



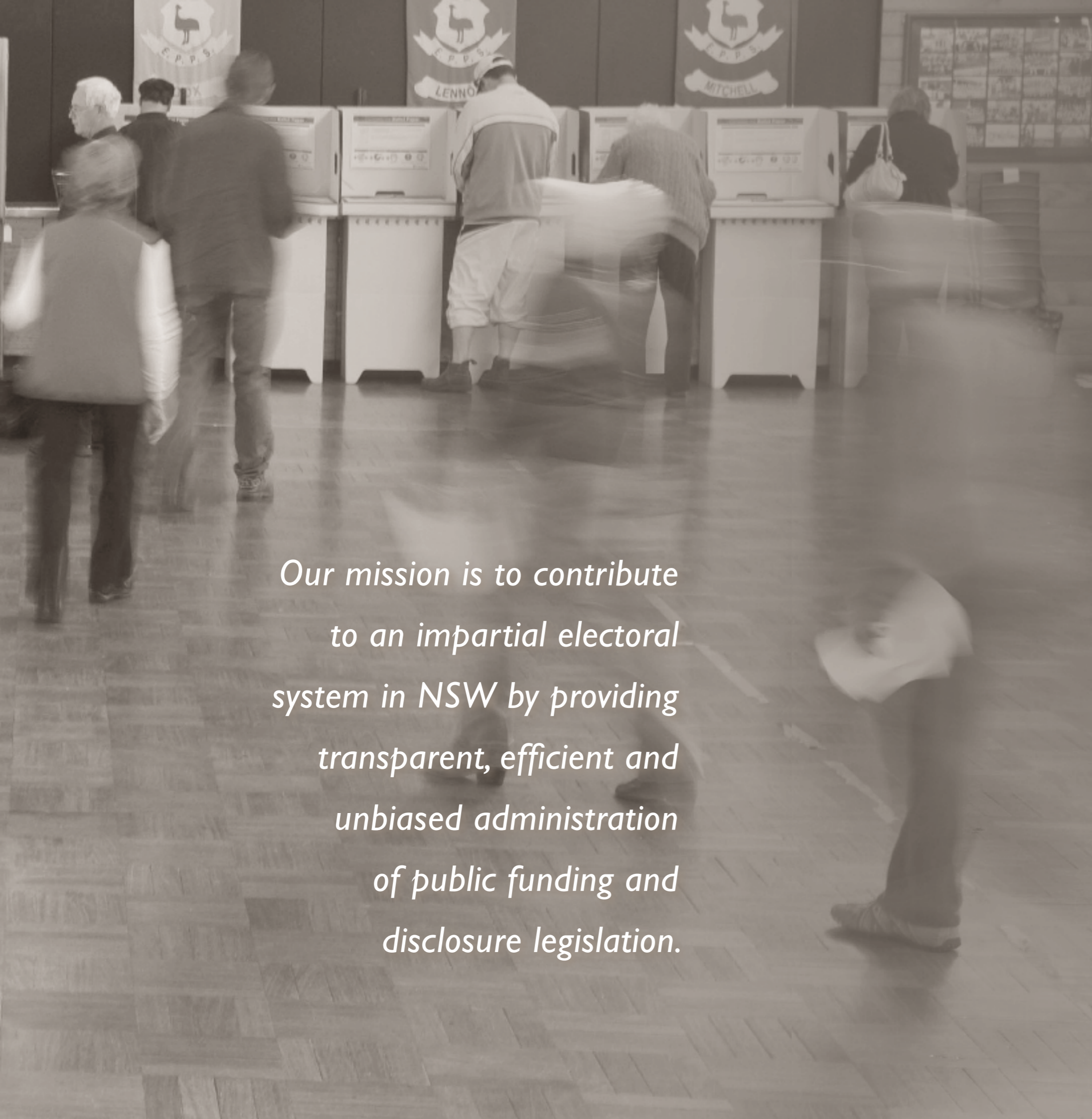
EFA ANNUAL REPORT 2009/10



ISSN 1320-8616 (Print)  
ISSN 1834-1748 (Online)

© State of New South Wales through the  
Election Funding Authority 2010.

No part of this report may be reproduced  
by any process, except in accordance with  
the *Copyright Act 1968*. Please address all  
enquiries to the Election Funding Authority,  
Level 25, 201 Kent Street, Sydney 2000



*Our mission is to contribute  
to an impartial electoral  
system in NSW by providing  
transparent, efficient and  
unbiased administration  
of public funding and  
disclosure legislation.*

To the Premier  
The Hon Kristina Keneally MP

The Hon Kristina Keneally MP  
Premier  
Level 40 Governor Macquarie Tower  
1 Farrer Place  
SYDNEY NSW 2000

29 October 2010

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 2010.

Yours sincerely

*Colin Barry*

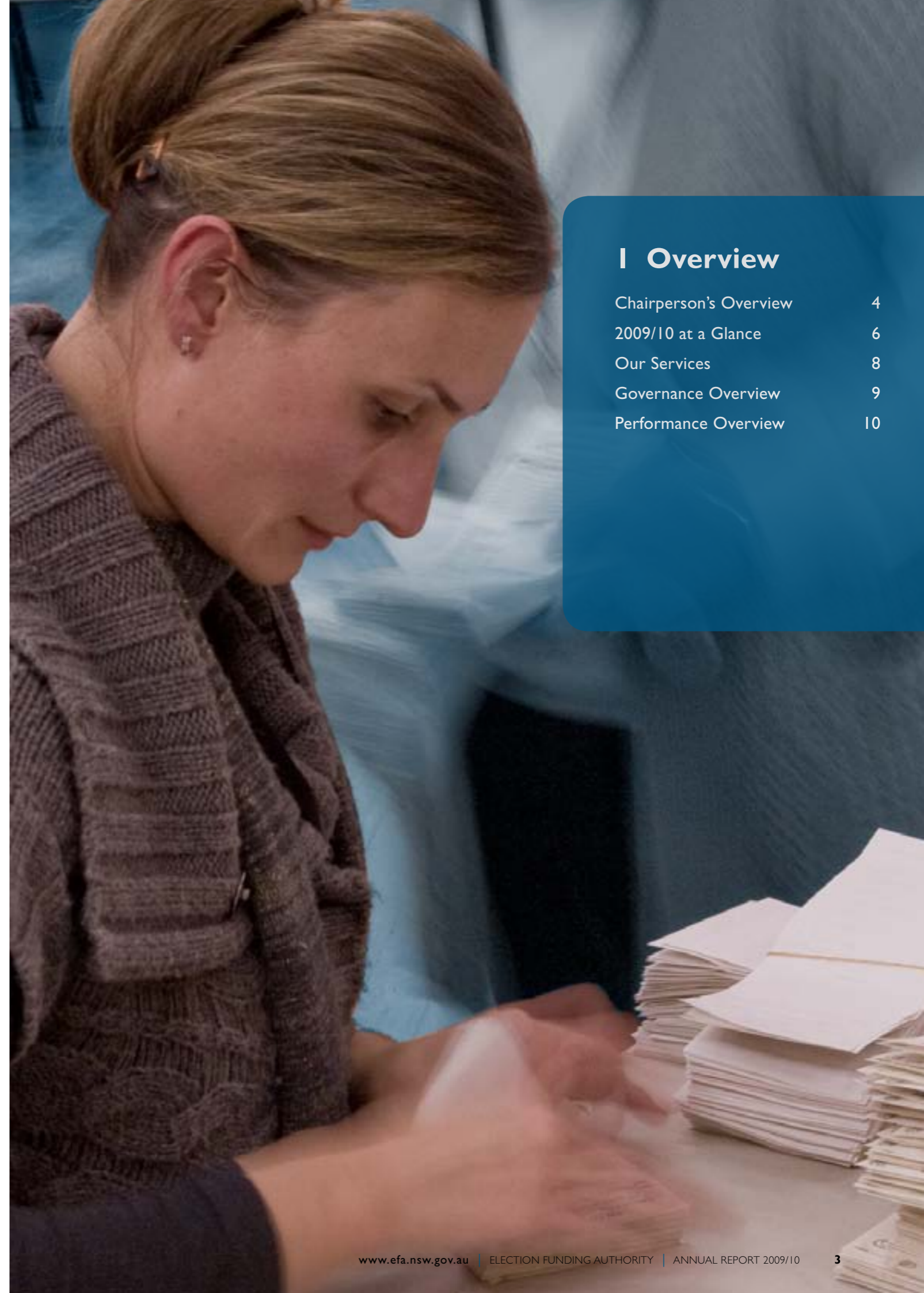
Colin Barry  
Chairperson

# Contents

<b>I Overview</b>	<b>3</b>
Chairperson's Overview	4
2009/10 at a Glance	6
Our Services	8
Governance Overview	9
Performance Overview	10
<b>2 Review of Operations and Activities</b>	<b>11</b>
Registration	12
Achievements, challenges and performance outcomes for the registration of candidates, groups and their official agents for the purpose of funding and disclosure.	
Funding	14
Achievements, challenges and performance outcomes for determining funding and entitlements for parties, candidates and groups.	
Disclosures	18
Achievements, challenges and performance outcomes for processing party, candidate, group, elected member and donor disclosures.	
Compliance	20
Achievements, challenges and performance outcomes for compliance activities, including audits of disclosures and referrals to the Crown Solicitor for prosecution..	
Communication and Public Awareness	25
Achievements, challenges and performance outcomes for communication activities, including how we provide information to stakeholders about their obligations and responsibilities.	
Organisational Development and Innovation	27
Achievements, challenges and performance outcomes for managing our people and processes, including human resources, information technology and financial administration.	
<b>3 Corporate Governance</b>	<b>31</b>
Details of the EFA's management practices, including risk and audit processes, compliance reporting, accountability mechanisms and legislative compliance.	
<b>4 Financial Performance</b>	<b>39</b>
Summary and analysis of EFA revenues, budgets and expenses, plus the Independent Auditor's Report and financial statements for year ending 30 June 2010.	
<b>5 References</b>	<b>53</b>
Abbreviations and Acronyms	54
Compliance to Annual Reporting Requirements	55
Glossary	57
Index of Tables and Graphs	59
Alphabetical Index	60

## I Overview

Chairperson's Overview	4
2009/10 at a Glance	6
Our Services	8
Governance Overview	9
Performance Overview	10



## Chairperson's Overview



I am pleased to present the Annual Report for the Election Funding Authority (EFA) for the reporting period 2009/10.

The obligations on stakeholders to be transparent in their campaign and electoral finances continue to attract public attention. Changes to the

*Election Funding and Disclosures Act 1981* in late 2008 increased the obligations and responsibilities on parties, candidates and elected members to comply with new disclosure provisions.

Whilst the EFA is responsible for identifying and addressing any failures by stakeholders to meet their disclosure obligations, it accepts that there is an inherent responsibility to continue to educate and inform those persons who are captured by the legislation.

To this end, the opportunity was taken during the year to focus on enhancing the delivery of services to stakeholders, particularly political parties, candidates and elected members given their ongoing six monthly disclosure obligation.

This included a rewrite of all publications available to these stakeholders so that information was presented in a structured user friendly manner. It was complemented by redevelopment of the EFA's website so that the EFA could be satisfied that not only existing stakeholders but all potential political parties, candidates and elected members had information that was easy to access and easily understood.

