

POLITICAL FINANCE **Annual Report**

Report on the operation of Part VI of  
the *Electoral Act 1907* for the period  
ended 30 June 2004



WESTERN AUSTRALIAN **Electoral Commission**



Hon. J A McGinty MLA  
Attorney General  
Minister for Electoral Affairs  
30th Floor Allendale Square  
77 St Georges 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 2003 to 30 June 2004.

Yours sincerely

A handwritten signature in black ink, reading "Warwick Gately". The signature is written in a cursive style with a large, looping initial 'W' and a trailing flourish.

Warwick Gately AM  
**ACTING ELECTORAL COMMISSIONER**

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## 1. BACKGROUND

This is the eighth 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 2003–2004 financial year. It provides information on the annual returns lodged by political parties and associated entities for this period.

The 2003–2004 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 on an ongoing basis. 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 was reviewed after the 2005 State general election and increased to \$1,800 after 1 July 2005. Acceptance of donations from unidentified persons or sources equal to or more than the specified amount 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; and
- 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; and
- 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; and
- bank and financial institution statements.

People who incur electoral expenditure must also maintain:

- an expenditure book; and
- bank and financial institution statements.

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

According to regulation 11 of the *Electoral (Political Finance) Regulations 1996*, the agent of a political party may apply to the Electoral Commissioner for approval for the party to keep or cause to be kept a system of accounting records other than those prescribed in the legislation. If this application is approved by the Electoral Commissioner, the party must keep these records in accordance with this agreement.

## 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. 2003–2004 ANNUAL RETURNS**

Agents of the various political parties were sent letters in July 2004, reminding them that the disclosure period for the 2003–04 annual returns ended on 30 June and that returns were due to be lodged with the Commission by 1 December 2004. A total of 12 political parties and three associated entities lodged disclosure returns for the period. This compares with 13 political parties and four associated entities lodging disclosure returns for the 2002–2003 financial period. Data provided in the 2003–2004 returns are 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 audited the 2003–2004 Commonwealth annual disclosure returns of seven Western Australian-based parties and two associated entities who prepared Commonwealth returns, to check their compliance with the disclosure provisions of the *Commonwealth Electoral Act 1918*.

The WAEC employed an independent auditing firm to audit the returns of the 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. Only one minor amendment to the 'Other Income' category was required for the Progressive Labour Party's return, which was amended accordingly.

When the 2002–2003 Political Finance Annual Report was published, the audit of the Pauline Hanson One Nation party had not been completed due to a number of factors, including the fact that two competing factions were operating within the party for the majority of the reporting period. The



independent auditing firm used by the Commission was required to audit the subsidiary returns compiled by the party for this period (the party changed its registered name in September 2004) and to also investigate alleged misappropriation of party funds. Due to the fact that there had been an acrimonious split within the party resulting in two major factions, the party agent, Frank Hough, was unable to obtain the required details of gifts and income from all the branches of the party to complete a composite party return. Each faction submitted subsidiary branch returns and the remainder were lodged by the State Executive representing the other faction. Due to the acrimony between the two factions hindering the process, these returns were lodged after the deadline of 30 November. The audit identified several areas within the accounting system used by the party which required improvement, and also emphasised the need to keep separate party and personal funds. However, it was concluded by the auditors that there was no evidence of fraud other than mismanagement and poor appreciation of accounting processes, due largely to inexperience. These factors were exacerbated by the acrimony between the factions within the party. An amended statement was compiled by the auditors to reflect the total value of gifts and income for the party. This statement altered the final figure for gifts and income from \$19,743.32 to \$65,176.15.

#### **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 2003–2004 financial year were made available on 29 December 2004. 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 web site at [www.aec.gov.au](http://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; and
- 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 Public Sector Management web site at [www.dpc.wa.gov.au/psmd](http://www.dpc.wa.gov.au/psmd).

