 2009* (GIPA Regulation) sets out the information to be included in the annual report.

The NSWEC Staff Agency provides administrative services to both the NSW Electoral Commission (a statutory corporation established under section 21A

of the *Parliamentary Electorates and Elections Act 1912*) and the Election Funding Authority of New South Wales (a statutory corporation established under section 5 of the *Election Funding, Expenditure and Disclosures Act 1981*).

The report below is prepared by the NSWEC Staff Agency as required under section 125 of the GIPA Act and concerns access to government information pertaining to both the NSWEC and the EFA.

GIPA annual report

Agency Name	New South Wales Electoral Commission Staff Agency for the NSW Electoral Commission (NSWEC) and the Election Funding Authority of NSW (EFA)
Principal Department (if applicable)	
Reporting Period	2013/2014

Obligations under the GIPA Act

1. Review of proactive release program – Clause 7(a) GIPA Regulation

Our agency's program for proactive release of information is detailed below:

- All directors are responsible for identifying (within their areas of responsibility) information that should in the public interest be released proactively.
- Proposals are submitted to the Management Committee for endorsement.
- Upon endorsement from the Management Committee, information to be released proactively is referred to the Right to Information Officer who will arrange public access to that information.

During the 2013/2014 financial year the program was included as a standing agenda item for Management Committee meetings. Directors were invited to review the program and advise whether they identified any information that should in the public interest be released proactively.

Legislative Amendments continued

Information proactively released during the reporting period includes the following:

Details	Published	Website
iVote Strategy for the NSW State General Election 2015: Key Issues, Guidelines, Application Architecture and Voting Protocol	8/7/2013	NSWEC
Informal Ballot Paper Survey Report: 2012 Local Government Elections	27/9/2013	NSWEC
Building better relationships with Councils – Go Forward Strategy	25/10/2013	NSWEC
iVote presentation to NSW Parliament – 20 November 2013	21/11/2013	NSWEC
Multiple Voting and Voter Identification Report	20/2/2014	NSWEC

2. Number of access applications received – Clause 7(b) GIPA Regulation

During the reporting period, our agency received 10 informal requests and four access applications, two of the access applications were valid.

3. Number of refused applications for Schedule 1 information – Clause 7(c) GIPA Regulation

During the reporting period, our agency did not refuse any access applications pursuant to Schedule 1 to the GIPA Act.

4. Statistical information about access applications – Clause 7(d) and Schedule 2 GIPA Regulation

Table Q: Number of applications by type of applicant and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	0	0	0	1	1	0	0	1

*More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table R.

Table R: Number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	0	0	1	1	0	0	1
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

*A *personal information application* is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

The total number of decisions in Table R should be the same as Table Q.

Table S: Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	1
Application is for excluded information of the agency (section 43 of the Act)	1
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	2
Invalid applications that subsequently became valid applications	0

Legislative Amendments continued

Table T: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table U.

Table U: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table V: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	1
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	1

Table W: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review	0	1	1
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	0	1	1

*The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

Table X: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	1
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Public Access to Documents

Under the *Government Information (Public Access) Act 2009* (GIPA Act) certain information is required by law to be available on our website, free of charge.

The EFA is required by legislation to make available for public inspection for up to six years after an election:

- disclosures;
- claims for payment; and
- registers of candidates, official and party agents.

The documents are available for public inspection at the EFA's office in Sydney by appointment.

Privacy

The EFA collects personal information from electors, other individuals and organisations in order to fulfil its functions under the *Election Funding, Expenditure and Disclosures Act 1981* and other governing Acts.

The *Privacy and Personal Information Protection Amendment Regulation 2011* commenced on 3 March 2011. The object of the Regulation is to exempt the EFA from the provisions of Part 6 of the *Privacy and Personal Information Act 1998* which prevented the EFA from disclosing by way of publication on the internet any personal information contained in a public register kept by the EFA.

The Regulation enables the EFA to now publish extracts of a register on its website, these extracts may contain personal information such as an individual's name. The EFA will not publish on the internet the individual's personal address, telephone number or email address.

During the reporting year the EFA did not receive any privacy related complaints.

