

FUNDING AND DISCLOSURE REPORT

Election 2001

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Key abbreviations

AEC *Australian Electoral Commission*

JSCEM *Parliamentary Joint Standing Committee on Electoral Matters*

The Act *Commonwealth Electoral Act 1918*

INTRODUCTION

This report on the operation of the election funding and financial disclosure provisions of Part XX of the *Commonwealth Electoral Act 1918* (the Act) is prepared for the purposes of subsection 17(2) of the Act in relation to the 2001 Federal election.

This report adopts an approach different from the previous section 17 reports. Those reports identified issues arising from the operation of the legislation, and provided recommendations in respect of those issues. The revised approach is to more comprehensively report on the operation of Part XX and, in particular, the outcome of the funding and disclosure scheme over the election period.

While issues will continue to be raised as appropriate, detailed recommendations for the further development of the scheme, and amendment of the legislation, will be separately made to the Parliamentary *Joint Standing Committee on Electoral Matters* (JSCEM), or in special reports under subsection 17(2B) of the Act. It is anticipated that this approach will enable more effective management and control of recommendations by the AEC and the JSCEM.

Recommendations originally proposed for this report have been included in AEC submissions made to the JSCEM during 2004.

In addition to reporting on the operation of the election funding and financial disclosure scheme, it also reports on the operation of the party registration arrangements established under Part XI of the Act. This is because of the close linkages between the party registration scheme and the funding and disclosure scheme as they pertain to the 2001 election period.

The performance of the AEC in its administration of the funding and disclosure scheme against performance indicators and targets set down in *Portfolio Budget Statements* and *Portfolio Additional Estimates Statements* is separately reported to Parliament in *AEC Annual Reports*.

ELECTION FUNDING

The election funding scheme established under Part XX of the Act appropriates public moneys to help fund the election campaigns of parties and independent candidates.

\$38.6 million in election funding was paid to parties and candidates for the 2001 election.

Eligibility

Individual House of Representatives and Senate candidates receiving 4% or more of formal first preference votes in an electorate in a Federal election or by-election are entitled to public election funding. For Senate groups, the group as a whole must win at least 4% of formal first preference votes in their State or Territory in order to be eligible for public funding.

Election funding is normally paid to the agent of a State or Territory branch of a party or parties that endorsed a candidate or Senate group. It is paid to the agent of the candidate or Senate group in the case of independent candidates or groups. A candidate who does not appoint an agent is deemed to be their own agent for these purposes.

Entitlement

The funding entitlement is calculated by multiplying the number of formal first preference votes received by a funding rate. This rate is reviewed each six months in line with increases in the consumer price index.

For the period July-December 2001, and hence for the 2001 election, the rate was 179.026 cents per eligible vote. This compares to 162.210 cents per eligible vote at the 1998 election.

Payment

Details of the 2001 election funding payments made are at *Appendix 1*.

A total of \$38 559 409.33 was paid in separate payments of \$35.69 million and \$2.9 million. This reflects the requirements of the Act that at least 95% of the funding entitlement is to be paid in the fourth week after polling day on the basis of votes counted as at the 20th day after polling day. The balance is paid when vote counting is finalised and verified, and the full entitlement is known.

Figure 1 provides a summary of the growth of funding payments since the scheme was introduced in 1984. The significant increase in payments at the 1996 election reflected changes made to the base rate of payment by the Parliament.

FIGURE 1 – FUNDING PAYMENTS OVER TIME

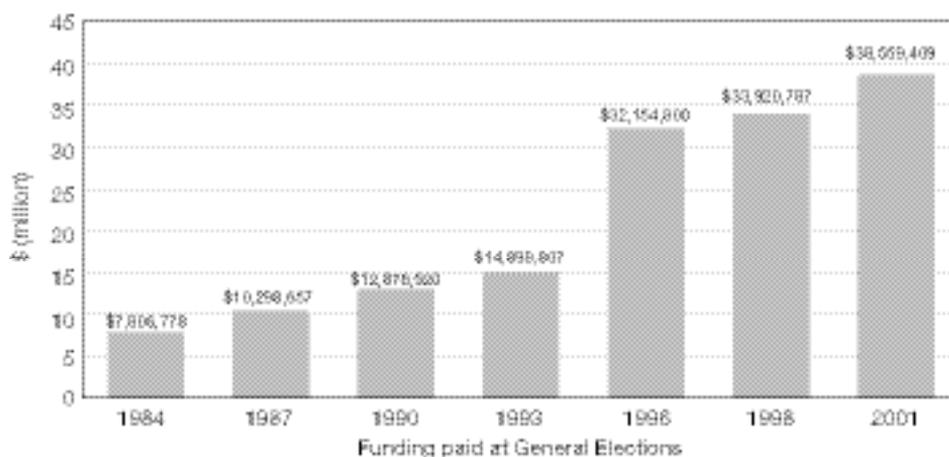
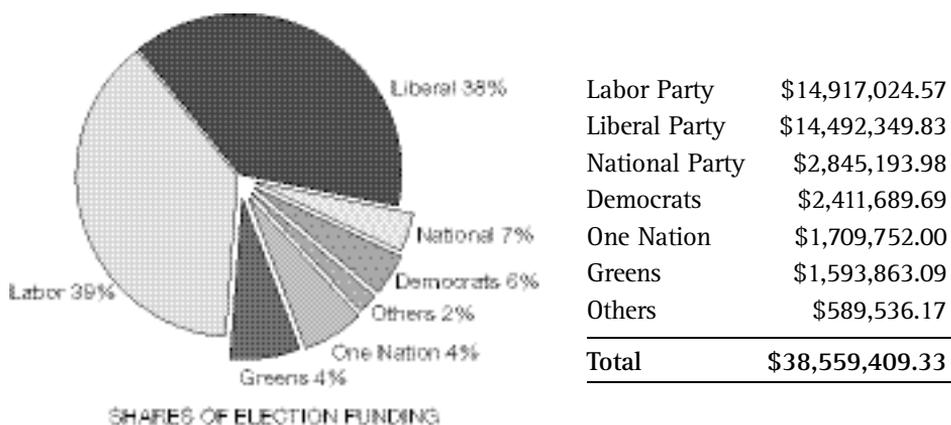


Figure 2 provides a summary of the allocation of election funding for the 2001 election. This highlights the proportion of funding going to the major parties, consistent with their proportion of the overall vote.

