



Callida
Consulting

ACT Electoral Commission

Review of 7 day gift reporting requirements

December 2020

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1 Executive Summary

1.1 Introduction

The ACT Electoral Commissioner is responsible for the administration and enforcement of the ACT's electoral funding, expenditure and financial disclosure scheme as prescribed by Part 14 of the Electoral Act 1992. The disclosure scheme includes the following components:

- Limits on the amount of electoral expenditure that may be incurred
- Limits on the amount of anonymous gifts that may be received
- Disclosure of the financial transactions of registered political parties, MLAs, associated entities, candidates, third party campaigners and broadcasters and publishers.

Under sections 237 and 237A of the Electoral Act, the Commissioner is authorised to issue an Investigation Notice to an entity's financial representative requiring the financial representative to produce documents or other evidence at a set time and place. Documents or evidence required to facilitate this compliance review include, but are not limited to:

- Financial statements, including any financial records for the relevant period that will provide supporting evidence for the compliance review
- A copy/backup of the financial system or electronic copies of transaction reports from the entity's financial system or the entity's manual accounting records
- Copies of bank statements and other bank information such as deposit books
- Other records as required.

Entities were advised that complete and accurate financial records must be maintained to facilitate accurate disclosure. Through these compliance audits, Elections ACT states that it aims to:

- Maintain the integrity of the funding and disclosure regime
- Further increase transparency of funding and disclosure by key stakeholders
- Assess the accuracy, completeness and reliability of information disclosures
- Identify any instances of failure to comply with the requirements of the Electoral Act;
- Identify issues experienced by electoral participants which are able to be used by Elections ACT to provide targeted guidance to entities
- Identify issues experienced by electoral participants which are able to be used for legislative review and change.

Callida Consulting has been contracted by the ACT Electoral Commission to undertake compliance audits of financial records kept by ACT registered political parties and other ACT Election participants in accordance with the Election Funding and Financial Disclosure (FAD) Scheme.

This report details the findings of the following review which has been undertaken in the period September to October 2020. The Commission required audits to be completed over:

- The return of gifts received of \$1,000 or more for the period from 1 July 2020 to 18 September 2020;
- The receipt of 'anonymous gifts' to ensure that the \$25,000 threshold has not been exceeded in the financial year;
- The parties are not using more than \$10,000 in payments received from associated parties, for the purposes of incurring ACT electoral expenditure in a financial year; and

- The record keeping is of a satisfactory standard, including the recording and accounting of sub-branch transactions.

1.2 Qualification

Due to the nature of the activities of political parties and candidates, a substantial amount of their income is derived from voluntary donations and fundraising activities. It is therefore impractical to confirm control over such income until it has been entered into the financial records of the entities. The scope of this review in relation to income is therefore limited to the amounts recorded in the financial systems (manual and IT based) of the entities.

1.3 Summary of Findings

The findings of the review are summarised as follows:

- The following parties records were reviewed for the period 1 July 2020 to 18 September 2020:
 - Australian Labor Party (ACT Branch)
 - Animal Justice Party
 - Australian Climate Change Justice Party
 - Australian Federation Party Australian Capital Territory
 - Liberal Party of Australia (A.C.T. Division)
 - Belco Party (ACT)
 - Canberra Progressives
 - David Pollard Independent
 - The ACT Greens
 - Democratic Labour Party (DLP)
 - Liberal Democratic Party
 - Shooters, Fishers and Farmers Party (ACT)
 - Sustainable Australia (ACT)
 - The Canberra Party
 - The Community Action Party (ACT)
 - The Flux Party – ACT.
- The following errors were found in gift reporting for the period 1 July 2020 to 18 September 2020:
 - Australian Labor Party (ACT Branch) –one gift was not reported in accordance with the 7 day reporting requirement.
 - Belco Party (ACT) –four gifts did not accurately report the date of receipt and were not reported in accordance with the 7 day reporting requirement.

2 Detailed Findings

2.1 The Australian Labor Party (ACT Branch)

- One gift did not meet the requirement for reporting within 7 days of receipt. The gift was received on 2 July and was reported to ACT Elections on 10 July (reported 8 days after receipt). The dates disclosed to ACT Elections accurately represent the receipt of the gift. The party noted that reporting timeframes were not met due to internal work pressures over the end of financial year period. The gift was reported as soon as identified.
- There were no issues noted in relation to the following items:
 - The receipt of 'anonymous gifts' did not exceed \$25,000 in the financial year;
 - Not more than the permitted \$10,000 in a financial year of related party payments was used for the purpose of incurring ACT electoral expenditure; and
 - Record keeping practices in relation to ACT funding and disclosure, including the record and accounting of sub-branch transactions.