Digital Information Security Policy Attestation

The Annual Attestation Statement regarding digital information security is presented in the 2013–2014 NSWEC Annual report.

Feedback and Complaints

The EFA assesses its performance through stakeholder feedback, including enquiries, suggestions, compliments and complaints.

Our Feedback and Complaints Policy provides the overall approach and framework for the handling of feedback, including complaints received by the NSWEC and EFA. This policy is based on the customer satisfaction model outlined in the NSW Ombudsman's *Effective Complaint Handling (2004)* guidelines and the Australian Standard *ISO 10002:2004, Customer Satisfaction – Guidelines for complaints handling in organisations*.

The aim of the NSWEC and EFA Feedback and Complaints Policy and supporting mechanisms is to ensure that:

- all members of the community have the opportunity to provide a compliment, suggestion, or lodge a complaint about the NSWEC;
- all feedback received is handled effectively, appropriately and in accordance with the NSW Ombudsman's recommendations; and
- feedback received is used to assess the performance of the NSWEC and EFA and determine areas for improvement.

All complaints received about EFA services are logged into a centralised complaints database referred to the NSWEC Complaints Coordinator and information used to improve services at the EFA.

Stakeholder Complaints

In 2013–2014 the EFA Chairperson received no requests for review of an EFA complaint.

Financial Performance

Financial Summary	42
Statement by the Members of the Election Funding Authority	43
Independent Auditor's Report	44
Statement of comprehensive income	46
Statement of changes in equity	47
Statement of financial position	48
Statement of cash flows	49
Notes to the financial statements	50

Financial Summary

The financial statements of the EFA are prepared in accordance with the *Public Finance and Audit Act 1983*. The Auditor-General's Certification in relation to these statements for the financial year is included in this report.

The EFA is a not for profit entity and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts. The *Election Funding, Expenditure and Disclosures Act 1981* provides for public funding of Parliamentary election campaigns and for a portion of party and elected members administration expense and some policy development funding for other eligible parties. The EFA has no employees, nor does it own or control any non-current assets. There are no known contingency assets or liabilities as at 30 June 2014.

Statement by the Members of the Election Funding Authority

Statement by the Members of the Election Funding Authority of New South Wales

Pursuant to Section 41C(1B) of the *Public Finance and Audit Act 1983*, and in accordance with a resolution of the members of the Election Funding Authority of New South Wales, we declare that in our opinion:

- (a) The financial statements have been prepared in accordance with:
- the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* and the Treasurer's Directions;
 - Australian Accounting Standards (which include Australian Accounting Interpretations);
 - the Financial Reporting Code for NSW General Government Sector Entities
- (b) The financial statements exhibit a true and fair view of the financial position as at 30 June 2014 and financial performance of the Election Funding Authority for the year then ended;
- (c) There are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Colin Barry
Chairperson



Kirk McKenzie
Member



Edward P Pickering
Member

2 September 2014

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

Election Funding Authority of New South Wales

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Election Funding Authority of New South Wales (the Authority) which comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the *Public Finance and Audit Regulation 2010*.

My opinion should be read in conjunction with the rest of this report.

The Members' Responsibility for the Financial Statements

The members of the Authority are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members determine is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independent Auditor's Report

My opinion does not provide assurance:

- about the future viability of the Authority
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Grant Hehir
Auditor-General

3 September 2014
SYDNEY

START OF AUDITED FINANCIAL STATEMENTS

Statement of comprehensive income

for the year ended 30 June 2014

	Notes	Actual 2014 \$'000	Actual 2013 \$'000
Expenses excluding losses			
Operating Expenses	2(a)	10,471	9,115
Other expenses	2(b)	3,638	3,743
Total Expenses excluding losses		14,109	12,858
Revenue			
Grants and contributions	3(a)	10,471	9,115
Other revenue		3,638	3,743
Total Revenue		14,109	12,858
Other gains/(losses)		-	-
Net Result		-	-
Other comprehensive income		-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		-	-

The accompanying notes form part of these financial statements.

