

## Party Election Expenses Return for the for the 2014 General Election

Fill in boxes highlighted in yellow  
If completing the form manually - also fill in orange boxes

Party  
Name

Conservative Party of New Zealand

Party  
Secretary  
Name

Nathaniel Heslop

I declare that to the best of my knowledge this return, filed pursuant to section 206I of the Electoral Act 1993, is an accurate record of the party election expenses for the 2014 General Election and is not false in any material particular.

Signed:

(Party Secretary)

Date:

17/02/2015

(dd/mm/yyyy)

Where you have completed the return electronically you will need to print the return. The return needs to be signed and dated by the party secretary and both the party secretary and the auditor must initial each page of the return. The signed return and the auditor's report must be received by the Electoral Commission by Wednesday 18 February 2015. Returns can be filed:

- By post at PO Box 3220 Wellington 6140
- Delivered to Level 10, 34-42 Manners Street, Wellington
- By fax to 04 495 0031
- By email to [enquiries@elections.govt.nz](mailto:enquiries@elections.govt.nz)

Please note, where the return is sent by fax or email the original signed return should also be sent or delivered to the Electoral Commission.

### CHECKLIST

Parts A to C completed (if no expenses, then answer Nil on the Summary Sheet)	✓
Party Secretary has initialled every page	✓
All relevant supporting documentation supplied to auditor	✓
Auditor has stamped or initialled every page	✓
Auditor's report enclosed	✓
Representation letter enclosed, if used	✓

## Party Election Expense Return 2014 General Election

Party Name

Conservative Party of New Zealand



Did you contest the party vote	Answer Yes or No	Yes	"Yes" = \$1,091,000	\$0.00
Number of electorate candidates for the party		64	Number * \$25,700	\$1,091,000.00
				\$1,644,800.00
				\$0.00
Expenditure limit (incl GST)			Total	\$2,735,800.00

### SUMMARY

Total expenditure returned (incl GST)		\$0.00
If you do not have any expenses to declare answer Nil		
Part A	Party advertisements promoted solely by the party	Total A
		\$1,911,605.92
Part B	Apportionment of party advertisements shared with candidates or another party or parties	Total B
		\$2,466.46
Part C	Authorised party advertisements promoted by candidate or third party promoters	Total C
		Nil
		\$0.00
TOTAL	Total A to C	\$1,914,072.38
Please indicate in each box		
All party election expenses have been included	Answer Yes or No	Yes
All expenses greater than \$100 vouched by invoice and receipt		Yes
All relevant papers provided to auditor		Yes

Notes/Comments: (Add any notes/comments in this section)

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Party Secretary Initial		Auditor Stamp/Initial	
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**A: Party advertisements promoted solely by the party**

Note: the only apportionment permitted is for advertisements published both before and during the regulated period (20 June to 19 September 2014).

			<b>Total A \$0.00</b>
			<b>Party Name</b>
			<b>\$1,911,605.92</b>
<b>Total returned expense for A</b>	<b>Conservative Party of New Zealand</b>		
	<b>\$0.00</b>	<b>%</b>	<b>\$0.00</b>
<b>Item description (include details of type of advertisement, name of advertiser or supplier, volume, duration and size as appropriate)</b>	<b>Total cost inc GST (including preparation, design, composition, printing, publishing and postage)</b>	<b>% apportioned for regulated period (Enter number only - e.g. 20 for 20%)</b>	<b>Returned expense for party (e.g. \$30,000 * 20% = \$6,000. Enter \$6,000)</b>
<b>The Conservative Party "Why NZ needs the Conservatives" brochure was sent to 1,640,257 households during the week beginning 14 July 2014</b>			
Anco Print - brochure printing	\$92,435.00		\$92,435.00
Anco Print - PMP distribution	\$71,436.00		\$71,436.00
<b>The Conservative Party "Key People" brochure was sent to 1,640,257 households during the week beginning 11 August 2014</b>			
Anco Print - brochure printing	\$95,770.98		\$95,770.98
Reach Media - delivery	\$71,000.01		\$71,000.01
<b>The Conservative Party "Stop the Sellout" brochure was sent to 1,635,594 households during the week beginning 1 September 2014</b>			
Anco Print - brochure printing	\$93,265.59		\$93,265.59
Reach Media - delivery	\$71,000.01		\$71,000.01
<b>The Conservative Party "Say No to Drugs" brochure was sent to 1,635,594 households during the week beginning 15 September 2014</b>			
Anco Print - brochure printing	\$90,442.34		\$90,442.34
Reach Media - delivery	\$71,000.01		\$71,000.01
<b>Personalised direct mail with letter &amp; 4pp brochure enclosed sent to 605,000 voters on week beginning 15 September</b>			
Anco Print - printing and mail merge	\$303,170.38		\$303,170.38
NZ Post - delivery	\$148,409.30		\$148,409.30

Party Secretary Initial: .....

