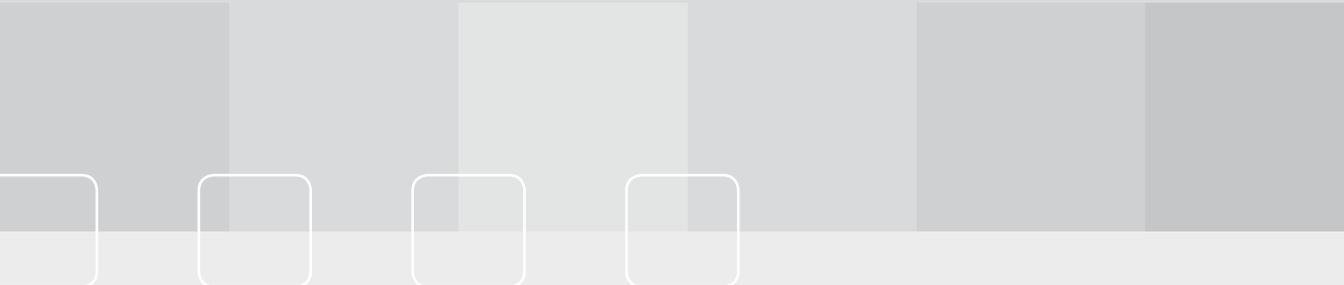




**FUNDING AND  
DISCLOSURE  
REPORT**

**Election 2004**

A decorative graphic consisting of a horizontal line with several squares and rectangles of varying shades of gray above and below it. The squares are white with black outlines, and the rectangles are solid gray.

# **FUNDING AND DISCLOSURE REPORT**

## **Election 2004**

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# 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 Federal election held on 9 October 2004.

Subsection 17(2) provides that the Australian Electoral Commission (AEC) shall, as soon as practicable after polling day for a general election, or a Senate election, prepare and furnish a report on the operation of Part XX in relation to that election.

This report also addresses issues arising from 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 election.

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*.

Financial and statistical data used in this report was extracted in June 2005.

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## Key abbreviations

AEC *Australian Electoral Commission*

JSCEM *Parliamentary Joint Standing Committee on Electoral Matters*

The Act *Commonwealth Electoral Act 1918*

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# ELECTION FUNDING

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

A total of \$41.9 million in election funding was paid to parties and candidates for the 2004 election.

## Eligibility

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

Political parties must appoint an agent for election funding and financial disclosure purposes. Candidates may appoint an agent for these purposes if they so desire. Election funding is normally paid to the agent of the State or Territory branch of a party or parties which 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, by virtue of subsection 289(3) of the Act, taken to be his/her own agent for these purposes.<sup>1</sup>

## Entitlement

The funding entitlement is calculated by multiplying the number of formal first preference votes received by the funding rate. The base-funding rate of \$1.50 (set in 1995) is adjusted each six months in line with changes in the consumer price index.

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1 Throughout this report, the term 'endorsed candidate' or 'endorsed Senate group' means a candidate or Senate group that was endorsed by a registered political party. An 'independent candidate' or 'independent Senate group' means a candidate or Senate group that was not endorsed by a registered political party.

For the period July-December 2004, and hence for the 2004 election, the rate was 194.397 cents per eligible vote. This is an 8.6% increase over the rate of 179.026 cents per eligible vote that applied for the 2001 election.

The funding entitlement basis results in a simple and convenient payment process. It overcomes many of the timing and administrative issues that existed under the formal proof of claim basis that applied prior to the 1996 election.

## **Payment**

As explained below, election funding payments must be made in two stages. Two separate payments totalling \$39.8 million and \$2.1 million were made for the 2004 election.

The Act requires at least 95% of the funding entitlement (calculated on the basis of votes counted as at the 20<sup>th</sup> day after polling day) to be paid in the fourth week after polling day. In accordance with this statutory requirement the first payment was made in the first week of November 2004.

The balance is required to be paid when the count is finalised and verified, and the full entitlement is known. There was an expectation on the part of certain parties that this second payment would be made immediately following the return of the writs on 11 November. However, it was necessarily made some time later as the writs are returned when the result of the election is known, whereas the final funding payment cannot be made until the count is completed and verified. The second payment was made in the second week of December.

Details of election funding payments for the 2004 election are at *Table 1*.

**TABLE 1 - 2004 ELECTION FUNDING PAYMENTS**

Name	Amount (\$)
Liberal Party of Australia	17,956,326.48
Australian Labor Party	16,710,043.43
Australian Greens	3,316,702.48
National Party of Australia	2,966,531.27
Northern Territory Country Liberal Party	158,973.97
Family First Party	158,451.04
Pauline Hanson's One Nation	56,215.73
Australian Democrats	8,491.26
Christian Democratic Party (Fred Nile Group)	6,572.56
No Goods and Services Tax Party	5,995.20
Pauline Hanson	199,886.77
Antony (Tony) Windsor	89,562.59
Peter Andren	79,413.12
Robert (Bob) Katter	63,544.49
Peter King	25,730.39
Brian Deegan	24,449.31
Lars Hedberg	19,400.82
Graeme Campbell	12,935.18
Robert (Rob) Bryant	12,120.65
Robert Dunn	11,761.02
Margaret F Menzel	10,977.60
Darren Power	9,980.34
Bruce Haigh	7,381.25
Jeanette (Jen) Sackley	7,365.70
Samir (Sam) Bargshoon	7,346.26
<b>TOTAL</b>	<b>41,926,158.91</b>

Payment rates and amounts since the current base rate of payment (\$1.50 prior to indexing) was set by Parliament in 1995 are:

- 1996 election - \$1.57594 per eligible vote, total payments of \$32.15 million;
- 1998 election - \$1.62210 per eligible vote, total payments of \$33.92 million;
- 2001 election - \$1.79026 per eligible vote, total payments of \$38.56 million;
- 2004 election - \$1.94397 per eligible vote, total payments of \$41.93 million.

## Distribution of Funding

An analysis of the distribution of election funding for the 2001 and 2004 elections is at *Table 2*.

**TABLE 2 - DISTRIBUTION OF ELECTION FUNDING**

Party	2001 Election		2004 Election		% change 2001 to 2004
	\$ '000	% of total	\$ '000	% of total	
Liberal	14,492	37.58	17,956	42.83	23.90
Labor	14,917	38.69	16,710	39.86	12.02
Greens	1,594	4.13	3,317	7.91	108.09
National	2,845	7.38	2,967	7.08	4.29
NT CLP	139	0.36	159	0.38	14.39
Family 1st	-	-	158	0.38	-
One Nation	1,710	4.43	56	0.13	-96.73
Democrats	2,412	6.26	8	0.02	-99.67
Others	450	1.17	595	1.41	32.22
<b>Total</b>	<b>38,559</b>	<b>100.00</b>	<b>41,926</b>	<b>100.00</b>	<b>8.73</b>

For the 2004 election, political parties received 98.6% of the total amount paid. This compares to 98.83% of the total for the 2001 election.

In 2004 the Liberal Party received 42.8% of the total amount paid, the Australian Labor Party 39.9%, the Australian Greens 7.9% and the National Party 7.1%. Other parties, independent candidates and Senate groups each received less than 0.5% of the total. This distribution reflects the fact that the candidates endorsed by the larger parties attract the majority of votes.

The 2004 payment of \$41.9 million is an 8.7% increase over the amount paid for the 2001 election. Within this overall increase, the Australian Greens increased their payment by 108.09% (off a comparatively small base), the Liberal Party increased 23.9% and the Australian Labor Party increased 12.02%. On the other hand, Pauline Hanson's One Nation and the Australian Democrats' share each decreased by almost 100%. Again, this reflects the underlying voting patterns.

## Underlying trends

Table 3 shows comparative candidate and voting data for the 2001 and the 2004 elections. These show a reduction in the number of candidates eligible for election funding.

TABLE 3 – UNDERLYING TRENDS

	2001 Election	2004 Election	Change %
Number of formal 1 <sup>st</sup> preference Senate and House of Representatives votes	23.102m	23.669m	2.45%
Number of votes funded	21.538m	21.567m	0.13%
% of 1 <sup>st</sup> preference votes funded	93.2%	91.1%	N/a
Number of House of representatives candidates	1,039	1,091	5.01%
Number of Senate groups	101	119	17.8%
No. House of Reps candidates >4% of vote	579	482	-16.8%
No. Senate groups >4% of vote	35	27	-22.9%

The percentage of votes attracting election funding reduced from 93.2% for the 2001 election to 91.1% for the 2004 election.

For the 2004 election, 482 House of Representatives candidates (44%) and 27 Senate groups (22.7%) received the 4% or more of formal first preference votes necessary to be eligible for election funding. This compares with the 579 House of Representatives candidates (56%) and 35 Senate groups (35%) who achieved sufficient votes to be eligible for election funding at the 2001 election.

The significant reduction in the number of candidates achieving the 4% funding threshold largely reflects the less successful performance of the Australian Democrats and Pauline Hanson's One Nation at the 2004 election when compared to the 2001 election.

## Media Releases

In line with its practice at previous elections, the AEC issued a media release at the time each election funding payment was made. These were factual, setting out the amounts and basis of payment. They attracted extensive press coverage, much of a critical bent.

The media comment was to the effect that the scheme:

- Operates on an entitlement basis with no substantiation that expenses were actually incurred;
- Provides significant payments to major parties;
- Provides 'windfall benefits' to some candidates or parties; and
- Disadvantages parties which perform poorly.

## Payment arrangements

Two parties reported delay in receiving their initial funding payment cheques. In both cases this was due to failure of the party agents concerned to notify their change of address to enable the statutory *Register of Party Agents* to be amended. This issue is discussed further in the Party Registration chapter of this Report.

The risk of any such delay is reduced by the use of direct deposit arrangements. Eighteen of the 23 parties or branches receiving funding payments took advantage of the direct deposit facility offered for the first time for the 2004 election. No reports of delayed or misdirected payments were received from these parties.

Election funding is normally paid to the State or Territory branch of the party which endorsed a candidate or Senate group. However, parties and their branches may re-direct their funding entitlements pursuant to funding agreement arrangements advised to the AEC. These agreements operated as follows:

- Liberal Party of Australia – all payments due to State or Territory branches were made to the Federal Secretariat of the party;
- Australian Labor Party – all payments due to State or Territory branches were made to the National Secretariat of the party;
- Australian Greens – payments due to the Federal party (which nominated candidates in certain States or Territories) were made to the separately registered Greens branches in those States or Territories;

- Australian Democrats – payment due to a branch was made to the Federal party.

The Liberal and National Parties in NSW and Victoria again ran joint Senate tickets, with payments in respect of those Senate groups being divided between the parties on a basis agreed by the parties.

## **Amendments**

The Act was amended subsequent to the 2001 election to improve the payment process, including a provision for direct deposits and cheques to be made payable to the party rather than to the party agent, who nonetheless remains responsible for funding matters (e.g. lodging funding agreements and bank account details).

These amendments, while resulting in particularly complex legislation, operated satisfactorily. However, section 299 which deals with the making of payments, now extends over more than seven pages of the Act and is particularly difficult to comprehend. This complexity has the potential to lead to issues of interpretation and application in the future.

The AEC provided all parties with an information sheet setting out the payment arrangements in plain language. However, the section could benefit from re-drafting on a principles basis in place of the party specific basis currently applying.