Statement of changes in equity

for the year ended 30 June 2014

	Notes	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2013		-	-
Net result for the year		-	-
Total other comprehensive income		-	-
Total comprehensive income for the year		-	-
Balance at 30 June 2014		-	-
Balance at 1 July 2012		-	-
Net result for the year		-	-
Total other comprehensive income		-	-
Total comprehensive income for the year		-	-
Balance at 30 June 2013		-	-

The accompanying notes form part of these financial statements.

Statement of financial position

as at 30 June 2014

	Notes	Actual 2014 \$'000	Actual 2013 \$'000
ASSETS			
Current Assets		-	-
Total Current Assets		-	-
Non-Current Assets		-	-
Total Non-Current Assets		-	-
Total Assets		-	-
LIABILITIES			
Current Liabilities		-	-
Total Current Liabilities		-	-
Non-Current Liabilities		-	-
Total Non-Current Liabilities		-	-
Net Assets		-	-
EQUITY			
Accumulated funds		-	-
Total Equity		-	-

The accompanying notes form part of these financial statements.

Statement of cash flows

for the year ended 30 June 2014

	Notes	Actual 2014 \$'000	Actual 2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Other		(10,471)	(9,115)
Total Payments		(10,471)	(9,115)
Receipts			
Grants and contributions		10,471	9,115
Total Receipts		10,471	9,115
NET CASH FLOWS FROM OPERATING ACTIVITIES	7	-	-
NET INCREASE/(DECREASE) IN CASH			
Opening cash and cash equivalents		-	-
CLOSING CASH AND CASH EQUIVALENTS		-	-

The accompanying notes form part of these financial statements.

Notes to the financial statements

1. Summary of Significant Accounting Policies

(a) Reporting Entity

The Election Funding Authority of New South Wales (EFA) is a New South Wales (NSW) government entity. The EFA is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

Major reforms to funding and disclosure legislation commenced on 1 January 2011 that impacted on political donations, campaign expenditure and public funding for NSW State elections. In particular, the reforms imposed caps on political donations and electoral communication expenditure and provided for a restructure in public funding for NSW State election campaigns.

The *Election Funding, Expenditure and Disclosures Act 1981* provides for the public funding of parliamentary election campaigns and requires the disclosure of certain political donations and electoral expenditure for parliamentary or local government election campaigns. The following funds are maintained by the EFA.

Election Campaigns Fund

Candidates and registered parties endorsing candidates for Legislative Assembly or Legislative Council elections may be eligible for payments from the Election Campaigns Fund.

The amount to be distributed from the Election Campaigns Fund is a reimbursement to a party or a candidate eligible for payment in respect of a State election of the amount of the actual electoral communication expenditure incurred, on a sliding scale and subject to the applicable cap.

Administration Fund

Parties with elected members are eligible for annual payments, on a calendar year basis, from the Administration Fund for administrative or operating expenses of the party during the year. Independent members of Parliament are also eligible for annual payments from the Fund.

Policy Development Fund

Parties that are not eligible for payment from the Administration Fund may be eligible for annual payments, on a calendar year basis, from the Policy Development Fund of the amount of actual policy development expenditure incurred by or on behalf of the party during the year.

These financial statements for the year ended 30 June 2014 have been authorised for issue by the Chairperson and members on 2 September 2014.

(b) Basis of Preparation

The EFA's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2010*; and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

Notes to the financial statements continued

(c) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Revenue Recognition

Revenue is measured at the fair value of the consideration or contribution received or receivable and is recognised when the EFA gains control, which is usually when the cash is received. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

(i) *Parliamentary appropriations and contributions*

Consolidated fund appropriations under the *Election Funding, Expenditure and Disclosures Act 1981* are received by way of transfer payment from the NSW Electoral Commission.

(e) Expense Recognition

The EFA maintains the Funds and approves the making of payments from the Funds for valid claims made by candidates, groups and political parties. An expense is not recognised until:

- An entitlement exists under legislation;
- The candidate, party or group has supplied sufficient documentation supporting the claim. This documentation includes invoices or receipts relating to electoral expenditure incurred to substantiate the level of claim; and
- The EFA has validated the invoices to determine if they meet the legislative requirement for payment.