The website now provides an online reporting facility for all stakeholders which will take effect for the six month disclosure period ending 30 June 2010. Whilst simple in its presentation, this is seen as an initial step to a more sophisticated reporting facility, particularly for the more complex disclosures lodged by political parties. The website will be developed further in the coming year.

The general public and media interest was also considered by the EFA in the redevelopment of the website and a data analysis tool to interrogate disclosure data will now be available as soon as data for the six month disclosure period ending 30 June 2010 is available.

In my report last year I mentioned the difficulties being experienced in identifying those capable of being prosecuted for failure to lodge disclosures. It was pleasing that in December 2009 the then Premier, the Hon. Nathan Rees, referred a range of matters to be considered by the Joint Standing Committee on Electoral Matters.

Whilst the inquiry was substantially in respect to the public funding of election campaigns in New South Wales, the terms of reference were broad enough to deal with those matters of concern to the EFA.

The EFA was pleased to have the opportunity to make a submission to the Committee and give evidence on the full range of matters under consideration.

The EFA was pleased to see that the Committee's recommendations addressed the issues raised by the EFA and we look forward to working with the Government to develop legislation that ensures that New South Wales not only continues to have the most transparent and comprehensive disclosure provisions of all Australian electoral jurisdictions but provides the EFA with legislation that is workable in the areas of compliance and enforcement.

I wish to thank parties, candidates, elected representatives and staff of the EFA for their commitment and support during the year.

Colin Barry  
Chairperson

## EFA Charter

The Election Funding Authority (EFA) is established under the *Election Funding and Disclosures Act 1981* (the Act) and has two main purposes:

- to provide a scheme of public funding of State election campaigns; and
- to provide for the public disclosure of the source of funds used (political donations) and electoral expenditure incurred in State and Local Government election campaigns.

The Act also provides for the payment of public money to eligible parties from the Political Education Fund, which is administered by the EFA.

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.



## 2009/10 at a Glance

Processed over **4,026** party, group, candidate, elected member and donor disclosures

Registered **19** new official agents and **two** party agents

Distributed **\$1,806,966** Political Education Fund payments to eligible parties

Distributed **\$838,750** to eligible parties as advance payments from the Central Fund for the NSW State Election 2011

Implemented major reforms introduced in 2008 to the Election Funding and Disclosures Act 1981 and the Election Funding and Disclosures Regulation 2009

Commenced redevelopment of the online official and party agent training course to reflect identified training needs

Responded to **957** stakeholder enquiries through the EFA email enquiry service

Conducted **16** briefing sessions for participants of Local Government by-elections and the Penrith State By-election on their registration, disclosure and campaign management responsibilities

Redeveloped **6** funding and disclosure information booklets and forms to be specifically tailored to stakeholder needs consequent to the major reforms introduced in 2008 to the Election Funding and Disclosures Act 1981

**Table 1:** Key Quantitative Results for EFA Activities

	2008/09	2009/10
Disclosures received from parties, groups, candidates and elected members	7,197	3,295
Disclosures received from donors	1,775	731
Agents registered with EFA during the year	975	21
Agents completing online training	678	18
Disclosures uploaded to website	8,972	4,026
Party agents referred to the Crown Solicitor for prosecution	8	12
Official agents referred to the Crown Solicitor for prosecution	N/A	70
Candidates referred to the Crown Solicitor for prosecution	N/A	35
Groups referred to the Crown Solicitor for prosecution	N/A	1
Elected members referred to the Crown Solicitor for prosecution	N/A	105
Donors referred to the Crown Solicitor for prosecution	N/A	414

## 2009/10 at a Glance

Redeveloped the EFA website to provide simpler navigation and more user friendly information

Developed an **online facility** for the lodgement of six monthly disclosures required by parties, groups, candidates, elected members, donors and agents

**18,822** EFA website visitors

Uploaded more than **4,000** disclosures and amendments to the EFA website

Developed a **data analysis tool** on the EFA website to enable improved interrogation of disclosure information lodged by stakeholders

Finalised development of a new disclosure compliance audit programme

Referred **637** matters to the Crown Solicitor for non-compliance

Lodged **2** submissions and gave evidence to the Joint Standing Committee on Electoral Matters concerning the inquiry into the public funding of election campaigns in New South Wales



## Our Services

The EFA's services include:

- administering the provisions of the *Election Funding and Disclosures Act 1981* and Election Funding and Disclosures Regulation 2009;
- the registration of candidates, groups and agents for funding and disclosure purposes;
- receiving and processing claims for payment for State General election and by-election campaigns;
- receiving and processing disclosures of political donations and electoral expenditure lodged by or in respect to political parties, elected members, candidates, groups and political donors;
- receiving and processing disclosures of expenditure and claims for payment from the Political Education Fund;
- publishing the disclosures of political donations and electoral expenditure on the EFA's website;
- making disclosures of political donations and electoral expenditure available for public inspection for up to six years after the period in which a disclosure was made; and
- conducting random audits of disclosures.

The EFA's stakeholders are:

- the people and electors of NSW;
- candidates;
- groups of candidates;
- political parties;
- political donors;
- Local Government councillors and Mayors
- official and party agents;
- Members of Parliament;
- government agencies;
- statutory bodies; and
- the media.

### EFA Vision

- An impartial electoral system

### EFA Values

The EFA values:

- Integrity;
- Impartiality; and
- professionalism.

## Governance Overview

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

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

The Act prescribes that the EFA consists of:

- 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 the Governor to appoint:

- 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 General 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 exercises its statutory responsibilities.

During the 2009/10 year members of the EFA were:

### Colin Barry

Chairperson

### Steven D Lewis

Member appointed on the nomination of the Premier

### Edward P Pickering

Member appointed on the nomination of the Leader of the Opposition



# Performance Overview

## EFA Corporate Plan

The EFA provides the mechanism for parties, candidates and donors to operate in an environment of full disclosure. The EFA's objectives included in the 2008-2011 Corporate Plan focus on the need to measure the EFA's performance in a manner open to scrutiny.

The 2008-2011 Corporate Plan provides the basis for the measures in the Results and Services Plan but also includes targets for performance.

Results indicators measure trends relevant to the health of the overall electoral system but for which the EFA cannot be held solely responsible. Many stakeholders contribute to the overall health and functioning of the NSW electoral system: parties, candidates and donors all have major roles to play in making the system transparent and compliant. Nevertheless the EFA monitors this results indicator and works with stakeholders to provide the foundations for an impartial, trusted electoral and funding and disclosure system in NSW.

The results indicator identified for the EFA in the Corporate Plan addresses the unbiased provision of public funding and open disclosure of campaign donations.

The targets identified under the results indicator include:

- number of successful EFA prosecutions (target = 100%); and
- percentage of disclosures lodged with EFA by due date (target = 95%).

**Key Results Areas (KRAs)** set out the EFA's service outcomes, service measures and strategies. The EFA KRAs in the Corporate Plan address:

- funding and disclosure; and
- organisational development and innovation.

**Table 2: EFA Corporate Plan Results Indicators – Performance**

Results Indicators	Target	30/06/2008	31/12/2008	30/06/2009	31/12/2009
% disclosures lodged by the due date	95%	65.67%	49.38%	86%	87%
Successful EFA prosecutions (a)	100%	n/a	n/a	n/a	n/a

Notes:

(a) A number of matters were referred to the Crown Solicitor to commence legal proceedings. None of these matters has as yet resulted in a successful prosecution.

They are:

- candidates, groups, parties, elected members, donors and agents are informed about their responsibilities;
- the public are informed of political donations and electoral expenditure; and
- the EFA has access to NSWEC's staff, systems and processes to provide value for money for the people of NSW.

The EFA Corporate Plan is available on the EFA website [www.efa.nsw.gov.au](http://www.efa.nsw.gov.au).

## EFA Results and Services Plan

The EFA contributes to an impartial electoral system by providing the mechanism for unbiased public funding and open disclosure of campaign donations.

These requirements are specified in the EFA's Results and Services Plan, a performance management tool that sets out the linkages between the results that the EFA works towards, the services it provides to achieve these results, and the costs of delivering the services.

The EFA's Results and Services Plan sets out the outcomes expected of the EFA as follows:

- unbiased administration of public funding of State election campaigns;
- public disclosure of sources of funds (political donations) and expenditure incurred in election campaigns; and
- impartial administration of payment to eligible parties of funds from the Political Education Fund.

## 2 Review of Operations and Activities

Registration	12
Funding	14
Disclosures	18
Compliance	22
Communication and Public Awareness	25
Organisational Development and Innovation	27



## Objectives

- The administration of public funding is unbiased and there is open disclosure of campaign donations

## Performance

- Processed over 100 registrations for candidates, groups and official agents
- Distributed \$1,806,966 to eligible parties from the Political Education Fund
- Processed over 4,000 disclosures
- Referred 637 non-compliance matters to the Crown Solicitor

## Future Directions

- Continue to focus on the challenges associated with a system of unbiased funding and open disclosure of campaign donations and expenditure at all NSW elections
- Implement any reforms arising from the report by the Joint Standing Committee on Electoral Matters into public funding of election campaigns
- Assist stakeholders through the funding and disclosure processes associated with their participation in the NSW State Election 2011



Much of the EFA's work in 2009/10 involved processing the registrations of candidates and groups and their official agents for the purpose of funding and disclosure for Local Government by-elections and the Penrith State By-election.

## Candidates and Groups

Persons intending to stand as a candidate or as a group of candidates at a Local Government by-election (or their official agents) are required to register with the EFA before they accept any political donations for the election.

Similarly, persons intending to stand as a candidate or as a group of candidates for State elections (or their official agents) or persons intending to stand as a candidate for State by-elections (or their official agents) are required to register with the EFA before they accept political donations for the election.

During the reporting year the EFA processed over 100 registrations in connection with candidates and groups or their official agents.

## Official and Party Agents

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

A political 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;
- keeping proper records of political donations received and electoral expenditure incurred; and
- lodging disclosures of political donations received and electoral expenditure incurred.

Prospective official and party agents who are not otherwise exempt are required to complete the EFA online training course which outlines the key processes and responsibilities inherent in complying with the provisions of the Act and Regulations.

During the reporting year, 18 people successfully completed the agent online training course and a total of 21 official agents registered with the EFA, with four registered for parties, six for candidates, two for groups of candidates and nine for elected members.

There were 63 party agents registered with the EFA at the time disclosures became due for the period ending 31 December 2009.

## Registers

The EFA maintains the following registers for each election:

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

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.

The candidate, party agent and official agent registers for the Local Government and State by-elections conducted in 2009/10 are available for public inspection at the office of the EFA. Candidate, party agent and official agent registers for the NSW State Election 2011 are also available for public inspection.

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 wished to be registered for the purposes of the *Election Funding and Disclosures Act 1981*. Only parties registered for State purposes are eligible to receive public funding for campaign and political education expenditure (should that party fulfil the other criteria necessary to receive funding).





In 2009/10 the EFA determined funding and entitlements for parties, groups and candidates for the Penrith State By-election, advance payments from the Central Fund for the NSW State Election 2011 and payments from the Political Education Fund.

## Election Funding Entitlements

Election funding schemes in NSW appropriate public money to reimburse registered political parties, groups and candidates for certain election expenditure incurred at a State General election or by-election up to limits set by statute.