The administration of the election funding provisions would also benefit from extension of the direct deposit arrangements to independent candidates and Senate groups.

## **Outcome**

The election funding scheme was established in 1984. The rationale was to provide financial assistance to parties, reduce the opportunities for attempts to corrupt politicians, to avoid excessive reliance upon special interest and institutional sources of finance, to equalise opportunities between parties and to stimulate political education and research.<sup>2</sup>

The financial disclosure scheme was introduced at the same time in order to ensure that the public is aware of major sources of party and

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2 Joint Select Committee on Electoral Reform, First Report, September 1983, page 154

candidate funding. The disclosure scheme was not designed to, nor does it, provide enough information to comprehensively assess the impact of election funding on the electoral process and on electoral expenditure generally.

From *Table 4A* below (derived from party disclosure returns), it is clear that election funding is significantly less than the additional party revenue and expenditure reported in an election year when compared with a non-election year. Anecdotally, it appears that a major component of this additional expenditure is directed to election advertising. Media returns for the 2001 and 2004 elections reveal aggregate election advertising of \$27.7 million and \$41.8 million respectively.

Media reports also suggest that some parties, candidates or groups enjoying popular support may incur comparatively little electoral expenditure and be rewarded with significant election funding. *Table 4A* suggests that any such benefits for parties (if they exist) are at the margin.

*Table 4B* implies that funding and donations received by independent candidates over the last two elections may, in some instances, have exceeded expenditure. However, this is not conclusive because election expenditure reported in candidates' returns does not include all expenditure. For example, travel and administrative costs are not reported. Disclosure by endorsed candidates is normally made through the party annual return.

Importantly:

- For the major political parties, public election funding is substantially less than the additional costs incurred over an election period;
- A party or candidate may campaign and incur electoral expenditure in the expectation or hope of a level of support (and public funding) that does not materialise. The *Australian Democrats* 2004 election outcome may be an example of this;
- A party or candidate may achieve a higher than expected level of electoral support (and funding). The *Pauline Hanson's One Nation* 2001 election outcome may be an example of this;
- Parties and candidates are faced with budgeting and financing issues in a situation of variable voter support and retrospective payments on the basis of that uncertain support;

- In the order of 50% of candidates receive sufficient votes to be eligible to receive election funding.

If an assessment of the effect of the election funding scheme were to be required then, as a minimum, audited accounts prepared in accordance with commercial accounting standards, as well as a greater understanding of the election financing and expenditure issues faced by parties would be required.

**TABLE 4A - FUNDING, REVENUE AND EXPENDITURE OF SELECTED PARTIES**

Party	Election Funding		2000-01		Election year 2001-02		2002-03		2003-04	
	2001 \$m	2004 \$m	Rev \$m	Exp \$m	Rev \$m	Exp \$m	Rev \$m	Exp \$m	Rev \$m	Exp \$m
ALP	14.9	16.7	32.0	30.7	61.0	57.4	41.4	42.6	47.1	40.5
DEM	2.41	0.01	1.3	1.3	5.6	5.5	0.9	1.8	0.6	0.7
GRN	1.6	3.3	0.9	0.8	4.4	3.3	2.1	2.8	3.1	2.2
LIB	14.5	18.0	23.1	21.5	60.5	56.1	34.9	36.0	29.5	23.0
NAT	2.9	3.0	6.7	6.3	9.6	9.0	9.1	9.5	7.8	7.1
PHON	1.7	0.1	0.7	0.6	2.7	2.0	0.2	0.6	0.4	0.5

Caveats – the above revenue and expenditure data:

- Are from disclosure returns as lodged with the AEC, and may not include subsequent amendments
- Are subject to shortcomings canvassed elsewhere in this report i.e. the information is unaudited and prepared on a cash accounting basis
- Do not include 2004-05 data (covering the 2004 election) because the information is not required to be lodged until October 2005 and does not become publicly available until February 2006
- Are national aggregates e.g. include revenue and expenditure applicable to State or Territory elections
- Are for parties only, and do not include their associated entities.

**TABLE 4B – COMPARISON OF FUNDING, DONATIONS AND ELECTORAL EXPENDITURE OF INDEPENDENT CANDIDATES AND SENATE GROUPS**

Independent Candidate	2001 Election			2004 Election		
	Donations \$	Electoral Expenditure \$	Election Funding \$	Donations \$	Electoral Expenditure \$	Election Funding \$
Andren	2,200	40,761	73,018	950	27,105	79,413
Austin	2,500	13,304	4,257			
Bown	5,700	16,997	11,588			
Cochran	33,899	21,551	11,522			
Cooper	18,700	22,254	9,814			
Dagleish	3,400	18,027	5,715			
Douglass	700	5,636	6,631			
Haigh	43,505	62,000	8,301	200	1161	7381
Hourigan	5,353	43,679	10,745			
Katter	45,297	40,121	63,653	34,002	74,662	63,544
Kessels	200	10,987	9,315			
MacDonald	41,132	52,806	38,473			
McIntosh	400	37,404	9,460			
Melville	-	65,388	12,795			
Mott	-	4,201	7,582			
Paulger	1,449	28,823	13,461			
Stegley	53,705	19,435	8,606			
Theophanous	39,400	44,425	15,024			
Treasure	6,241	17,119	7,607			
Wicks	2,500	6,997	6,051			
Windsor	91,900	115,519	64,435	56,121	76,828	89,563
Bryant				25,200	59,384	12,121
Bargshoon				116,822	76,536	7,346
Campbell				36,341	54,528	12,935
Deegan				11,585	26,082	24,449
Dunn				2,750	23,194	11,761
Hanson				7,695		
Hedberg				35,200	92,967	19,401
King				119,184	138,356	25,730
Menzel				102,030	89,773	10,978
Power				-	26,596	9,980
Sackley				-	5,350	7,366
Hanson group				5,000	35,427	199,887

Electoral expenditure in this table is expenditure on advertising, campaign material, direct mailing, polling and research. It does not include other expenses such as travel and office administration.

# 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.<sup>3</sup>

The scheme is intended to reveal information about the financial affairs of federal political parties and candidates. It does this through a statutory scheme that involves ten types of disclosure returns and three disclosure thresholds (some involving amounts totalling the threshold or more, and others involving amounts equalling the threshold or more). Inherent in the scheme are significant timing delays (e.g. party annual returns for the financial year 2004-05, the period in which the 2004 election was held, will not be publicly available until February 2006). Further, the scheme provides only limited information about party or candidate expenditure.

## Annual returns

The scheme requires annual returns to be lodged with the AEC by:

- **Political parties** – federally registered political parties and their organised State or Territory branches;
- **Associated entities** – organisations controlled by, or operating wholly or to a significant extent for the benefit of political parties;
- **Donors** – people or organisations that donate \$1,500 or more (in money or gifts-in-kind) to political parties.

## Election returns

The scheme requires election period returns to be lodged with the AEC by:

- **Candidates** – all must lodge a return of donations received and electoral expenditure. In the case of endorsed candidates this is often a 'nil' return as their transactions are included in the party annual return;

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<sup>3</sup> Joint Select Committee on Electoral Reform, First Report, September 1983, page 164

- **Senate groups** – independent and joint Senate groups must lodge a return substantially similar to the candidates' returns;
- **Third parties** – donor and third party returns of -
  - donations made to candidates;
  - donations received and used in turn to make donations or for electoral expenditure; and
  - electoral expenditure (other than by parties, associated entities and candidates);
- **Media** – broadcasters and publishers, which provide comprehensive details of election advertising run over the election period.

The amounts of revenue, expenditure and loans reported by political parties and their associated entities, and by candidates, are in many instances significant. Notwithstanding this, the statutory returns are required to be prepared on a cash accounting basis, are not audited and are not subject to accounting standards.

A summary of the disclosure scheme and lodgement timetable is at *Appendix 1*.

### **Public information**

The financial disclosure scheme requires that the annual returns, covering financial years, be made publicly available on the first working day in February and the election returns be made publicly available 24 weeks after an election.

Annual returns for the 1998-99 and subsequent financial years, and election returns for the 2001 and 2004 elections are available on the AEC website at [www.aec.gov.au](http://www.aec.gov.au). Media returns were included on the website for the first time for the 2004 election.

Copies of all returns are available, at a fee, from the AEC.

Return forms and handbooks providing background information and guidance for the completion of returns and other compliance matters are also available on the website.

The *Funding and Disclosure Handbook for Political Parties* and *Funding and Disclosure Handbook for Associated Entities* were each revised and re-issued prior to the 2004 election.

The public website is updated periodically as late returns, and amended returns, are received. The financial disclosure information included in this report is, in large part, data extracted from the public website during June 2005. It will not necessarily reconcile with data previously published by the AEC because of these late and amended returns.

## **Media Comment**

As in previous years, the AEC issued a media release at the time of the public disclosure of the annual and election period returns.

### *Annual Returns*

A media release on 28 January 2005 advised that the 2003-04 annual financial disclosure returns from political parties, associated entities and donors would be available for public inspection on the AEC website on 1 February 2005. This reflected the statutory requirement that annual returns be made publicly available on the first working day in February.

As has been the case in other years, the public release of the annual returns attracted extensive publicity and comment from major and regional media, including editorial comment about the efficacy of the disclosure scheme. Issues raised included:

- The proportion of donations made through trusts, foundations or other entities that may mask the identity of an ultimate donor;
- The apparent success of the Australian Labor Party in attracting revenue through its Queensland branch;
- The proportion of donations from sectors of the economy (e.g. banking, technology, building and construction) with business concerns upon which aspects of official policy may impinge;
- Criticism of political parties for receiving money from companies involved in certain business such as the tobacco industry;
- The suggested tension between political donations by companies and the interests of shareholders, or between political donations by trade unions and the interests of members;
- The alleged shortcomings of the disclosure scheme (e.g. information in respect of the 2004 election was not available, disclosure thresholds are too high or too low, the scheme allows donations to be split between party branches etc).

An editorial in *The Courier Mail* newspaper on 2 February 2005 made the following observation about political donations and transparency:

'The Australian Electoral Commission's annual release of who donated money to the nation's political parties and how much they gave is a regular reminder of the value of transparency and disclosure when it comes to showing how the nation is governed.'

### *Election Returns*

A media release on 29 March 2005 advised that election period disclosure returns from candidates, Senate groups, third parties and the media for the 2004 election would be available on the AEC website on that day. This reflected the statutory requirement that the election returns be made publicly available 24 weeks after the election.

This also attracted publicity, with issues of interest to the media including:

- The amount of election expenditure incurred in the campaign for the seat of Wentworth;
- The amount borrowed by a Senator (One Nation's Len Harris) who was defeated at the election;
- The amount of election funding received, and election expenditure incurred, by unsuccessful Senate group candidate Pauline Hanson and by the three successful independent House of Representatives candidates;
- The amount of donations made by union and interest groups e.g. forestry and health.

An editorial in *The Australian* newspaper on 30 March 2005 included the following comment about the disclosure scheme:

'Unfortunately, the present disclosure provisions in Australia are no more than a façade for a law that is full of loopholes, such as anonymous contributions through third parties, donations from overseas and payments at fundraising events that do not have to be listed. The AEC has pointed out the defects repeatedly but none of the major parties has shown any enthusiasm for making the law work properly.'