Whilst a maximum entitlement exists under legislation, the actual payment depends on the value of invoices submitted by candidates, parties or groups.

A corresponding revenue item is recognised as the cost of claims is fully funded by consolidated fund appropriations.

(f) Asset and liability recognition

As all approved claims are paid during the year, EFA does not have any liabilities and corresponding assets at reporting date.

(g) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

(h) Changes in accounting policy, including new or revised Australian Accounting Standards

(i) *Effective for the first time in 2013-14*

The accounting policies applied in 2013-14 are consistent with those of the previous financial year. There have been no new or revised Australian Accounting Standards that have impacted EFA in 2013-14.

(ii) *Issued but not yet effective*

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

A number of new Accounting Standards have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application is unlikely to be material.

Notes to the financial statements continued

2. (a) Expenses Excluding Losses

(I) Policy Development Fund

	2014 \$'000	2013 \$'000
Save Our State	5	-
Outdoor Recreation Party	4	3
Building Australia Party	5	5
Total Payments from Policy Development Fund	14	8

(II) Administration Fund

	2014 \$'000	2013 \$'000
Australian Labor Party (NSW Branch)	2,925	2,203
National Party of Australia – NSW	2,385	2,000
Shooters and Fishers Party	358	344
The Greens	873	494
Country Labor Party	578	441
Liberal Party of Australia New South Wales Division	2,330	2,203
Christian Democratic Party	457	334
Independent candidates	266	7
Total Payments from Administration Fund	10,172	8,026

(III) Election Campaigns Fund

	2014 \$'000	2013 \$'000
The Greens	20	94
Liberal Party of Australia New South Wales Division	67	129
National Party of Australia – NSW	54	-
Australian Labor Party (NSW Branch)	80	686
Country Labor Party	40	95
Christian Democratic Party	10	4
Independent candidates	14	73
Total Payments from Election Campaigns Fund	285	1,081

Reconciliation

Payments from Policy Development Fund	14	8
Payments from Administration Fund	10,172	8,026
Payments from Election Campaigns Fund	285	1,081
Total Payments	10,471	9,115

Notes to the financial statements continued

2. (b) Other Expenses

	2014 \$'000	2013 \$'000
Personal services expenses	3,047	2,225
Other operating expenses	591	1,518
Total personnel services expenses	3,638	3,743

All transactions for EFA are conducted through the NSW Electoral Commission's accounting framework. Within this framework, the NSW Electoral Commission has incurred personnel services expenses of \$3.05 million and other operating expenses of \$0.59 million in conducting EFA's affairs. The NSW Electoral Commission has not recovered these costs from EFA. As such EFA has recognised these services as contributions received free of charge as part of the line item 'Other revenue' in the statement of comprehensive income.

3. (a) Grants and Contributions

	2014 \$'000	2013 \$'000
Total draw-downs from NSW Treasury *	7,840	9,090
Contribution from NSW Electoral Commission	2,631	25
Total grants and contributions	10,471	9,115

*The Annual Appropriation Act provides funding to the NSW Electoral Commission which includes an amount for the public funding of an Election Campaigns Fund, Administration Fund and a Policy Development Fund. The Election Funding, Expenditure and Disclosures Act requires that the Election Funding Authority make payment to parties and candidates through a regulated claims procedure. The Election Funding Authority requests the NSW Electoral Commission to make the payments on its behalf. The value of the transfer payments for the 2013-14 financial year was \$7,840 million and the contribution from NSW Electoral Commission was \$2,631 million.

4. Administered Income

	2014 \$'000	2013 \$'000
Fines for infringements of the <i>Election Funding, Expenditure and Disclosures Act</i>	63	24

5. Contingent Assets and Liabilities

There are no known contingent assets or liabilities at balance date (Nil at 30 June 2013).

6. Commitments

The Authority has no contractual commitments or any operating or finance leases at balance date (Nil at 30 June 2013).

7. Reconciliation Of Cash Flows From Operating Activities To Net Result

	2014 \$'000	2013 \$'000
Net result	-	-

Notes to the financial statements continued

8. Events after the Reporting Period

There is no event after reporting period to be disclosed.