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

For each State General election the EFA establishes a Central Fund and a Constituency Fund and for each State by-election a Constituency Fund is established.

The amounts credited to the funds for a State General election are determined by the EFA as soon as possible after the day the Writs are issued for the election in accordance with a formula prescribed in the Act. Of the total amount determined, two thirds is credited to the Central Fund and one third to the Constituency Fund.

The amount credited to the Constituency Fund for a State General election is then divided by the number of electoral districts for which there are two or more candidates standing for election.

The amount credited to the Constituency Fund for a State by-election is determined by the EFA as soon as possible after the day the Writ is issued for the by-election. The amount credited to the fund is determined in accordance with a formula prescribed in the Act.

There is no public funding for Local Government elections.

## Central Fund Advance Payments

Eligible parties may seek an advance payment from the Central Fund for expenditure incurred in connection with the next State General election. The amount payable is 10% of the total amount to which the party was entitled for the previous State General election for each of the three complete years after the day for the return of the Writ for the previous State General election.

During the reporting period two parties requested an advance payment from the Central Fund for the NSW State Election 2011 for expenditure incurred for election campaign purposes.

Both parties requested a payment for each of the first three complete years after the day for the return of the Writs for the 2007 State General Election. The total amount payable to each party was 30% of the amount the party was entitled to receive for the 2007 State General Election.

The table below shows the names of each party which requested an advance payment, the total amount each party was entitled to receive for the NSW State General Election 2007 and the amount payable to each party as an advance payment for the NSW State Election 2011.

**Table 3: Advance Payments for the NSW State Election 2011**

Party Name	SGE 2007 Entitlement \$	Advance Payment SGE 2011 \$
Liberal Party of Australia (NSW Division)	1,997,404	599,221
The Greens	798,434	239,529
<b>Total</b>		<b>838,750</b>

## Constituency Fund for 2010 State By-election

During the reporting period the NSWEC conducted a State by-election for the Legislative Assembly District of Penrith on 19 June 2010.

A total of \$102,364 was available in the Constituency Fund for the Penrith State By-election for distribution to eligible parties and candidates. Half of the fund is equal to an amount of \$51,182. This means that no candidate or party may receive more than \$51,182.

The following candidates who were nominated for the Penrith State By-election, were also registered as candidates in the Register of Candidates as at election day:

- Green, Andrew Mark;
- Saunders, Michael William;
- Selby, Noel Stanley; and
- Wright, Suzanne Iris.

The following candidates who were nominated for the Penrith State By-election were endorsed by parties which were registered as at election day for the by-election:

- Ayres, Stuart – Liberal Party of Australia (New South Wales Division);

- Leyonhjelm, David Ean – Outdoor Recreation Party;
- Sanz, Jose Gabriel – Australian Democrats (NSW Division); and
- Thain, John Lawson – Australian Labor Party (NSW Branch).

Candidates are eligible to participate in the distribution of the by-election Constituency Fund if they are registered as candidates as at election day for the by-election and are either elected or receive 4% or more of the first preference vote at the by-election.

Parties are eligible to participate in the distribution of the by-election Constituency Fund if they are registered as at election day for the by-election, and the EFA is satisfied that a candidate for the by-election claims to be endorsed by the party and either the candidate is elected or the candidate receives 4% or more of the first preference vote at the by-election.

The total number of first preference votes recorded at the Penrith State By-election was 38,556. Four out of eight candidates received at least 4% of the total number of first preference votes polled at the by-election (1,543 votes).



**Table 4:** Constituency Fund for the Penrith State By-election 19 June 2010

Candidate	Party Affiliation	Primary Votes %	First Preference Votes	Maximum Entitlement \$
Ayres, Stuart	Liberal	51.5	19,856	51,182
Green, Andrew	Christian Democratic Party (Fred Nile Group)	4.4	1,692	4,856
Leyonhjelm, David	Outdoor Recreation Party	1.9	721	0
Sanz, Jose	Australian Democrats (NSW Division)	0.9	358	0
Saunders, Michael		2.0	766	0
Selby, Noel		2.7	1,047	0
Thain, John	Labor	24.5	9,437	27,086
Wright, Suzanne	The Greens	12.1	4,679	13,429
Undistributed Funds				5,811
<b>Total</b>		<b>100</b>	<b>38,556</b>	<b>102,364</b>

Table 4 shows the percentage and number of first preference votes received by each candidate at the by-election and the maximum funding entitlement of the candidate or party.

No payments were made from the Constituency Fund during the reporting period.

### Political Education Fund

The Political Education Fund is established following each State General election to distribute funds to eligible registered political parties for the purposes of political education.

Payments from the fund are made annually over a four year cycle to registered political parties which have endorsed candidates for election to the Legislative Assembly at a State General election and which are entitled to receive funding from the Central Fund.

Annual payments are determined as at 1 January in each year using a formula that is prescribed in the *Election Funding and Disclosures Act 1981* based on the total number of first preference votes recorded at the last State General election.

Payments are made to eligible parties who make a claim between 1 January and 30 June in each year. A claim must be accompanied by a disclosure stating how the previous payment was spent by the party and that the payment

**Table 5:** Political Education Fund Payments and Distribution 2008–2010

	2008 \$	2009 \$	2010 \$
Australian Labor Party (NSW Branch)	692,376	761,613	761,614
Christian Democratic Party (Fred Nile Group)	48,710	53,523	49,803
Liberal Party of Australia NSW Division	530,630	583,693	583,693
National Party of Australia – NSW	198,012	217,812	217,813
The Greens	176,402	194,042	194,043
<b>Total</b>	<b>1,646,130</b>	<b>1,810,683</b>	<b>1,806,966</b>



## Disclosures

The Act requires political parties, candidates, groups, elected members and major political donors to lodge a disclosure with the EFA following the end of each six month reporting period (30 June and 31 December) outlining political donations and electoral expenditure.

The EFA's work during the year included processing party, candidate, group, elected member and donor disclosures and ensuring that all disclosures were published on the EFA website as soon as practicable after the due date for the receipt of disclosures.

### Six Month Disclosure Period Ending 30 June 2009

Disclosures for the six month period ending 30 June 2009 were due on 25 August 2009.

The EFA processed over 2,020 disclosures for the period.

For this period the Australian Labor Party (NSW Branch) disclosed \$1,920,726 in donations, the Liberal Party

of Australia (NSW Division) \$2,145,138, the National Party of Australia NSW \$561,705, the Greens \$102,228 and the Christian Democratic Party (Fred Nile Group) \$35,624.

The Australian Labor Party (NSW Branch) disclosed \$152,870 in electoral expenditure, the Liberal Party of Australia (NSW Division) \$219,213, National Party of Australia NSW \$5,011, the Greens \$4,947 and the Christian Democratic Party (Fred Nile Group) \$Nil.

Table 6 details a summary report 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 period ending 30 June 2009 can be found on the EFA website – [www.efa.nsw.gov.au](http://www.efa.nsw.gov.au).

**Table 6:** Summary Report of Donations Received and Expenditure Incurred by Registered Political Parties for the Reporting Period 01/01/2009 – 30/06/2009

Party Name	Total Donations \$	Total Expenditure \$
Albury Citizens and Ratepayers Movement	0	209
Australia First (Council Elections) Party	550	984
Australian Labor Party (NSW Branch)	1,920,726	152,870
Bob Thompson's Independent Team	0	0
Burwood Community Voice	200	866
Christian Democratic Party (Fred Nile Group)	35,624	0
Clover Moore Independent Team	12,400	49,867
Community Development Environment Save Campbelltown Koalas	0	0
Country Labor Party	725	7,976
Eurobodalla First	0	75
Holroyd Independents	0	0
Kogarah Residents' Association	0	0
Liberal Party of Australia New South Wales Division	2,145,138	219,213
Liverpool Community Independents Team	0	0

Party Name	Total Donations \$	Total Expenditure \$
Lorraine Wearne Independents	100	528
Manly Independents – Putting Residents First	0	0
National Party of Australia – NSW	561,705	5,011
No Parking Meters Party	0	698
Our Sustainable Future	50	665
Outdoor Recreation Party	0	115
Parramatta Better Local Government Party	100	874
Residents Action Group for Auburn Area	127	0
Residents First Woollahra	0	0
Restore the Workers' Rights Party	0	0
Roads and Services Action Party	0	720
Russell Matheson Community First Team	0	110
Save Our Suburbs	2,000	0
Save Tuggerah Lakes	1,900	0
Shire Watch Independents	1,200	2,073
Shire Wide Action Group	0	995
Shoalhaven Independents Group	0	0
Shooters and Fishers Party	30,235	3,640
Socialist Alliance	2,554	396
The Australian Business Party	0	0
The Fishing Party	0	0
The Greens	102,228	4,947
The Parramatta Independents	0	0
Totally Locally Committed Party	0	0
Unity Party	7,000	7,008
Wake Up Warringah	300	627
Yvonne Bellamy Independents	0	300

## Six Month Disclosure Period Ending 31 December 2009

Disclosures for the six month period ending 31 December 2009 were due on 25 February 2010.

The EFA processed over 2,000 disclosures for the period.

For this period the Australian Labor Party (NSW Branch) disclosed \$2,683,046 in donations, the Liberal Party of Australia (NSW Division) \$2,376,939, the National Party of Australia NSW \$620,741, the Greens \$136,613 and the Christian Democratic Party (Fred Nile Group) \$83,007.

The Australian Labor Party (NSW Branch) disclosed \$377,997 in electoral expenditure, the Liberal Party of Australia (NSW Division) \$742,470, National Party of Australia NSW \$11,951, the Greens \$10,143 and the Christian Democratic Party (Fred Nile Group) \$21,775.

Table 7 details a summary report 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 period ending 31 December 2009 can be found on the EFA website – [www.efa.nsw.gov.au](http://www.efa.nsw.gov.au).

**Table 7: Summary Report of Donations Received and Expenditure Incurred by Registered Political Parties for the Reporting Period 01/07/2009 – 31/12/2009**

Party Name	Total Donations \$	Total Expenditure \$
Albury Citizens and Ratepayers Movement	0	0
Australia First (Council Elections) Party	10	200
Australian Democrats (NSW Division)	100	0
Australian Labor Party (NSW Branch)	2,683,046	377,997
Bob Thompson's Independent Team	0	0
Burwood Community Voice	889	252
Christian Democratic Party (Fred Nile Group)	83,007	21,775
Clover Moore Independent Team	26,400	1,375
Community Development Environment Save Campbelltown Koalas	0	0
Country Labor Party	240	864
Democratic Labor Party	5,974	8,719
Eurobodalla First	0	62
Holroyd Independents	0	0
Kogarah Residents' Association	0	0
Liberal Party of Australia New South Wales Division	2,376,939	742,470
Liverpool Community Independents Team	250	0
Lorraine Wearne Independents	0	0

Party Name	Total Donations \$	Total Expenditure \$
Manly Independents—Putting Residents First	0	0
National Party of Australia—NSW	620,741	11,951
No Parking Meters Party	0	39
Our Sustainable Future	0	0
Outdoor Recreation Party	0	0
Parramatta Better Local Government Party	900	839
Residents Action Group for Auburn Area	160	0
Residents First Woollahra	1,100	1,214
Russell Matheson Community First Team	0	0
Save Our Suburbs	1,797	0
Save Tuggerah Lakes	850	1,385
Shire Watch Independents	0	450
Shire Wide Action Group	0	0
Shoalhaven Independents Group	0	0
Shooters and Fishers Party	30,750	3,300
Socialist Alliance	2,327	330
The Australian Business Party	0	0
The Greens	136,613	10,143
The Parramatta Independents	0	0
Totally Locally Committed Party	0	0
Unity Party	11,660	6,388
Wake Up Warringah	211	126
Yvonne Bellamy Independents	0	0

Compliance activities, including audits of disclosures and referrals to the Crown Solicitor for prosecution over non-compliances generated a significant amount of work at the EFA during 2009/10.