### *Disclosure thresholds*

There has also been significant public debate about issues of transparency versus privacy in the context of the question whether the \$1,500 disclosure threshold for political parties remains appropriate:

- One view was that the threshold level is too low, has not kept pace with inflation, involves costly administration and that it is not unreasonable for people to give more to their chosen party without the public knowing about it;
- The opposing view was to the effect that the current disclosure level is appropriate, that money gives access and influence, and that in principle no donation should remain secret.

### **Returns lodged**

*Table 5* provides details of the number of annual returns lodged with the AEC in recent years, and the number of election returns lodged in respect of the 2001 and 2004 elections. It also provides the number of amended annual returns lodged.

**TABLE 5 - RETURNS RECEIVED AND PROCESSED IN YEAR**

Return	2001-02	2002-03	2003-04	2004-05
<b>Annual Returns</b>				
Political Party – original	82	83	76	80
Political Party - amended	42	73	54	31
Associated Entity – original	74	72	73	75
Associated entity – amended	10	14	22	8
Donor / 3rd Party – original	858	1,016	1,200	934
Donor / 3rd Party – amended	17	20	36	29
<b>Election Returns</b>				
Candidate	1,318	22	-	1,369
Senate group	22		-	17
Third party return of donations made	321	11	-	371
Third party return of donations received	16		-	34
Third party return of electoral expenditure	40		-	161
Broadcasters	446	8	-	467
Publishers	1,118		-	543
<b>Total election returns</b>	<b>3,281</b>	<b>41</b>	<b>-</b>	<b>2,962</b>
<p>This table shows returns lodged in a financial year e.g. returns for financial year 2003-04 and for the 2004 election were lodged in financial year 2004-05. The decrease in the number of publisher returns received reflects improved targeting by the AEC. In 2001, 585 nil publisher returns were lodged; in 2004 only 136 such nil returns were received. There is no requirement for publishers to lodge a nil return.</p>				

A significant issue arising from *Table 5* is the high proportion of party returns that are amended subsequent to lodgement of the original returns. In some cases, this involves multiple amendments by a party or branch.

Reasons for amended returns include the outcome of AEC compliance review activity and reaction by parties to media reports and feedback from the public following disclosure of returns. It may also be that amended returns (i.e. delayed disclosure) are less likely to attract the media and public attention afforded to the initial release of data. The number of amended returns reflects adversely on some party systems, procedures and attitudes towards accountability and disclosure.

### **Annual returns**

Political parties, associated entities and donors must lodge annual returns with the AEC in respect of each financial year:

- The party and associated entity annual returns provide aggregate revenue, expenditure and debt amounts, and details of payments received and debts of \$1,500 or more;
- The donor annual return provides details of political donations totalling \$1,500 or more, and donations received of \$1,000 or more that are used for political donations.

Political party and associated entity annual returns are required to be lodged by 20 October each year, and donor annual returns are required to be lodged by 17 November each year.

A summary of recent annual return financial disclosure information is at *Table 6*. Note that the 2001-02 Annual Returns include the 2001 election period while the 2002-03 and 2003-04 returns are in respect of non-election periods. Annual Return information covering the 2004 election period will not be available until early 2006 because of the legislated timing delays in the disclosure scheme.

**TABLE 6 – ANNUAL RETURN SUMMARY**

	Election year 2001-02 \$m	Non-election year 2002-03 \$m	Non-election year 2003-04 \$m
<b>Political Parties</b>			
Revenue	147.24	91.14	91.93
Expenditure	136.57	95.89	76.83
Debts	16.50	22.87	26.92
<b>Associated Entities</b>			
Revenue	63.59	80.12	72.60
Expenditure	56.34	79.90	67.90
Debts	58.10	51.45	48.31
Donors & 3 <sup>rd</sup> Parties	24.56	20.41	18.72

The following observations are relevant to *Table 6*:

- **Revenue** - Aggregate revenue for all parties in election year 2001-02 of \$147.24 million was \$56 million higher than revenue in each of the two following non-election years. This increase in revenue over the 2001 election period compares with \$38 million in election funding paid for that election;
- **Donations** - Revenue reported by parties and their associated entities is total revenue from all sources. Donations as reported in donor returns equate to 16.7% of party revenue in 2001-02, 22.4% in 2002-03 and 20.4% in 2003-04;
- **Turnover** - Of the 80 parties and State or Territory branches reporting for financial year 2003-04, 36 disclosed revenue greater than \$100,000, 31 disclosed revenue greater than \$250,000, 21 disclosed revenue greater than \$500,000 and 16 disclosed revenue greater than \$1 million. The '80/20' principle whereby the top 20 providers generate 80% of revenue is relevant - median revenue of \$60,000 contrasts with average revenue of \$1.15 million;
- **Surplus** - Aggregate party revenue exceeded aggregate party expenditure (on a cash basis) in two of the three years and associated entity revenue exceeded expenditure in all years. The AEC is aware from compliance review activity that not all parties are in a strong financial position.

The following issues were raised by parties, associated entities or donors, or within the AEC, in connection with the lodgement and processing of the 2003-04 annual returns:

- The inconsistent disclosure threshold basis for donors (amounts totalling) when compared to political parties and associated entities (donations of), and the inconsistency in threshold basis and amounts on the donor return;
- The AEC uses information from party returns to contact possible donors seeking lodgement of donor annual returns. If the party return is late, this contact may occur at or after the required lodgement date for donor returns. The legislation does not require parties and associated entities to advise donors of their disclosure obligations;
- Parties are asked to, but are not required to, separately identify 'donations' and 'other receipts' on their return forms. The failure by some parties to do this means that the AEC unnecessarily contacts people and organisations (who provide 'other revenue' to the party) enquiring about the need to lodge donor returns;
- The utility of receiving donation information from both parties and donors is questionable, particularly given that it can be difficult if not impossible to reconcile the two because of the differing legislative requirements.

### **Disclosure thresholds**

The financial disclosure scheme operates on the basis of minimum disclosure thresholds. Details of revenue or donations must be disclosed once the threshold of \$200 (candidates), \$1,000 (Senate groups and third parties<sup>4</sup>) or \$1,500 (parties, associated entities and donors) is reached.

The thresholds were set at \$200 and \$1,000 when the financial disclosure scheme was introduced in 1984. The \$1,500 threshold was introduced 10 years later. There is current debate as to whether these threshold levels remain appropriate.

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<sup>4</sup> 'third parties' are people or organisations that have financial disclosure obligations, other than political parties, candidates, Senate groups, broadcasters, publishers or donors

Table 7 is derived from 934 donor annual returns lodged for the 2003-04 financial year. It shows the number and amount of donations reported by donation size, and confirms that the higher number of donations is at the lower level while the greater amount of money is contributed at the higher level.

The policy objective of ensuring that the public is aware of major sources of party and candidate funding is relevant when considering this spread of donations.

**TABLE 7 – 2003-04 DONOR RETURNS SUMMARY**

Donation size \$	Number and percentage of donations		Amount and percentage of donations \$m	
Less than \$1 500	1542	47%	\$0.82m	4%
\$1 500 to \$2 999	602	18%	\$1.23m	7%
\$3 000 to \$4 999	233	7%	\$0.82m	4%
\$5 000 to \$24 999	802	24%	\$7.31m	39%
\$25 000 or more	122	4%	\$8.54m	46%
<b>Total</b>	<b>3301</b>	<b>100%</b>	<b>\$18.72m</b>	<b>100%</b>

## **Election returns**

### *Candidate and Senate group returns*

Candidates and Senate groups (other than those groups endorsed by a single party) must lodge returns setting out details of donations received and outlay against certain categories of 'electoral expenditure'.

While there are no dollar value limits on the donations that may be received, or the amounts of electoral expenditure that may be incurred, penalties apply to failure to comply with the disclosure requirements. All candidates and groups must lodge a return, including a 'nil' return if that is appropriate.

Donations to, or expenditure by, endorsed candidates are normally reported in the annual returns of the party involved. Such candidates must still lodge a candidate return that, in many instances, will be a 'nil' return.

These returns must be lodged within 15 weeks after polling day. For the 2004 election this was 24 January 2005.

There were 1,421 candidates at the 2004 election, comprising 1,091 House of Representatives candidates and 330 Senate candidates. There were 119 Senate groups of whom 22 were independent or jointly endorsed groups who were required to lodge returns.

**TABLE 8 – CANDIDATE AND SENATE GROUP RETURNS**

	Candidates	Senate groups
Returns received by the due date	1,264	15
Returns received after the due date	105	2
<b>Total returns received</b>	<b>1,369</b>	<b>17</b>
Returns outstanding or incomplete	52	5*
'Nil' returns included above	938	2
* One Senator lodged a candidate return which included his group information		

A list of those candidates who have not lodged disclosure returns and their endorsing party (where applicable) is at *Appendix 3*. At the time of preparation of this report in June 2005, the Citizen's Electoral Council of Australia had the highest number of candidates who had not lodged returns. All outstanding returns continue to be pursued, including in consultation with the Director of Public Prosecutions.

Information about candidate disclosure obligations was included in the Candidates' Handbook provided to candidates as they nominated for the election. A letter advising their disclosure obligations was sent to each candidate and independent or jointly endorsed Senate group (or their agents as appropriate) immediately following their nomination. A further 819 and 475 follow-up letters were sent to candidates with returns outstanding, on 9 December 2004 and 11 January 2005 respectively.

A number of returns required clarification or were not accepted e.g. because they were not signed by the candidate or by an appointed agent.

Table 9 provides an aggregation of the electoral expenditure disclosed by candidates, Senate groups and third parties. This is not a complete picture of electoral expenditure as items such as travel and office accommodation are not included and expenditure by endorsed candidates is generally incorporated into party annual returns.

**TABLE 9 – ELECTORAL EXPENDITURE**

Category	Candidates \$'000	Senate groups \$'000	Third parties \$'000
Broadcast advertisements	603	24	3,261
Published advertisements	599	89	1,835
Displayed advertisements	45	1	185
Campaign material and direct mailing	1,728	144	581
Polling and research	109	38	212
<b>TOTAL</b>	<b>3,084</b>	<b>296</b>	<b>6,074</b>

Summaries of donations received from third parties as reported by candidates and Senate groups, and by third party donors, are at Table 11.

A number of issues were raised by candidates, their agents, and within the AEC in connection with the lodgement and processing of the candidate and Senate group returns. These include:

- Reluctance on the part of some candidates to comply with the disclosure requirements, including written refusal to lodge a return;
- Confusion arising out of the complexity of the disclosure rules e.g. the disclosure period varies between candidates, and the disclosure periods differ for donations and for electoral expenditure;
- Definitional issues as to what constitutes a donation e.g. in the context of fundraisers where some value may be provided in return;
- The equity of rules requiring detailed disclosure by independent candidates while allowing endorsed candidates to disclose through party returns with higher thresholds. In particular, media concerns were raised in connection with the different disclosure rules applying to high profile endorsed and independent candidates contesting the same seat;

- The reporting requirements applying to the situation where any repayment of money paid to a candidate is contingent upon the candidate receiving election funding. As election funding payments are finalised prior to the deadline for candidate returns to be lodged, the final form of these transactions becomes clear before they have to be reported and they should be reported as donations, or as loans, as is appropriate in the circumstances.