9. Going Concern

On 24 June 2014, the *Electoral and Lobbying Legislation Amendment (Electoral Commission) Act 2014* received royal assent. One of the objects of the Act is abolish the EFA and to confer EFA's functions to the reconstituted New South Wales Electoral Commission. The Act does not take effect until it is proclaimed.

END OF AUDITED FINANCIAL STATEMENTS

References

Abbreviations and Acronyms	56
Compliance to Annual Reporting Requirements	57
Glossary of Terms	59
Tables	61

Abbreviations and Acronyms

Abbreviation/Acronym	Meaning
EC	Electoral Commissioner
EEO	Equal Employment Opportunity
EFA	Election Funding Authority
FOI	Freedom of Information
GIPA	<i>Government Information (Public Access) Act 2010</i>
JSCEM	Joint Standing Committee on Electoral Matters
KRA	Key Results Areas
LA	Legislative Assembly
LC	Legislative Council
LGA	Local Government Area
LGE	Local Government elections
MOU	Memorandum of Understanding
MP	Member of Parliament
NSW	New South Wales
NSWEC	New South Wales Electoral Commission
PPIPA	<i>Privacy and Personal Information Protection Act 1998</i>
PRCC	Proportional Representation Count Centre
RPP	Registered Political Parties
SES	Senior Executive Service
SGE	State General election
WHS	Work Health and Safety

Compliance to Annual Reporting Requirements

Under the *Annual Reports (Departments) Act 1985*, the *Annual Reports (Department) Regulation 2010* and various Treasury Circulars, the EFA is required to include information on the topics in the table below.

Annual Reporting Requirement	Page No. and Comments
Letter of Submission	4
Applications for extensions of time	No extension of time required.
Charter	5
Aims and objectives	10
Access	Back cover.
Management and structure <ul style="list-style-type: none"> Names of principal officers Organisational chart indicating functional responsibilities 	32
Summary review of operations	8
Funds granted to non-government community organisations	Not applicable.
Legal Change	35
Economic or other factors	Not applicable.
Management and activities	12
Research and development	Not applicable.
Human resources	Staff members who work on matters related to the EFA are employed by the NSWEC. Human resource details appear in the NSWEC Annual Report for 2013–14.
Consultants	The EFA did not use any consultants during the reporting period.
Workforce Diversity	Staff members who work on matters related to the EFA are employed by the NSWEC.
Disability Plans	Details of the Disability Action Plan applicable to the EFA are set out in the NSWEC's Annual Report for 2013–14.
Land Disposal	Not applicable.
Promotion – Overseas Visits	Not applicable.
Consumer Response (complaints)	40
Payment of Accounts	All transactions are conducted through the NSWEC's accounting framework and are set out in the NSWEC's Annual Report for 2013–14.
Time for Payment of Accounts	All transactions are conducted through the NSWEC's accounting framework and are set out in the NSWEC's Annual Report for 2013–14.
Risk management and insurance activities	Appears in the NSWEC Annual Report for 2013–14.
Internal audit and risk management policy attestation	34
Disclosure of Controlled Entities	Not applicable.
Disclosure of Subsidiaries	Not applicable.
Multicultural Policies and Services Program (formerly EAPS)	Details of the Multicultural Policies and Services Program are set out in the NSWEC Annual Report for 2013–14.
Agreements with the Community Relations Commission	Not applicable.

Compliance to Annual Reporting Requirements

Annual Reporting Requirement	Page No. and Comments
Work Health and Safety	WHS is managed by the Administration Branch of the NSWEC. Details appear in the NSWEC Annual Report for 2013–14.
Waste	33
Financial Statements	46
Identification of audited financial statements	44
Inclusion of unaudited financial statements	Not applicable.
Additional Matters – Compliance with the Privacy and Personal Information and Protection Act 1998	40
Additional Matters – matters arising since July 2013 having a significant effect on operations or communities we serve	No additional matters had a significant effect on operations or the EFA's stakeholders.
Additional Matters – total external costs in the production of this report	Total external costs: Nil; printed in-house.
Additional Matters – is the report available in non-printed formats?	Yes
Additional Matters – is the report available on the internet?	Yes, at www.efa.nsw.gov.au
Performance and number of executive officers	There are no SES positions at the EFA.
<i>Government Information (Public Access) Act 2009</i>	39
Public Interest Disclosures	33
Digital information security policy attestation	40
Implementation of Price Determination	Not applicable.
Credit card certification	The EFA does not hold any credit cards.
Requirements arising from employment arrangements	Not applicable.