FIGURE 2 – DISTRIBUTION OF ELECTION FUNDING



Media releases

The AEC issued a Media Release when each payment was made. These attracted press coverage, some of a critical bent. In particular, there was comment about the party receiving the most election funding not being the party that won the election.

There were also questions about the equity of a scheme that provides automatic entitlement regardless of expenditure incurred.

Redirection of funding

Parties and their branches may re-direct their funding entitlements pursuant to funding agreement arrangements advised to the AEC. In particular, the Australian Labor Party directed that all payments due to State or Territory branches be made to the National Secretariat.

The Liberal and National Parties in NSW and Victoria, and the Labor and Country Labor Parties in NSW ran joint Senate tickets. Where requested, payments in respect of those Senate groups were divided between the parties on a basis agreed by the parties.

FINANCIAL DISCLOSURE

The financial disclosure scheme established under Part XX of the Act seeks to ensure that the public is aware of major sources of party and candidate funding of any possible influence.

Annual returns

The scheme requires annual returns to be lodged with the AEC by registered political parties, and by some parties who have not elected to register (e.g. because they are branches of a registered party). It also requires returns to be lodged by associated entities (organisations controlled by, or operating to a significant extent to the benefit of political parties), and by donors to political parties.

Election returns

The scheme also requires candidates, Senate groups, donors, third parties and the media to lodge election period returns. In this context, a third party is a person or organisation other than a registered political party, associated entity or a candidate who receives political donations, and/or incurs election expenditure.

Public information

The annual returns, and election period returns (other than media returns) for the 2001 election were made publicly available on the AEC website at <http://www.aec.gov.au/>. Copies of all returns, including media returns are available, for a fee, direct from the AEC.

Return forms, and *Handbooks* providing background information and guidance for the completion of returns, were also available on the website.

A media release on 26 April 2002 advised that election returns (with the exception of media returns) would be available on the AEC website on 29 April 2002. Media releases each year advised the availability of annual returns from the first working day in February.

Overview

An overview of the disclosure scheme is at *Table 1*, with the lodgement timetable and coverage details at *Table 2*.

TABLE 1 - FINANCIAL DISCLOSURE RETURNS

Scheme as at election 2001		
ANNUAL RETURNS		
Donors	Political Parties and Associated Entities	
<ul style="list-style-type: none"> • Details of donations made to parties totalling \$1500 or more • Details of donations received of \$1000 or more and applied to donations to parties totalling \$1500 or more 	<ul style="list-style-type: none"> • Total Receipts, Payments and Debts • Details of amounts received of \$1500 or more • Details of debts of \$1500 or more • Details of capital contributions received by associated entities 	
ELECTION RETURNS		
Donors and Third Parties	Candidates	Broadcasters and Publishers
<ul style="list-style-type: none"> • Details of donations totalling \$200 or more made to candidates • Details of donations totalling \$1000 or more to Gazetted bodies • Amounts of electoral expenditure • Donations received of \$1000 or more and applied to electoral expenditure of \$1000 or more 	<ul style="list-style-type: none"> • No. and amount of donations received • Details of donations received of \$200 or more • Amounts of electoral expenditure • Details of loans of \$1500 or more • Endorsed candidates may report through party annual returns and party thresholds 	<ul style="list-style-type: none"> • Details of election advertisements over an election period
	<p style="text-align: center;">Senate Groups</p> <ul style="list-style-type: none"> • No. and amount of donations received • Details of donations received of \$1000 or more • Amounts of electoral expenditure • Endorsed groups (other than jointly endorsed groups) report through the party annual returns and party thresholds 	
<p>This <i>Table</i> should be read in conjunction with <i>Table 2</i></p>		

TABLE 2 - FINANCIAL DISCLOSURE TIMETABLE

Scheme as at election 2001				
	Lodgement Date			
Return	Annual Returns	Election Returns	Period Covered	Public Release
Political parties	16 weeks after financial year		Financial year – 1 July to 30 June	1st working day in February
Associated entities	16 weeks after financial year		Financial year – 1 July to 30 June	1st working day in February
Donors	20 weeks after financial year		Financial year – 1 July to 30 June	1st working day in February
Broadcasters and Publishers		8 weeks after election	Issue of writs to election day	24 weeks after election
Third parties		15 weeks after election	<i>Returns of donations made and donations received</i> - 31 days after last election to 30 days after election day <i>Return of electoral expenditure</i> – from the issue of the writ until election day	24 weeks after election
Candidates		15 weeks after election	31 days after the last election contested within 4 years (House of Reps) or 7 years (Senate), or from commencement of candidacy, to 30 days after election day	24 weeks after election
Senate groups		15 weeks after election	From request to AEC to be grouped until 30 days after election day	24 weeks after election
The AEC has no authority to vary these dates. Returns are not required to be audited prior to lodgement, and are prepared on a cash accounting basis				
The 2001 election was held on 10 November 2001.				
This <i>Table</i> should be read in conjunction with <i>Table 1</i>				

The overview tables highlight the complexity of the scheme, with ten separate return forms and three separate disclosure thresholds. These disclosure thresholds are in some cases amounts *totalling* the threshold or more and in other cases are individual amounts *equalling* the threshold or more.

There is also a significant time between the period covered by the various returns and their public availability, gaps in coverage (e.g. complete details of election expenditure are not available), overlaps whereby donations are reported (subject to differing definitions) by donors and by the parties or candidates receiving the donation, and the coverage periods vary between category of return.