### *Candidate and Senate group agents*

Candidates or Senate groups may appoint agents to act on their behalf on funding and disclosure matters. If an agent is not appointed, the candidate is personally responsible for all election return obligations and, in the case of Senate group, the candidate whose name appears first on the ballot paper is so responsible.

Candidate and Senate group agents must be appointed by the close of nominations. An appointment is effective for the current election only.

Not all candidates were aware of the need to appoint their agent (if one was to be appointed) by close of nominations, and some raised this as a matter of concern.

The AEC provides information in Candidates' Handbooks and in Funding and Disclosure Handbooks, and wrote to those candidates who nominated prior to close of nominations advising that they may appoint an agent. It could not formally contact those candidates who nominated towards the end of the nominations period. Divisional Returning Officers were asked to raise the issue of the appointment of agents with candidates as they nominated.

In the event, 58 candidate agents were appointed in respect of 439 candidates and there were seven Senate group agents. Some fifty percent of these appointments were lodged through divisional offices, the remainder were lodged directly with the AECs' Canberra office.

### *Donor and third party returns*

Donors and third parties must lodge one or more of the following election period returns with the AEC:

- Donations made – return of donations totalling \$200 or more made to a candidate or to a member of a Senate group, or \$1,000 or more made to an organisation specified in the Gazette as being associated

- with a political party. The return covers the period from 31 days after the previous election to 30 days after the current election;
- Electoral expenditure – return of certain categories of electoral expenditure incurred of \$200 or more during the period from the issue of the writs until close of polling;
  - Donations received – return of donations totalling \$1,000 or more received, at any time, and used wholly or partly to meet expenditure incurred of \$1,000 or more for certain political purposes. The return covers the period from 31 days after the previous election to 30 days after the current election.

These returns must be lodged within 15 weeks after polling day. Donors and third parties may also be required to lodge separate annual returns of donations to political parties.

**TABLE 10 – DONOR AND THIRD PARTY RETURNS**

	Donations made	Electoral expenditure	Donations received
Returns received by the due date	192	128	29
Returns received after the due date	179	33	5
<b>Total returns received</b>	<b>371</b>	<b>161</b>	<b>34</b>

Many donors and third parties appear not to be aware of their disclosure obligations at the time of making their donation or incurring the expenditure. As mentioned previously, there is no obligation on the part of parties or candidates to advise donors and third parties of their disclosure obligations.

The AEC reviews candidate returns and monitors media reports to identify possible donors and third parties, who are then contacted by letter. Some 1,000 letters were sent to possible donors and third parties seeking lodgement of returns. These resulted in 566 returns being lodged. Many of the letters were sent on receipt of candidate returns after the due date for lodgement of the donor and third party returns involved.

Details of the electoral expenditure by donors and third parties are included at *Table 9* above. Donations to candidates and Senate

groups as reported by third parties are summarised at *Table 11A*, with a summary of donations from third parties as reported by candidates at *Table 11B*.

**TABLE 11A – THIRD PARTY RETURNS - DONATIONS MADE TO CANDIDATES**

Donation size \$	Number and percentage of donations		Amount and percentage of donations \$000	
Less than \$1,500	441	76%	\$222	16%
\$1,500 to \$2,999	53	9%	\$109	8%
\$3,000 to \$4,999	12	2%	\$ 41	3%
\$5,000 to \$24,999	70	12%	\$536	38%
\$25,000 or more	8	1%	\$489	35%
<b>Total</b>	<b>584</b>	<b>100%</b>	<b>\$1,397</b>	<b>100%</b>

**TABLE 11B – CANDIDATES RETURNS - DONATIONS RECEIVED FROM THIRD PARTIES**

Donation size \$	Number and percentage of donations		Amount and percentage of donations \$000	
Less than \$1 500	474	82%	\$207	24%
\$1 500 to \$2 999	49	9%	\$ 99	12%
\$3 000 to \$4 999	16	3%	\$ 58	7%
\$5 000 to \$24 999	32	6%	\$241	28%
\$25 000 or more	4	-	\$242	29%
<b>Total</b>	<b>575</b>	<b>100%</b>	<b>\$847</b>	<b>100%</b>

Tables *11A* and *11B* show a high correlation of numbers of donations and the distribution of these. The disparity in the amounts of donations, or some part of it, is perhaps explained by the requirement that third parties report donations adding up to \$200 or more while candidates only report individual donations of \$200 or more. Also, some donations by third parties to endorsed candidates will, no doubt, be incorporated into party annual returns.

The third party returns showed 584 donations to candidates totalling \$1.37 million, an average donation of \$2,392. Third party returns also show 27 donations totalling \$452,649 received by third parties (and subsequently donated to candidates or used to pay electoral expenditure incurred), an average of \$16,765.

Note that *Tables 11A* and *11B* are, in large part, data relating to independent candidates as donations made to, and received by, endorsed candidates are normally included in donor and party annual returns.

A number of issues were raised by donors and third parties, amongst others, in connection with the lodgement and processing of these returns. These issues include:

- Confusion on the part of donors to endorsed candidates who were uncertain as to whether they needed to lodge an election return (\$200 threshold) because the donation was to the candidate, or an annual return (\$1,500 threshold) because the donation was treated as being to the party;
- The complexity of the donor and third party reporting regime, particularly the inconsistent threshold bases for the return of donations received;
- The actions of the AEC in writing to donors and third parties seeking lodgement of returns after the due date for lodgement of those returns.

The AEC is also concerned about the above matters as well as the efficacy of the legislative requirement for returns of donations to Gazetted bodies to be lodged (the AEC has previously recommended that this requirement be deleted from the Act).

### *Media returns*

Broadcasters and publishers must disclose details of the election advertisements they run during a Federal election. In general terms, election advertisements are those that may affect voting in an election.

Election advertisements may be placed by (or on behalf of) parties or candidates, lobby groups or trade associations, individuals or companies, or by government agencies. Disclosure returns must be lodged within eight weeks after an election, and cover election advertisements during the period from the issue of the writ until close of polls. Separate disclosure returns are required for each station or publication within a group or network.

**TABLE 12 – MEDIA RETURNS AND RESPONSES**

	TOTAL	Publishers	Broadcasters	
			Radio	Television
Returns received by due date	665	335	286	44
Returns received after due date	395	208	151	36
<b>Total returns received</b>	<b>1010</b>	<b>543</b>	<b>387</b>	<b>80</b>
'Nil' returns included above	276	136	140	
Other 'nil' advices received	230	137	93	

As indicated in *Table 12*, a total of 1,010 media returns were received, of which 276 were 'nil' returns. A further 230 media firms provided a 'nil' response without lodging a return. There is no statutory requirement to lodge a 'nil' return.

The total amount of media advertising reported by the 734 broadcasters and publishers who reported for the 2004 election was \$41,832,829.90. This compares with a total of \$27.7 million from 820 broadcasters and publishers who reported for the 2001 election.

The response level was the result of some 1,500 letters being sent to media organisations selected from commercial databases, with a further 700 follow-up letters sent to those who did not respond to the initial approach. This resulted in 1,240 responses (1,010 returns and 230 other responses) from 2,192 letters.

Aggregate data from the returns shows election advertising expenditure in excess of \$1 million by the following parties (expenditure of State branches is aggregated to give national totals):

- Liberal Party of Australia - \$16.3 million
- Australian Labor Party - \$15.4 million
- National Party of Australia - \$1.7 million
- Family First Party - \$1.3 million
- Australian Greens - \$1.0 million

Aggregate election advertising by parties was \$37.4 million, with a further \$4.4 million returned in respect of unions, associations, companies and individuals.

Media returns from the 2004 election were made available on the AEC website. This is the first time such returns have been placed on the AEC's website.

A number of issues were encountered by media organisations and by the AEC in connection with the lodgement and processing of media returns:

- There is some confusion as to what constitutes election advertising. The AEC's understanding is that the definition of 'electoral matter' for these purposes (subsection 4(9) of the Act) is very broad indeed. For example, it covers all government advertising during an election period, including State and federal 'community service' advertisements;
- Networks such as Austar and Foxtel are broadcasting the same advertisements across multiple stations, with the advertisements placed and paid centrally. However, the individual broadcast stations are each required to submit returns resulting in duplicated reporting;
- Some community broadcasters considered that they did not need to disclose on the basis that they do not accept advertising. However, their 'sponsorship announcements' constitute 'election advertisements' and they were advised that these must be reported;
- The disclosure returns require quite detailed information to be provided, resulting in many returns being incomplete e.g. details of who placed the advertisement or the rate applicable were omitted. In the order of 40% of returns were subject to some follow-up action, and requests for a convenient electronic lodgement facility are being considered.

### **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.

A number of candidates reported donations in excess of \$200 without giving details of the donor involved. Follow-up action by the AEC resulted in amended returns being lodged that show donor details.

## **Outcome**

Assessment of the value of the financial disclosure data to end-users is difficult. The AEC receives a considerable volume of enquiries from journalists seeking to obtain and to understand disclosure information, and is in regular contact with persons undertaking research or otherwise reviewing disclosure data.

The AEC has provided access to the various categories of returns on its website, giving improved and more convenient access to the data and greater capacity to readily analyse the annual returns. Enquiries about the data indicate the facility is regularly accessed, particularly immediately following the release of data. The number of visits to the disclosure area of the website in the period January to 19 June 2005 was 7,650.

Recent elections have seen the emergence of analytical websites drawing on the disclosure data (e.g. The Greens Donations Project at [www.democracy4sale.org](http://www.democracy4sale.org)) and analytical critiques (e.g. by <http://www.crikey.com.au/>). There were calls for improved standards of disclosure from academics and the media. These go to both data quality and, importantly, disclosure scheme design.

The AEC is receiving an increasing number of enquiries from university and other academics seeking to better understand the disclosure data and the implications of the information involved. Regular press debate of disclosure issues continues. This is largely focussed at the key release dates, with issues of interest being addressed on an ongoing basis. There is frustration on the part of journalists and others who cannot get timely data, or who do not understand the limitations of the scheme.

AEC research indicates that the current disclosure scheme, which was designed and implemented in the early 1980s, is behind international practice as reflected in the schemes in Canada, the UK and the US e.g. audit requirements, limitations on donations and reporting of expenditure.

Questions of the AEC (e.g. by the press and at Senate estimates hearings) suggest that user expectations of the scheme exceed its capacity to provide meaningful and timely information.

## Administration

The AEC is responsible for the general administration of the scheme. Estimated actual expenditure for 2004-05 for funding and disclosure services is \$1.81 million, and for party registration \$1.89 million.<sup>5</sup>

The AEC's processes and procedures for the administration of the funding and disclosure and party registration schemes are regularly reviewed. With the 2004 election, all categories of returns are now available on the web-based disclosure facility and improvements are being made to the web-based search facilities.

It remains that the design of the disclosure scheme is such that its administration is process driven, with considerable effort going to seeking compliance with disclosure obligations and preparation of returns for web-based disclosure. Electronic lodgement arrangements were assessed in 2002 and found not to be viable - a further review is to be undertaken, including with regard to the experience of the Canadian, US and UK jurisdictions.

Political parties, candidates and Senate groups, and most associated entities, are readily identifiable so the AEC is able to conveniently remind them of their disclosure obligations. Not all donors and third parties are aware of, and meet, their compliance obligations, so they must first be identified from party and candidate returns, and then advised of their possible disclosure obligations.