## 6. PUBLICATIONS

The Commission has produced *Disclosure of Gifts, Other Income and Electoral Expenditure for Political Parties and Entities: Guidelines* and *Disclosure of Gifts, Other Income and Electoral Expenditure (Candidates and Groups): Guidelines*. 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, or can be downloaded from the Commission's web site at [www.waec.wa.gov.au](http://www.waec.wa.gov.au).

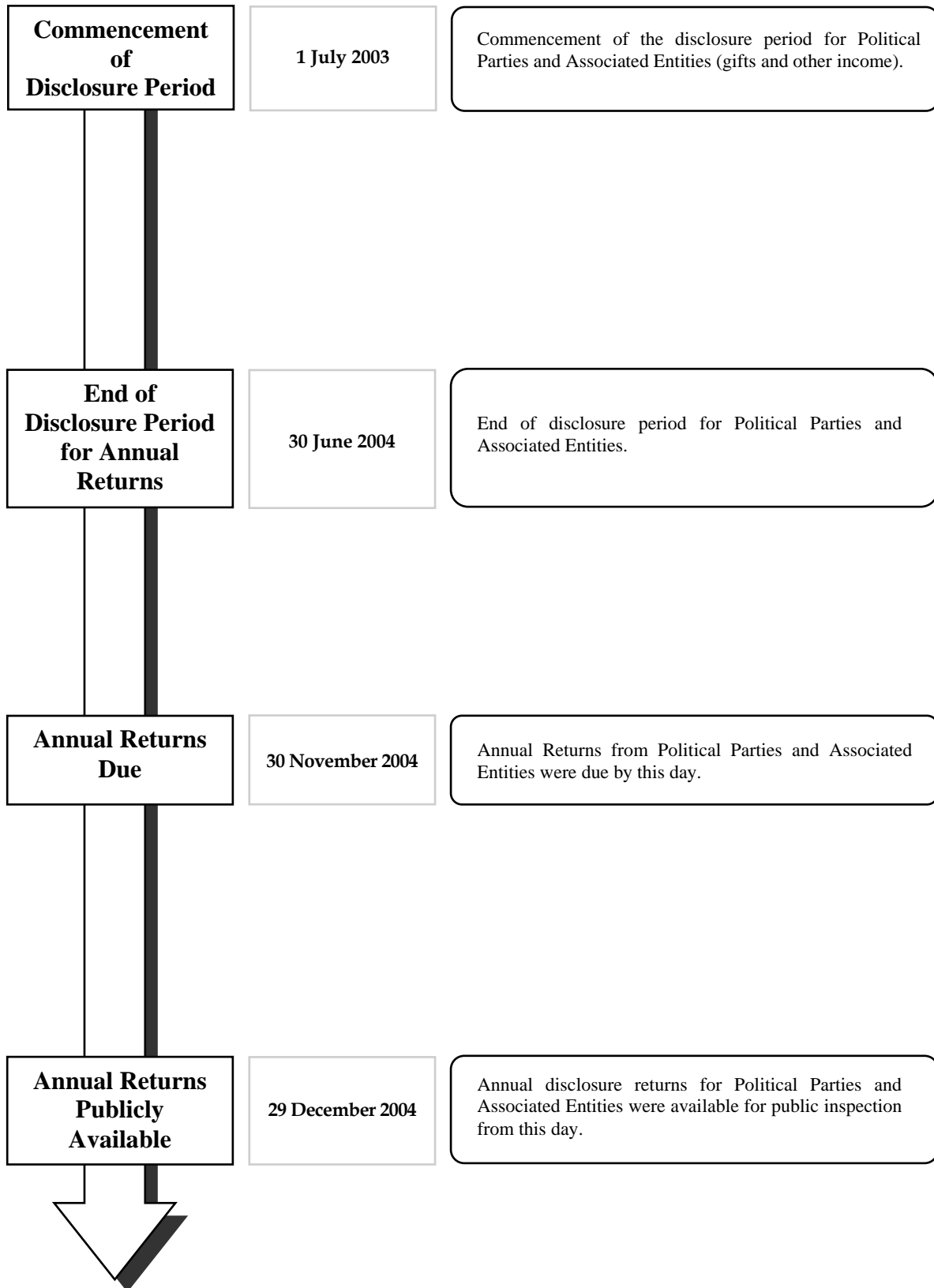
# APPENDICES





**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 2003–04 \$
Australia First Party (WA)	0.00	130.00
<b>Australian Democrats**</b>	0.00	12,137.98
<b>Australian Labor Party (WA Branch)**</b>	217,200.00	1,517,331.59
<b>Christian Democratic Party WA</b>	8,000.00	60,379.00
<b>City Country Alliance WA***</b>	N/A	N/A
<b>Citizens Electoral Council of Australia</b>	0.00	0.00
<b>Liberal Party of Australia (WA Division) Inc.**</b>	404,292.31	2,643,396.83
<b>liberals for forests**</b>	0.00	35.00
<b>National Party of Australia (WA) Inc.**</b>	432,542.00	600,164.37
<b>One Nation Western Australia**</b> (at the time of lodging return was Pauline Hanson's One Nation Party)	0.00	62,512.11
Progressive Labour Party	0.00	250.86
<b>The Greens (WA) Inc.**</b>	124,383.07	221,203.62
Unity Party WA	0.00	850.00

**Bolded entries indicate registered political parties.**

\* Pauline Hanson's One Nation Party has subsequently changed its name to One Nation WA

\*\* Returns based on Commonwealth specified amount of \$1,500 and total receipts include those required to be disclosed under Commonwealth legislation.

\*\*\* Advised defunct 23 March 2005.

Australian Democrats (WA) Div Inc has been dormant for the previous two years – no political finance returns have been lodged and no candidates were fielded in the 2005 State general election.





**Appendix 3**

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