During the year, the EFA reviewed its compliance procedures and finalised the development of a compliance audit programme primarily targeted at political parties, candidates, groups and elected members.

The EFA plans to conduct regular compliance reviews of disclosures lodged by political parties, candidates, groups and elected members and investigate disclosure matters that come to notice.

Inconsistencies in disclosures identified in the compliance audit process that come to the attention of the EFA may be dealt with as follows:

- persons responsible for lodging disclosures may be requested to amend their disclosure where it becomes apparent errors have been inadvertently made; and
- the EFA will determine, on a case by case basis, whether enforcement action for non-compliance will be taken or where there is evidence that a person has made a false disclosure.

Persons are welcome to lodge formal complaints with the EFA however any alleged breaches of the Act must be supported with evidence.

Further development of the compliance audit programme is proposed in the 2010/11 reporting year. This will include alerting stakeholders of the audit structure to allow for a self examination of disclosures prior to lodgement.

## Non-compliance Matters for Disclosure Period Ending 30 June 2009

During the reporting period the EFA was due to receive disclosures from 45 parties, 1,590 elected members, 73 candidates and 456 donors for the disclosure period ending 30 June 2009. The disclosures were due to be lodged with the EFA by the due date of 25 August 2009.

The EFA wrote to parties, candidates, groups and elected members who failed to lodge a disclosure by the due date, reminding them of their disclosure obligations and responsibilities.

In its meeting on 25 November 2009 the EFA consented to refer 158 matters to the Crown Solicitor where persons had failed to lodge a disclosure for the period ending 30 June 2009.

In its meeting on 9 June 2010 the EFA consented to refer one matter to the Crown Solicitor where a person failed to have the disclosure signed by a registered auditor.

Table 8 below shows each stakeholder that has been referred to the Crown Solicitor for non-compliance for the disclosure period ending 30 June 2009, the date the matters were referred to the Crown Solicitor, the number of matters referred and the number of matters withdrawn.

By the end of the reporting period all matters referred to the Crown Solicitor which had not been withdrawn were not yet finalised.

## Non-compliance matters for Disclosure Period Ending 31 December 2009

During the reporting period the EFA was due to receive disclosures from 44 parties, 1,608 elected members, five groups of candidates, 65 candidates and 514 donors for the disclosure period ending 31 December 2009. The disclosures were due to be lodged with the EFA by the due date of 25 February 2010.

The EFA wrote to parties, candidates, groups and elected members who failed to lodge a disclosure by the due date, reminding them of their disclosure obligations and responsibilities.

In its meeting on 9 June 2010 the EFA consented to refer 156 matters to the Crown Solicitor where persons had failed to lodge a disclosure for the disclosure period ending 30 June 2009.

Table 9 below shows each stakeholder group that has been referred to the Crown Solicitor for non-compliance for the disclosure period ending 31 December 2009, the date the matters were referred to the Crown Solicitor, the number of matters referred and the number of matters withdrawn.

By the end of the reporting period all matters referred to the Crown Solicitor which had not been withdrawn were not yet finalised.

**Table 8:** Referrals to the Crown Solicitor for the Disclosure Period Ending 30 June 2009

Stakeholder	Offence	Referral Date	Number Referred	Number Withdrawn
Party Agents	Failure to lodge	4/02/2010	7	3
Official Agents of Candidates	Failure to lodge	4/02/2010	1	1
Candidates	Failure to lodge	4/02/2010	3	3
Elected Members	Failure to lodge	4/02/2010	42	5
Major Political Donors	Failure to lodge	4/02/2010	105	15
Candidates	No audit	21/06/2010	1	1

**Table 9:** Referrals to the Crown Solicitor for the Disclosure Period Ending 31 December 2009

Stakeholder	Offence	Referral Date	Number Referred	Number Withdrawn
Party Agents	Failure to lodge	21/06/2010	4	1
Candidates	Failure to lodge	21/06/2010	7	0
Head Candidates of Groups	Failure to lodge	21/06/2010	1	0
Elected members	Failure to lodge	21/06/2010	63	3
Major Political Donors	Failure to lodge	21/06/2010	81	4



During the financial year the EFA also referred 322 compliance matters to the Crown Solicitor for offences that took place prior to the financial year.

### Follow Up on Prosecution Matters Referred in Previous Reporting Periods

With respect to the eight matters referred to the Crown Solicitor during the 2008/2009 reporting period, these matters were not yet finalised as of 30 June 2010.

With respect to the 915 donors referred to the Crown Solicitor during the 2007/2008 reporting period, the outstanding matters were not yet finalised as of 30 June 2010.

With respect to the two party agents, two parties, two groups and 26 candidates referred to the Crown Solicitor during the 2007/2008 reporting period, the outstanding matters were not yet finalised as of 30 June 2010.

### EFA Results Indicators

Results Indicators set out in the EFA Corporate Plan relating to the provision of unbiased public funding and open disclosure of campaign donations include performance measures on the percentage of disclosures lodged with the EFA by the due date (target 95%) and the number of successful EFA prosecutions (target 100%).

This reporting year has seen a vast improvement in the number of disclosures lodged by the due date with 86% of disclosures lodged by 25 August 2009 (up from 65.67% for the same period last year) and 87% of disclosures due on 25 February 2010 (up from 49.38% for the same period last year).

The number of successful EFA prosecutions continues to provide a challenge for the EFA as no matter has yet been brought before the courts since the *Election Funding and Disclosures Act 1981* was amended in 2008. A significant number of matters are now with the Crown Solicitor.

The EFA will continue to monitor these indicators and work with our stakeholders to provide the foundations for an impartial and transparent funding and disclosure system in NSW.

## Case Study: Online Disclosures

During the reporting year, the EFA undertook the development of an online disclosure form to allow for ease of lodgement by stakeholders.

The "smart form" has been developed for use by political parties, candidates, groups, elected members and donors and consultation was undertaken with major political parties during the development of the online form.

The form will allow stakeholders to input details of political donations received and electoral expenditure incurred and save data directly to the EFA's database.

At this time, the forms are still required to be printed locally, signed and lodged with the EFA. The lodged form is checked against the data saved into the EFA's database for verification purposes. It is anticipated that further development of the online disclosure process will assist political parties and the EFA will explore the possibility of eliminating the need for printed forms to be lodged.



## Communication and Public Awareness

### Objectives

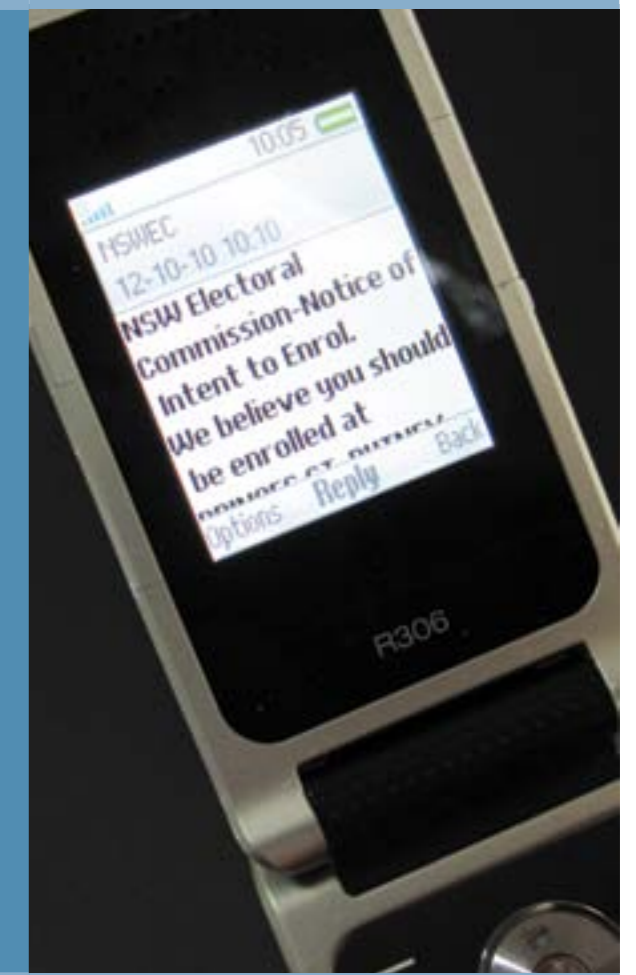
- To ensure that political parties, candidates, groups, elected members and political donors have access to current information about their entitlements and obligations
- To ensure the public and the media have access to publicly available disclosure documents by publishing the disclosures of political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

### Performance

- Six EFA handbooks and forms revised
- 16 funding and disclosure briefing sessions to election participants
- 18,822 EFA website visitors
- 4,026 disclosures and amendments published on EFA website

### Future

- Develop communication and education strategies suited to each stakeholder group and those needing greater support to fulfil their obligations
- Website analysis tool to allow users to interrogate disclosure data across a range of categories
- Updated publications for SGE 2011
- New online feedback mechanism



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.

### Stakeholder Communications

The EFA provides stakeholders with a range of information avenues including telephone, website, email, facsimile, media, telephone typewriter and interpreting services.

In 2009/10 the EFA logged approximately 1,704 phone contacts and 957 emails.

The highest number of enquiries received during the reporting period concerned stakeholder disclosure obligations and registration for funding and donations.

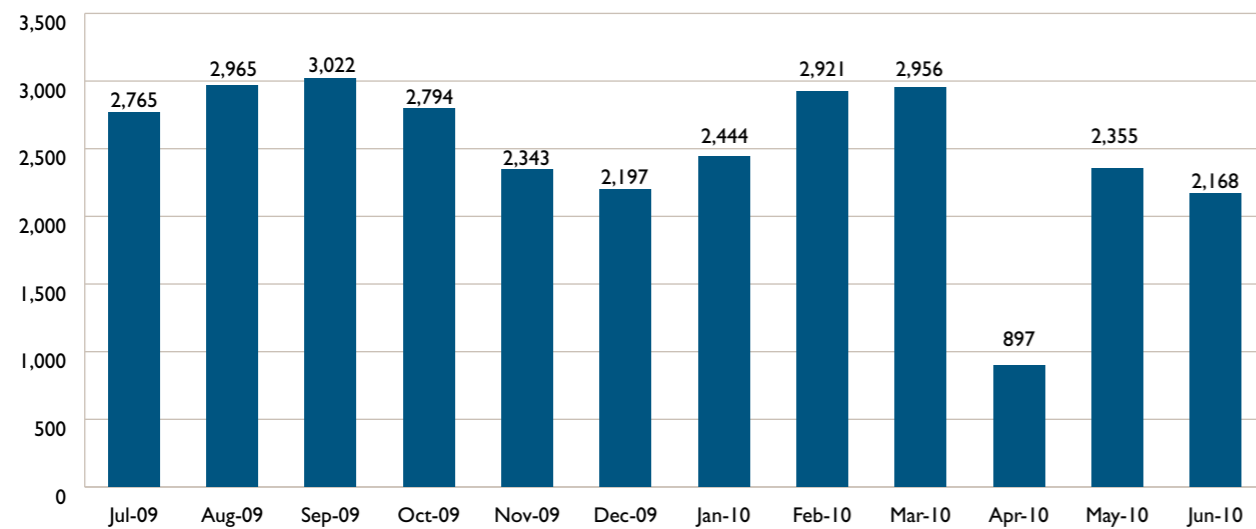
### Website

During the reporting year the EFA redeveloped its website to ensure that not only existing stakeholders but all potential political parties, candidates and elected members had information that was easy to access and understand.