This process is intensive, and raises questions about the design of a scheme requiring disclosure by parties and candidates from which the AEC identifies the other parties to the transaction to advise them of their disclosure obligations. The disclosure scheme does not require parties and candidates to inform donors and third party associates of their disclosure obligations.

Follow-up action continues in respect of outstanding returns. While no disclosure matters have been prosecuted since the 2001 election, a number of possible breaches of the Act have been discussed with the Director of Public Prosecutions.

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<sup>5</sup> Portfolio Budget Statements 2005-06, Finance and Administration Portfolio, Budget Related Paper No 1.9A page 117

# COMPLIANCE REVIEWS

The AEC has investigatory powers under the Act to enable it to review whether a person with financial disclosure obligations has complied with those obligations.

It undertakes a regular program of compliance review of the annual returns lodged by political parties and their associated entities, and specifically investigates disclosure matters that come to notice where this appears to be warranted. It is required to investigate all gifts to parties of \$25,000 or more.

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

## **Review program**

Following the 2001 election, the AEC reviewed and upgraded its capacity to undertake compliance reviews of the returns and accounting records of political parties, associated entities and others subject to the disclosure regime.

The compliance review procedures are now consistent with current auditing standards and practices, with reviews conducted by qualified and experienced staff. The revised arrangements have been subject to internal audit review and the minor issues raised have been addressed.

The review program aims to visit about 33% of parties and associated entities providing annual returns each year, with the 2005 program also including targeting of the reporting of party unit<sup>6</sup> data in party returns. This reflects ongoing difficulties experienced by some parties in obtaining comprehensive and timely information from party units for inclusion in their annual returns, and the AEC's enhanced capacity to carry out this work.

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<sup>6</sup> 'party unit' is a generic term used to describe smaller components of a political party such as local branches and campaign committees.

Thirty compliance reviews were undertaken in 2001-02, 45 in 2002-03 and 102 in 2003-04. One hundred reviews were conducted in calendar year 2004. Over 50% of party compliance reviews conducted in 2004 resulted in amended returns being required.

As has been past practice, the compliance review program was discontinued over the 2004 election period.

The AEC continues to examine ways to improve the efficiency and effectiveness of the compliance review program. Review procedures require regular updating, with emphasis upon an analysis of the risks of failures of compliance that may be implicit in the character of the returns and records under review. Work is being undertaken on development of a desk-top<sup>7</sup> review program covering lower risk aspects.

### **Special matters**

Compliance reviews and public comment (e.g. from the media and academia and at Senate estimates hearings) about disclosure issues give rise to additional enquiries into compliance matters. These may relate to the question of whether adequate disclosure has been made, or whether an entity is an associated entity for the purposes of the Act.

A number of these matters are long standing due to the nature and complexity of the issues involved, and to limitations on the AEC's capacity to investigate. As an example, the AEC must have reasonable grounds to believe an entity is an associated entity before it can use certain compulsory processes to obtain information to confirm this. It cannot use those processes on mere suspicion or assertion. Similarly, the question of whether an entity is an associated entity for the purposes of the Act may involve detailed investigation of the legal structure of the entity in question. The people involved are not necessarily co-operative when it comes to the formal investigation of compliance matters – indeed it may turn out that they have no relevant obligations.

The investigation of the following matters was concluded and the outcome posted to the AEC website:

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<sup>7</sup> 'desk-top' reviews involve the party sending its records into the AEC for review and do not involve an on-site visit by the AEC

- Whether Mr Andrew Laming and the Liberal Party of Australia – Queensland Division met their financial disclosure obligations subsequent to the 2001 federal election in relation to office space provided to Mr Laming and his campaign committee. The AEC concluded on 12 November 2004 that the disclosure obligations had now been met;
- Whether the federal member for Ryan, Mr Michael Johnson MP and the Liberal Party of Australia – Queensland Division met their financial disclosure obligations subsequent to the 2001 federal election in relation to an amount of \$10 000 of campaign funds. The AEC concluded on 15 July 2004 that the disclosure obligations had been met;
- Whether the Australians for Honest Politics trust fund is an associated entity for the purposes of the Act. The AEC affirmed on 15 July 2004 a much earlier decision that the trust fund was not an associated entity;
- Whether a donor disclosure return needed to be lodged by The Hon Tony Abbot MP for certain payment(s) allegedly made to Mr Terry Sharples. The AEC concluded on 15 July 2004 that Mr Abbott is not required to lodge a disclosure return in respect of any such payment made to Mr Terry Sharples.

Special matters under investigation at the time of the 2004 election were:

- A number of alleged associated entities of the National Party of Australia NSW and Victorian branches (the AEC concluded subsequent to the election that the trust funds and trustee companies involved are not associated entities as defined by the Act);
- Questions about whether money from a 2001 election fundraising raffle had been properly disclosed by Senator Nick Bolkus, the SA branch of the Australian Labor Party, Mr Dante Tan and Universal Lionshare (AEC investigations are continuing);
- Questions about whether donations to the 2001 election campaign for Mr Phillip Ruddock MP had been properly disclosed by the Liberal Party of Australia – NSW Division and the various donors (AEC investigations are continuing);
- Whether the Fair Go Alliance is an associated entity of the NSW branch of the Australian Labor Party (the AEC concluded subsequent

to the election that the Fair Go Alliance was not an associated entity as there was not a sufficiently direct link between the activities of the Alliance and any benefits arising from those activities, and the NSW ALP).

It is apparent that many of these matters, particularly those raised by the media or at Senate Estimates hearings, are raised in a context of political debate. The utility of the investigation of some must be questioned. Accordingly, the AEC may have regard to one or more of the considerations listed below in determining the merits of an investigation:

- elapsed time, which may affect the prospect of any successful prosecution;
- availability of supporting or corroborative information;
- materiality of the issue raised;
- prima facie merits of the matter;
- relevance of the matter to the disclosure scheme established by the Act;
- availability of resources.

### **Prosecutions**

No disclosure matter has been prosecuted since the 2001 election. Initial discussions have been held with the Director of Public Prosecutions concerning matters relating to 2003-04 annual returns and 2004 election returns on the basis that enforcement of compliance with the law is a matter of public policy.

### **Issues arising from reviews**

The Act imposes obligations on the agents and financial controllers of parties and associated entities to lodge disclosure returns. The AEC provides *Handbooks* and other information material to assist this process, and uses the compliance review program to provide guidance to those responsible for the preparation and lodgement of returns.

Items commonly overlooked by parties and entities in the preparation of returns include:

- Monies received from government sources (e.g. election funding, tax (GST) refunds, etc);
- Gifts-in-kind (e.g. free or low cost use of premises, assets or services and non-monetary transactions with or without some 'consideration' or value);
- Monies held in trust.

Other matters that are overlooked include donations received or electoral expenditure incurred with the authority of the party by:

- Party agents or candidate and Senate group agents;
- Endorsed candidates and Senate groups (other than where the group is jointly endorsed with another party);
- Campaign committees.

The AEC has also investigated instances where it appears from compliance reviews that donor disclosure obligations have not been properly met.

### **Parliamentary levies and allowances**

Compliance reviews noted the failure by one party branch to include as receipts levies imposed on their parliamentary members. This resulted in all branches of that party being contacted and advised of their obligation to include these levies in their receipts.

### **Gifts over \$25,000**

The Act was amended in 2002 to require that the AEC investigate all 'gifts or dispositions of property' to a party or to a candidate of \$25,000 or more. This was a Senate amendment to the *Commonwealth Electoral Amendment Act (No. 1) 2002*.

Donor returns for 2003-04 show at least 116 such donor transactions in that financial year.

The amendment gives rise to a number of issues for the AEC:

- It is not clear why such gifts should be investigated if they have been disclosed by both parties to the transaction;
- While the requirement to investigate all gifts or dispositions is mandatory, the AEC has no authority under its investigations

powers to investigate candidates unless it is in relation to a possible contravention of the Act;

- While the AEC is able to review party annual returns and candidate returns to identify reported gifts of \$25,000 or more, it has no way of satisfying itself that it is aware of transactions that are not specifically identified as a gift, or that are not reported at all;
- The Act defines ‘disposition of property’. It separately defines ‘gift’ to include a disposition of property but excluding certain elements of that definition. Candidates and donors are required to report gifts (as defined) that are received or made but are not required to report dispositions of property. The AEC is required to investigate both gifts and dispositions of property of \$25,000 or more.

There are clearly practical limits to what the AEC can do under the amendment. To the extent it is able, it includes the investigation of gifts of \$25,000 or more as an element of its compliance review program. It separately considers any such gifts that otherwise come to its attention e.g. through media reports.

It routinely checks all party annual returns, candidate election returns and the associated donor and third party returns to identify transactions of \$25,000 or more, and to see whether additional investigation is warranted. If irregularities are found (e.g. a donor return and party return do not reconcile), the AEC will further check (by letter or by compliance review):

- That the gift or disposition of property is properly disclosed;
- Whether the transaction reveals a possible associated entity or other disclosure issues.

# 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*.

Registration as a political party provides benefits to and imposes compliance obligations on political parties. Party registration, which is not compulsory, provides the following benefits:

- Party affiliation (i.e. the party name or its abbreviation) may be shown next to the names of endorsed candidates and Senate groups on ballot papers;
- Election funding arrangements whereby the entitlements of endorsed candidates or Senate groups are paid direct to the party;
- Access to the electoral roll and habitation index for each State and Territory in which the party is organised;
- Access to certain historic voting information (e.g. details of where people vote at an election);
- Access to an electronic list of postal vote applicants for an election.

The access provisions mentioned in the last three dot points above are subject to some restrictions.

Registered political parties, their State and Territory branches, and their associated entities must meet the annual financial disclosure obligations discussed separately in this report.

## Registered parties

There were 62 registered political parties at the 2004 election, 56 of which endorsed candidates. This compares with 64 registered political parties at the 2001 election, 49 of which endorsed candidates.

Over half of the registered parties at the 2004 election were related branches or divisions of parties. For example, the following parties have registered their federal secretariat as well as their State/Territory branches or divisions: *Australian Labor Party* (10 registrations), the *Liberal Party* (8 registrations), the *Nationals* (7 registrations), the *Greens* (4 registrations). There are also other smaller groupings registered.

A list of parties that were registered at the 2004 election is at *Table 13*. Asterisks highlight the 56 parties that contested the election.

