

POLITICAL FINANCE **Annual Report**

Report on the operation of Part VI of
the *Electoral Act 1907* for the period
ended 30 June 2003



WESTERN AUSTRALIAN **Electoral Commission**

Hon. J A McGinty MLA
Attorney General
Minister for Electoral Affairs
30th Floor Allendale Square
77 St George's Terrace
PERTH WA 6000

Dear Minister

In accordance with section 175ZG of the *Electoral Act 1907*, I submit for your information and presentation to Parliament the report on the operation of Part VI of the *Electoral Act 1907* for the period 1 July 2002 to 30 June 2003.

Yours sincerely

A handwritten signature in black ink that reads "Warwick Gately". The signature is written in a cursive style with a large, looping 'G' at the end.

Warwick Gately AM
ACTING ELECTORAL COMMISSIONER

20 July 2004

ISSN 1441-1296

Copyright © 2004

*Western Australian Electoral Commission
Level 2, 111 St George's Terrace
PERTH WA 6000*

*GPO Box F316
PERTH WA 6841*

*Telephone: (08) 9214 0400 or 13 63 06
Facsimile: (08) 9226 0577*

*Email: waec@waec.wa.gov.au
Internet: www.waec.wa.gov.au
Telephone Typewriter (TTY): (08) 9214 0487*



TABLE OF CONTENTS

1.	BACKGROUND	1
1.1	Essential Features of the Political Finance Legislation	1
1.2	Records to be Kept	3
1.3	Role of the Western Australian Electoral Commissioner	3
2.	2002-2003 ANNUAL RETURNS	4
3.	AUDIT OF RETURNS	4
4.	ACCESS TO RETURNS	5
5.	SECTION 175ZE OF THE <i>ELECTORAL ACT 1907</i>	5
6.	PUBLICATIONS.....	5

APPENDIX 1 Political Finance Disclosure Schedule

APPENDIX 2 Summary of Gifts and Other Income Received by Each Political Party

APPENDIX 3 Summary of Gifts and Other Income Received by Each Associated Entity

APPENDIX 4 Gifts \$1,600 or Greater Received by Political Parties

APPENDIX 5 Gifts \$1,600 or Greater Received by Associated Entities



1. BACKGROUND

This is the seventh report since the political finance legislation came into force in Western Australia on 9 November 1996. Under the provisions of Part VI of the *Electoral Act 1907*, all political parties, associated entities, individual candidates, Legislative Council groups and other persons are required to provide the Electoral Commissioner with details of gifts and/or income received and expenditure incurred for electoral or political purposes.

This report relates to the operation of Part VI of the Act over the 2002–2003 financial year. It provides information on the annual returns lodged by political parties and associated entities for this period.

The 2002–2003 Political Finance Disclosure Schedule, which highlights key disclosure dates during the period, is included in Appendix 1.

1.1 Essential Features of the Political Finance Legislation

Agents

All political parties must appoint an agent for disclosure purposes. Party agents, who must register with the Electoral Commissioner, assume responsibility for lodging disclosure returns. At an election, candidates and non-party groups may appoint an agent to act for them or accept responsibility for compliance with the Act themselves. A separate agent appointment is required for each election for both candidates and non-party groups. Appointments must be made before 6.00 pm on the day before polling day in the election.

The financial controller of an associated entity is considered to be its agent.

Gifts

Gifts of \$1,600 or more must include the name and address of the person who made the gift. In accordance with regulation 3 of the *Electoral (Political Finance) Regulations 1996*, the current specified amount of \$1,600 will be reviewed after the next State general election, due by May 2005. Acceptance of donations from unidentified persons or sources equal to or more than the specified amount of \$1,600 is prohibited under the Act. Under section 175R(5) of the Act, anonymous donations above the specified amount are payable to, or may be recoverable by, the State.



Annual Returns

All political parties (whether registered or not) and their associated entities are required to lodge an annual (financial year) return by 30 November, disclosing all gifts and other income received for the previous financial year.

Election-related Returns

After an election, all parties, candidates, groups and other persons are required to send an election return to the Electoral Commissioner within 15 weeks after polling day. There are different disclosure periods for each category.

Political parties are required to disclose only electoral expenditure incurred in an election, as they disclose all gifts and other income in their annual returns. Associated entities are not required to disclose electoral expenditure incurred in an election.

Candidates are required to disclose all gifts received and electoral expenditure incurred during the disclosure period for the election, which ends 30 days after the current election and:

- if the candidate was a candidate in a previous election (in the last five years), it commences 30 days after polling day in the previous election in which they were a candidate
- for new and other candidates, it commences one year before the day of nomination in the present election.

Groups must submit a return disclosing all gifts received and expenditure incurred between the hour of nomination and 30 days after the current election.