<b>Associated Entity</b>	<b>Political Party</b>	<b>Total of Gifts \$1,600 or more \$</b>	<b>Total Gifts &amp; Other Income 2003-04 \$</b>
Liberal Party of Western Australia Pty Ltd**	Liberal Party of Australia (WA Division) Inc.	0.00	1,251,320.04
National Free Enterprise Foundation (WA) Ltd**	National Party of Australia (WA) Inc.	0.00	3,372.00
Perth Trades Hall Inc.**	Australian Labor Party (WA Branch)	0.00	261,164.37

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

\*\* Returns based on Commonwealth specified amount of \$1,500 and total receipts include those required to be disclosed under Commonwealth legislation.



## 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 2003–04 \$
Australian Labor Party	A & R Torre	2,200.00
	Blackadder Scaffolding	5,000.00
	British American Tobacco	5,000.00
	Burswood Resort Casino	15,000.00
	CFMEU	15,000.00
	Clough	5,000.00
	Devereaux Holdings	10,000.00
	Graham Laitt	10,000.00
	Great Southern Plantation	10,000.00
	Halden Burns	2,000.00
	KBR	5,000.00
	Kevin Richards	20,000.00
	Lion Nathan	5,000.00
	Marketforce Ltd	3,000.00
	Martin Ferguson	3,000.00
	Mineralogy Pty Ltd	30,000.00
	Murphy Plant Hire	2,500.00
	Oka Service & Parts	5,000.00
	PCB Holdings	5,000.00
	Peet & Co	2,000.00
	Skywest	22,000.00
	Thiess Pty Ltd	10,000.00
	Tom Dadour	2,000.00
	Transcontinental P/L	10,000.00
	Trinity Building Group	3,500.00
	Wesfarmers Ltd	10,000.00
	<b>Total</b>	<b>217,200.00</b>
Christian Democratic Party	J. D. Hughan	3,000.00
	Wearne Family Fund	5,000.00
		<b>Total</b>
Liberal Party	A & SF Carbone	5,000.00
	Aaron Constantine	5,000.00
	Absolute Balustrade Systems	1,500.00
	Allied Equipment P/L	5,000.00
	ARC Energy	2,000.00
	Byfields Trust	4,700.00
	Canning Division	2,000.00
	Canning Fed Campaign	49,225.00
	Canning Vale Earthmoving	10,000.00
	Cityscape Holdings	5,000.00
	Classis Contractors	1,500.00
	Cowden Ltd	1,500.00
	Curtin Division	10,000.00
	Dale Alcock	10,000.00
	Devereau Holdings P/L	7,500.00