2.2 Belco Party (ACT)

- Four gifts were incorrectly reported on the return provided to ACT Elections and did not meet the requirement for reporting within 7 days of receipt. The days taken to report the gifts to ACT Elections following review of supporting documentation has been calculated in the table below:

Gift received from	Type	Value	Date reported – ACT Return	Date Received – ACT Return	Date Received – supporting documents	Number of days to report
Clubs ACT	Gift in kind – Function	\$1,544	20/09/2020	18/09/2020	08/09/2020	12
Cole, William	Gift of money	\$1,000	09/09/2020	01/09/2020	31/08/2020	9
Edwards, Craig	Gift of money	\$1,000	26/08/2020	19/08/2020	10/08/2020	16
Pepper, Jason	Gift of money	\$1,000	26/08/2020	19/08/2020	07/08/2020	19

- The party noted that there were significant personal circumstances relating to responsible officers of the party that had impacted the record keeping and reporting of gifts over the period reviewed. Party representatives indicated that additional resources would be engaged to improve record keeping and reporting to ACT Elections over the election period.
- There were no issues noted in relation to the following items:
 - The receipt of 'anonymous gifts' did not exceed \$25,000 in the financial year; and



- Not more than the permitted \$10,000 in a financial year of related party payments was used for the purpose of incurring ACT electoral expenditure.

2.3 Animal Justice Party

- There were no issues noted in relation to the following items:
 - Gifts received of \$1,000 or more for the period from 1 July 2020 to 18 September 2020;
 - The receipt of 'anonymous gifts' did not exceed \$25,000 in the financial year;
 - Not more than the permitted \$10,000 in a financial year of related party payments was used for the purpose of incurring ACT electoral expenditure; and
 - Record keeping practices in relation to ACT funding and disclosure, including the record and accounting of sub-branch transactions.

2.4 Australian Climate Change Justice Party

- There were no issues noted in relation to the following items:
 - Gifts received of \$1,000 or more for the period from 1 July 2020 to 18 September 2020;
 - The receipt of 'anonymous gifts' did not exceed \$25,000 in the financial year;
 - Not more than the permitted \$10,000 in a financial year of related party payments was used for the purpose of incurring ACT electoral expenditure; and
 - Record keeping practices in relation to ACT funding and disclosure, including the record and accounting of sub-branch transactions.

2.5 Australian Federation Party Australian Capital Territory

- There were no issues noted in relation to the following items:
 - Gifts received of \$1,000 or more for the period from 1 July 2020 to 18 September 2020;
 - The receipt of 'anonymous gifts' did not exceed \$25,000 in the financial year;
 - Not more than the permitted \$10,000 in a financial year of related party payments was used for the purpose of incurring ACT electoral expenditure; and
 - Record keeping practices in relation to ACT funding and disclosure, including the record and accounting of sub-branch transactions.

2.6 Liberal Party of Australia (A.C.T. Division)

- There were no issues noted in relation to the following items:
 - Gifts received of \$1,000 or more for the period from 1 July 2020 to 18 September 2020;
 - The receipt of 'anonymous gifts' did not exceed \$25,000 in the financial year;
 - Not more than the permitted \$10,000 in a financial year of related party payments was used for the purpose of incurring ACT electoral expenditure; and



- Record keeping practices in relation to ACT funding and disclosure, including the record and accounting of sub-branch transactions.

2.7 Canberra Progressives

- There were no issues noted in relation to the following items:
 - Gifts received of \$1,000 or more for the period from 1 July 2020 to 18 September 2020;
 - The receipt of 'anonymous gifts' did not exceed \$25,000 in the financial year;
 - Not more than the permitted \$10,000 in a financial year of related party payments was used for the purpose of incurring ACT electoral expenditure; and
 - Record keeping practices in relation to ACT funding and disclosure, including the record and accounting of sub-branch transactions.

