

DECLARATION

STEP 1 Party name:

Party secretary name:

ELECTORAL COMMISSION
21 FEB 2018
RECEIVED

STEP 2 ELECTION EXPENSES LIMIT FOR THE PARTY

Did you contest the party vote?
Answer **YES** or **NO** 'YES' = \$1,115,000

Number of electorate candidates for the party Number \$26,200

Expenditure limit (incl GST) **Total**

STEP 3 TOTAL PARTY ELECTION EXPENSES

Part A: Party advertisements promoted solely by the party

Part B: Party advertisements shared with candidates or other parties

Part C: Authorised party advertisements promoted by third parties

Total (A + B + C)

STEP 4 PARTY BROADCASTING ALLOCATION

TOTAL ALLOCATION TO THE PARTY:

WRITE 'NIL' if the party did not receive a broadcasting allocation under the Broadcasting Act

STEP 5 TOTAL PARTY ALLOCATION EXPENSES

Part D: Party only allocation expenses

Part E: Party and candidate shared allocation expenses

Part F: Candidate only allocation expenses

Total (D + E + F)

STEP 6 I declare that to the best of my knowledge this return, filed pursuant to sections 206I and 206IA of the Electoral Act 1993, is an accurate record of the party's election expenses and the party's allocation expenses for the 2017 general election, and any allocation received has only been used for purposes permitted under section 80A of the Broadcasting Act 1989.

SIGNATURE

A Leitch

DATE: DD / MM / YYYY

07/02/2018

COMPLETING THE RETURN

You can complete the return electronically or by hand. If you complete the form electronically each part will be automatically added up for you, as well as the totals on this page of the return. Where the form has been completed electronically you need to print the return before the declaration at step 6 is completed.

CHECKLIST

Steps 1, 2 and 4 completed on this page ☒

Parts A to C (step 3) completed ☒

Parts D to F (step 5) completed if party received a broadcasting allocation ☒

Party secretary signed and dated the return ☒

All relevant supporting documentation supplied to auditor ☒

Auditor stamped or initialled the front page ☒

Auditor's report enclosed ☒

Representation letter enclosed, if used ☒

FILING THE RETURN

The return must be received by the Electoral Commission by **5pm, 21 February 2018** (within 90 working days of election day). A party secretary who fails to comply with these requirements commits an offence and may be referred to the Police.

The return can be filed:

- by post to PO Box 3220, Wellington 6140
- delivered to Level 10, 34-42 Manners Street, Wellington
- by email to: enquiries@elections.govt.nz

Reminder: the returns are open to public inspection and will be published on www.elections.org.nz.

Further information on party expenses is available in the **Party Secretary Handbook - General Election 2017**.

AUDITOR

Auditor stamp or initial

INTEGRITY/AUDIT

AL

PART A: ELECTION ADVERTISEMENTS SOLELY PROMOTING THE PARTY

In this part you should record all election expenses incurred in relation to party advertisements published, or continued to be published, during the regulated period for the general election (**23 June to 22 September 2017**) solely promoting the party.

For advertisements published both before and during the regulated period you should apportion the costs so that only a fair proportion of the expenses are attributed to being incurred during the regulated period. Only record the amount attributable to the regulated period in the return.

Disclose the total amount incurred on election advertisements published during the regulated period even if payment for the advertising was made outside of the regulated period.

Election expenses include:

- the costs incurred in the preparation, design, composition, printing, postage and publication of the advertisement, and
- the reasonable market value of any material used or applied towards the advertisement provided to the party for free or below reasonable market value.

Further guidance is available in the **Party Secretary Handbook – General Election 2017**.