AEC recommendations for the development and maintenance of the enabling legislation are regularly made to the JSCEM.

Returns lodged

Table 3 provides details of the number of annual returns lodged with the AEC for the period from the 1998 election to the 2001 election, and the number of election returns lodged in respect of the 2001 election. It also provides the number of amended returns lodged.

TABLE 3 - RETURNS PROCESSED IN YEAR

Return	1999-00	2000-01	2001-02
Annual Returns			
Political Parties – original	99	99	79
Political Parties – amended		31	21
Associated Entities – original	78	75	68
Associated Entities – amended		2	6
Donors – original	777	705	807
Donors – amended		20	11
Election Returns			
Candidates			1 318
Senate groups			22
Third party return of donations made			321
Third party return of donations received			16
Third party return of electoral expenditure			40
Broadcasters			446
Publishers			1 118
Total election returns			3 281

Annual returns

The annual returns provide information about revenue and expenditure, and details of donations and loans equal to or in excess of a \$1 500 disclosure threshold. A summary of annual return information is at *Table 4*.

As the identity of parties and associated entities is, in very large part, known to the AEC prior to lodgement deadlines, it is able to remind them of their disclosure obligations and to assist with the lodgement process. There are nonetheless, instances of late lodgement.

Parties are not required to advise donors of their disclosure obligations. While the AEC uses information from the party returns to contact donors and remind them about their disclosure obligations, returns are not always received by the due date. In part, this is because there are only four weeks between the time when party returns are due and donor returns are due. This gives the AEC only a very short period in which to extract information from the party returns and to use this to contact donors about their disclosure obligations. Notwithstanding their clear legal obligations, donors then need time to prepare and to lodge their returns.

The number of amended returns reflects, in part, corrections made following AEC compliance review activity reported elsewhere in this Report.

Candidate returns

The candidate disclosure return provides information about donations received and electoral expenditure incurred. Details of donations totalling \$200 or more are required, together with six categories of electoral expenditure covering advertising, production of campaign material and market research. Total expenditure is not disclosed (e.g. travel and office costs are not disclosed).

There were 1 324 House of Representatives and Senate candidates at the 2001 election. Of these candidates, 1 318 lodged candidate disclosure returns, of which 396 were lodged after the statutory deadline of 25 February 2002. It was not cost-effective to pursue the six outstanding returns further.

Seven hundred and sixty six candidate returns were 'nil' returns submitted by endorsed candidates. Disclosure information for these candidates is required to be incorporated into their party's annual returns.

Senate group returns

These returns are substantially similar to the candidate returns, but with a higher (\$1 000) disclosure threshold.

There were 101 Senate groups at the 2001 election. Nineteen independent groups and three joint Senate ticket groups were required to lodge returns. The other 79 endorsed groups were not required to lodge returns as their information is required to be included in party annual returns. Twelve Senate group returns were lodged late.

Third party returns

Subsection 17(2A) of the Act requires the publication of a list of persons who, in the opinion of the AEC, are or may be required to lodge a donor or third party return in relation to the 2001 election.

A list of those persons who provided such returns is at *Appendix 3*.

Third party returns – donations made

This return requires disclosure of details of donations totalling \$200 or more made to candidates, and \$1 000 or more made to bodies gazetted by the AEC.

Three hundred and twenty one returns of donations made to candidates were received. Only 53 of these were received prior to the due date of 25 February 2002, mainly from donors who were aware of their disclosure obligations in prior years.

The high proportion of late lodgements reflects the fact that candidates are under no obligation to advise donors of their disclosure obligations. Thus, notwithstanding their clear legal obligations, many donors are not aware of these obligations until contacted by the AEC subsequent to its receipt of the relevant candidate return in a situation where the candidate return and the donor return are each due to be lodged by the same day. As donations of endorsed candidates are generally consolidated into the party annual return (with a higher disclosure threshold), many donors can never be identified and do not lodge returns.

Third party – donations received

This return requires disclosure of details of donations of \$1 000 or more received by third parties that are applied to electoral expenditure of \$1 000 or more by those third parties.

Sixteen returns were lodged; all but two were received before the due date of 25 February 2002. In large part, these returns were from third parties who were aware of their disclosure obligations e.g. through prior dealings with the AEC.

Third Party – electoral expenditure

This return requires disclosure of the amount of electoral expenditure incurred in each of six categories. The focus of the categories is on advertising, production of campaign material and market research.

Forty returns were lodged, eight of which were lodged after the due date of 25 February 2002.

Media returns

The broadcasters and publishers returns provide details of election advertisements over an election period. There are separate returns for broadcasters and for publishers.

Broadcasters and publishers were contacted by letter advising their disclosure obligations in the event that they ran election advertisements over the election period. One thousand five hundred and sixty four media returns were received; 31 from television broadcasters, 415 from radio and the balance from publishers. Seven hundred and forty four returns were 'nil' returns.

Candidate and Senate group agents

Candidates and Senate groups have the opportunity to appoint an agent for election funding and financial disclosure purposes. Some candidates take advantage of this in order to ensure the effective management of their disclosure obligations.

Forty-three candidates and 21 Senate groups appointed agents to deal with their financial disclosure obligations for the 2001 election. The remaining candidates were deemed by the Act to be their own agents and, in the case of Senate groups, the person whose name was listed first on the ballot paper was deemed by the Act to be the agent.

The window of opportunity for appointment of agents begins at the issue of the writs and ends at close of nominations. As many candidates and Senate groups did not nominate until late in this period, not all who wished to appoint an agent were aware of the need to, or had the opportunity to, appoint an agent within the statutory time limits. To address this, the AEC provided information to candidates when they nominated, and wrote to those candidates who nominated earlier in the period.

