

**LS5555 Released Document No. 6**

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Mr Malcolm A Fearn
 Party Agent
 National Party of Australia Victoria
 Level 7, 24 Collins Street,
 MELBOURNE VIC 3000

Dear Mr Fearn

1997/98 ANNUAL RETURN - COMPLIANCE AUDIT

This report is the summary of a routine compliance audit conducted of the National Party of Australia, Victoria over the period from Monday, 23 August to Thursday 2 September 1999. It was undertaken by Mr Monash Sahadeo and myself at the Party's Offices, Level 7, 24 Collins Street, Melbourne.

During the audit we examined the records of financial transactions of the Party for the financial year 1997-98 to verify compliance with the disclosure provisions of the *Commonwealth Electoral Act 1918* (the Act).

We also examined the records of four constituent party units:

- Stawell Branch
- Stawell Branch (State Conference)
- Horsham Branch
- Moe Branch

Details of our findings for these party units are at Attachment A.

Also, with the concurrence of the party agent of the Federal Secretariat, we visited the Treasurer of the Women's Federal Council at Nambrok.

SPECIFIC FINDINGS

- We believe that there are different entities of the party involving financial transactions and consider it necessary for each of these associated entities to lodge separate returns in accordance with Section 314AEA of the Act.

Section 287(1) of the Act defines an associated entity as an entity that is controlled by, or operates wholly or mainly for the benefit of one or more registered political parties. Organisations which commonly fall within this definition include companies which hold assets for a political party, trust funds or fundraising organisations, groups and clubs.

Using this criterion as a basis for our decision we have determined that:

- ◆ Doogary Proprietary Limited ACN 005828606; and
- ◆ Pilliwinks Proprietary Limited ACN 005398381

are associated entities of the party.

- In addition, following discussions with the Party's Consultant, Mr Brock, we have concluded that:
 - ◆ Presidents Trust for the NPA Vic Settlement, and the
 - ◆ Triple A Luncheon Trust.

are also associated entities of the party.

- The effort the party has made in obtaining returns from constituent party units is noted. We found that each party unit visited maintained records, which support complete and accurate disclosure.
- Details of the total payment made to Young & Montagnana was inadvertently omitted from the schedule 2 of the annual return.

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CONCLUSION

The financial controller of each of the associated entities identified will be advised of their disclosure obligations separately.

As a consequence of recent amendments to the Act parties and associated entities are no longer required to disclose payments in detail in their annual returns (they are only required to disclose the total of payments made for the financial year). Taking this into account and given that the omission does not materially affect the 1997-98 return, it is our opinion that the return lodged with the AEC represents accurate disclosure. Nevertheless, an appropriate amendment will be required in accordance with Section 319A of the Act concerning the payments to Young & Montagnana. This amendment should be lodged with the AEC as soon as possible.

Would you please pass on our appreciation to Tim Brock for his cooperation and assistance during the course of our work. Should you or your staff have any queries, or would like clarification regarding your disclosure responsibilities, please do not hesitate to telephone either Monash or myself.

Yours sincerely

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Gary Hall
Funding and Disclosure

2 September 1999

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PARTY UNITS

Stawell Branch

Date: Friday 27 August 1999

Time: 10.30am

Location: 6 [Redacted]

Party Unit Official: 1 [Redacted]

Specific findings -

- Books of account were recently passed on to Mr Hall who is the Branch President.
- There were no receipts or payments for the period being reviewed.

**Stawell Branch
State Conference**

Date: Friday 27 August 1999

Time: 10.30am

Location: 6 [Redacted]

Party Unit Official: 1 [Redacted]

Specific findings -

- The 1998 National Party – Victoria conference was held in Stawell and the books of account were established by the Stawell Branch for the event.
- Excellent records were kept of all receipts and payments including a break-up of all donations and sponsorship for the conference. Items for an auction were listed showing the auction price and where necessary the true value of the item.

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Horsham Branch

Date: Friday 27 August 1999

Time: 3.00pm

Location:

6 [REDACTED]

Party Unit Official:

1 [REDACTED]

Specific findings -

- There was very little fundraising activity during the audit period. No receipt book is kept but monies received were recorded in the bank deposit book,

Moe Branch

Date: Monday 30 August 1999

Time: 4.00 pm

Location:

6 [REDACTED]

Party Unit Official:

1 [REDACTED]

Specific findings -

- No cash book is kept as there is virtually no activity by this branch.
- A report is prepared for each annual meeting and any financial transactions are included there.

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REDACTION CODES

- 1 Personal Information (name) redacted.
- 2 Personal Information (date of birth) redacted.
- 3 Personal Information (photograph) redacted
- 4 Personal Information (facsimile of signature) redacted.
- 5 Personal Information (facsimile of manuscript initialling) redacted.
- 6 Personal Information (Individual's address) redacted.
- 7 Personal Information (individual's telephone number) redacted.
- 8 Personal Information (individual's opinion) redacted.
- 9 Personal Information (opinion about individual) redacted.
- 10 Personal Information (employment history) redacted.
- 11 Personal Information (qualifications) redacted.
- 12 Personal Information (health) redacted.
- 13 Business information (Bank Account details) redacted.
- 14 Business information (Billing Account details) redacted.
- 15 Legal Professional Communication redacted.
- 16 Deliberative material redacted.
- 17 Irrelevant material redacted.

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