WRITE 'NIL' IF YOU HAVE NO EXPENSES TO DECLARE HERE:

TOTAL FOR PART A

\$13,335.64

Item description

Provide details of the type of advertisement, name of advertiser or supplier, volume, duration and size as appropriate

Value \$0.00
(inc GST)

[illegible]

INTEGRITY/AUDIT

and

Provide details of the type of advertisement, name of advertiser or supplier, volume, duration and size as appropriate

Item description
Provide details of the type of advertisement, name of advertiser or supplier, volume, duration and size as appropriate

Item description
Provide details of the type of advertisement, name of advertiser or supplier, volume, duration and size as appropriate

**Value \$0.00
(inc GST)**

Provide details of the type of advertisement, name of advertiser or supplier, volume, duration and size as appropriate

Item description
Provide details of the type of advertisement, name of advertiser or supplier, volume, duration and size as appropriate

Item description
Provide details of the type of advertisement, name of advertiser or supplier, volume, duration and size as appropriate

**Value \$0.00
(inc GST)**

INTEGRITY AUDIT

and

Provide details of the type of advertisement, name of advertiser or supplier,
volume, duration and size as appropriate

**Value \$0.00
(inc GST)**

ant

In this part you should record all election expenses incurred in relation to election advertisements published, or continued to be published, during the regulated period for the general election (**23 June to 22 September 2017**) promoting the party and one or more candidates or parties.

Apportionment is permitted between the party and a candidate(s) or other party(ies). Where an expense item has been apportioned between the party and candidate(s) or party(ies), record the total cost of the advertisement and the share apportioned to the party based on coverage. You should ensure there is a consistent description and approach to apportionment in each return of election expenses. Record the name of the candidate(s) or other party(ies) featured in the advertising in the item description.

For advertisements published both before and during the regulated period you should apportion the costs so that only a fair proportion of the expenses are

attributed to being incurred during the regulated period. Only record the amount attributable to the regulated period in the return.

Disclose the total amount incurred on election advertisements published during the regulated period even if payment for the advertising was made outside of the regulated period.

Election expenses include:

- the costs incurred in the preparation, design, composition, printing, postage and publication of the advertisement, and
- the reasonable market value of any material used or applied towards the advertisement provided to the party for free or below reasonable market value.

Further guidance is available in the **Party Secretary Handbook – General Election 2017**.

WRITE 'NIL' IF YOU HAVE NO EXPENSES TO DECLARE HERE:

TOTAL FOR PART B

\$426.09

INTEGRITY/AUDIT

all

Provide details of the type of advertisement, name of advertiser or supplier, volume, duration and size as appropriate as well as name of candidate(s) and any other party featured in the advertising

Including preparation
design, composition,
printing, publishing
and postage

Value \$0.00
(inc GST)

all

PART C: AUTHORISED PARTY ADVERTISEMENTS PROMOTED BY A THIRD PARTY PROMOTER

In this part you should record all election expenses incurred in relation to party advertisements promoted by a third party promoter with your written authorisation and published, or that continued to be published, during the regulated period for the general election (23 June to 22 September 2017). Expenses cannot be apportioned with third party promoters. If you authorise someone else to publish advertising encouraging people to vote for the party, the cost of the advertising will be a party election expense and the same costs will also be an election expense of the third party. Record the name of the third party promoter in the item description.

For advertisements published both before and during the regulated period you should apportion the costs so that only a fair proportion of the expenses are attributed to being incurred during the regulated period. Only record the amount attributable to the regulated period in the return.

Disclose the total amount incurred on election advertisements published during the regulated period even if payment for the advertising was made outside of the regulated period.

Election expenses include:

- the costs incurred in the preparation, design, composition, printing, postage and publication of the advertisement, and
- the reasonable market value of any material used or applied towards the advertisement provided to the party for free or below reasonable market value.

Further guidance is available in the *Party Secretary Handbook – General Election 2017*.

WRITE 'NIL' IF YOU HAVE NO EXPENSES TO DECLARE HERE:

NIL

TOTAL FOR PART C

Item description

Provide a brief description of the type of advertisement, name of advertiser or supplier, volume, duration and size as appropriate as well as the name of the third party which promoted the advertising

Value \$0.00
(inc GST)

EXAMPLE: Display Advertising Ltd: 22/04/2017 – 30/08/2017: 3 x Billboards: 2000mm x 1000mm
Worker's United

\$1,200

You must complete Parts D to F if the party received an allocation of money for broadcasting pursuant to Part 6 of the Broadcasting Act 1989 to produce or place advertising on television, radio or the internet for the 2017 general election.

In Part D you should record details of all expenses incurred using the broadcasting allocation promoting the party or attacking another party or candidate.