**Appendix 4  
(cont.)**

<b>Political Party</b>	<b>Name</b>	<b>For 2003–04 \$</b>
Liberal Party (cont.)	Dr Wally Knezevic	2,500.00
	Eli Lilly Australia P/L	2,000.00
	F & J Cavanagh	9,500.00
	Freehills	5,000.00
	Go-Crete Pty Ltd	1,500.00
	Great Southern Plantations Ltd	20,000.00
	GW Sansom	5,000.00
	H & J Mast	5,000.00
	John Cruickshank	2,400.00
	KBR	5,000.00
	Lane Ford	2,500.00
	Lowe Pty Ltd	3,000.00
	M Giacci	2,000.00
	Mansfield Holdings	3,000.00
	Marketforce	3,000.00
	MG Creasy	5,400.00
	Milem Pty Ltd	5,600.00
	Multiplex	10,000.00
	N & A Kolichis	2,500.00
	O & J Tuckey	2,500.00
	O'Connor Division	4,500.00
	Oldfield Knott	2,000.00
	Packer & Co	5,000.00
	Pastoralists and Graziers Association	10,000.00
	Pearce Division	5,000.00
	Perron Group	10,000.00
	PHS Pty Ltd	4,000.00
	Plantman Equipment	5,000.00
	R Toovey	3,000.00
	Ralmana Pty Ltd	3,000.00
	Resolution Holdings	17,500.00
	Rolling Thunder Billboards	4,700.00
	Sanwell Pty Ltd	5,000.00
	Sen David Johnston	3,575.00
	Sons of Gwalia	2,000.00
	Strathearn Insurance	5,000.00
	Sunny Sign Co	5,000.00
	Swan Division	1,500.00
	Tangney Division	2,000.00
	The 500 Club	7,692.31
	The Willows Aged Care Facility	20,000.00
	Theiss Pty Ltd	10,000.00
	United Motor Traders P/L	5,000.00
	WCG Holdings	2,500.00
	Wesfarmers Ltd	10,000.00
	Westpac Banking Group	5,000.00
	Wolfe Ciuil	3,000.00
Works Infrastructure	3,000.00	
Wylie Group	20,000.00	
Youngs Earthmoving	3,000.00	
	<b>Total</b>	<b>404,292.31</b>


**Appendix 4  
(cont.)**

<b>Political Party</b>	<b>Name</b>	<b>For 2003-04 \$</b>
National Party	Ardross Estates	2,000.00
	Chamber of Minerals & Energy	2,000.00
	Consolidated Minerals Pty Ltd	10,000.00
	Great Southern Plantations	10,000.00
	National Free Enterprise Foundation (WA)	378,542.00
	Pilbara Chromate	10,000.00
	Pilbara Manganese Pty Ltd	10,000.00
	Wesfarmers Limited	10,000.00
	<b>Total</b>	<b>432,542.00</b>
The Greens (WA) Inc.	Christine Sharp	8,840.34
	Dee Margetts	9,595.44
	Edwina Davies-Ward	2,000.00
	Giz Watson	10,351.85
	Jan Knight	5,000.00
	Peter Stewart	5,000.00
	Peter Wilmot	5,000.00
	Robin Chapple	9,595.44
	Ruth Greble	9,000.00
	<b>Total</b>	<b>64,383.07</b>
	Jan Knight	*5,000.00
	Peter Wilmot	*5,000.00
	Ruth Greble	*50,000.00
	<b>Total including interest free loans</b>	<b>124,383.07</b>

\*These amounts are interest free loans



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