Administration

The AEC necessarily devoted considerable resources to the task of seeking compliance with the financial disclosure obligations. This is due to the nature and complexity of the financial disclosure scheme as well as the reality that financial disclosure issues were not at the forefront of the minds of those who were actively involved in contesting the election.

In addition to making *Handbooks* and similar information available to those with disclosure obligations:

- Letters were written to the agents of all candidates and Senate groups alerting them to their disclosure obligations. Reminder letters were sent as necessary.
- Letters were written to all donors and third parties as revealed from candidate returns and other sources. Reminder letters were sent as necessary.
- Letters were sent to all broadcasters and publishers as listed on commercial directories of media outlets and reminders were sent as necessary.

In excess of 7 000 letters, together with phone calls and other administrative actions, were required to obtain lodgement of the 3 281 election returns. This is notwithstanding that disclosure obligation information is made available on the AEC website, in AEC funding and disclosure handbooks and in AEC nominations material.

Prosecutions

No prosecution action for failure to lodge, or for incomplete or inaccurate returns, was undertaken in respect of the 2001 election.

Subject to compliance trends and other information supporting the operational need, and the public interest benefit of such action, the need for prosecution will be assessed for the 2004 election.

Unlawful Loans and Donations

Loans of \$1 500 or more from a source other than a financial institution such as a bank or credit union that are not properly documented are unlawful. Anonymous donations in excess of \$200 for a candidate and \$1 000 for a party are similarly unlawful.

No such unlawful loans or donations came to the attention of the AEC in respect of the 2001 election. Reporting issues in relation to loans are addressed in the 'Compliance Review' chapter of this Report.

Financial information

A summary of the aggregate annual return information provided by parties and associated entities over each of the financial years 1999-00, 2000-01 and 2001-02 is at *Table 4*.

This is based on information lodged with the AEC. It does not incorporate amendments to returns as a result of AEC compliance reviews, nor does it include returns that were lodged after the returns generally became publicly available.

The information is derived from returns that are required to be prepared on a cash accounting basis. This means that non-cash items (e.g. depreciation and provisions) are not included in the returns with the result that data extracted from the returns can only be taken as indicative of the true financial position.

Notwithstanding these limitations, key observations to be drawn from the data include:

- The parties and their associated entities, in aggregate and on a cash basis, were in surplus in two of the three years. (The AEC is aware from its compliance review activities that not all parties are in a solvent position);
- The significant increase in party revenue and expenditure in election year 2001-02 over the two previous non-election years. The more than doubling of revenue and expenditure is significantly in excess of the amount of \$38.6m paid to parties and candidates for public election funding;
- The significant financial scale of associated entities when compared to political parties generally.

Table 4 - ANNUAL RETURN SUMMARY

Category	1999-00 \$m	2000-01 \$m	2001-02 \$m
Political Parties			
Revenue	60.97	66.86	147.24
Expenditure	61.32	63.46	136.57
Loans	10.95	16.65	16.05
Associated Entities			
Revenue	70.86	52.37	63.59
Expenditure	64.79	46.15	56.34
Loans	54.18	54.71	58.10

Electoral expenditure

The requirement for political parties to provide details of their electoral expenditure was discontinued by Parliament prior to the 2001 election. Electoral expenditure information for endorsed candidates is included in party annual returns that now do not provide any break-up of this expenditure.

The effect is that details of electoral expenditure by category as shown at *Table 5* are only available in respect of independent candidates and third parties.

In addition, *Table 5* does not cover all components of electoral expenditure. For example, it does not include travel and office costs as these are not required to be disclosed. Internet advertising and Internet marketing are similarly not captured by the definition of electoral expenditure.

TABLE 5 – ELECTORAL EXPENDITURE

Category	Candidate \$'000	Third party \$'000
Broadcast advertisements	580	788
Published advertisements	744	720
Displayed advertisements	59	73
Campaign material	1 160	163
Direct mailing	443	57
Polling and research	102	192
TOTAL	3 087	1 994

Media returns

The total amount of media advertising reported by 820 broadcasters and publishers for the 2001 election was \$27.7 million:

- The major advertisers were the major parties. For example, media organisations reported an aggregate of \$11.7 million in the name of the Australian Labor Party and \$9.1 million in the name of the Liberal Party of Australia. This does not include amounts in the name of closely associated parties.
- Of the 820 media returns, 611 were for total amounts of electoral advertising of less than \$10 000 and only 6 were for amounts of electoral advertising in excess of \$1 million.

COMPLIANCE REVIEWS

The AEC has investigatory powers under the Act to determine whether a person with financial disclosure obligations has complied with those obligations. The AEC undertakes a regular compliance review program, and also investigates disclosure matters that come to its notice through other means where this appears to be warranted.

Subsection 17(2C) of the Act specifically requires that the AEC include in this report particulars of the operation of subsection 316(2A), which provides authority for the AEC compliance review program.

AEC compliance reviews apply the principles set out in the Australian Auditing Standards to provide assurance as to whether a political party, associated entity or donor has met its disclosure obligations under the Act. Eighty-five compliance reviews were conducted in 2000-01 and 30 were conducted in 2001-02. Compliance reviews are not carried out during a federal election period.

Three main issues arose out of these routine compliance review activities:

- **Fundraisers** - Parties and contractors were unclear about how to report income received through the use of contractors to undertake fundraising activities. A widely reported example was that of the use of Markson Sparks! as a contractor to organise and manage certain fundraising activities on behalf of the NSW branch of the Australian Labor Party. While the party reported donations from the contractor, and the contractor lodged a donor return in respect of various fundraising amounts, the amounts reported by the party and the contractor did not reconcile. As the Act requires donor returns from all persons who made donations to the fundraisers above the statutory disclosure threshold of \$1 500, and also requires the party to provide details of such donations, it was not sufficient for the contractor and the party to aggregate these details. As a result, the party lodged an amended return and all political parties were reminded of the reporting obligations applicable to contract fundraising activities;
- **Reporting of loans** - Failure by some parties to note that the legislation had changed to include a requirement to keep records of, and report details of, loans received from other than a financial institution. This resulted in failure to include required details in their

financial disclosure returns. The AEC wrote to all registered political parties about the reporting requirements and seeking any necessary amendments to financial disclosure returns;

- **Availability of records** - Pauline Hanson's One Nation party was unable to properly complete financial disclosure returns due to the winding up of certain aspects of party business and the alleged disappearance of financial records. The AEC found it necessary to liaise with the party and the provisional liquidator to ensure that the party had access to those financial records that were available in order that the party could lodge a more properly completed return. While amended returns were received, there remains doubt as to whether these were complete given the unusual circumstances involved.