**Total returned expense for A**

Conservative Party of New Zealand			
	\$0.00	%	\$0.00
Item description (include details of type of advertisement, name of advertiser or supplier, volume, duration and size as appropriate)	Total cost inc GST (including preparation, design, composition, printing, publishing and postage)	% apportioned for regulated period (Enter number only - e.g. 20 for 20%)	Returned expense for party (e.g. \$30,000 * 20% = \$6,000. Enter \$6,000)
Conservative creative development, planning creative concepting, messaging, creative project management from week beginning 15 June to 14 August Chameleon Partners, Boatshed 73 Company Ltd, & Ballantyne Taylor	\$195,376.85		\$195,376.85
Two x 30sec TVC and one x 15sec TVC ran from 14 September until 19 September Production of opening and closing radio broadcasts based on TVC's			
Boatshed 73 Company Ltd	\$82,983.60		\$82,983.60
Toybox	\$4,082.50		\$4,082.50
Various pieces of printed party vote material produced for hand delivery through electorates including the Conservative Party "Key People" brochure and "Stop the Sellout" brochure.	\$10,484.23		\$10,484.23
Newspaper advertisements were run in the Christchurch Press, Diminlon Post, & Otago Daily Times every Monday during the weeks beginning 7 July, 14 July, 21 July, & 28 July			
Bulleseye Media	\$100,051.62		\$100,051.62
Newspaper advertisements were run in the Sunday Star times & Herald on Sunday on 6th, 13th, 20th, & 27th of July			
Bullseye Media	\$92,000.00		\$92,000.00
Full page colour advertisements were run in the major metropolitan newspapers on 19 September			
Bullseye Media	\$58,016.47		\$58,016.47
Newspaper Advertisement "Stop politicising" in Christchurch Star on 19 July 2014	\$1,069.50		\$1,069.50
2014 General Election campaign launch	\$15,731.47		\$15,731.47
Blue Sky Creative - design of nationwide brochures	\$7,371.50		\$7,371.50

Party Secretary Initial: .....

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Total returned expense for A	Conservative Party of New Zealand		
	\$0.00	%	\$0.00
Item description (include details of type of advertisement, name of advertiser or supplier, volume, duration and size as appropriate)	Total cost inc GST (including preparation, design, composition, printing, publishing and postage)	% apportioned for regulated period (Enter number only - e.g. 20 for 20%)	Returned expense for party (e.g. \$30,000 * 20% = \$6,000. Enter \$6,000)
www.standforsomething.org.nz website design & hosting (Chameleon Partners & Blue Sky Creative)	\$5,292.00		\$5,292.00
Quart page vertical in Fishing Paper & Hunting News in Sept Issue	\$914.25		\$914.25
We produced a number of party vote merchandise items including, badges, balloons, stickers, t-shirts, hoodies & pens PROMOTE IT, BENEFITZ, ANCO PRINT, AS COLOUR, Premium & Speciality Industries Ltd	\$13,918.94		\$13,918.94
Advertising TVC on-demand television 1 - 19 September			
Bullseye Media	\$28,606.25		\$28,606.25
Billboard creative - Ola	\$2,673.75		\$2,673.75
Over 3500 hoardings printed, freighted, erected, & taken down around the country from 20 June to 19 September Northbridge Signs, TAD Limited, Anco Print Limited, Mainfreight Ltd	\$182,430.07		\$182,430.07
Events - Auckland Retirement Expo	\$1,063.75		\$1,063.75
Other Signs	\$1,609.55		\$1,609.55

Party Secretary Initial: .....

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Note: apportionment is permitted between the party and candidate/other party, and for advertisements published both before and within the regulated period (20 June to 19 September 2014).

Party Secretary Initial: .....

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Party Secretary Initial: .....





**RSM Hayes Audit**  
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## **INDEPENDENT AUDITOR'S REPORT** **To the Party Secretary of the Conservative Party of New Zealand**

### **Report on the Conservative Party of New Zealand Election Expense Return**

We have audited the Party Election Expense Return 2014 General Election (the Return) prepared by the Conservative Party of New Zealand (the Party) for the 2014 general election period 20 June 2014 to 19 September 2014. The Return is prepared in accordance with section 206 I of the Electoral Act 1993. This report is made solely to the Party Secretary. Our audit has been undertaken so that we might state to the Party Secretary those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Party Secretary, for our audit work, for this report, or for the opinions we have formed.

### **Party Secretary's Responsibility**

The Party Secretary is responsible for the preparation of the Return which correctly presents the Party's election expenses incurred by the Party for the period 20 June 2014 to 19 September 2014.

### **Auditor's Responsibility**

It is our responsibility to express an independent opinion on the Return in terms of the requirements of section 206L of the Electoral Act 1993. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Return is free from material misstatement.

Other than in our capacity as auditor we have no relationship with, or interests in, the Conservative Party of New Zealand.