Glossary of Terms

Term	Meaning
Act	<i>Election Funding, Expenditure and Disclosures Act 1981.</i>
Agent	A party agent or an official agent. A party agent is the registered agent of a registered political party. An official agent is the registered agent of a candidate, group or an elected member.
Assembly	Legislative Assembly of New South Wales.
Auditor	A registered company auditor within the meaning of the <i>Corporations Act 2001</i> of the Commonwealth.
Authority	Election Funding Authority of New South Wales.
By-election	In relation to State elections – means a by-election for the Legislative Assembly. In relation to Local Government elections – means a by-election for a councillor (including the mayor) of a local council or a local government area.
Candidate	An individual nominated as a candidate at an election, and includes an individual applying for registration as, or registered as, a candidate in the Register of Candidates for the election. A candidate is also an individual who accepts a gift for a purpose related to being a candidate at a future election or makes a payment for electoral expenditure for the election of the individual at a future election. A person who is a candidate in an election remains a candidate for 30 days after the election day for that election.
Contest(ed)	Where more than one person contends or competes in an election.
Disclosure period	A 12-month period ending 30 June each year.
Donor	A person or legal entity that makes a gift of money or in-kind to a candidate, a group of candidates, an elected member or a political party.
Donation in kind (gift in-kind)	A gift of goods and/or services at no charge or at a discounted charge.
EFA	Election Funding Authority of New South Wales.
Elected member	A member of Parliament or a Local Government councillor (including a mayor). This includes a person who has ceased to be an elected member but is entitled to remuneration as such.
Election	An Assembly general election or by-election, a periodic Council election, a Local Government general election or by-election.
Election Day	Or polling day is the day for the taking of the polls at an election.
Election Period	The election period of an election includes the period starting 30 days after election day for the previous general election and ending 30 days after election day for the current election.
Electoral District	A district for the election of a member to serve in the Assembly.
Electoral Expenditure	Expenditure for or in connection with promoting or opposing, directly or indirectly, a party or the election of a candidate or candidates or for the purpose of influencing, directly or indirectly, the voting at an election. Expenditure includes any disposition of property.
Endorsed	In relation to a political party, means endorsed, selected or otherwise accredited to stand as a representative of the party.
Entity	An incorporated or unincorporated body or a trustee of a trust.
General Election	In relation to State elections – Assembly general election and a periodic Council election held or to be held concurrently. In relation to Local Government elections – an election other than a by-election for the office of councillor or mayor.
Gift	Any disposition of property made by a person to another person, otherwise than by will, being a disposition made without consideration in money or money's worth or with inadequate consideration, and includes the provision of a service (other than volunteer labour) for no consideration or for inadequate consideration.