In addition, compliance reviews highlighted to the AEC the diverse nature of parties, ranging from those that are large and mature with well-established systems through to those that are emerging, or are in decline. The reviews provide an opportunity for the AEC to inform parties about their disclosure obligations, and to gain an understanding of some of the issues parties face in meeting their compliance obligations.

While the majority of parties have satisfactory records and systems, there remain a number of parties (both small and large) which cannot, or will not, meet their statutory obligations in a timely way. The number of amended disclosure returns lodged (see *Table 3*) is in large part an outcome of the compliance review program.

Other matters

A number of matters were raised with the AEC (e.g. at Senate Estimates hearings) or in the media about whether certain financial transactions were being correctly reported in the appropriate return.

Matters raised at Senate Estimates hearings included issues and transactions related to the Citizens' Electoral Council (a registered political party), the National Club, the Millennium Forum, the Greenfields Foundation and Austereo. These matters were examined by the AEC through the compliance review program and additional investigatory activities as appropriate. Amended returns were obtained where necessary.

PARTY REGISTRATION

Part XI of the Act provides for the registration of political parties and the maintenance by the AEC of a public *Register of Political Parties*.

Sixty-four parties were registered under Part XI of the Act for the 2001 federal election. A list of these parties, with those who contested the 2001 election highlighted by asterisk, is at *Appendix 2*.

Twenty-one of these registered political parties were branches or divisions of other registered parties. This reflects the flexibility of the Act, which enables parties to choose whether to separately register their State and Territory branches or to only register a parent party. State branches have identical disclosure obligations regardless of whether they are separately registered.

The benefits of registration are that the party is entitled to have its name or abbreviation printed beside candidates' names on ballot papers; the party is entitled to election funding where sufficient votes are received by its candidates; the party is entitled to receive printed and electronic copies of the Commonwealth Electoral Roll; and the party is entitled to an electronic list of postal vote applicants.

Registration by the AEC as a political party is for federal electoral purposes only and is separate and distinct from State or Territory registration requirements.

Amendments

Amendments to Part XI of the Act in the period leading up to the 2001 election:

- Required that any registered abbreviation of a party name be an abbreviation or acronym rather than an alternate name;
- Introduced a 'no-overlap' rule to stop party members (including Parliamentary members) supporting more than one party for registration purposes;
- Required Parliamentary members to be members of the federal Parliament;
- Provided the AEC with specific power to review the eligibility of parties to continue to be registered.

'liberals for forests'

On 6 August 1999 an application was received for the registration of a party named 'liberals for forests'. This application was refused by the AEC on the basis that the name so nearly resembled the name of a recognised political party (the *Liberal Party of Australia*) that it was likely to be confused or mistaken for that party's name.

The 'liberals for forests' applied to the Administrative Appeals Tribunal for a review of the AEC decision. On 6 March 2001 the AAT overturned the AEC decision in *Woollard and Australian Electoral Commission and Liberal Party of Australia (WA Division) Inc 2001 AATA 166 (6 March 2001)*. The party was registered on 1 May 2001.

Pauline Hanson's One Nation

Considerable publicity was given to the actions of the State Electoral Commission of Queensland when it deregistered Pauline Hanson's One Nation party and the Queensland Director of Public Prosecutions undertook legal action against members of the party.

Consequential questions were raised with the AEC about its registration of this party for federal electoral purposes. The Queensland action was not relevant in the Commonwealth context as the party was registered by the AEC as a Parliamentary party (i.e. its registration was based on it having a member who was a member of the federal Parliament).

'No overlap' rule

Subsequent to the 1999 NSW State election, concerns were raised that the same members could be used to register multiple parties. This was seen as a potential abuse of the party registration system and a threat to the integrity of the *Register of Political Parties*.

The Act required that parties wishing to be registered for federal elections must have either at least one member who is a member of Parliament, or at least 500 members who are entitled to be enrolled for federal elections.

The legislation was amended in 2000 to require that any supporting membership information provided by a party must be unique to that party. Thus, whilst a person is not restricted from being a member of as many parties as he or she may choose, a person may only be used by one party at a time to support the registration of that party.

Democratic Labor Party

The AEC undertakes a program of review of the ongoing eligibility of parties to remain registered.

The AEC's authority to carry out such reviews was disputed by the Democratic Labor Party of Australia (DLP) when it refused to provide information sought to confirm its ongoing eligibility. The DLP challenged the AEC's powers in the Federal Court, which ordered on 8 June 2001 that the AEC take no further action in relation to the deregistration.

Amendments to the Act proclaimed on 16 July 2001 clarified the AEC power to review the eligibility of parties to remain registered and the AEC re-commenced its review of the registration of the DLP, and of other parties. Deregistration action was subsequently commenced against some parties, including the DLP, who failed to comply with an AEC review notice.

The DLP lodged an application with the Federal Court for an order of review and writ of prohibition in early 2002. This challenge included the contention that section 138A of the Act (dealing with the review of eligibility of parties to remain in the Register) was unconstitutional on the grounds that it contravened the right to freedom of political association. A tenet of this argument was that, without federal registration, ballot papers would not carry the DLP party endorsement alongside its candidates' names. The other primary argument advanced by the DLP was that the minimum 500 members and the 'no overlap' rules infringed implied freedom of association, participation and privacy.