The EFA upgraded the disclosure search function on the website with a new data tool to allow stakeholders to analyse published disclosure data.

The EFA also developed an online disclosure lodgement tool for political parties, candidates, groups, elected members and donors.

100% of lodged disclosures were published by the EFA on its website in 2009/10.



Graph 1: Number of Visitors to the EFA Website 2009 – 10

The following improvements were also made to the EFA website during the year:

- current election information for those wishing to become a candidate in a by-election;
- a dedicated page for the NSW State Election 2011; and
- official agent and party agent online training.

The EFA website was visited 29,827 times during the financial year by 18,822 unique visitors.

EFA website traffic was heaviest in September 2009, reflecting interest and publicity given to the *Election Funding and Disclosures Amendment (Property Developers Prohibition) Act 2009* and in August 2009 and February 2010, which were the months that disclosures were due for the preceding six month disclosure periods.

### Briefing sessions and reminder service

During the reporting year, the EFA continued to undertake briefing sessions to participants at State and Local Government by-elections. 16 briefing sessions were undertaken, including one for the State Penrith By-election.

A reminder service to all persons required to lodge a disclosure is now in place and alerts are sent to 1,500 councillors, Members of Parliament, political parties, candidates, groups and donors each six months advising them of their disclosure obligations prior to the lodgement date.

### Publications

The EFA publishes instructional guide books for use by political parties, groups, candidates, elected members and donors as identified in the *Election Funding and Disclosures Act 1981*. The publications explain their rights and responsibilities under the Act. They contain information on the correct manner to complete disclosure documents to be lodged with the EFA. The instructional guides are available on the EFA's website, [www.efa.nsw.gov.au](http://www.efa.nsw.gov.au).

The EFA undertook a comprehensive review of all handbooks and forms used by stakeholders tailoring information to parties, elected members, candidates, groups, and official agents and having particular regard to the amendments introduced in the *Election Funding Amendment (Political Donations and Expenditure) Act 2008*.

### Media Monitoring

The subject of political donations and expenditure is of interest and the disclosure scheme continues 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.

### Objectives

- The EFA has the staff, systems and processes to provide value for money for the people of NSW in accordance with government policy

### Performance

- New Director, Funding and Disclosure
- Five staff in Funding and Disclosure Branch

### Future

- Review of staffing to identify new administrative requirements
- Monitoring changes and research with other jurisdictions to keep abreast of latest funding, disclosure and education strategies



### Human Resources

Although staff members work on matters relevant to the EFA, they 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.

As a result of the increased funding and disclosure responsibilities under amended legislation, particularly a six monthly reporting regime, the NSWEC's structure provided increased administrative support to the EFA from 2008/09 including the support of two legal resources.

Mr Brian DeCelis was appointed Director, Funding and Disclosure on 19 October 2009.

### 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 pre-requisite 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 2009/10 NSWEC Annual Report.

### Occupational Health and Safety

The Occupational Health and Safety system incorporating the Return to Work Programme is managed by Human Resources at the NSWEC. Safety incidents, injuries and claims statistics are available in the NSWEC 2009/10 Annual Report.

## Equal Employment Opportunity

The NSWEC's Equal Employment Opportunity Management Plan for 2008 to 2011 seeks to recognise and eliminate possible sources of direct and indirect discrimination by identifying key result areas and actions required. More information is available in the 2009/10 NSWEC Annual Report.

## Protected Disclosures

The EFA received one disclosure under the *Protected Disclosures Act 1999* 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.

To this end, the EFA also developed an online disclosure function for political parties, candidates, groups, elected members and donors to avoid the unnecessary use of a paper based system.

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 identifies key reduction areas and resulted in improvements during the last reporting year.





## Research and Development – Council on Governmental Ethics Laws

The Council on Governmental Ethics Laws (COGEL) is a professional organisation for government agencies, organisations and individuals with responsibilities or interests in governmental ethics, elections, campaign finance, lobbying laws and freedom of information.

Whilst based in the United States, it is recognised as an international organisation with membership from countries including the United States, Australia, Canada, and the United Kingdom.

The COGEL annual conference is a unique opportunity for learning first-hand about challenges and successes in other electoral jurisdictions and for gaining insights into their legislation, operations and activities. It provides an invaluable opportunity to participate in forums in the areas of public disclosure, training, policy and legislative development, compliance and enforcement, lobbying, freedom of information and others.

An officer of the EFA attended the 2009 annual conference in Phoenix, Arizona from 6–9 December. The conference included a number of matters of direct interest and included the use of online reporting, compliance audits, donations and gifts, donors, availability of information reporting to the public and website effectiveness.

The conference also provided an opportunity to interact with other professional peers and learn first-hand about their challenges and successes in respect to advances in technology, ongoing government reform, emerging issues and how to address such issues, set goals and achieve successful administrative outcomes.

The opportunity was taken at the conference to meet one-on-one with representatives from both the New York and Canadian jurisdictions and explore issues presently confronting the EFA particularly in the areas of audit, donors and campaign finance management.

With the benefit of information and knowledge gained at the 2009 annual conference, the EFA has now developed a more user friendly website, developed an online facility for the lodgement of disclosures, redeveloped all publications available to stakeholders and prospective stakeholders, developed a “desktop” audit regime for all disclosures (apart from registered political parties) and developed a web based application for the interrogation of disclosure data lodged by stakeholders.

## 3 Corporate Governance

Governance	32
Risk Management	32
Legislative Compliance	33
Accountability	35



## Governance

The EFA contributes to an impartial electoral system by providing transparent, efficient and unbiased administration of public funding and disclosure legislation.

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

The NSW Electoral Commission 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 DeCelis.

During the 2009/10 year members of the EFA were:

### Colin Barry

Chairperson

### Steven D Lewis

Member appointed on the nomination of the Premier

### Edward P Pickering

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. Steven Lewis and Edward Pickering were appointed in November 2003 and were reappointed in November 2007 for an additional four year term.

The re-election of EFA members or new appointments will occur in 2011.

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

**Table 10: Meetings of the EFA 2009/10**

Meeting No	Date	Participants
124	2 September 2009	Colin Barry, Steven Lewis, James Longley (Alternate Member for Mr Pickering)
125	25 November 2009	Colin Barry, Edward Pickering, Steven Lewis
126	24 March 2010	Colin Barry, Edward Pickering, Steven Lewis
127	9 June 2010	Colin Barry, Edward Pickering, Steven Lewis

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 in the corporate and NSW State Election 2011 risk registers. These registers contain identified areas of potential risk, the probability of the risk occurring, potential impacts and the risk response strategy.

During the reporting year the NSWEC updated the NSWEC and EFA Risk Management Policy and Plan to be compliant with the AS/NZS ISO 31000:2009 risk management standard and Treasury guidelines. On 14 May 2010 the Audit and Risk Committee endorsed the policy and plan.

During the financial year NSW State Election 2011 Project Owners and Project Managers attended risk management workshops on risk identification, analysis and contingency planning and how to use the online risk reporting tool.

## 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.

The Audit and Risk Committee consisted of:

- Jim Mitchell, Chairman (1 July 2009 – 30 November 2009)
- Brian Suttor, Chairman (1 December 2009 – 30 June 2010)
- John Barbelor, Director of Corporate Services, City of Sydney Council
- Kathleen Haddock, former Returning Officer.

Internal Audits for the EFA completed during 2009/10 included a review of systems to administer electoral funding disclosures.

The NSWEC Legal Team provides high quality, impartial legal advice and assistance to the EFA and develops policy positions on appropriate legislative reforms.

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

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

During the reporting year, the legal team 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.

## Legislative Amendments

### *Election Funding Amendment (Political Donations and Expenditure) Act 2008*

Major reforms were introduced under the *Election Funding Amendment (Political Donations and Expenditure) Act 2008* which commenced in two stages – the majority of amendments commencing on 10 July 2008 and sections 96A, 96B, 96C and Part 6, Div 4 commencing on 1 August 2008. Details of the amendments were included in 2008/09 Annual Report.

### *Election Funding and Disclosures Amendment (Property Developers Prohibition) Act 2009*

The *Election Funding and Disclosures Amendment (Property Developers Prohibition) Act 2009* was introduced to prohibit political donations by property developers. The Act made it unlawful for:

- a property developer to make a political donation;
- a person to make a political donation on behalf of a property developer;
- a person to accept a political donation that was made (wholly or partly) by a property developer or by a person on behalf of a property developer;
- a property developer to solicit another person to make a political donation; and
- a person to solicit another person on behalf of a property developer to make a political donation.

### *Election Funding and Disclosures Amendment (Unendorsed Candidates) Regulation 2009*

Section 96B (6) (a) of the *Election Funding and Disclosures Act 1981* provides that any amount remaining in a campaign account after an elected member, group or candidate to whom the account belongs ceases to be an elected member, group or candidate and no longer requires the account is to be paid to any party of which the person was a member at the time the person last became an elected member or last contested an election to become an elected member.

The object of this Regulation is to provide that, if the elected member, group or candidate was a member of, but not endorsed by, a party at the time the person last became an elected member or last contested an election, the amount is not required to be paid to the party if the elected member does not want it to be. In such a case, the amount will be paid to a charity (in accordance with section 96B (6) (c) of the *Election Funding and Disclosures Act 1981*).

## Freedom of Information

Under the *Freedom of Information Act 1989* (FOI Act) the EFA must report the number of and outcome of FOI requests for the financial year.

The EFA received no FOI applications in the 2009/10 financial year, compared to one last year.

During the reporting year the EFA also made preparations for the commencement of the *Government Information (Public Access) Act 2009* (NSW) (GIPA Act) which replaced the *Freedom of Information Act 1989* (NSW) (FOI Act) on 1 July 2010.

Under the GIPA Act certain information is required by law to be available on our website, free of charge.

Work during the year consisted of reviewing and updating policies for publication and designing a 'right to information' website page with the required information.

## Public Access to Documents

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

- disclosures;
- claims for payment;
- associated papers lodged by parties, groups, candidates, elected members and political donors; and
- registers of candidates, official and party agents.

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

## Privacy

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

In June 2010 the NSWEC developed a revised Privacy Policy and Privacy Management Plan to address changes to electoral and election funding legislation.

The Privacy Policy and Privacy Management Plan details how the NSWEC and the EFA manage personal information collected to ensure compliance with the *Privacy and Personal Information Protection Act 1998* (PPIP Act) and the *Health Records and Information Privacy Act 2002* (HRIP Act) for the collection, use, disclosure and storage of personal information.

During the reporting year the EFA received no privacy related complaints.