**TABLE 13 - LIST OF REGISTERED POLITICAL PARTIES AS AT 9 OCTOBER 2004**

Advance Australia Party	*Liberal Party of Australia – Queensland Division
*Australian Democrats	*Liberal Party of Australia – Tasmanian Division
*Australian Greens	*Liberal Party of Australia, NSW Division
*Australian Labor Party (ACT Branch)	*Lower Excise Fuel and Beer Party
*Australian Labor Party (ALP)	*National Party of Australia
*Australian Labor Party (N.S.W. Branch)	*National Party of Australia (Queensland)
Australian Labor Party (Northern Territory) Branch	*National Party of Australia (S.A.) Inc.
*Australian Labor Party (South Australian Branch)	*National Party of Australia (WA) Inc
*Australian Labor Party (State of Queensland)	*National Party of Australia - N.S.W.
*Australian Labor Party (Tasmanian Branch)	*National Party of Australia – Victoria
*Australian Labor Party (Victorian Branch)	*New Country Party
*Australian Labor Party (Western Australian Branch)	*No Goods and Services Tax Party
*Australian Progressive Alliance	*Non-Custodial Parents Party
*Australians Against Further Immigration	*Northern Territory Country Liberal Party
*Christian Democratic Party (Fred Nile Group)	*Nuclear Disarmament Party of Australia
Citizens Electoral Council Australia (NSW Division)	*Outdoor Recreation Party
*Citizens Electoral Council of Australia	*Pauline Hanson’s One Nation (NSW Division)
*Country Labor Party	*Pauline Hanson’s One Nation
*Curtin Labor Alliance	*Progressive Labour Party
*Democratic Labor Party (DLP) of Australia	*Queensland Greens
*Ex-Service, Service & Veterans Party	*Republican Party of Australia
*Family First Party	*Save the ADI Site Party
*Help End Marijuana Prohibition	*Socialist Alliance
*Hope Party Australia - ethics equality ecology	*Tasmania First Party
*liberals for forests	Tasmanian Independent Senator Brian Harradine Group
*Liberal Party (W.A. Division) Inc.	*The Aged and Disability Pensioners Party
*Liberal Party of Australia	*The Australian Greens – Victoria
*Liberal Party of Australia (S.A. Division)	*The Fishing Party
*Liberal Party of Australia (Victorian Division)	*The Great Australians
*Liberal Party of Australia - ACT Division	The Greens (WA) Inc
	*The Greens NSW
	Young National Party of Australia

\* Party that contested the 2004 election.

## **Administration**

While the overall number of parties may seem stable, there is significant turnover of registered parties between elections. Of the 64 registered parties at the 2001 election, 11 were deregistered prior to the 2004 election.

The reasons for deregistration were:

- Two parties had failed to endorse a candidate in an election for four years;
- Two parties ceased to have at least 500 members;
- Three parties were voluntarily deregistered;
- Four parties failed to comply with a notice issued as part of a review of their eligibility to remain registered.

The Act sets out the requirements for registration, and the process the AEC must follow in taking action to deregister a party. Each registered political party must have a member who is a member of the Commonwealth Parliament or it must have at least 500 members, and it must contest an election within a four-year period. Its name must be consistent with statutory requirements. Members may only be 'relied upon' by one party at a time for registration purposes.

The AEC has the power to review the ongoing eligibility of parties to be registered. For example, in the case of the '500 rule', a party is asked by the AEC to provide detailed evidence of at least 500 members. The AEC then contacts a statistically valid sample of these 500 members as part of the review process in order to be satisfied that the party continues to meet eligibility requirements.

Of the 62 registered parties at the 2004 election, nine were registered subsequent to the 2001 election. This compares with 10 new registrations between the 1998 and 2001 elections. Only 29 parties have been continuously registered since the commencement of the registration scheme in 1984-85.

## **Internal party management**

The 'churning' of party registration at the smaller or emerging end of the spectrum involves the AEC in considerable time and effort in seeking compliance with the administrative requirements of registration.

This has involved complex challenges in those situations where parties' administrative arrangements are inadequate to properly deal with internal party management issues. In one case there was contention as to the make-up of the party executive arising from procedural deficiencies in the conduct of the national conference at which they were 'elected'. This resulted in an application to voluntarily deregister the party that was questioned on the ground that it did not have the support of the party or its 'executive' generally. It also resulted in a considerable amount of correspondence from members on issues that were not within the scope of the AEC's functions.

The AEC has, and wants, no role in internal party management matters. It is for the party, or for the Courts, to resolve internal conflicts.

Internal party management issues also give rise to concerns about the integrity of the financial disclosure scheme. Where a party is not properly organised, or is subject to competing cliques that may or may not communicate with each other, there must be real doubt as to whether the financial disclosure returns are complete and accurate, and indeed whether a compliance review of the records will result in returns that meet the disclosure objectives.

A requirement for all new parties to be registered as a company, or as an incorporated association under State or Territory law, would provide a legal framework to assist parties to deal with governance issues of this nature.

### **Register of Political Parties**

The AEC is required to maintain a public *Register of Political Parties*. This is available on the AEC website. The statutory register contains information such as the name and abbreviated name of a party, whether it elects to receive election funding, and details of the Registered Officer (who can nominate candidates).

The AEC also includes information such as party address details, details of Deputy Registered Officers, and details of deregistered parties on the register.

The public register is important to the election nominations process as it provides a means for checking that party nominations are validly made.

Parties are regularly invited to confirm that the information recorded on the register is accurate and up-to-date, particularly prior to an election.

They are invited to confirm any change made to the register, and are invited to confirm register details generally.

Notwithstanding these actions, it is not unusual for information to become out-of-date. This results in the *Register of Political Parties* being misleading and in the loss of correspondence. It also has the potential to affect the validity of a nomination for an election.

There were a number of problematic last minute changes to Registered Officer and Deputy Registered Officer details during the election period.

The AEC is separately required to maintain a *Register of Party Agents*. This contains the name and address of each person appointed as an agent of a political party. The party agent has responsibility for election funding and financial disclosure matters. Similar issues apply to this register (e.g. two 2004 election funding payments were sent to addresses which were no longer current).

A remedy to this problem that applies in certain overseas jurisdictions, is for the annual return of a registered political party to include a section providing for confirmation of public register details. Inclusion of this in the party annual returns will be considered during the next review of the returns.

## **Judicial review**

The party registration provisions were subject to comprehensive judicial review following an attempt by the AEC to review the eligibility of the Democratic Labor Party of Australia (DLP) to continue to be a registered political party.

The DLP challenge, which began prior to the 2001 election and continued up to the time of the 2004 election, included the contention that section 138A of the Act (providing that the AEC may review the eligibility of parties to remain registered) was unconstitutional on the ground that it contravened the right to freedom of political association. This argument was supported by the proposition that, without registration, ballot papers would not carry the DLP party endorsement alongside its candidates' names.

The other primary argument was that the '500 rule', requiring parties without a Parliamentary member to have a minimum of 500 members, and the 'no overlap' rule prohibition on any one person being counted

as a member of two or more parties for registration purposes, infringed implied freedoms of association, participation and privacy.

The Federal Court considered these matters in *Mulholland v Australian Electoral Commission* [2002] FCA 1255 (11 October 2002). Its decision was appealed by the DLP to the Full Federal Court in *Mulholland v Australian Electoral Commission* [2003] FCAFC 91 (13 May 2003). The case was subsequently appealed by the DLP to the High Court in *Mulholland v Australian Electoral Commission* [2004] HCA 41 (8 September 2004).

The original DLP action and the two appeals were all dismissed with costs. The Federal Court judgements considered, and were supportive of, the AEC approach to the administration of the registration review provisions.

The DLP subsequently provided evidence that it satisfied the '500 rule', and the party contested the 2004 election.

Preparation for the cases highlighted a number of minor errors and inconsistencies in the Act. These will be the subjects of separate recommendations for amendment.

The AEC continues to routinely review the eligibility of parties to remain registered. For those parties with representation in the Parliament, or who have not run candidates at recent elections this is a simple process. For those parties without parliamentary representation which are subject to the '500 rule' this can be an onerous administrative task for the party and for the AEC.

### **Federal Registration Handbook**

The *Federal Registration of Political Parties Handbook* was revised and re-issued in early 2005.

This guide to the registration process and responsibilities is freely available on the AEC website.

# LEGISLATIVE REVIEW

In August 2000, the JSC EM was asked to inquire into those recommendations of the AEC's 1996 and 1998 funding and disclosure reports not incorporated into legislation or not previously examined by the committee. This *Inquiry into Electoral Funding and Disclosure* lapsed at the 2001 election.

In March 2004, the JSC EM was asked to reopen this inquiry and to consider any amendments to the Act necessary to improve disclosure of donations and their source. This *Inquiry into the Disclosure of Donations to Political Parties and Candidates* lapsed at the 2004 election.

On 30 November 2004 the *Inquiry into the Disclosure of Donations to Political Parties and Candidates* was re-referred to the JSC EM.

AEC submissions were made to the 2000 and 2004 inquiries. Its submission of 26 April 2004 consolidated two earlier submissions and provided additional information as requested by the JSC EM.

The underlying theme of the submissions was the need for a comprehensive review of the operation of the funding and disclosure schemes to ensure they are meeting contemporary needs and objectives.

In this context, the AEC is preparing a paper to further progress this issue.

## **Amendments**

Amendments to the Act made subsequent to the 2001 election provide:

- that political donations of \$1,000 or more be returned to the donor in the situation where a donor company becomes insolvent within a year after making the donation;
- that the AEC must review all political donations of \$25,000 or more;
- more comprehensive arrangements for parties to enter into agreements for the transfer of electoral funding entitlements to other parties;

- for the direct deposit of funding entitlement moneys to party bank accounts.

The AEC is giving effect to the requirement to review donations in excess of \$25,000, primarily through its existing compliance review program (see the Compliance Review chapter of this Report). Technical deficiencies and lack of clarity in the amendment are discussed in that chapter.

The election funding amendments, while complex in their drafting, operated satisfactorily for the 2004 election. Issues related to the complexity of the amendments are raised in the Election Funding chapter of this Report.

# APPENDIX 1

## OVERVIEW OF FINANCIAL DISCLOSURE SCHEME AND LODGEMENT TIMETABLE

TABLE 14 - FINANCIAL DISCLOSURE RETURNS

Scheme as at election 2004			
ANNUAL RETURNS			
Donors	Political Parties and Associated Entities		
<ul style="list-style-type: none"> <li>• Details of donations made to parties totalling \$1500 or more</li> <li>• Details of donations received of \$1000 or more and applied to donations to parties totalling \$1500 or more</li> </ul>	<ul style="list-style-type: none"> <li>• Total Receipts, Payments and Debts</li> <li>• Details of amounts received of \$1500 or more</li> <li>• Details of debts of \$1500 or more</li> <li>• Details of capital contributions received by associated entities</li> </ul>		
ELECTION RETURNS			
Donors and Third Parties	Candidates	Broadcasters & Publishers	
<ul style="list-style-type: none"> <li>• Details of donations totalling \$200 or more made to candidates</li> <li>• Details of donations totalling \$1000 or more to Gazetted bodies</li> <li>• Amounts of electoral expenditure</li> <li>• Donations received of \$1000 or more and applied to electoral expenditure of \$1000 or more</li> </ul>	<ul style="list-style-type: none"> <li>• No. and amount of donations received</li> <li>• Details of donations received of \$200 or more</li> <li>• Amounts of electoral expenditure</li> <li>• Details of loans of \$1500 or more</li> <li>• Endorsed candidates may report through party annual returns and party thresholds</li> </ul>	<ul style="list-style-type: none"> <li>• Details of election advertisements over an election period</li> </ul>	
	<b>Senate Groups</b>		
	<ul style="list-style-type: none"> <li>• No. and amount of donations received</li> <li>• Details of donations received of \$1000 or more</li> <li>• Amounts of electoral expenditure</li> <li>• Endorsed groups (other than jointly endorsed groups) report through party annual returns and party thresholds</li> </ul>		
This Table should be read in conjunction with Table 15			

**TABLE 15 – FINANCIAL DISCLOSURE TIMETABLE**

Scheme as at election 2004				
Return	Lodgement Date		Period Covered	Public Release
	Annual Returns	Election Returns		
Political party	16 weeks after financial year		Financial year – 1 July to 30 June	1 <sup>st</sup> working day in February
Associated entity	16 weeks after financial year		Financial year – 1 July to 30 June	1 <sup>st</sup> working day in February
Donor & 3 <sup>rd</sup> party	20 weeks after financial year		Financial year – 1 July to 30 June	1 <sup>st</sup> working day in February
Donor & 3 <sup>rd</sup> party		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 group		15 weeks after election	From request to AEC to be grouped until 30 days after election day	24 weeks after election
Broadcasters & Publishers		8 weeks after election	Issue of writs to election day	24 weeks after election
The AEC has no authority to vary these dates. All returns are not required to be audited prior to lodgement, and are prepared on a cash accounting basis				
The 2004 election was held on 9 October 2004				
This Table should be read in conjunction with Table 14				

# APPENDIX 2

## PERSONS WHO ARE OR MAY BE REQUIRED TO FURNISH A RETURN UNDER SUBSECTIONS 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 2004 election.