This court action, which included a DLP appeal to the High Court, will be addressed in the 2004 election funding and disclosure report. The AEC suspended action on deregistering the DLP while the court action was in progress.

LEGISLATIVE REVIEW

The purpose of the section 17 funding and disclosure reports is to inform the Minister, and the Parliament, about the operation of the election funding and financial disclosure schemes.

The AEC has provided a subsection 17(2) report on the operation of the funding and disclosure provisions of the Act for each election since the requirement was introduced in 1984.

The Act also provides for the AEC to make a subsection 17(2B) report on the operation of the funding and disclosure provisions generally. The AEC has, to date, not provided such a report, preferring to provide submissions direct to the JSCEM as required.

The JSCEM initiated inquiries into the funding and disclosure schemes, and into the integrity of the electoral roll, in late 2000. The funding and disclosure inquiry was deferred to enable the JSCEM to concentrate on the inquiry into the integrity of the electoral roll and lapsed on the calling of the 2001 election.

Copies of the AEC submissions to the 2001 funding and disclosure inquiry are available on the AEC and Parliament websites. The underlying theme of the submissions was the need to comprehensively review the operation of the funding and disclosure schemes to ensure that they are meeting contemporary needs and objectives.

APPENDIX 1

2001 ELECTION FUNDING PAYMENTS

Payee	Amount (\$)
Australian Labor Party (ALP)	14,917,024.57
Liberal Party of Australia (LP)	14,492,349.83
National Party of Australia (NP)	2,845,193.98
Australian Democrats (DEM)	2,411,689.69
Australian Greens (AG)	1,370,734.04
Pauline Hanson's One Nation (PHON)	1,709,752.00
No Goods and Services Tax Party	5,488.94
Northern Territory Country Liberal Party	138,997.58
Christian Democratic Party NSW (Fred Nile Group)	7,647.99
The Greens WA Inc	223,129.05
liberals for forests	14,332.82
Progressive Labour Party	7,327.53
Unity - Say No To Hanson	17,689.55
ANDREN, Peter James - Calare NSW	73,017.54
AUSTIN, Pauline Maisie - Solomon NT	4,257.24
BOWN, Conway - Herbert QLD	11,588.35
COCHRAN, Peter Lachlan - Eden-Monaro NSW	11,522.11
COOPER, Thomas James - Page NSW	9,814.21
DALGLEISH, David Bruce - Wide Bay QLD	5,714.51
DOUGLASS, Ross Thomas - Mallee VIC	6,631.12
HAIGH, Bruce Douglas - Gwydir NSW	8,301.44
HOURIGAN, Rosalind - Fisher QLD	10,745.14
KATTER, B Robert Karl - Kennedy QLD	63,652.69
KESSELS, Colin James - Dickson QLD	9,314.72
MacDONALD, Peter Alexander - Warringah NSW	38,472.69
MCINTOSH, Nelson Douglas - Indi VIC	9,459.73
MELVILLE, Peter Lloyd - Hinkler QLD	12,794.99
MOTT, William Trevor - Cunningham NSW	7,581.75
PAULGER, S Shane Peter - Fairfax QLD	13,460.96
STEGLEY, Kristin - Goldstein VIC	8,605.78
THEOPHANOUS, Andrew Charles - Calwell VIC	15,023.86
TREASURE, Douglas Harry - Gippsland VIC	7,606.81
WICKS, Graeme Francis - Wide Bay QLD	6,051.08
WINDSOR, C Antony Harold - New England NSW	64,435.04
TOTAL	38,559,409.33

APPENDIX 2

REGISTERED POLITICAL PARTIES AT 2001 ELECTION

* Asterisk denotes parties contesting Election 2001

PARTY NAME	PARTY NAME
*Advance Australia Party	*Liberal Party of Australia - Queensland Division
Australia First Party	*Liberal Party of Australia - Tasmanian Division
*Australian Democrats	*Liberal Party of Australia, NSW Division
*Australian Greens	*Lower Excise Fuel and Beer Party
*Australian Labor Party (ACT Branch)	National Party of Australia
Australian Labor Party (ALP)	*National Party of Australia (Queensland)
*Australian Labor Party (N.S.W. Branch)	National Party of Australia (S.A.) Inc.
*Australian Labor Party (Northern Territory) Branch	*National Party of Australia (WA) Inc
*Australian Labor Party (South Australian Branch)	*National Party of Australia - N.S.W.
*Australian Labor Party (State of Queensland)	*National Party of Australia - Victoria
*Australian Labor Party (Tasmanian Branch)	*No Goods and Services Tax Party
*Australian Labor Party (Victorian Branch)	*Non-Custodial Parents Party
*Australian Labor Party (Western Australian Branch)	*Northern Territory Country Liberal Party
Australian Reform Party	*Nuclear Disarmament Party of Australia
Australian Shooters Party	*Outdoor Recreation Party
Australian Women's Party	*Pauline Hanson's One Nation
*Australians Against Further Immigration	*Peter Breen - Reform the Legal System
*Christian Democratic Party (Fred Nile Group)	*Phil Cleary - Independent Australia
*Citizens Electoral Council of Australia	*Progressive Labour Party
City Country Alliance	Queensland Greens
*Country Labor Party	*Republican Party of Australia
*Curtin Labor Alliance	*Save the ADI Site Party
*Democratic Labor Party (DLP) of Australia	Socialist Equality Party
*Helen Caldicott's - Our Common Future Party	*Tasmania First Party
*Help End Marijuana Prohibition	Tasmanian Independent Senator Brian Harradine Group
*Hope Party Australia	*Taxi Operators Political Service (Oceania)
*liberals for forests	The Australian Greens - Victoria
*Liberal Party (W.A. Division) Inc.	*The Fishing Party
Liberal Party of Australia	*The Greens (WA) Inc
*Liberal Party of Australia (S.A. Division)	The Greens NSW
*Liberal Party of Australia (Victorian Division)	*Unity - Say No To Hanson
*Liberal Party of Australia - ACT Division	Young National Party of Australia

APPENDIX 3

PERSONS WHO ARE OR MAY BE REQUIRED TO FURNISH A RETURN UNDER SUB-SECTIONS 305(1), 305A(1) OR 309(4) OF THE ACT

Section 17(2A) of the Act requires the publication in this Report of a list of persons who, in the opinion of the AEC, are or may be required to lodge a donor or third party return in relation to the 2001 election.