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\$40,656.10

Page: 17

In Part E record allocation expenses used to produce or place advertising on television, radio or the internet featuring the party and one or more candidates.

- **Supplier's name and address:** This should be the media buyer or broadcaster on the invoice provided to the Electoral Commission for payment of the account

- **Invoice date or dates**

- **Description of allocation of expenses:** List the total production costs, television placement, radio placement and internet placement costs for each supplier separately and the names of the candidates
- **Value \$0.00 inc GST**
- **% apportioned as party expense**
- **% apportioned as candidate expense**

NIL

Supplier's name and street address	Invoice date or dates	Description of allocation of expenses	Value \$0.00 (inc GST)	% apportioned to party	% apportioned to candidate
EXAMPLE: Make Believe Television 84 Shortland Street Auckland 6000	1st and 22nd September 2017	Production costs	\$10,000	10%	90%
		24 August – 22 September 2017 Television placement costs on Channel A and Channel B, candidate John Smith	\$62,450	10%	90%
		25 August – 21 September 2017 Radio placement costs on Radio X and Y	\$11,450	20%	80%
		21 – 22 September 2017 Social Media promotional posts	\$300	50%	50%

In Part F record the party's broadcasting allocation used to produce or place a candidate election advertisement on television, radio or the internet.

PROVIDE the following information below:

- **Supplier's name and address:** This should be the media buyer or broadcaster on the invoice provided to the Electoral Commission for payment of the account
- **Invoice date or dates**
- **Description of allocation of expenses:** List the total production costs,

television placement, radio placement and internet placement costs for each supplier separately

- **Candidate name**
- **Value \$0.00 inc GST**

WRITE 'NIL' IF YOU HAVE NO EXPENSES TO DECLARE HERE:

TOTAL FOR PART F

\$3,535.31

Page: 21

AVL

Democrats for social credit

PO Box 5164, Waikiwi, Invercargill 9843 Ph 03 215 7170 Mob 027 442 4434
Email: democrats@democrats.org.nz Website: www.democrats.org.nz

19 February 2018

Mr Peter Conaglen
Integrity Audit
PO Box 217-125
BOTANY JUNCTION 2164

Dear Peter

Letter of Representation for Party Return of Expenses for the 2017 General Election

This representation letter is furnished in connection with the return of party election expenses and broadcasting allocation expenses for the 2017 general election (the return) by NZ Democrats for Social Credit (the Party) made in accordance with sections 206I and 206IA of the Electoral Act 1993 (the Act) which has been subject to an assurance engagement and reported on by you in accordance with sections 206L and 206LA of the Act.

I understand that your assurance engagement was conducted in accordance with the relevant provisions of the Act and the applicable auditing and assurance standards issued by the New Zealand Auditing and Assurance Standards Board.

I confirm and take responsibility for the following representations after taking all reasonable steps to assure myself of them:

1. The return has been prepared in accordance with the relevant provisions of the Act.
2. I am responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the return. I have done this, and all explanations or demonstrations of this to you have been complete and accurate.
3. All records, documents and accounts (records) have been kept by the Party (including subsidiary entities) and made available to you, and these materials will be retained in accordance with the requirements of the Act.
4. I have disclosed to you:
 - 4.1. any material transactions not disclosed in the records;
 - 4.2. the existence of all relevant agreements or activities relating to the Party's members of the previous Parliament, electorate candidates, subsidiary or closely connected political entities, third party promoters (whether registered or not), and other political parties (whether registered or not) or their electorate candidates;
 - 4.3. any alleged, suspected or proven illegal activity under the Act or other legislation potentially relevant to the return or instances of non-compliance with applicable requirements;
 - 4.4. any outstanding disputed claims, matters with authorities, or planned or continuing litigation; and
 - 4.5. the fact of, and results from, any assessment made by me that considered whether the records of the Party may be materially misstated or incomplete for any reason; any design deficiencies in the compliance system and instances where that system has not operated as described.