## Feedback and Complaints

The EFA assesses its performance through stakeholder feedback, including enquiries, suggestions and complaints. A non election year always sees less stakeholder contact.

Complaints received about EFA services are referred to the NSWEC Complaints Coordinator. Complaints or allegations of illegal conduct by parties, candidates or NSWEC staff are referred to the Senior Legal Officer.

In the last financial year the EFA received four written complaints. All complaints were allegations that a person or persons had failed to disclose political donations or electoral expenditure. These complaints were referred to the Senior Legal Officer.

## Internal Review

In the 2009/10 the EFA Chairperson received no requests for review of an EFA complaint.

## Feedback and Complaints Policy

In June 2010 the EFA revised the Feedback and Complaints Policy and supporting mechanisms to ensure that all feedback received is handled in accordance with the NSW Ombudsman's complaints handling recommendations.

This has resulted in a number of improvements to the complaints handling process at the EFA, including the introduction of an online feedback form on the EFA website. All complaints are logged into a centralised complaints database and information used to improve services at the EFA.

## Case Study: Submission to the Joint Standing Committee on Electoral Matters concerning the Election Funding and Disclosures Act 1981

In December 2009 the former Premier the Hon. Nathan Rees MP referred a range of matters to be considered by the Joint Standing Committee on Electoral Matters.

Whilst the inquiry mainly addressed the public funding of election campaigns in New South Wales, the terms of reference allowed a range of issues to be addressed.

The EFA was pleased to have the opportunity to make a submission to the Committee and give evidence on the full range of matters under consideration.

The Committee adopted four guiding principles proposed by the Chairperson of the EFA against which various options, models and suggestions could be measured. These four principles were:

1. Protecting the integrity of representative Government;
2. Promoting fairness in politics;
3. Supporting parties to reform their functions; and
4. Respect for political freedoms.

A total of 30 submissions were received by the Committee, including a number from academics given the constitutional issues required to be considered as part of the inquiry. A total of 23 witnesses attended the hearings conducted by the Committee.

The report of the Committee titled "Public Funding of Election Campaigns" was handed down in March 2010 and contained 51 recommendations that the Committee envisaged would "guide the development of a substantially fairer, more robust funding and disclosure regime in NSW".

Key recommendations included:

- a cap on all donations from individuals set at \$2,000 per political party, group or independent candidate per year;
- donations to be received only from donors who are on the NSW or Australian electoral roll;
- a cap on all donations from entities, set at \$2,000 per political party, group or independent candidate per financial year;
- limits on which type of entities can make a political donation; and
- that the Premier introduce caps on expenditure for political parties, candidates and groups contesting State General elections.

In response to the Committee Report the EFA has recommended to the Government to develop legislation that ensures that NSW not only continues to have the most transparent and comprehensive disclosure provisions of all Australian electoral jurisdictions but strengthens those provisions associated with compliance and enforcement.

## Challenges and 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 operational and organisational improvements:

- responsibilities relating to the NSW State Election 2011, and if they arise, State by-elections and Local Government by-elections;
- implementation of any new or amended legislation arising from the report released in March 2010 by the Joint Standing Committee on Electoral Matters in relation to public funding of election campaigns;
- development of strategies to assist and support candidates, groups and elected members to manage campaign finances consistent with legislative requirements and, in particular, reporting obligations;
- development of a media and campaign strategy for parties, groups, candidates and donors for the NSW State Election 2011;
- maximise the use of the website in order to enhance the accessibility and navigation of key information and content particularly in connection with the NSW State Election 2011;

- continuing development of the compliance audit programme based on the number and type of non-compliances, cycle of audit programme with regard to campaigns associated with the next State General election and high risk disclosures with the greatest expenditures and donations;
- an ongoing focus on the key results areas set out in the EFA's Corporate Plan and a continued focus on the challenges associated with a system of unbiased public funding and open disclosure of campaign donations at all NSW elections;
- a review of the structure of the Funding and Disclosure Branch of the NSWEC to allow for any identified shift in administrative requirements for funding, disclosure and compliance matters;
- continued review and development of reporting processes to facilitate effective user friendly online arrangements for disclosures; and
- monitoring changes across Australian (and international) election funding legislation and administration including communication and contact with other jurisdictions to keep abreast of funding, disclosure and education strategies in other jurisdictions.

## 4 Financial Performance

Financial Summary	40
Statement by Members of the Election Funding Authority	41
Independent Auditor's Report	42
Audited Financial Statements	44

## Financial Summary

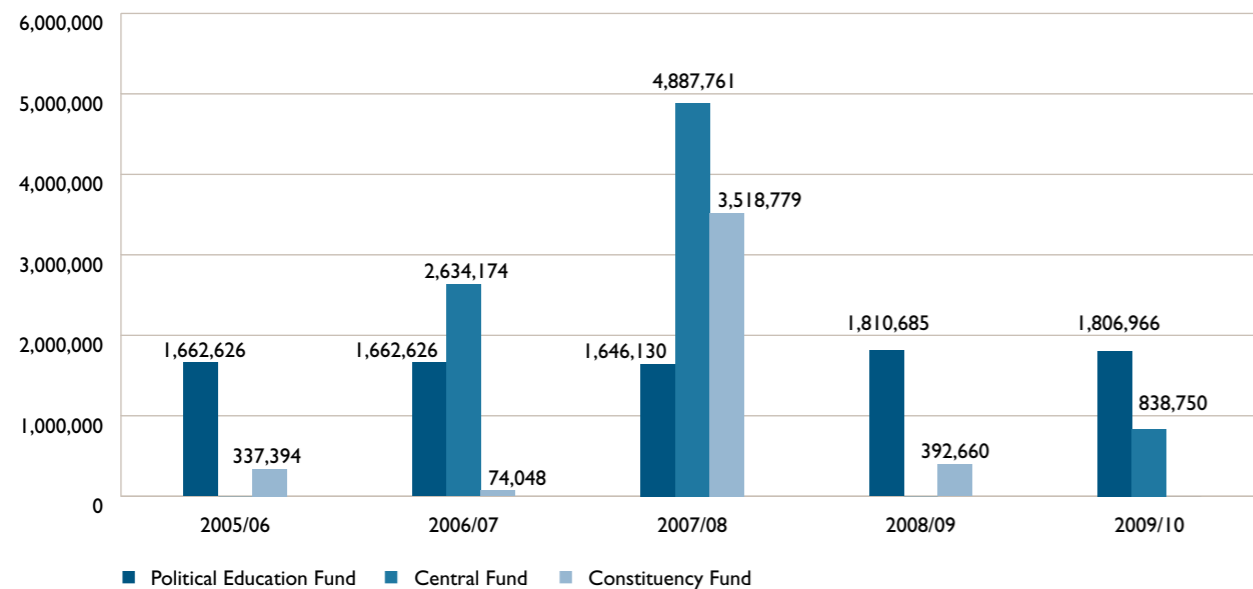
The financial statements of the EFA are prepared in accordance with the *Public Finance and Audit Act 1983*. The Auditor-General's Certificate in relation to these statements, together with a detailed budget of the EFA for the financial year, are included in this report.

Funds are provided in a transfer payment from the NSWEC. Payments to political parties in 2009/10 are in relation to the NSW State Election 2011. The EFA's expenses are detailed below.

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 and Disclosures Act 1981* provides for public funding of Parliamentary election campaigns and for the Political Education Fund. The EFA has no employees, nor does it own or control any non-current assets. There are no known contingent assets or liabilities as at 30 June 2010.

**Table 11: EFA Expenses 2009 – 2010**

EXPENSE	2008/09 \$	2009/10 \$
Operating expenses	–	–
• Employee related	–	–
• Other operating expenses	–	–
Depreciation and amortisation	–	–
Other expenses	–	–
Payments to candidates, groups and parties	392,660	838,750
Political Education Fund	1,810,685	1,806,966
<b>Total Expenses</b>	<b>2,203,345</b>	<b>2,645,716</b>



**Graph 2: EFA Expenditure 2006 – 2010**

## Statement by Members of the Election Funding Authority

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

- The accompanying financial report exhibits a true and fair view of the financial position of the Election Funding Authority as at 30 June 2010 and transactions for the year then ended;
- The report has been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, and Public Finance and Audit Regulation 2010 and the Treasurer's Directions; and
- There are no circumstances which would render any particulars included in the financial report to be misleading or inaccurate.

*Colin Barry*

Colin Barry  
Chairperson  
24 September 2010



GPO BOX 17  
SYDNEY NSW 2001

**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 Electoral Funding Authority of New South Wales (the Authority), which comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

**Auditor's Opinion**

In my opinion, the financial statements:

- present fairly, in all material respects, the financial position of the Authority as at 30 June 2010, and its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- 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 Authority's Head's Responsibility for the Financial Statements**

The Chairperson is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**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. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 controls relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chairperson, as well as evaluating the overall presentation of the financial statements.

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

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 controls.

**Independence**

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. 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 role by the possibility of losing clients or income.

A T Whitfield  
Acting Auditor-General

29 September 2010  
SYDNEY

## Statement of Comprehensive Income

for the year ended 30 June 2010

	Notes	Actual 2010 \$	Actual 2009 \$
<b>Revenue</b>			
Consolidated Fund: (Specially appropriated under the <i>Election Funding and Disclosure Act 1981</i> )			
Payments to candidates, groups and parties		838,750	392,660
Political education fund		1,806,966	1,810,685
<b>Total revenue</b>		<b>2,645,716</b>	<b>2,203,345</b>
<b>Expenses</b>			
General Election payments	2(a)	838,750	392,660
Payments to political parties from Political Education Fund	2(b)	1,806,966	1,810,685
<b>Total expenses</b>		<b>2,645,716</b>	<b>2,203,345</b>
Surplus/(Deficit) for the Year		–	–
<b>Other Comprehensive Income</b>		–	–
<b>Total Comprehensive Income for the Year</b>		–	–

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

for the year ended 30 June 2010

	Notes	Accumulated Funds \$'000	Total \$'000
<b>Balance at 1 July 2009</b>		–	–
Surplus for the year		–	–
<b>Total other comprehensive income</b>		–	–
<b>Total comprehensive income for the year</b>		–	–
<b>Balance at 30 June 2010</b>		–	–
<b>Balance at 1 July 2008</b>		–	–
Surplus for the year		–	–
<b>Total other comprehensive income</b>		–	–
<b>Total comprehensive income for the year</b>		–	–
<b>Balance at 30 June 2009</b>		–	–

The accompanying notes form part of these financial statements.



## Statement of Financial Position

	Notes	Actual 2010 \$'000	Actual 2009 \$'000
<b>Current Assets</b>			
Total current assets		–	–
<b>Total assets</b>		–	–
<b>Current liabilities</b>			
Total current liabilities		–	–
<b>Total Liabilities</b>		–	–
<b>Net Assets</b>		–	–
<b>Equity</b>			
Total equity		–	–

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

for the year ended 30 June 2010

	Notes	Actual 2010 \$	Actual 2009 \$
<b>Cash Flows from Operating Activities</b>			
<b>Payments</b>			
Payments to candidates, groups and parties		(838,750)	(392,660)
Political Education Fund		(1,806,966)	(1,810,685)
<b>Cash Flows From Government</b>			
Consolidated Fund receipts via NSW Electoral Commission		2,645,716	2,203,345
<b>Cash Flows From Operating Activities</b>	5	–	–
<b>Net change in cash from Operating Activities</b>		–	–
Opening cash and cash equivalents		–	–
<b>Closing cash and cash equivalents</b>		–	–

The accompanying notes form part of these financial statements.

