

# ACT Electoral Commission

Review of 1 January 2017 to 31  
March 2018 Gifts Reporting,  
2016/17 Annual Returns

October 2018

Final



# Contents

- 1 Executive Summary..... 3**
- 1.1 Introduction..... 3
- 1.2 Qualification ..... 4
- 1.3 Summary of Findings..... 4
- 2 Detailed Findings ..... 5**
- 2.1 Review of Gifts Reporting..... 5
  - 2.1.1 The Australian Labor Party ACT Branch 1 January 2017 to 31 March 2018 Gifts Reporting5
  - 2.1.2 The Liberal Party of Australia (A.C.T. Division) 1 January 2017 to 31 March 2018 Gifts Reporting..... 5
  - 2.1.3 The ACT Greens 1 January 2017 to 31 March 2018 Gifts Reporting ..... 5
  - 2.1.4 The 1973 Foundation 1 January 2017 to 31 March 2018 Gifts Reporting..... 5
  - 2.1.5 The Canberra Labor Club 1 January 2017 to 31 March 2018 Gifts Reporting ..... 5
- 2.2 Review of 2015/16 Annual Returns ..... 6
  - 2.2.1 The Australian Labor Party ACT Branch 2016/17 Annual Return ..... 6
  - 2.2.2 The Liberal Party of Australia (A.C.T. Division) 2016/17 Annual Return ..... 6
  - 2.2.3 The ACT Greens 2016/17 Annual Return..... 6
  - 2.2.4 1973 Foundation 2016/17 Annual Return ..... 6
  - 2.2.5 Canberra Labor Club 2016/17 Annual Return ..... 6



# 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 May to October 2018. The Commission required audits to be completed over:

- The political parties' gifts reporting for the period 1 January 2017 to 31 March 2018
- The associated entities and non-party candidates gifts reporting for the period 1 January 2017 to 31 March 2018
- The political parties and associated entities annual returns for the year ended 30 June 2017.



## 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 gifts reporting of the following parties was reviewed for the period 1 January 2017 to 31 March 2018:
  - Australian Labor Party (ACT Branch);
  - Liberal Party of Australia (A.C.T. Division)
  - The ACT Greens
- No errors were noted in gifts reported for the above parties for the period 1 January 2017 to 31 March 2018.
  
- The gifts reporting of the following associated entities was reviewed for the period 1 January 2017 to 31 March 2018:
  - The 1973 Foundation
  - The Canberra Labor Club
- No errors were noted in gifts reported for the Canberra Labor Club and the 1973 Foundation for the period 1 January 2017 to 31 March 2018.
  
- The 2016/17 Annual Returns of the following parties and associated entities were reviewed:  
**Political Parties:**
  - Australian Labor Party (ACT Branch);
  - Liberal Party of Australia (A.C.T. Division)
  - The ACT Greens
- No errors were noted in the Annual Returns for the above parties for the period ended 30 June 2017.  
  
**Associated Entities:**
  - The 1973 Foundation
  - The Canberra Labor Club
- A variance of \$36,468 was noted between the total debts reported in the 1973 Foundation Annual Return and the corresponding balances in the 1973 Foundation Financial Statements for the year ended 30 June 2017. The variance appears to relate to changes in the 1973 Foundation investment income between completion of the Annual Return and finalisation of the financial statements. Please refer to section 2.2.4 for further details.



- The Canberra Labor Club 30 June 2017 Financial Statements show that the \$10.6m overdraft with Westpac was fully repaid in 2016/17 but the 2016/17 Annual Return includes the \$10.6m as a debt at 30 June 2017. Please refer to section 2.2.5 for further details.

## 2 Detailed Findings

### 2.1 Review of Gifts Reporting

#### 2.1.1 The Australian Labor Party ACT Branch 1 January 2017 to 31 March 2018 Gifts Reporting

- No errors were noted in gifts reported for the Australian Labor Party ACT Branch for the period 1 January 2017 to 31 March 2018.

#### 2.1.2 The Liberal Party of Australia (A.C.T. Division) 1 January 2017 to 31 March 2018 Gifts Reporting

- No errors were noted in gifts reported for the Liberal Party of Australia (A.C.T. Division) for the period 1 January 2017 to 31 March 2018.

#### 2.1.3 The ACT Greens 1 January 2017 to 31 March 2018 Gifts Reporting

- No errors were noted in gifts reported for the ACT Greens for the period 1 January 2017 to 31 March 2018.

#### 2.1.4 The 1973 Foundation 1 January 2017 to 31 March 2018 Gifts Reporting

- No errors were noted in gifts reported for the 1973 Foundation for the period 1 January 2017 to 31 March 2018.

#### 2.1.5 The Canberra Labor Club 1 January 2017 to 31 March 2018 Gifts Reporting

- No errors were noted in gifts reported for the Canberra Labor Club for the period 1 January 2017 to 31 March 2018.



## 2.2 Review of 2016/17 Annual Returns

### 2.2.1 The Australian Labor Party ACT Branch 2016/17 Annual Return

- No errors were noted in the Annual Returns for the Australian Labor Party ACT Branch for the period ended 30 June 2017.

### 2.2.2 The Liberal Party of Australia (A.C.T. Division) 2016/17 Annual Return

- No errors were noted in the Annual Returns for the Liberal Party of Australia (A.C.T. Division) for the period ended 30 June 2017.

### 2.2.3 The ACT Greens 2016/17 Annual Return

- No errors were noted in the Annual Returns for the ACT Greens for the period ended 30 June 2017.

### 2.2.4 1973 Foundation 2016/17 Annual Return

**Issue:**

The 30 June 2017 Annual Return discloses total debts of \$346,027 but the corresponding amounts recorded in the Financial Statements total to \$382,495, a difference of \$36,468. The variance appears to relate to changes in the 1973 Foundation investment income between the completion of the Annual Return and the subsequent completion of the financial statements.

**Recommendation:**

The ACT Electoral Commission should follow up this variance with the 1973 Foundation and request an amended return if appropriate.

### 2.2.5 Canberra Labor Club 2016/17 Annual Return

**Issue:**

The 30 June 2017 Financial Statements show that the \$10.6m overdraft with Westpac was fully repaid in 2016/17 but the facility is still available to draw down until 30 June 2019. The 2016/17 Annual Return includes the \$10.6m as a debt at 30 June 2017.

**Recommendation:**

No recommendation, but it should be noted that the Canberra Labor Club have taken a conservative approach with this accounting treatment to show that the debt facility was there, that could be drawn down on.