5. I have sought, received, and hold in the Party's records confirmation from, or on behalf of, any Party members of the previous Parliament that all party advertisements published, or election expenses incurred by those members of Parliament have been disclosed to me, with adequate supporting records, for inclusion in this return.
6. The return contains the total returnable expenses of the Party for the 2017 general election whether paid or incurred before, during, or after the regulated period. The return includes all expenses, including apportioned expenses, and irrespective of the source of funds or entity paying for the activities concerned, and irrespective of whether or not an advertisement contained a promoter statement.
7. Parts A to C of the return's contents have been determined by considering, in the following sequence, these questions and the relevant provisions of the Act:
 - 7.1. Was the advertising undertaken by the party secretary, or with their authority? [definition of **election expenses**, section 206(1)(a)(ii)] (If no, advertising is not an election expense).
 - 7.2. If yes - did the advertising constitute **publishing**? [definition of **publish**, section 3D; definition of **election expenses**, section 206(1)(a)(i)] (If no, advertising is not an election expense).
 - 7.3. If yes - was that the publishing of a **party advertisement**? That is, did the advertisement encourage or persuade, or appear to encourage or persuade, voters to vote for the party, or against another party, or both? [definition of **party advertisement**, section 3(1); definition of **election expenses**, section 206(1)] (If no, advertising is not a party election expense).
 - 7.4. If yes - was the advertising undertaken (or deemed to be undertaken) during the regulated period (from 23 June 2017 to 22 September 2017)? [definition of **regulated period**, section 3B; definition of **election expenses**, section 206(1)(a)(i)] (If no, advertising is not an election expense). If yes:
 - 7.4.1. What expense was incurred in undertaking the advertising? [definition of **advertising expenses**, section 3E; definition of **election expenses**, section 206(1)]
 - 7.4.2. What cost was involved in respect of the preparation, design, composition, printing, distribution, postage and publishing of the party advertisement? [section 3E(1)(a)(i)]
 - 7.4.3. What was the reasonable market of any **material** used for or applied toward the party advertisement, including material provided free of charge, or below reasonable market value? [section 3E(1)(a)(ii)]
 - 7.4.4. Was the advertisement a **joint party advertisement** [section 206CB], or a **joint party and candidate advertisement** [section 206CC]? (If yes, the costs can be apportioned based on coverage).
 - 7.5. Do any of the costs identified above fall within any of the election expense exceptions? [section 3E(1)(b)]
 - 7.5.1. The conduct of any survey or public opinion poll (other than push-polling).
 - 7.5.2. Framework, other than a commercial framework, supporting a hoarding displaying the party advertisement.
 - 7.5.3. The labour of any person provided free of charge by that person.
 - 7.5.4. Replacement of election materials damaged in circumstances out of the party's control.

7.5.5. Expenses, including running costs, of a vehicle used to display a party advertisement (provided payment was not made or promised) for the display of the advertisement on the vehicle.

7.5.6. Allocations from the Electoral Commission of money for election broadcasting [definition of **election expenses**, section 206(1)(c)].

If yes, that specific cost is not an election expense.

7.6. Where an apportionment of election expenses is given in the return:

7.6.1. the basis of apportionment is appropriate, and has been properly applied and recorded; and

7.6.2. the information contained in the Party's return is known to be consistent with that of the Party's electorate candidates, or the undertakings of other entities involved in the apportionment included in the records.

8. Where the Party received a broadcasting allocation for the 2017 general election Parts D to F have been determined by considering these questions and the relevant provisions of the Electoral Act 1993 (the Electoral Act) and Part 6 of the Broadcasting Act 1989 (the Broadcasting Act):

8.1. Was the allocation used by the Party to produce, broadcast or publish election programmes on television, radio or election advertisements on the internet for the 2017 general election? [definition of **election programme, broadcasting costs, production costs and publishing costs**, section 69(1) Broadcasting Act; definition of **election advertisement**, section 3A Electoral Act] (If no, advertising is not an allocation expense).

8.1.1. If the allocation was used for **broadcasting costs** - was the placement on television or radio during the **election period** (from 23 August 2017 to 22 September 2017)? [definition of **election period**, section 69(1) Broadcasting Act] (the allocation cannot be used for broadcasting costs on radio or television outside of the election period).