There are three categories of donor or third party election returns:

- Third Party Return of Electoral Expenditure (required by subsection 309(4))
- Third Party Return of Donations Made (required by subsection 305A(1))
- Third Party Return of Donations Received (required by subsection 305(1))

The following list of possible donors or third parties is derived from candidate and other returns, AEC records and from monitoring of media and other information sources. Where the possible donors or third parties have lodged returns, these are available at <http://www.aec.gov.au/>.

Persons who, in the opinion of the AEC, were required to lodge a third party return of donations made in relation to the 2001 election

349 Sales Pty Ltd
Abelson, Peter
Afton Pastoral Co
Aged and Disability Pensioners Party, The
Agnew, Brian Thomas
AJ Richardson Properties Pty Ltd
Aldridge, Rose Marie
Alliance Systems
Anning and Associates
Archer, Timothy Martin
Arjuna Pastoral Company
Ashley, Elaine
Associated Nursery Traders Pty Ltd
Association of Independent Schools of SA
Australia First Party

Australian Community Party
Australian Conservation Foundation
Australian Education Union (Tas)
Australian Education Union (SA)
Australian Education Union (WA)
Australian Hotels Association NSW
Australian Institute of Marine and Power Engineers
Australian Premium Coals P/L
Australian Record Industry Association Ltd
Australian Services Union NSW and ACT
Australian Manufacturing Workers Union
Australian Workers Union

APPENDIX 3 (continued)

<p> Australian Workers Union (NSW Branch) Baiada Poultry Bailey, Earle and Penny Balgant Services Balgarnie, Robert Ball, John Barnes, Lindsay Bassingthwaight, Ernest George Battle, Thomas William and Lyn Bearup, Robert Bella Bona, Jeffrey and Braybrook, Rosemary Bennett, E Bennett, Ollie Bernard, Anthony C Bindaree Beef Blacklaw Civil Contractors P/L Bloore, Judith M Boesenberg, Peter and Athena Bracey, David Brajkovich and Sons Brill Publications Pty Ltd Brown, Bob – Greens Senator Brown, Selwyn John Brown, Vicky Building Workers Club T/A Mt Druitt Club Burgmann, Dr Meredith - MLC Burns, David Butler, Anthony and Marilyn Campbell for Service Campbell, Graeme – Campaign Fund Campbell, Graeme – Campaign Account Campbell, John Gavin and Lilian Elaine Campbell, Michele Canberra Programme for Peace Capalaba Agencies Real Estate Capitol Research P/L Carnwell, Bruce Caslec Industries Pty Ltd Casper, Zachary C Celledoni, Eda Mae – Celledoni Farming Chaffey, Patricia A Chong, H City Country Alliance - Gympie Branch Clark, William RH Cleary, Jacquelyn Collins and Co </p>	<p> Colosimo, Ross Colourcraft Labels Pty Ltd Communist Party of Australia Communist Party of Australia - SA Cooper, Ernest A Cooper, Tom Coulton, AR and JM Countryside Productions Covington, EA and JA Cox, C E Crowther, John Kenneth Davey and Scurrah Davey, Neville Deadline Services Dee, Peter Despot, George Dimond, Vicki Lynette Dubois, Steve and Annette ECOCA P/L - The McGrane- Border Trust Eggleton, MH and JK Ellis, Alan H Ellis, Ronald William Elsley, Wayne Allan Emily's List Emirates Park Pty Ltd Eskander, Michael Everett, Mrs Annie Fair Go Alliance Fenton, Ian Firmi, E and I Fleming, JR Fletcher Vale Pastoral Company Ford, Frank French Quarter Resort Friends of The ABC (WA) Inc Geaney, James Charles George, Gloria George, JML and WJ Gill, Michael B Gillman, Dr Michael Glory City Australia Gogoll, Dudley Greaves, William and Susan Greer, DJ and SI Griffin, H C Gunn, Colin John Hadden, John Haigh, Bruce Hamilton, Susan Hand, Mrs Caroline </p>
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APPENDIX 3 (continued)