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

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

The following list of possible donors or third parties (current to June 2005) 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 [www.aec.gov.au](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 2004 election

AAMI  
Abacus Stocktaking Services Pty Ltd  
ABN Amro Services Aus Pty Ltd  
Aboud, Lucinda  
Adsteam Marine Limited  
Adult Retail Association Qld, The  
Advocacy & Relief for Children Assoc.  
Inc  
Aeroshell Pty Ltd  
AEW Hobbs Pty Ltd

Agamyl Investments Pty Ltd  
Agius, Ruth  
ALBA Holdings Pty Ltd  
Allen & Unwin Pty Ltd  
Allen, Camelia  
Andrianopoulos Motors Pty Ltd  
Animal Liberation (SA) Inc  
Anshan, AL  
Aram, Henri W  
Arthur, GW

## APPENDIX 2 (continued)

<p>Association of Independent Schools of SA  Aubrey, David  Australia First Party Wangaratta Branch  Australia First Party, W.A. Division  Australian Airports Mount Isa Pty Ltd  Australian Casino Association  Australian College of Contemporary Somatic Psychotherapy Pty Ltd  Australian Record Industry Association Ltd  Australians for Tax Justice Inc  Australiawide Airlines Ltd  Aventis Pharma Pty Ltd  Baldwin, Ronald William  Barlett, B  Barnes, Lindsay  Barnet, J  Bass, Walter and Corin  Bearup, Robert and Marion  Bellingham Services Pty Ltd  Berry, Effie Victoria  Best, William  Bosworth, Rohan  Boys, WA and JM  Boywood Pty Ltd  Broadcast Australia Pty Ltd  Brown, Michael  BS and Associates  Burfitt-Williams, GCT  Burfitt-Williams, Judith Meikle  Burke, Bill  Burke, K  C.Waller &amp; Assoc Pty Ltd - The Berry Hotel  Canberra Program for Peace Committee  Canopus Chemicals Pty Ltd  Capitol Research Pty Ltd  Cavallaro, Carlo  Celledoni Farming  CEPU Plumbing Division Victorian Branch  CFMEU - Forestry and Furnishing Products Division  CFMEU Forestry Division (Victorian Branch)</p>	<p>Chiu, D  Christian Democratic Party  Christian Outreach Centre Shoalhaven City  Christopher, James  Chubb, V  Cielens, Viesturs  Clamos Pty Ltd  Clark, Thomas Raymond  Clarke, Gregory John  Clever People in Computing  Clough Consulting Services Pty Ltd  CNN Holdings Pty Ltd  Codd, Edward Daryn  Collins, AD  Collins, Roderick Dowse  Contemporary Care Inc  Corboy Fresh Fruit Pty Ltd  Corfe, Oliver  Cox, Thomas Peter  CPIC - Clever people in computing  Cubbie Station  Curren, Robert L and Michael W  Davies, Horton  Davis, Beryl Jean  Davis, Malcolm C  Davy, Jeffrey Ross  Della Bona, Jeff  Delowen Partnership  Dickinson Developments Pty Ltd  Dickinson, Reg and Diane  Douglas, John  Draper, Peter  Dunn, Mr and Mrs Harry and Anita  Electrical Trades Union of Australia Vic  Eng, Dr Peter  Environment Business Australia  Erahs Pty Ltd  Euro Signs &amp; Graphics Pty Ltd  Exeter Enterprises Pty Ltd  Fabian, Graham and Cathie  Factoring Investments Pty Ltd  Fairless, Donald John  Faith City Inc  Favour Investments Pty Ltd  Femgold Pty Ltd</p>
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## APPENDIX 2 (continued)

<p>Fenning Bairnsdale Pty Ltd          Firmi, Ettore          Fischer, John          Fletcher Vale Pastoral Company          Forest Industries Association of Tasmania          Forestry 2000          Fortius Funds Management Pty Ltd          Foster, Helen          Fouche, Kevin          Franklin, W          Frankston Concrete Products          Friends of the ABC SA Inc          FRS Legal          Futuretek I.T. Pty Ltd          Gadens Lawyers          Gallery Global Networks Ltd          Gardner, P          Garnie, Robert Bal          Gary Crick Auto Group          Gazcorp Pty Ltd          George, Henry          George, J and G          Gilmore, James Leslie          Gilmour, WN          Gleeson, Martin          Goldbaum, John          Golden Pride Wineries          Goldfields Hotels Pty Ltd          Goode, Michael and Alison          Government Relations Australia Advisory Pty Ltd          Grabbe, John          Grace Consulting Pty Ltd          Grace Fellowship International Ltd          Grace, Michael E          Grear, Barry Joseph          Greenfleet Australia          Grewal and Co          H Dodd and Sons WA          Hagar Society          Hanley, Martin          Harish Prasad and Associates          Harvie, Ms Phillipa Grace          Hassall, Andrew          Health Services Union of Australia Tas Branch</p>	<p>Heazlett, W          Henwood, Anthea          Hetty Johnston Senate Campaign Fund          Hill, Ron          Hills Transport Pty Ltd          Hodnett, Barry Michael          Holford Promoters          Holliday, Simon and Helen          Homfray, Peter Wilson Revel          Honeycombe Holdings Pty Ltd          Huish, Peter          Hume Campaign, The          Hunt, Hon Ralph and Mrs MA          Hunt, Ralph J. Hunt          Hunter Valley Christian Life Centre Inc          Illawarra Business Chamber          Indec Pty Ltd          Ipswich Awakening          Irving, George          Ives, E          Jackson, Frederick William          Jamieson, Donald Alfred          Jennings, Neville          Johnston, Elliott Frank          Johnston, Hetty          JSA Jackson &amp; Son Pty Ltd          JV Singh &amp; Co Pty Ltd          Katter, Robert Carl          Keck Pty Limited          Kennedy, Hugh          Kettle, Gerard          Kilkenny, Rae          Kimberly Hotel          King, Frank Richard          King, Judith Anne          King, Philip John Letherbridge          Koolyara Pty Ltd          Lau, Dr Isaac          Launceston Motor Group          Leahy, Paul          Lee, Alastair Ronald          Leeson, Struan          Lefebure, Dr M          Lenzo, Gino          Level-Five Research</p>
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## APPENDIX 2 (continued)

<p>Levershe, IF and A          Lewis, B and L          Lewis, Mari Ann          Liberal Friends of Israel          Loffler, Ms Sandy          Longo, Mario and Luisa          Lowy, Julianna OAM          MacDonald, Arlene          MacDonald, Peter Kenneth          Mackie, Greg          Macquillan, AJ and DL          Maguire, Bradley          Maitland Ministers Association Inc          Makse, Srhoj          Marciniak, John          Masters, Bernard Kent          Maxwell, Michael          McAlfar Management Consultants          McArenna, Martin J          McAskill, Mr John Murchison          McAuley, Ian          McAuliffe, Gordon Warren          McCamley, GE          McCarroll, John          McCosker, Lionel V          McCoy, Martin Thomas          McIlhalla, Basil          McIver, Stewart and Carleen          McKay Investments Pty Ltd          McKean, GR and JM          Medich Property Group          Megacenta Liverpool          Mendl Thompson &amp; Associates          Meredith, Susan          Millmerran Branch One Nation Qld.          MJ Maguire and &amp; Sons Solicitors          Money Plus          Montfair Pty Ltd          Morris, Greg          Morrow, James          Morrow, Richard          Moss, Allan          Moss, Grant          Motor Trades Electoral Action          Committee          Mowburn Nominees          Murray, Allen Ross</p>	<p>Nalder, I and S          Nelson, John Geoffrey and Janice          Network Communications          Newell, K          New England Properties Pty Ltd          Nicholas, Gertrude Helen          Nicoletti, Giovanni Basillo          Nioa Trading          Nish, Simon MJ          Northern Territory University          Students' Union          One Family Party          One Nation Qld. Div Nanango Branch          One Nation WA Div          O'Rourke, Mrs MH          O'Shea, Bernie &amp; Frances          Ottavi, Teddino          Paggi, Lino          Park Beach Hotel Motel          Park, Min Chul          Paterson, Peter James          Pauline Hanson's One Nation -          Goulburn Branch          Pauline Hanson's One Nation Mt          Gambier SA          Payce Consolidated Ltd          Peejays Developments Pty Ltd          Pelster, Jennifer Ann          Peter M Cavanagh &amp; Co. Pty Ltd          Peter Southwell Engineering Services          Pty Ltd          Pettiford, Peter H          Pharmacy Guild of Australia, The          Plenary Group Pty Ltd          Plews, John Anthony          Plotke, Ann          Pollard, Ian          Public Education Group          Ramsay Health Care          Ranns Carpentry and Maintenance          Rebgetz, JG and LM          Regal Landscapes Pty Ltd          Remsif Pty Ltd          Richardson, Robert          Ridd, G          Ridder Const Pty Ltd          Robertson, Clive Robert</p>
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## APPENDIX 2 (continued)

<p>Robinson, William John  Roe-Johnston, Kerrie  Roney, David John  Rumery, Robert G  Russell, Anne  Saunders, John Rosier  Sayers, Paget  Scott, Mark Richard  Seccombe, Jack  Seven Network Operations Ltd  Shadforth Civil Engineering  Contractors  Shahin Enterprises Pty Ltd  Shores, George Mathew  Siebel, Robert  Simpson, RD  Simpson, Scott  Singapore Airlines Limited  Singh, Daljit and Kaur, J  Smith, Martin  Smith, Robert  Smith, Wallace Andrew Peter  Socialist Equality Party  Soliman, H and I  South West Trades and Labour  Council Inc  Southern Meats Pty Ltd  Sporting Shooters Association of  Australia (NSW)  Stage Five Pty Ltd  Steele, John Smith  Steelcraft Unit Trust  Stephen, Christopher  Stephen, Winifred Grace  Sterling Estates Development  Corporation Pty Ltd  Stewart, David Hugh  Storey, Alison  Suffolk Investments Pty Ltd  Surnicky, Mr and Mrs Emil and Ian  Swooks Island Resort  Tanda, Amarjit Singh  Tasmanian Aboriginal Land Council  Telecommunications 2000  Tento, William and Sandra  Terry, N  The Sporting Exchange Ltd</p>	<p>The Wilderness Society Incorporated  Thornley, E and Ellery, T  Threlfall, Steven and Noelene  Tizzoni, Robert  Tony Hoskin Plumbing  Tourism and Transport Forum  Australia  Transpacific Industries Pty Ltd  Transurban Limited  Travers, Ron  Tyree, W  Valder, Peter  Vandyke, Stanley  Wade, Jack  Wade, Rick  Wakeford, PRC and AJ  Walcott, Phillip John  Wall, Stephen  Walsh, Eric  Wang, Albert  Ward, John  Watson, Gregory Herbert  Welcome Mart Doonside  Weiley, John  Weir, Mr GB  Wells, Dennis  Wet Tropics Rural Alliance  Weymouth, E and J  Wheeler, Frank  Whitesoy, Billie  Wilkie, MDF and KM  Wilkinson, PR  Wilmot, Sylvia  Wilson, Gregory D  Winstanley, Judith  Witten, D  Witten, J  Wood, Elizabeth Clare  Wood, Gerry  Wood, PR and Hodgson, TL  Wyatt, Ben  Wylandra Holdings  Yolarno Pty Ltd  Your Voice Inc  Yuill, Elisabeth  Yusuf, Deniz  Zingarelli, Joseph  Zulaikha, M</p>
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## APPENDIX 2 (continued)