Persons other than political parties, associated entities, candidates and groups who incur expenditure for political purposes must disclose all gifts received from 30 days after polling day in the last preceding general election to 30 days after the current election. Relevant details of gifts that are expended partially or wholly for political purposes must be provided if the gift equals or exceeds the threshold of \$1,600. In addition, if the total amount of electoral expenditure exceeds \$500, a return is required to be completed disclosing that expenditure. Other persons may include interest groups, lobby groups, welfare groups, unions and associations.



1.2 Records to be Kept

Under the *Electoral (Political Finance) Regulations 1996*, agents of political parties, candidates and groups must maintain:

- a receipt book, for recording receipts of money
- an acknowledgment book, for recording gifts other than money
- bank and financial institution statements
- an expenditure book.

The financial controller of an associated entity must keep all of the above except for an expenditure book.

Other people who incur expenditure for political purposes must keep a record of all gifts received for political purposes and maintain:

- a receipt book
- an acknowledgment book
- bank and financial institution statements.

People who incur electoral expenditure must also maintain:

- an expenditure book
- bank and financial institution statements.

All records and bank and financial institution statements must be retained for six years.

In November 2000, in accordance with the *Electoral (Political Finance) Regulations 1996*, a notice was placed in the *Government Gazette*, number 235, dated 10 November 2000 allowing candidates and groups to use a computerised accounting system to keep a receipt book, acknowledgment book and expenditure book.

1.3 Role of the Western Australian Electoral Commissioner

The Electoral Commissioner is responsible for maintaining a register of political party agents and obtaining the relevant information from parties, associated entities, candidates, groups and other persons through annual and election-related disclosure returns. The Commissioner is empowered to check all returns, obtain any information relevant to disclosure requirements, and to interview people and scrutinise bank or other financial accounts where donations may be deposited.



The Electoral Commissioner also prepares an annual report (this report) on the operation of Part VI of the Act in relation to the previous financial year. This is submitted to the Minister for Electoral Affairs, who tables the report in Parliament.

2. 2002–2003 ANNUAL RETURNS

Annual return forms were sent to political parties in June 2003. Political parties were also requested to advise their associated entities to complete the necessary disclosure returns. Returns were due by 30 November 2003. A total of 13 political parties and four associated entities lodged disclosure returns for the period. This compares with 17 political parties and four associated entities lodging disclosure returns for the 2001–2002 financial period. Data provided in the 2002–2003 returns is included as Appendices 2, 3, 4 and 5 of this report.

3. AUDIT OF RETURNS

The Act provides for the Electoral Commissioner to authorise officers to investigate returns required under Part VI. In order to avoid duplication of effort, a coordinated audit approach was again arranged with the Australian Electoral Commission (AEC), as political parties required to lodge Commonwealth returns may lodge those same returns to comply with the requirements of the *Electoral Act 1907*. The AEC have audited the 2002–2003 Commonwealth annual disclosure returns of five Western Australian-based parties and four associated entities who have prepared Commonwealth returns, to check their compliance with the disclosure provisions of the *Commonwealth Electoral Act 1918*. The Western Australian Electoral Commission will liaise with the AEC to identify any issues that may have arisen from the audit process.

The WAEC also employed an independent auditing firm to audit the returns of the registered political parties not audited by the AEC. The audit results indicated a high level of compliance with the requirements of the Act and Regulations and no instances of deliberate misrepresentation were found.

The audit of the Pauline Hanson One Nation party has not been completed as at the date of this report due to a number of factors including that two factions were operating within the party for the majority of the reporting period. Further information is expected to be included in the Commission's next Political Finance Report.



4. ACCESS TO RETURNS

The Western Australian Electoral Commission maintains copies of each political finance return. In accordance with section 175ZC of the Act, members of the public may view or obtain copies of returns, which are available four weeks after the end of the lodgement period. Annual returns for the 2002–2003 financial year were made available on 29 December 2003. Annual returns of political parties and associated entities lodging a Commonwealth return with the Western Australian Electoral Commission can be viewed on the Australian Electoral Commission's website at www.aec.gov.au.

5. SECTION 175ZE OF THE *ELECTORAL ACT 1907*

Public agencies who are required to publish an annual report under the *Financial Administration and Audit Act 1985* or any other written law must include a statement in the report of all expenditure incurred by or on behalf of the public agency during the reporting period in relation to:

- advertising agencies
- market research organisations
- polling organisations
- direct mail organisations
- media advertising organisations.

This statement must detail the total amount of the expenditure, the amount of expenditure for each heading listed above, and the name of each person, agency or organisation to whom an amount was paid. No details are required if the amount of expenditure under a heading is less than \$1,600, although a 'Nil' statement is still required to be published.