### **Basis of Disclaimer of Opinion**

An audit would ordinarily involve performing procedures to obtain audit evidence about the position disclosed in the Return do not exceed the maximum amount prescribed by section 206C of the Electoral Act 1993. The procedures selected would ordinarily depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Return, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Party's preparation and fair presentation of the Return 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 Party's internal control.

We are unable to form an opinion on the Return for the following reasons:

- The risk surrounding the completeness of the election expenses specifically as stated below:
  - We are not the auditor of the Party's branches; our scope was therefore limited in respect of assessing the completeness of election expenses which may have been incurred at branch level;
  - It is possible that the Party may have received public funds for election expenses and our scope is limited in respect of our access to information regarding such expenses;
  - Controls over the recording of election expenses that may have been provided at no cost are limited as there are no practical audit procedures to determine the effect of this limited control; and
  - Difficulties in the apportionment of election expenses of election activity between candidates and the Party as a whole.





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Due to the nature of the limitations above, we do not believe there is further information that can be provided to us by the Party to allow us to determine the effects of these limited controls.

**Disclaimer of Opinion**

Because of the potential effect of the limitation in the evidence available to us, we are unable to form an opinion as to whether the position disclosed in the Return do not exceed the maximum amount prescribed by section 206C of the Electoral Act 1993.

In forming our opinion we were reliant on the information provided to us by the Party Secretary.

*RSM Hayes Audit*

RSM Hayes Audit  
Chartered Accountants  
Auckland

17 February 2015

17 February 2015

Steve Hayes  
RSM Hayes Audit  
PO Box 9588  
Newmarket  
Auckland 1149

Dear Steve

**Letter of Representation for Party Election Expenses Return for the 2014  
General Election**

This representation letter is furnished in connection with the return of party election expenses for the 2014 general election (return) by the Conservative Party of New Zealand in accordance with section 206 I of the Electoral Act 1993 (Act) which has been audited by you in accordance with section 206 L of the Act.

I understand that your audit was conducted in accordance with the relevant provision of the Act and the Auditing Standards issued by the XRB Board or the NZAuASB.

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 demonstration of this to you has 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;


5 Triton Drive, Albany, Auckland. PO Box 99638, Auckland 1149.

P: 09 520 2082 E: [office@conservativeparty.org.nz](mailto:office@conservativeparty.org.nz) W: [www.conservativeparty.org.nz](http://www.conservativeparty.org.nz)

- 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;
5. The return contains the total returnable election expenses of the part for the 2014 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 a party advertisement contained a promoter statement.
  6. The return's contents have been determined by considering, in the following sequence, these declaration and the relevant provisions of the Act:
    - 6.1. The advertising was undertaken by the party secretary, or with his authority. [section 206(1), definition of election expenses, paragraph (a)(ii)]
    - 6.2. The advertising did constitute publishing. [section 3D, definition of publish; section 206(1), definition of election expenses, paragraph (a)(i)]
    - 6.3. The advertisement did encourage or persuade, or appear to encourage or persuade, voters to vote for the party. [section 3(1), definition of party advertisement; section 206(1), definition of election expenses]
    - 6.4. The advertising undertaken (or deemed to be undertaken) was during the regulated period (from 20 June 2014 to 19 September 2014) [section 3B, definition of regulated period; section 206(1), definition of election expenses, paragraph (a)(i)]
    - 6.5. The following was considered:
      - 6.5.1. The expenses incurred in undertaking the advertising. [definition of advertising expenses, section 3E; definition of election expenses, section 206(1)]
      - 6.5.2. The cost involved in respect of the preparation, design, composition, printing, distribution, postage and publishing of the party advertisement. [section 3E(1)(a)(1)]
      - 6.5.3. The reasonable market value 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)]
      - 6.5.4. Some advertisements were a joint party and candidate advertisement [section 206CC] the costs have been apportioned based on coverage.
    - 6.6. The costs identified above do not fall within any of the expense exceptions below. [section 3E(1)(b)]

- 6.6.1. The conduct of any survey or public opinion poll (other than push-polling)
  - 6.6.2. Framework, other than a commercial framework, supporting a hoarding displaying the party advertisement
  - 6.6.3. The labour of any person provided free of charge by that person
  - 6.6.4. Replacement of election materials damaged in circumstances out of the party's control
  - 6.6.5. 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
  - 6.6.6. Allocations from the Electoral Commission of time and money for election broadcasting [definition of election expenses, section 206(1)(c)]
7. I have sought, received, and hold in the Party's records assurances 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.
8. Where an apportionment of election expenses is given in the return"  
The basis of apportionment is appropriate, and has been properly applied and recorded, and  
The information contained in the Party's return is known to be consistent with that of the Party's electorate candidates, or the undertaking of other entities involved in the apportionment included in the records.
9. Any and all misstatements you have identified during the course of your audit have been adjusted in the final return.
10. I have completed or own procedures, distinct from your audit 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.

  
\_\_\_\_\_  
Party Secretary