## I. Summary of Significant Accounting Policies

### (a) Reporting entity

The Election Funding Authority of New South Wales (EFA) is a New South Wales (NSW) Statutory authority. 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.

The *Election Funding Act 1981* provides for the public funding of Parliamentary election campaigns and for the Political Education Fund.

Payments from the Central Fund are to eligible candidates, groups and parties at a general election contesting election to the Legislative Council of New South Wales. Payments from the Constituency Fund are to eligible candidates and parties at a general election contesting election to the Legislative Assembly of New South Wales. Payments from the by-election Constituency Fund are to eligible candidates and parties at a by-election contesting election to the Legislative Assembly of New South Wales.

As amended, the *Election Funding Act 1981* provides for the establishment of a Political Education Fund from which eligible registered parties are entitled to receive annual payments for the purposes of political education.

This financial report for the year ended 30 June 2010 has been authorised for issue by the Chairperson on 24 September 2010.

### (b) Basis of Preparation

The EFA's financial report is a general purpose financial report which has been prepared on in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations); and
- the requirements of the *Public Finance and Audit Act 1983* and Regulation.

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

All amounts are rounded to the nearest dollar and are expressed in Australian currency.

### (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. 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 and Disclosures Act 1981* are received by way of transfer payment from the NSW Electoral Commission.

### (e) Expense Recognition

The EFA makes payments from the Constituency Fund and Central Fund 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 and this documentation. This documentation includes invoices incurred for electoral expenditure to substantiate the level of claim.
- 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 recovered from the NSW Electoral Commission.

### (f) Assets Recognition

The Authority has no employees, nor does it own or control any non-current assets.

### (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) New Australian Accounting Standards issued but not effective

The following new Accounting Standards have not been applied and are not yet effective as mandated by the Treasurer. The possible impact of the Standards in the period of initial application is not able to be reliably measured.

AASB 1 First-time Adoption of Australian Accounting Standards (Compiled Feb 2010)

AASB 101 Presentation of Financial Statements (Compiled Jun 2009)

AASB 107 Statement of Cash Flows (Compiled Jun 2009)

AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors (Compiled Dec 2009)

AASB 110 Events after the Reporting Period (Compiled Dec 2009)

AASB 118 Revenue (Compiled May 2009)

AASB 124 Related Party Disclosures (Compiled Dec 2009)

AASB 137 Provisions, Contingent Liabilities and Contingent Assets (Compiled Dec 2009)

AASB 1031 Materiality (Compiled Dec 2009)

### (i) Adoption of New and Revised Accounting Standards/Interpretation

- AASB 9 and AASB 2009-11 regarding financial instruments

## Notes to the Financial Statements

for the year ended 30 June 2010

### 2. Expense

#### (a) General Election Payments

	2010 \$	2009 \$
Central Fund:		
Payments to Political Parties	838,750	–
<b>Constituency Fund:</b>		
Payments to Candidates	–	392,660
<b>Total General Election Payments</b>	<b>838,750</b>	<b>392,660</b>

Registered political parties who were entitled to receive funding for the 2007 State Election are permitted under section 69 of the *Election Funding and Disclosure Act 1981* to receive an advance payment on their entitlement for funding for the 2011 State Election.

Payments to political parties in 2009 and 2010 Financial Years are in relation to the 2011 State General Election.

	\$
<b>Payments to Political Parties</b>	
Australian Labor Party (NSW Branch)	–
Liberal Party of Australia New South Wales Division	599,221
National Party of Australia–NSW	–
The Greens	239,529
Christian Democratic Party (Fred Nile Group)	–
The Shooters Party	–
<b>Total Payments to Political Parties in relation to the 2011 State General Election</b>	<b>838,750</b>

## Notes to the Financial Statements

for the year ended 30 June 2010

### 2. Expense

#### (b) Payments to political parties from Political Education Fund

	2010 \$	2009 \$
Australian Labor Party (NSW Branch)	761,613	761,613
Liberal Party of Australia New South Wales Division	583,693	583,693
Christian Democratic Party (Fred Nile Group)	49,804	53,523
National Party of Australia–NSW	217,813	217,813
The Greens	194,043	194,043
<b>Total Payments to Political Parties from Political Education Fund</b>	<b>1,806,966</b>	<b>1,810,685</b>

All transactions are conducted through the NSW Electoral Commission's accounting framework. Within this framework, employee related expenses of \$888,983 (\$969,541 in 2009) and other operating expenses of \$237,272 (\$963,309 in 2009) are recognised as attribute to the EFA. In the 2009 Financial Year, amendments to the *Election Funding and Disclosures Act 1981* were implemented, important piece of legislation introduced by the government to increase the transparency and accountability of election campaign finance.

### 3. Contingent Assets and Liabilities

There are no known contingent assets or liabilities at balance date (Nil at 30 June 2009).

### 4. Commitments

The Authority has no contractual commitments or any operating or finance leases (Nil at 30 June 2009).

# Notes to the Financial Statements

for the year ended 30 June 2010

## 5. Reconciliation of Net Cash Provided by Operating Activities to Operating Surplus

	2010 \$	2009 \$
Operating surplus/(deficit)	–	–
Net Cash From Operating Activities	–	–

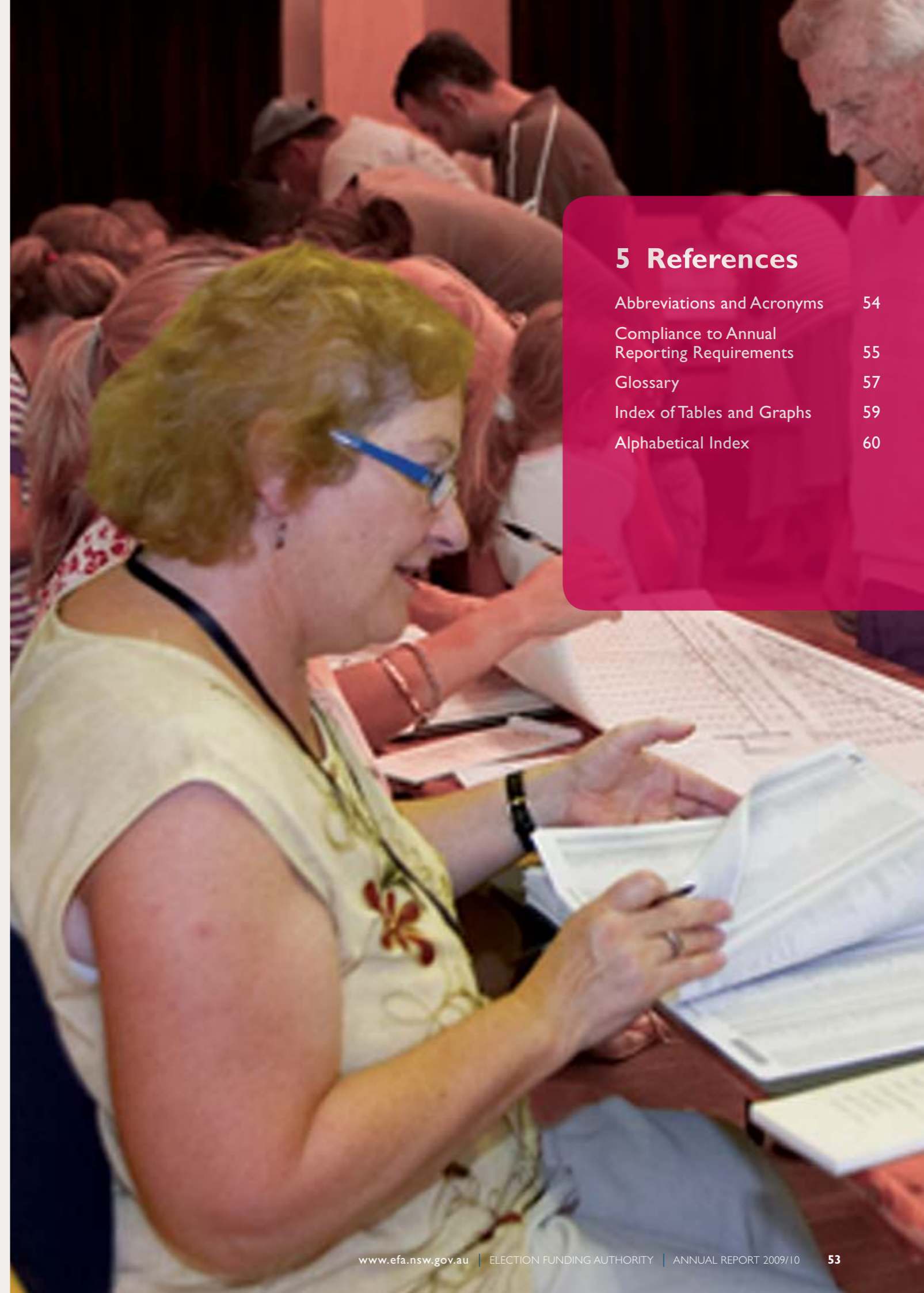
## 6. After Balance Date Events

There are no events subsequent to balance date which affect the financial statements.

End of audited financial statements

## 5 References

Abbreviations and Acronyms	54
Compliance to Annual Reporting Requirements	55
Glossary	57
Index of Tables and Graphs	59
Alphabetical Index	60



## Abbreviations and Acronyms

AEC	Australian Electoral Commission
COGEL	Council on Governmental Ethics Laws
DVE	Declaration Vote Envelope
ECA	Electoral Council of Australia
EC	Electoral Commissioner
EEO	Equal Employment Opportunity
EFA	Election Funding Authority
EEC	Elector Enquiry Centre
FOI	Freedom of Information
GIPA	<i>Government Information (Public Access) Act 2010</i>
JRA	Joint Roll Arrangement
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
NSWEC	New South Wales Electoral Commission
OHS	Occupational Health and Safety
PMO	Programme Management Office
PPIPA	<i>Privacy and Personal Information Act 1998</i>
PPRS	Political Party Registration System
PRCC	Proportional Representation Count Centre
RPP	Registered Political Parties
SES	Senior Executive Service
SGE	State General election
SLO	Senior Legal Officer
STEC	State and Territories Electoral Commissioners
VTR	Virtual Tally Room

## Compliance to Annual Reporting Requirements

Under the *Annual Reports Act 1985*, the Annual Reports Regulation 2005 and various Treasury Circulars, the EFA is required to include information on the topics in the table below.