For more details on reporting under section 175ZE of the *Electoral Act 1907*, see 'Advertising and Sponsorship' in the *Annual Report Framework* located at the Department of the Premier and Cabinet's Reporting Requirements Web Service at www.reporting.dpc.wa.gov.au.

6. PUBLICATIONS

The Electoral Commission has produced *Guidelines for the Disclosure of Gifts, Income and Electoral Expenditure*: one version for candidates and groups, and another for political parties, associated entities and other persons. These guidelines outline the purpose of the political finance legislation and the implications for persons involved in the electoral process. A copy of the guidelines is given to candidates



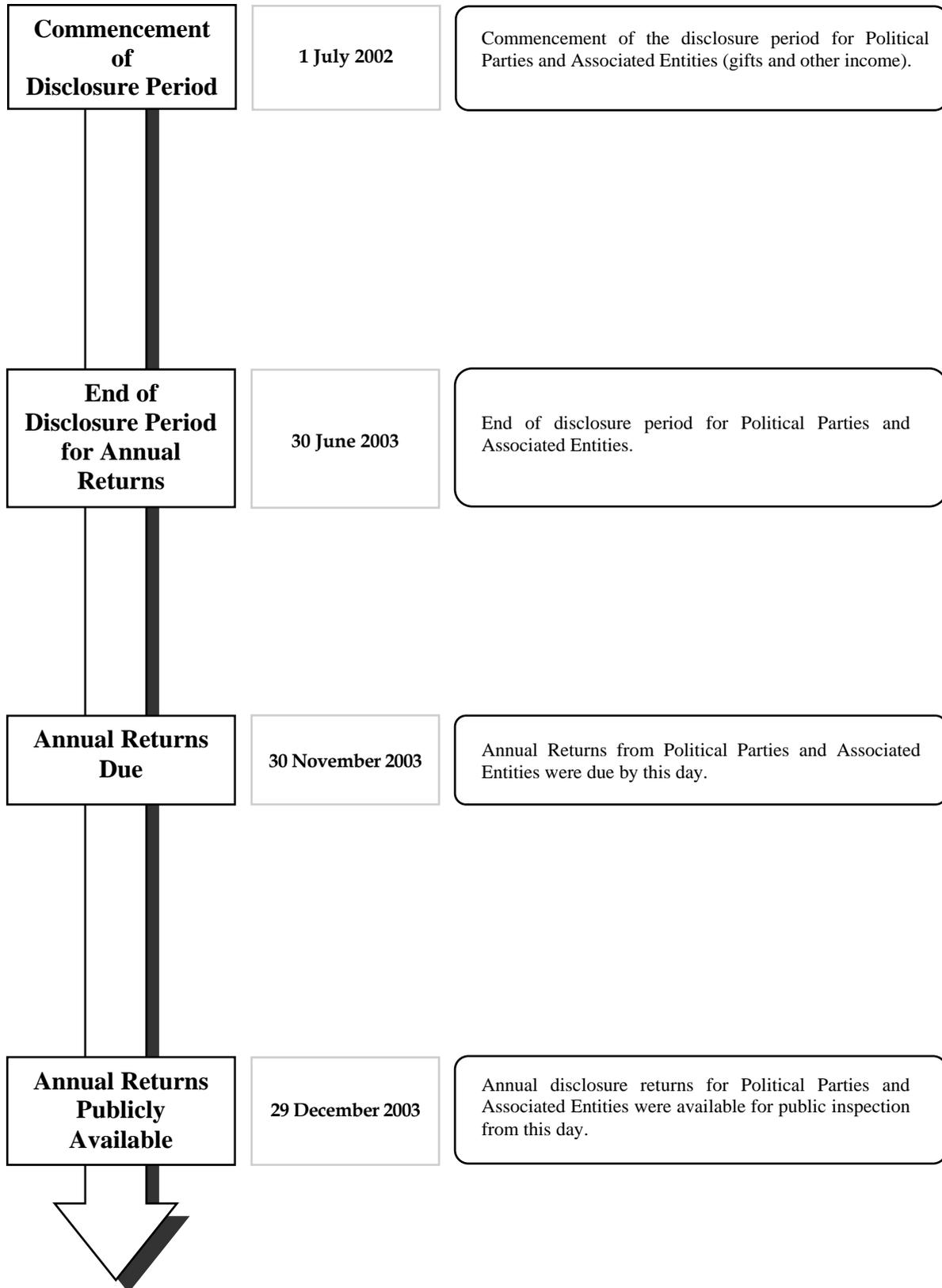
and groups at the time of nomination and also sent out to relevant persons at the end of each disclosure period together with a copy of the appropriate disclosure return(s). Copies of the guidelines and disclosure returns are also available from the Western Australian Electoral Commission on request.