<p> Hansen Orchards Pty Ltd Harris, Arthur Harrison, H G Hawtrej, Charles S Haynes, JC and AJ Heeze Holdings Pty Ltd Hewitt, Andrew Lenox Hill, Greg Hill, Heather Honest Holdings P/L How's Restaurant Pty Ltd Hughenden Station Humera Constructions Humphrey, John F Huxtable, Dr B R Hyman, Pat Ingersole, Max Ingram, Craig Innes, Mervyn International Airline Crewing Pty Ltd Iskandar, Sam J T Fossey Sales Pty Ltd Jackson, William Newhaven Jakab Industries P/L Jardine, Daniel Richard Jenkins, Maclean Victor Jenni Jackson's Guyra Pharmacy Jensen, Dr Robert Svend JG and JM Pirie P/L John Cole Toyota Johns, DP and BE Johnson Hi-Tech (Aust) P/L Jonal P/L JSA Jackson and Son Pty Ltd Jung, GF and PM Kailis, Stanley and Blanche Katter for Kennedy Kelly, Roslyn Kessler, Clive Samuel Kiama Optical Kincumber Hotel King, Raymond D Landsberg, Gordon James Lavers, Christopher Lean, Marie LeasePlan Australia Ltd Leonard, Yvonne M Lewis, BK and LJ Lockart, Grant Lounging Lizard Lubavitch Russian Centre </p>	<p> Lynch, David Macdonald, Dr Peter Macdonald, Neal R MacKenzie, Tracey Magee, Colin Maguire, Ian Stuart Denis Maritime Union of Australia (NSW) Maritime Union of Australia Marshall, Alan Bruce Marzilli, Claudio Matthews, TH and JM Mattocks Road Service Centre Maxwell Co P/L Mayvale Greens McCusken, Diane McDonald, Norma Mc Dougall, Donald and Joy McInerney, Gerard McLean, Dr Iain George Melville, Benard Menzel, MR and MF Michie, David Moffitt, Garry Molomby, Tom Montfair P/L trading as A and A Realty Morrow, Richard Motor Trades Electrical Action Committee Moule, Andrew MSP Group P/L Mueller, Gert Muir, Graham and Deborah Murray, B L Murray, Richard Myall Coast Archaeological Services N Q Civil Engineering Contracting P/L Nathan, Julie Nelson, John Geoffrey and Janice Newcastle Greens Newman, Kenneth Charles Nioa Trading Nolan, Raymond Norris, C J North East Forest Alliance NSW Teachers Federation O'Shea, Bernard James O'Shea, Michael J Oz Tech Four P/L P Di Natale P/L Page, Ernest Thomas </p>
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APPENDIX 3 (continued)

<p> Pappas, John Pauk, A and M Pauline Hanson's One Nation – Hawkesbury Branch Pearce, Paul Pech, K E Peter Helm and Associates Pty Ltd Peters, Alison Pfizer Pty Ltd Phelan, Peter James PPG Nominees Pty Ltd Pratt, Dorothy - MLA Prell, HJ and CJ Prell, Kristyne Priest, Phillip Primdonn Securities P/L Punton, C D Purse, R H QANTAS Airways Ltd Queensland Nurses Union R Moore Engines Randwick Labor Club Ltd Richards, Lloyd and Enid L Ringrose Management Services Pty Ltd Rivers, Dr Malcolm RJ Garnett and Son Robertson, SWR Rothery, David Rousdon P/L Rudder, Pamela Ruecroft, Denys Russell, Anne Russell, Robert Reid Ryan, Scott Andrew Ryan, Veronica Samsa, Robert John Savage, Russell SD Reid and Sons Shears, Valerie Shorelands Pastoral Co Shuech, Eileen Joyce Siano, Nizza Siano, Nizza – Double Bay/Bellevue Hill ALP Branch Siddons, John Sidott, John Simpson, Philip Neil Sinclair, I N Slatyer, Lachlan Smith, John B </p>	<p> Snowy River Alliance Soliman, Drs Hani and Isabel South East Petroleum South East Timber Association Inc Sporting Shooters Association of Aust (NSW) Inc Sporting Shooters Association of Aust (Qld) Inc Squire, GO and JA Staines Esperance State School Teachers' Union of WA Steele, John Smith Steve Masselos and Co Stone, John Studibaker P/L Sufflock Investments P/L Sutherland and Company Swancave P/L Symes Family (Partnership) Tasmanian Automobile Chamber of Commerce Taylor, Christopher and Victoria Taylor, Jill and Barry Thompson, Kathleen M Thrifty (Australia) Pty Ltd Titan Resources NL Titmarsh, Jeffrey Ross Tokley, Andrew L Traley, Pam Turner, Graeme Twin Properties Pty Ltd Wakefield, John Ward, GC and JA Ward, John Warepole, B Waters, Penelope Watson and Quinn Lawyers Wherry, Barrett White, Marjorie I Wicks, Graeme F Wilkinson, AWD Willis, Noel Robert Wilson, Barry Maxwell WMC Limited Wong, Peter and Catherine Woollard, Keith Wylandra Holdings Yardley, Annie Young, Mr R B Youth Assist Inc Zappala, G, IM and AJ </p>
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APPENDIX 3 (continued)

Persons who, on the opinion of the AEC, were required to lodge a third party return of electoral expenditure in relation to the 2001 election.

<p>Aged and Disability Pensioners Party, The Association of Independent Schools of SA Australian Community Party Australian Conservation Foundation Australian Education Union Australian Education Union (SA Branch) Australian Education Union (Tasmanian Branch) Australian Education Union (WA Branch) Australian Manufacturing Workers Union Australian Workers Union Australasian Railway Association Inc Community and Public Sector Union Dean, Frank Dewar, Damian Doctors For Forests Forest Industries Association of Tasmania Ltd Friends of the ABC (Vic) Friends Of The ABC (WA) Inc</p>	<p>Gay and Lesbian Rights Lobby Inc Investment Albury Wodonga Knox Dandenong Ranges Australian Education Union Maritime Union of Australia. National Family Day Care Council of Australia Ltd, The National Union of Students Non Custodial Parents Party North East Forest Alliance NSW Teachers Federation Queensland Teachers Union Right To Life Australia Inc Snowy River Alliance Social Action Office Socialist Alliance State School Teachers Union of W.A. Stern, Harvey Uniting Care Queensland Voluntary Euthanasia of Victoria Inc Wicks, Graeme F. Wilderness Society Inc, The Wilderness Society Qld, The</p>
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Persons who, on the opinion of the AEC, were required to lodge a third party return of donations received in relation to the 2001 election

<p>Aged and Disability Pensioners Party, The Association of Independent Schools of SA Australian Community Party Australian Conservation Foundation Inc Australian Education Union (SA Branch) Australian Education Union (Tas Branch) Australian Rail, Tram and Bus Union Australian Workers Union</p>	<p>Friends of the ABC (Vic) Lee, Brenda Non-Custodial Parents Party North East Forest Alliance NSW Teachers Federation Social Action Office Wicks, Graeme F Wilderness Society Qld, The</p>
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