Annual Reporting Requirement	Page Number and Comments
Letter of Submission	Inside front cover
Particulars of 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"> <li>Names of principal officers</li> <li>Organisational chart indicating functional responsibilities</li> </ul>	9
Summary Review of Operations	6
Funds granted to non-government Community Organisations	The EFA does not grant funds of this kind.
Legal Change	33
Economic or Other Factors	N/A
Management & Activities	9–30
Research and Development	30
Human Resources	Staff members who work on matters related to the EFA are employed by the NSWEC. Human resource details appear in the NSWEC 2009/10 Annual Report.
Consultants	The EFA did not use any consultants during the reporting period.
Equal Employment Opportunity	Staff members who work on matters related to the EFA are employed by the NSWEC. The NSWEC is required to report on EEO on a triennial basis. The NSWEC last reported on EEO in 2008/09.
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. The NSWEC last reported on Disability Plans in 2008/09.
Promotion – Overseas Visits	30
Consumer Response (complaints)	36
Payment of Accounts	All transactions are conducted through the NSWEC's accounting framework.
Time for Payment of Accounts	As above
Risk Management and Insurance Activities	Appears in the NSWEC 2009/10 Annual Report.
Internal Audit and Risk Management Policy Attestation	Appears in the NSWEC 2009/10 Annual Report.
Disclosure of Controlled Entities	The EFA has no controlled entities.
Disclosure of Subsidiaries	The EFA has no subsidiaries.

Annual Reporting Requirement	Page Number and Comments
Multicultural Policies and Services Program (formerly EAPS)	Details of the Multicultural Policies and Services Program are set out in the NSWEC 2009/10 Annual Report.
Agreement with the Community Relations Commission	Not applicable
Occupational Health and Safety	OHS is managed by the Human Resources division of the NSWEC. Details appear in the NSWEC 2009/10 Annual Report.
Waste	28
Financial Statements	44
Identification of Audited Financial Statements	42
Inclusion of Unaudited Financial Statements	Not applicable
Additional Matters – Compliance with the <i>Privacy and Personal Information and Protection Act 1998</i>	35
Additional Matters – copy of amendments made to Code of Conduct	Details appear in the NSWEC 2009/10 Annual Report.
Additional Matters – matters arising since July 2010 having a significant effect on operations or communities we serve.	No additional matters had a significant effect on operations or stakeholders.
Additional Matters – total external costs in the production of this report.	Total external costs were \$2,244.00 for printing.
Additional Matters – is the report available in non printed formats?	Yes
Additional Matters – is the report available on the internet?	Yes, at <a href="http://www.efa.nsw.gov.au">www.efa.nsw.gov.au</a>
Performance and number of Executive Officers	There are no SES positions at the EFA.
Freedom of Information Act	35
Implementation of Price Determination	Not applicable
Heritage Management	Not applicable
Electronic Service Delivery	28
Credit Card Certification	The EFA does not hold any credit cards.
Requirements Arising from Employment Arrangements	Not applicable

## Absolute majority

More than 50% of the total formal vote.

## Australian Electoral Commission (AEC)

The organisation responsible for conducting Federal elections, referendums and maintaining the Commonwealth electoral roll.

## By-election

An election held to fill a casual vacancy.

## Candidate

A person who nominates for an election to Parliament or to a council.

## Casual vacancy

A vacancy in an electoral district, usually caused by retirement, death or resignation of the Member for that district.

## Coalition

A combination of two or more parties in Parliament, usually to form the Government or Opposition.

## Constitution

A statement of the fundamental laws governing a State. The NSW Constitution is embodied in an Act of Parliament. It establishes the framework for the system of government in the State, eg two Houses of Parliament.

## Court of Disputed Returns

The Supreme Court sits as the Court of Disputed Returns to hear petitions challenging the validity of a State election.

## District

For the Legislative Assembly, the State is divided into 93 geographical areas containing approximately equal numbers of voters. Each of these is a district. For the Legislative Council, the district is the whole State.

## Division

Geographical area containing approximately equal numbers of voters as defined for Federal electoral purposes.

## Election

Selection by vote of a person or persons to hold political office.

## Election Funding Authority (EFA)

The Election Funding Authority is the statutory body responsible for administering the provisions of the *Election Funding and Disclosures Act 1981*. It is made up of the Electoral Commissioner as Chair, a member appointed on the nomination of the Premier, and a member appointed on the nomination of the Leader of the Opposition.

## Elector

A person who is entitled to vote at an election.

## Electoral Commissioner

The statutory officer appointed to manage the conduct of State General and other elections.

## Electoral district

One of the 93 Legislative Assembly electorates.

## Electoral Offence

A breach of electoral law as specified in the *Parliamentary Electorates and Elections Act 1912* or regulations.

## Electorate

The population of electors or the region in which electors live. Electorates have clearly defined boundaries which are shown on electoral district maps.

## Federal Government

At Federation in 1901, the States handed over certain powers to the central or Federal Government for administration on an Australia wide basis, while reserving other functions for State Government responsibility.

## General Election

In NSW, general elections are held for all Legislative Assembly seats (93), and half of the seats in the Legislative Council (21) every four years.

## Independent

A candidate for election to, or a Member of Parliament who is not a member of a political party.

## Legislative Assembly

The Lower House of Parliament in NSW. It consists of 93 members, one elected for each electoral district.

## Legislative Council

The Upper House of Parliament in NSW. It has 42 Members elected for an eight year term, half of whom are elected at each NSW State General election.

## Mandate

The support or commission given to a government and its policies through an electoral victory.

## Marginal Seat

A seat held by a Member of Parliament with a small majority of votes.

## Members of Parliament

All representatives elected by the people to serve them in Parliament.

## New South Wales Electoral Commission (NSWEC)

The NSW Government agency responsible for the conduct of State General, Local Government, industrial, statutory and other miscellaneous elections.

## Nomination

The process by which a person applies to become a candidate for election.

## Opposition

The party or parties which do not hold sufficient seats in Parliament to lead a government.

## Parliament

The legislative body, consisting of the elected representatives of the people, which determines the laws governing the nation or State. The candidates or political party holding the majority of seats form the Government.

## Political party

An organised group with a common political philosophy which seeks to win and retain public office for itself and its leaders. Party organisations support or endorse candidates for elections who, if elected, usually vote as a group for their policies in Parliament. The party with the greatest numbers in Parliament forms the government.

## Preferential Vote

A vote for all candidates in order of preference. Preferences of candidates with the least number of votes are then distributed, until one candidate has sufficient votes to be elected. This system of vote counting is used in the Legislative Assembly elections where a candidate needs an absolute majority to be elected.

## Proportional Representation

A system of voting designed to elect representatives in proportion to the amount of support each has in the electorate. This system of voting is used in the Legislative Council elections.

## Quota

The proportion or percentage of votes required by a candidate to be elected to the Legislative Council.

## Return of Writs

When the election results have been determined, the Writs are returned to the Governor with the name(s) of the successful candidate(s) added.

## Seat

A seat in Parliament held by an elected Member or the Member's electoral district.

## Term

The length of time a Parliament may sit before having to call an election. NSW has fixed four-year terms.

Table 1: Key Quantitative Results for EFA Activities	6
Table 2: EFA Corporate Plan Results Indicators—Performance	10
Table 3: Advance Payments for the NSW State Election 2011	14
Table 4: Constituency Fund for the Penrith State By-election 19 June 2010	16
Table 5: Political Education Fund Payments and Distribution 2008–2010	16
Table 6: Summary Report of Donations Received and Expenditure Incurred by Registered Political Parties for the Reporting Period 01/01/2009–30/06/2009	18
Table 7: Summary Report of Donations Received and Expenditure Incurred by Registered Political Parties for the Reporting Period 01/07/2009–31/12/2009	20
Table 8: Referrals to the Crown Solicitor for the Disclosure Period Ending 30 June 2009	23
Table 9: Referrals to the Crown Solicitor for the Disclosure Period Ending 31 December 2009	23
Table 10: Meetings of the EFA 2009/10	32
Table 11: EFA Expenses 2009–2010	40
Graph 1: Number of Visitors to the EFA Website 2009/10	26
Graph 2: EFA Expenditure 2006–2010	40

# Alphabetical Index

## A

accountability—35  
advance payment—6, 14  
AEC—54, 57  
agent—6, 12, 13, 25  
alternate members—9  
Audit and Risk Committee—32, 33  
Australian Democrats—15, 20  
Australian Labor Party—15, 16, 18, 20

## B

briefing sessions—6, 26

## C

Central Fund—6, 14, 16  
Charter—5, 55  
Christian Democratic Party—15, 16, 18, 20  
communications—25, 27  
complaints—22, 35, 55  
compliance—4, 7, 22, 23, 35, 36, 37  
compliance audit programme—7, 22, 37  
Constituency Fund—14, 15  
corporate governance—33  
Corporate Plan—10, 24, 37  
Council on Governmental Ethics Laws—29  
Crown Solicitor—6, 7, 10, 22, 23, 24

## D

Director, Funding and Disclosure—27  
disclosures—5, 6, 13, 18, 20, 21, 24  
donations—5, 8, 10, 12, 18, 20, 24, 25, 26, 33, 35, 36, 37  
donor—6, 18

## E

Education—5, 6, 8, 10, 16  
EFA Mission—1, 5  
*Election Funding and Disclosures Act 1981*—4, 5, 6, 8, 13, 16, 24, 26, 33, 34, 35, 36, 40, 57  
Election Funding Authority—1, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 18, 20, 22, 23, 24, 25, 26, 27, 28, 31, 32, 33, 35, 36, 37, 39, 40, 41, 54, 55, 56, 57  
Electoral Commissioner—9, 32, 57, 58  
entitlements—14  
expenditure—5, 8, 10, 12, 13, 14, 18, 20, 24, 26, 35, 36

## F

feedback—26, 35  
financial performance—39  
Freedom of Information—34, 54, 56  
funding entitlements—14

## G

glossary—57  
governance—33  
Governor—9  
Greens—14, 16, 18, 19, 20, 21

## I

information technology—27  
inquiry—4, 7, 36  
Joint Standing Committee on Electoral Matters—4, 7, 36, 37, 54

## K

key result areas—28

## L

legal—10, 27, 28, 33  
Liberal Party of Australia—14, 15, 16, 18, 20  
Local Government by-elections—6, 12, 26, 37  
Local Government elections—4, 6, 12, 14, 26  
lodgement—7, 22, 24

## M

Members of Parliament—8, 26, 58

## N

non-compliance—7, 22, 23, 37  
NSW Electoral Commission—9, 32, 33, 55  
NSW Ombudsman—35  
NSW State Election 2011—6, 13, 14, 32, 37, 40

## O

Occupational Health and Safety—56  
official agent—6, 12, 13, 25, 26  
online training—6, 12, 25

## P

party agents—6, 8, 12, 24, 34  
Penrith State By-election—6, 12, 14, 15  
personal information—28, 35  
Political Education Fund—5, 6, 8, 10, 14, 16, 40  
Premier—1, 4, 9, 32, 36, 57  
privacy—28, 35, 54, 56  
prosecution—6, 10, 22, 24  
protected disclosure—28  
publications—4, 26

## R

reforms—6, 33  
registered political parties—14, 16, 18, 20  
registers—13, 34  
registration—6, 8, 13, 25  
research—30  
Results and Services—10  
Results Indicators—10, 24  
risk management—32

## S

State by-election—12, 13, 14, 15, 37  
State General election—8, 9, 14, 16, 37, 54

## W

website—4, 7, 18, 20, 25, 26, 34, 35, 37, 62

## Election Funding Authority

**Address:** Level 25, 201 Kent Street, Sydney  
NSW 2000 Australia

**Postal:** GPO Box 832,  
Sydney NSW 2001 Australia

**Telephone:** +61 2 9290 5999

**Fax:** +61 2 9290 5991

**Website:** [www.efa.nsw.gov.au](http://www.efa.nsw.gov.au)

**Office hours:** Monday–Friday, 9.00am–5.00pm