APPENDICES



Appendix 1

POLITICAL FINANCE DISCLOSURE SCHEDULE





Appendix 2

SUMMARY OF GIFTS AND OTHER INCOME RECEIVED BY EACH POLITICAL PARTY

Political Party	Total Gifts \$1,600 or more \$	Total Gifts & Other Income 2002-03 \$
Australia First Party (WA)	0	90
Australian Democrats	0	13,185
Australian Democrats (WA) Div Inc.	*	*
Australian Labor Party (WA Branch)**	111,000	1,257,342
Christian Democratic Party WA	0	6,192
Citizens Electoral Council	0	0
City Country Alliance WA	0	0
Curtin Labor Alliance	*	*
Liberal Party of Australia (WA Division) Inc.**	138,213	1,337,831
liberals for forests**	0	45
National Party of Australia (WA) Inc.**	174,994	393,285
Pauline Hanson's One Nation Party	0	66,853
Progressive Labour Party	0	50
The Greens (WA) Inc.	39,628	102,610
Unity Party WA	0	730
Western Australian Senior's Party Inc.***	N/A	N/A

*No return received. Continued existence of political party to be confirmed.

** Returns based on Commonwealth specified amount of \$1,500.

*** Advised defunct 18/12/2002.

Bolded entries indicate registered political parties.



Appendix 3

SUMMARY OF GIFTS AND OTHER INCOME RECEIVED BY EACH ASSOCIATED ENTITY*

Associated Entity	Political Party	Total of Gifts \$1,600 or more \$	Total Gifts & Other Income 2002-03 \$
Liberal Party of Western Australia Pty Ltd**	Liberal Party of Australia (WA Division) Inc.	0	405,375
NPA Foundation**	National Party of Australia (WA) Inc.	0	25,748
Perth Trades Hall Inc.**	Australian Labor Party (WA Branch)	0	487,817
The 500 Club**	Liberal Party of Australia (WA Division) Inc.	25,346	455,394

* Associated Entities are not required to disclose expenditure incurred in an election.

** Returns based on Commonwealth specified amount of \$1,500.



Appendix 4

GIFTS \$1,600 OR GREATER RECEIVED BY POLITICAL PARTIES

Names in the following table are in the same format as provided by the respective political parties.

Political Party	Name	For 2002-03	
		\$	
Australian Labor Party	Alinta Gas	10,000	
	AMP Limited	4,000	
	Boral Ltd	2,050	
	Burswood Limited	15,000	
	Clough Ltd	5,000	
	Coles Myer Ltd	2,350	
	Integrated Group	5,000	
	Jefferson Investments	25,000	
	KBR	5,000	
	Leighton Holdings	5,000	
	Lewis Land	3,000	
	Peet & Co	2,000	
	Philip Morris	5,000	
	Stephen Smith	2,600	
	Theiss Pty Ltd	10,000	
Wesfarmers Ltd	10,000		
	Total	111,000	
Liberal Party	A J & S L Howarth	3,000	
	Alinta Gas	7,000	
	Byfields Trust	66,191	
	Coles Myer Ltd	3,000	
	J F Cruickshank	2,500	
	KBR	5,000	
	Kudos Consultants P/L	2,000	
	Leighton Holdings	5,000	
	MG Kailis Group	3,000	
	Phillip Morris Ltd	5,000	
	Ray White Real Estate	9,522	
	Sons of Gwalia	2,000	
	Thiess Pty Ltd	10,000	
	Wesfarmers Ltd	10,000	
	Wyllie Group	5,000	
	Total	138,213	
National Party	Alinta Gas	3,000	
	Ardross Estates	3,000	
	Byfields CPA	85,367	
	Clough Engineering Pty Ltd	5,000	
	Consolidated Minerals Limited	10,000	
	Great Southern Plantations	10,000	
	MG Kailis Group of Companies	5,000	
	National Free Enterprise Group t/as NPA Foundation	23,627	
	Pilbara Chrome Pty Ltd	10,000	
	Pilbara Manganese Pty Ltd	10,000	
	Wesfarmers Ltd	10,000	
		Total	174,994



Appendix 4 (cont.)

Political Party	Name	For 2002-03
		\$
The Greens (WA) Inc.	G Watson	10,239
	C Sharp	8,839
	D Margetts	10,275
	R Chapple	10,275
	Total	39,628

Appendix 5

GIFTS \$1,600 OR GREATER RECEIVED BY ASSOCIATED ENTITIES

Names in the following table are in the same format as provided by the respective associated entities.

Associated Entity	Name	For 2002-03
		\$
The 500 Club	Contestor Pty Ltd	25,346