

**Supplementary
Submission
No 8a**

INQUIRY INTO 2008 LOCAL GOVERNMENT ELECTIONS

Organisation: Our Sustainable Future
Name: Mr Hugh R Ermacora
Position: President/Registered Officer
Date Received: 25/05/2009

OUR SUSTAINABLE FUTURE

..... a Byron Shire based party registered with the NSW Electoral Commission

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The Chair
Joint Standing Committee on Electoral Matters
Parliament House
Macquarie Street
SYDNEY NSW 2000



Submission to Joint Standing Committee on Electoral Matters

emailed 25/5

Re Inquiry into the 2008 Local Government Elections

I refer to our submission to the above Inquiry dated 27 April 2009.

The key issue raised in that submission relates to the new reporting requirements of the Electoral Funding Authority. The need to have returns, including "nil" returns, audited by a registered company auditor threaten the very existence of the independent "micro" parties, such as ours, who simply don't have the financial resources to meet these demands.

I take the liberty of providing the enclosed recent "correspondence trail" between the EFA and ourselves as supplementary evidence, since it reinforces the point we are making.

Thank you again for the opportunity to make a submission on this very important issue.

Yours sincerely

A handwritten signature in blue ink, appearing to read "H. Ermacora". The signature is written in a cursive style and is underlined with a single horizontal line.

Hugh Ermacora

President – OSF

22 May 2009

Hugh Ermacora

From: Brooke Holmes [REDACTED]
Sent: Friday, 15 May 2009 2:30 PM
To: Hugh Ermacora
Subject: RE: Reporting requirements by parties to EFA

Dear Mr Ermacora

An audit certificate is required to accompany all declarations submitted by registered political parties, regardless if they are a nil declaration. Further the definition of an auditor contained in the *Election Funding & Disclosures Act 1981* (the Act) is a 'registered company auditor within the meaning of the *Corporations Act 2001*'.

As the audit requirement is specified in the Act if you wish to take the matter further it is suggested you write to the Premier of New South Wales as he is the Minister responsible for administering the Act.

Regards

Brooke Holmes
NSW Electoral Commission
Level 25, 201 Kent Street
Sydney NSW 2000
[REDACTED] Fax: 9290 5991

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From: Hugh Ermacora [mailto:ermacora@linknet.com.au]
Sent: Friday, 15 May 2009 1:23 PM
To: Brooke Holmes
Cc: 'Roger Seccombe'
Subject: RE: Reporting requirements by parties to EFA

Hello Brooke

Thanks for the information, but the central question was not about the need for auditing certificates when there has been some transactions but the need for such certificates and for these to be from a registered company auditor when it is for a "NIL" declaration.

The end result is that parties such as ours would be submitting a whole series of "nil" returns in between elections at a cost of many hundreds of dollars for no useful purpose whatever. I know of one local party which has already been forced to deregister for this very reason. So much for the power of the major parties....

I look forward to your response and your advice on what avenues are open to take this matter further, if need be.

Regards

Hugh Ermacora

From: Brooke Holmes [redacted]
Sent: Friday, 15 May 2009 12:07 PM
To: Hugh Ermacora
Subject: RE: Reporting requirements by parties to EFA

Dear Mr Ermacora

In response to your phone call and email (below) I can advise that the Authority considers that registered political parties are such a significant participant in the electoral process it needs to be absolutely satisfied that its activities are transparent and, in this regard, relies on the audit certificate which accompanies each disclosure. For this reason it is not the policy of the Authority to waive the need for audit certificates for registered political parties.

We apologise for the incorrect statement included in the handbook.

Regards

Brooke Holmes
NSW Electoral Commission
Level 25, 201 Kent Street
Sydney NSW 2000
[redacted]

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From: Hugh Ermacora [mailto:ermacora@linknet.com.au]
Sent: Friday, 15 May 2009 11:33 AM
To: Brooke Holmes
Subject: Reporting requirements by parties to EFA

Hello Brooke

You will recall our conversation about whether a party is required to have a declaration formally audited even where what is being lodged is a "nil" declaration.

As discussed, both the written reminder notice I received dated 2 February 09 and your own verbal advice on 19 February 09 indicated that auditing was required and that this had to be done by a registered company auditor. This is in stark contrast to the information provided on pages 27 and 31 of the *Funding and Disclosure Guide for Parties* guide.

It is now some weeks since you advised me that the matter had been referred to your legal people.

The point is that this issue, or more particularly the financial ramifications of expensive audits of "nil", or even very simple declarations, is critical for the viability of "micro" parties such as OSF. We simply don't have the capacity to expend hundreds of dollars for this purpose and being obliged to do so will seriously bring in to question the continued existence of the party. As you would appreciate, many of these local government area based parties are little more than

community interest groups whose funding is generated from a few donations at election time and the odd “chook raffle”.

Incidentally, the fact that the audit needs to be undertaken by a “registered company auditor” not only significantly adds to the expense but can also be a significant inconvenience. In order to have the last declaration audited I found myself obliged to travel to Murwillumbah, a round trip of over 100ks.

The executive of our little group is to meet in two weeks. It would be most useful to have a response prior by that time.

Regards

Hugh Ermacora

Registered Officer – “Our Sustainable Future”