Glossary of Terms continued

Term	Meaning
Group	A group of candidates, or part of a group of candidates, for an election. For the purposes of the <i>Election Funding, Expenditure and Disclosures Act 1981</i> , a group also includes a group of individuals that intends to accept a gift for a purpose related to being a group at a future election or makes a payment for electoral expenditure for the election of the individuals at a future election. A group of candidates in an election remains a group for 30 days after the election day for that election.
Head Candidate	The candidate whose name appears first on the 'Request to form a group' lodged with the New South Wales Electoral Commission.
Legislative Council	The Legislative Council of New South Wales is the Upper House in the system of government and is often referred to as a House of Review.
Local Government Election	An election under the <i>Local Government Act 1993</i> for the office of councillor or mayor under that Act (other than an election of mayor by councillors).
Nomination Day	Or day of nomination is the day by which all nominations of candidates must be made.
Official Agent	A person who is appointed by a candidate or group of candidates to act on behalf of himself/herself or the group. A person appointed as an official agent assumes full responsibility for complying with the requirements of the Act and Regulation.
Parliament	The Parliament of New South Wales.
Party	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 a group of candidates endorsed by it or by a body or organisation of which it forms part.
Periodic Council Election	An election held for the return of 21 members of the Legislative Council.
Person	Includes an individual, a corporation a body corporate or a politic.
Political donation	A gift made to an elected member, a party, a candidate or a group of candidates. This includes, but is not limited to: <ul style="list-style-type: none"> • cash; • the purchase of tickets or other items relating to fund-raising events; • the provision of goods or services at no cost or insufficient cost; and • subscriptions paid to a party by members or affiliated groups.
Primary Votes	In relation to a candidate at an election the total number of formal first preference votes recorded for the candidate on all ballot papers. In relation to a group of candidates, or a party with endorsed candidates, at an election, the total number of formal first preference votes recorded for the candidates on all ballot papers other than the votes recorded for candidates for election to the Assembly.
Registered	(except in the case of a party) means registered in accordance with the Act.
Registered agent	See Agent, Official agents and party agents must be registered by the EFA.
Registered political party	A party registered under Part 4A of the <i>Parliamentary Electorates and Elections Act 1912</i> and <i>Local Government Act 1993</i> .
Regulation	<i>Election Funding, Expenditure and Disclosures Regulation 2009</i> .
Reportable loan	A loan of \$1,000 or more from a non-financial institution.
Reportable political donation	A political donation or donations totalling \$1,000 or more by a person within a financial year.
Returning Officer	In relation to State elections – a person who is legally authorised to act on behalf of the New South Wales Electoral Commission to manage a Legislative Assembly election for an electoral district. In relation to Local Government elections – a person appointed by the New South Wales Electoral Commission to each council area to conduct the election on behalf of and under the direction of the Electoral Commissioner.
Small political donation	A political donation, or donations, that are less than \$1,000 each, or multiple donations from the same donor in the same financial year that total less than \$1,000.
Writ	The document issued by the Governor-General ordering the election of a member or members of parliament.

Tables

Table	Description	Page No.
Table A	EFA Corporate Plan Results Indicators – Performance	9
Table B	Summary Report of Donations Received and Expenditure Incurred by State Registered Parties for the Reporting Period 01/07/2012 – 30/06/2013	14
Table C	Summary Report of Donations Received and Expenditure Incurred by Local Government Registered Parties for the Reporting Period 01/07/2012 – 30/06/2013	15
Table D	Summary of Disclosures Audited and Reviewed	17
Table E	Political Donation Cap Amounts	22
Table F	Capped expenditure for by-elections held in the reporting period	22
Table G	Electoral Communication Expenditure Cap Amounts from 27 March 2011	23
Table H	Payments made from the Election Campaigns Fund to candidates for the NSW State Election 2011	25
Table I	Payments made from the Election Campaigns Fund to candidates for the Sydney State By-election	25
Table J	Payments made from the Election Campaigns Fund to candidates for the Northern Tablelands State By-election	25
Table K	Payments made from the Election Campaigns Fund to candidates for the Miranda State By-election	26
Table L	Payments made from the Administration Fund in respect of the 2012 calendar year	27
Table M	Payments made from the Administration Fund in respect of the 2013 calendar year	27
Table N	Payments made from the Administration Fund in respect of the 2014 calendar year	28
Table O	Payments made from the Policy Development Fund in respect of the 2012 calendar year	28
Table P	Meetings of the EFA 2013–2014	32
Table Q	Number of applications by type of applicant and outcome*	36
Table R	Number of applications by type of application and outcome	37
Table S	Invalid applications	37
Table T	Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act	38
Table U	Other public interest considerations against disclosure: matters listed in table to section 14 of the Act	38
Table V	Timeliness	38
Table W	Number of applications reviewed under Part 5 of the Act (by type of review and outcome)	39
Table X	Applications for review under Part 5 of the Act (by type of applicant)	39

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