Persons who, in the opinion of the AEC, were required to lodge a third party return of electoral expenditure in relation to the 2004 election	
<p>           ABARE            Aboriginal Hostels Ltd            ACT Dept of Education, Youth and Family Services Education and Training Dept.            ACT Forests            ACT Gambling and Racing Commission            ACT Health            ACT Workcover            Admix Corporation Pty Ltd            Aged and Community Services SA and NT Inc and Aust Nursing Homes and Extended Care Ass Inc (jointly)            Animals Australia            ARTSACT            Association of Independent Schools of SA            Association of NT Secondary Education Leaders            Association of Parents and Friends of ACT Schools            Auspac for PCPA            Australasian Centre for Policing Research            Australian Antarctic Division            Australian Automobile Association            Australian College of Contemporary Somatic Psychotherapy Pty Ltd            Australian Communications Authority            Australian Competition and Consumer Commission            Australian Conservation Foundation Inc (incl. SA Office)            Australian Crime Commission            Australian Education Union            Australian Education Union (SA Branch)            Australian Education Union (Tasmanian Branch)            Australian Education Union (WA Branch)            Australian Evangelical Alliance Inc         </p>	<p>           Australian Government Solicitor            Australian Health Insurance Ass. Ltd            Australian Industrial Registry            Australian Institute of Health and Welfare            Australian Nuclear Science and Technology Organisation            Australian Public Service Commission            Australian Strategic Policy Institute            Australian Trade Commission            Australian Transaction Reports and Analysis Centre            Australians for Just Refugee Programs Inc            Australians for Refugee Programs            Australians for Tax Justice            Belbeck, Leigh            Brookes, Harry George            Bush Users Group            Cambiar Pty Ltd            Canberra Institute of Technology            CEPU Plumbing Division - Victorian Branch            CFMEU - Forestry and Furnishing Division            Childcare Associations Australia            Civil Aviation Safety Authority            Clennett Industries Pty Ltd            Coalition of Law-Abiding Sporting Shooters            Commonwealth Director of Public Prosecutions            Communications Electrical and Plumbing Union (Communications Div)            Construction Forestry Mining and Energy Union            Country Womens Association of NSW            Dattner, Fabian            Davy, Jeffrey Ross            Delta Hydraulics Pty Ltd            Department of Communications IT and the Arts         </p>

## APPENDIX 2 (continued)

<p>Department of Disability, Housing and Community Services          Department of Industry and Resources WA          Department of the Senate          Department of Veterans' Affairs          Donatin, Paul          Electrical Trades Unions of Australia (ETU) Vic          Environment ACT          Environment Business Australia          Environmental Centre of Northern Territory          Family and Community Services          Family Life International Aust Ltd          Forest Industries Association of Tasmania          Friends of the ABC (Illawarra Branch)          Friends of the ABC (SA) Inc          Friends of The ABC (WA) Inc          Gavin Anderson and Company          Greenfleet Australia          Grocon Pty Ltd          Gunns Limited          Helm, Ken          Hodson, Michael          Human Rights and Equal Opportunity Commission          Illawarra Area Consultative Committee Inc          Illawarra Business Chamber          International Air Services Commission          Island Optical          Jones, Clem          Joyce, Anastasia          Joyce, Michael Thomas Patrick          Koolyara Pty Ltd          Land Development Agency          Leyonhjelm, David          Liberal Friends of Israel          Masters, Bernard Kent          McIlror, John - Stop the War Committee          McKay Investments Pty Ltd          McMartin, Michael          Mitcham Residents Action Group</p>	<p>Mollison, CS, Chairman, The Foundation For National Renewal          Muir, Ken          National Archives of Australia          National Association of Forest Industries          National Capital Authority          National Tertiary Education Union          National Union of Students Inc          Nilsen, Raymond Norman          Northern Rivers Friends of the ABC          Northern Territory University Students' Union          Now We the People          NSW Farmers Association          NSW Teachers Federation - Gosford Teachers Association          NTEU - Qld Division          Office of Indigenous Policy Coordination (DIMIA)          Office of the Renewable Energy Regulator          Old Parliament House          Optom Admin Pty Ltd          Oxfam Community Aid Abroad          PGR Public Education Group          Put Coalition Last          Queensland Teachers' Union          Ramsay Health Care          Research Australia Limited          Roach, Stephen Paul          Royal Australian Mint          RSPCA Australia Inc          Serisier, Timothy John          Shoalhaven Teachers Association          South Australian Farmers Federation          Sugar Research and Development Corporation          Superannuated C'wealth Officers' Assn (Federal Council) Inc          Support Humane Policies Campaign          Tasmanian Aboriginal Land Council          Tasmanian Country Sawmillers' Federation Ltd          The Australian Society for Medical Research</p>
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## APPENDIX 2 (continued)

<p>The Optical Superstore Pty Ltd  The Right To Life Australia Inc  The Wilderness Society (SA Branch) Inc  The Wilderness Society Inc  The Wilderness Society Tas Inc  Thome, Timothy Colin  Timber Communities Australia Ltd (Tas)  Transpacific Industries Pty Ltd  University of Western Australia  Victorian Automobile Chamber of Commerce  Victorian Automobile Chamber of Commerce (VACC)  Victorian Gay and Lesbian Rights Lobby  Victorian Medicare Action Group</p>	<p>Victorian National Parks Association  Victorian Parents' Council  Victorian Trades Hall Council  Vietnam Veterans Counselling Service  Vote [1] No More Poverty Campaign  Walcott, Phillip John  Walker Wimble Stott Media Pty Ltd (Media Buyer NSW Teachers Fed.)  Wayne Phipps Smash Repairs Pty Ltd  Weiley, John  Western Highway Action Committee (WHAC)  Western Power Corporation  Willmac Enterprises Pty Ltd  Wood, Gerry MLA  Workcover Western Australia Authority</p>
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### Persons who, in the opinion of the AEC, were required to lodge a third party return of donations received in relation to the 2004 election

<p>Association of Independent Schools of S.A  Australian College of Contemporary Somatic Psychotherapy Pty Ltd  Australian Conservation Foundation Inc (incl. SA Office)  Australian Education Union - National  Australians for Tax Justice  Bindaree Beef Pty Ltd  Blue Mountains for a Fairer Australia  Bradfield, Greg  Bush Users Group  Cambiar Pty Ltd  CEPU Plumbing Division - Victorian Branch  Davy, Jeffrey Ross  Environment Business Australia  Forest Industries Association of Tasmania  Gardner, P</p>	<p>Greenfleet Australia  Helm, Ken  Hodson, Michael  Johnson, Philip  Koolyara Pty Ltd  Lewis, Tim  Liberal Friends of Israel  Masters, Bernard Kent  McMartin, Michael  National Union of Students Inc  Northern Rivers Friends of the ABC  Northern Territory University Students Union  Now We The People  Ramsay Health Care  Tasmanian Aboriginal Land Council  The Wilderness Society Inc  Transpacific Industries Pty Ltd  Weiley, John  WWF Australia</p>
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# APPENDIX 3

## 2004 ELECTION CANDIDATES WHO HAD NOT LODGED FINANCIAL DISCLOSURE RETURNS AT THE TIME OF PREPARATION OF THIS REPORT

CANDIDATE	PARTY
ANDERSON, Michael John	Australian Greens
ARIARATNAM, Chrisantha	Family First Party
BAIN, Robyn Louise	National Party of Australia - NSW
BARNIER, Belinda	Liberal Party of Australia - ACT
BEALE, Craig John	Australian Democrats
BOERS, Kevin	Non-Custodial Parents Party
BOYD, Michael John	National Party of Australia - Qld
BUCKLEY, Ben	Pauline Hanson's One Nation
CHIPP, Gregory Shane	Australian Democrats
CONTARINO, Nick Sebastian	Citizens Electoral Council
COWDERY, Edwina Mary	Independent
ENTSCH, Warren George	Liberal Party of Australia - Qld
FOLEY, Maurice	Independent
GARGAN, Ellen Mary	Independent
GRAY, Merinda Irene	The Australian Greens - Vic
GREGG, Bernadette Jeanne	NT Country Liberal Party
HALL, Simon Joseph	Citizens Electoral Council
HANNAH, Gary	Independent
HETHERINGTON, Maurice Verney	Citizens Electoral Council
HORNE, Colin Bertram	Citizens Electoral Council
ISHERWOOD, Kel Lindsey	Citizens Electoral Council
JACOBS, Rachael Frances	Australian Democrats
JOSS, Jessica Marian	Australian Democrats
KNEEBONE, Scott Conway	Australian Democrats
KOKKOLIS, Stavroula	Liberal Party of Australia - NSW

## APPENDIX 3 (continued)

KUNTSCHIK, Di Theresa	Liberal Party of Australia - Qld
LANG, Benno Paul	Independent
LARNER, Sally	Citizens Electoral Council
LARNER, William	Citizens Electoral Council
LAWLER, Steven Thomas	Citizens Electoral Council
MALLIOTIS, Martha Maria	Citizens Electoral Council
MARKWELL, Andrew Alexander	Family First Party
MARSDEN, Leslie Neil	Citizens Electoral Council
MELLADO, Walter Hernan	Citizens Electoral Council
McARTHUR, Darryl Angus	Independent
McLEAN, Ronald Jeffery	Citizens Electoral Council
NEILAN, Alan John	Australian Labor Party - Qld
O'CONNOR, Jennifer Rose	The Australian Greens - Vic
PASTOOR, Erick John	Liberal Party of Australia - Tas
PHILLIPS, Peter James	No Goods and Services Tax Party
RIPOLL, Bernard Fernand	Australian Labor Party - Qld
ROSBOROUGH, Derek Martin	Independent
ROSS, Joseph Gerard	National Party of Australia - Qld
RUSSELL, Ross Herbert	Citizens Electoral Council
SHOMALI, Heather Elizabeth	Citizens Electoral Council
SINDT, Anne Christine	Independent
STANKO, Andrew Peter	Independent
WALKER, Eric Peter	Christian Democratic Party (Fred Nile Group)
WATT, Peter	Christian Democratic Party (Fred Nile Group)
WHITE, Russell Verne	Australian Democrats
WILSON, Glen David	Family First Party
WRIGHT, Matthew Nicholas	Australian Greens - Vic

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