2.8 David Pollard Independent

- There were no issues noted in relation to the following items:
 - Gifts received of \$1,000 or more for the period from 1 July 2020 to 18 September 2020;
 - The receipt of 'anonymous gifts' did not exceed \$25,000 in the financial year;
 - Not more than the permitted \$10,000 in a financial year of related party payments was used for the purpose of incurring ACT electoral expenditure; and
 - Record keeping practices in relation to ACT funding and disclosure, including the record and accounting of sub-branch transactions.

2.9 The ACT Greens

- There were no issues noted in relation to the following items:
 - Gifts received of \$1,000 or more for the period from 1 July 2020 to 18 September 2020;
 - The receipt of 'anonymous gifts' did not exceed \$25,000 in the financial year;
 - Not more than the permitted \$10,000 in a financial year of related party payments was used for the purpose of incurring ACT electoral expenditure; and
 - Record keeping practices in relation to ACT funding and disclosure, including the record and accounting of sub-branch transactions.

2.10 Democratic Labour Party (DLP)

- There were no issues noted in relation to the following items:
 - Gifts received of \$1,000 or more for the period from 1 July 2020 to 18 September 2020;
 - The receipt of 'anonymous gifts' did not exceed \$25,000 in the financial year;
 - Not more than the permitted \$10,000 in a financial year of related party payments was used for the purpose of incurring ACT electoral expenditure; and



- Record keeping practices in relation to ACT funding and disclosure, including the record and accounting of sub-branch transactions.

2.11 Liberal Democratic Party

- There were no issues noted in relation to the following items:
 - Gifts received of \$1,000 or more for the period from 1 July 2020 to 18 September 2020;
 - The receipt of 'anonymous gifts' did not exceed \$25,000 in the financial year;
 - Not more than the permitted \$10,000 in a financial year of related party payments was used for the purpose of incurring ACT electoral expenditure; and
 - Record keeping practices in relation to ACT funding and disclosure, including the record and accounting of sub-branch transactions.

2.12 Shooters, Fishers and Farmers Party (ACT)

- There were no issues noted in relation to the following items:
 - Gifts received of \$1,000 or more for the period from 1 July 2020 to 18 September 2020;
 - The receipt of 'anonymous gifts' did not exceed \$25,000 in the financial year;
 - Not more than the permitted \$10,000 in a financial year of related party payments was used for the purpose of incurring ACT electoral expenditure; and
 - Record keeping practices in relation to ACT funding and disclosure, including the record and accounting of sub-branch transactions.

2.13 Sustainable Australia (ACT)

- There were no issues noted in relation to the following items:
 - Gifts received of \$1,000 or more for the period from 1 July 2020 to 18 September 2020;
 - The receipt of 'anonymous gifts' did not exceed \$25,000 in the financial year;
 - Not more than the permitted \$10,000 in a financial year of related party payments was used for the purpose of incurring ACT electoral expenditure; and
 - Record keeping practices in relation to ACT funding and disclosure, including the record and accounting of sub-branch transactions.

2.14 The Canberra Party

- There were no issues noted in relation to the following items:
 - Gifts received of \$1,000 or more for the period from 1 July 2020 to 18 September 2020;
 - The receipt of 'anonymous gifts' did not exceed \$25,000 in the financial year;
 - Not more than the permitted \$10,000 in a financial year of related party payments was used for the purpose of incurring ACT electoral expenditure; and



- Record keeping practices in relation to ACT funding and disclosure, including the record and accounting of sub-branch transactions.

2.15 The Community Action Party (ACT)

- There were no issues noted in relation to the following items:
 - Gifts received of \$1,000 or more for the period from 1 July 2020 to 18 September 2020;
 - The receipt of 'anonymous gifts' did not exceed \$25,000 in the financial year;
 - Not more than the permitted \$10,000 in a financial year of related party payments was used for the purpose of incurring ACT electoral expenditure; and
 - Record keeping practices in relation to ACT funding and disclosure, including the record and accounting of sub-branch transactions.

2.16 The Flux Party – ACT

- There were no issues noted in relation to the following items:
 - Gifts received of \$1,000 or more for the period from 1 July 2020 to 18 September 2020;
 - The receipt of 'anonymous gifts' did not exceed \$25,000 in the financial year;
 - Not more than the permitted \$10,000 in a financial year of related party payments was used for the purpose of incurring ACT electoral expenditure; and
 - Record keeping practices in relation to ACT funding and disclosure, including the record and accounting of sub-branch transactions.