8.1.2. If the allocation was used for **publishing costs** - was the placement on the internet during the **election period**? (the allocation can only fund publishing costs during the election period. Parties can spend their own funds on internet placement costs before and during the election period and those costs must be declared as election expenses in Parts A-C if the election advertising was published in the regulated period (see 7.4 above)).

8.1.3. If the allocation was used for **production costs** what cost was involved in respect of the preparation, design, composition and creation of the programme or advertisement? [section 69(1) Broadcasting Act]. Parties can spend their own funds on production costs before and during the election period and those costs must be declared as election expenses in Parts A to C if the production costs are for election advertisements that were published in the regulated period (see 7.4 above)).

8.2. Was the allocation spent on any **advertising that promoted the party and a candidate** [section 70(2) of the Broadcasting Act and section 205EA and 206CC of the Electoral Act]? (If yes, the Party must report the total amounts spent on joint party and candidate advertising in Part E of the return and the percentage coverage provided to the Party and candidate. The candidate will need to report the value apportioned to the candidate as candidate election expenses and a donation from the Party in the candidate's return of expenses and donations).

- 8.3. Was the allocation spent on **advertising that solely promoted a candidate** [section 70(3) of the Broadcasting Act]? (If yes, the Party must report the amounts spent on candidate only advertising in Part F of the return and the candidate will need to include the costs as candidate election expenses and a donation from the party in the candidate's return of expenses and donations).
- 8.4. Has the Party reported details of all accounts sent by the Party to the Electoral Commission under section 80B(1) of the Broadcasting Act in respect of expenditure of the party's allocation? [section 206IA of the Electoral Act]. The Commission pays suppliers' invoices that have been certified by an authorised party official as payable from the party's broadcasting allocation. With the exception of internet advertising placement costs paid directly by the party (for example, Facebook promoted posts), payments are made to suppliers and no money is paid directly to parties in accordance with the requirements of section 80B of the Broadcasting Act.
9. Any and all misstatements you have identified during the course of your assurance engagement have been adjusted in the final return.
10. I have completed my own procedures, distinct from your assurance engagement processes, to evaluate the accuracy and completeness of the return.
11. The return is free of any material misstatements or omissions.

These representations are made in terms mutually agreed between us, and to supplement information obtained by you from the records of the Party and to confirm information given to you orally.

Yours sincerely



Anne Leitch
Party Secretary
NZ Democrats for Social Credit

AUDIT REPORT

To the Council members of the NZ Democrats for Social Credit.

We have audited the attached Return of Party Election Expenses (the Return) for the 2017 General Election period 23rd June 2017 to 22nd September 2017, being the regulated period. The return is prepared in compliance with section 206L of the Electoral Act 1993 No 87 [Electoral Act], and provides information about Party election expenses incurred by the New Zealand Democratic Party for Social Credit Incorporated. [NZ Democrats for Social Credit]

Secretary's Responsibilities

The Secretary is responsible for ensuring that the Electoral Commission receives a return of the Party's election expenses, incurred by the Party for the period 23rd June 2017 to 22nd September 2017, by 21 February 2018, per section 206L.

Auditors' Responsibilities

It is our responsibility to express an independent opinion on the Return in terms of the requirements of section 206L of the Electoral Act.

Basis of Opinion

An audit includes examining, for all election expenses greater than \$100, evidence relevant to the position disclosed in the Return as regards whether or not total incurred expenditure was less than the permitted maximum expenditure.

We conducted our audit in accordance with New Zealand auditing standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the position that "the Party total election expenses", did not exceed the maximum amount prescribed by section 206, disclosed by the Return, is free from material misstatement, whether caused by fraud or error.

Other than in our capacity as auditors we have no relationship with or interests in the NZ Democrats for Social Credit.

Unqualified Opinion

The Return submitted by the Secretary on behalf of the NZ Democrats for Social Credit, shows the position that election expenses incurred in the 2017 General Election, as defined in section 206 of the Electoral Act, did not exceed the permitted maximum as defined in section 206C of the same Act. In our opinion this position is correct.

Our audit was completed on 16th February 2018 and our unqualified opinion is expressed as at that date.



Peter Conaglen
Integrity Audit - Chartered Accountants
East Tamaki

