

February 2018

Compliance Review Report

United Voice

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Purpose of this report

Pursuant to s 316(2A) of the *Commonwealth Electoral Act 1918* (the Electoral Act), this report provides the financial controller of United Voice (the entity) with the Australian Electoral Commission's (AEC) assessment of the level of compliance of the 2015–16 annual disclosure return lodged on behalf of the entity with disclosure obligations under s 314AEA of the Electoral Act.

Associated entity

The annual disclosure return for the financial year 2015–16 lodged in relation to the entity identified it as an associated entity of each of the state and territory branches of the Australian Labor Party.

Disclosure obligations

Registered political parties and associated entities are required under Part XX of the Electoral Act to furnish returns.

Section 314AEA of the Electoral Act requires the financial controller of an associated entity to furnish a return within 16 weeks after the end of each financial year, disclosing:

- the total amount received by, or on behalf of, the entity, during the financial year, together with the details specified by s 314AC of the Electoral Act;
- the total amount paid by, or on behalf of, the entity, during the financial year; and
- the total outstanding amount, as at the end of the financial year, of all debts incurred by or on behalf of, the entity, together with the details specified by s 314AE of the Electoral Act.

By virtue of s 314AEA(5) of the Electoral Act, ss 314AC and 314AE apply to a return for an associated entity in the same way as they apply to a return for a registered political party.

Section 314AC of the Electoral Act provides that if the sum of all amounts received by, or on behalf of, the entity from a person or organisation during a financial year is more than the threshold amount specified therein, the annual disclosure return must include the particulars of that sum.

Section 314AE of the Electoral Act provides that if the sum of all outstanding debts incurred by, or on behalf of, the entity to a person or an organisation during a financial year is more than the threshold amount specified therein, the annual disclosure return must include the particulars of that sum.

For the 2015–16 financial year, the threshold was for sums in excess of \$13,000.

The Electoral Act is available in full [here](#)

Conduct of the review

The authorised officer of the AEC has authority under s 316(2A) to require the production of documents and giving of evidence for the purpose of assessing compliance with the disclosure obligations required of registered political parties and associated entities under Part XX of the Electoral Act.

Sub-section 316(2A) requires the financial controller of an associated entity to produce the documents or other things referred to in a notice served by the authorised officer within the period and in the manner specified in the notice or to appear, at the time and place specified in the notice, before the authorised officer to give evidence, either orally or in writing, and to produce the documents or other things referred to in the notice.

As part of this process, the authorised officer of the AEC served a notice on the financial controller under s 316(2A) requiring the entity to provide its financial records and other documents in relation to its financial operations for 2015–16.

Scope of the review

The records which were requested by the AEC from the entity were limited to those which enabled the AEC to assess the following aspects of compliance with its disclosure obligations under Part XX of the Electoral Act:

- the timeliness of lodgement of the annual disclosure return
- the completeness and accuracy of the following information disclosed in the entity's annual disclosure return for the 2015–16 financial year in respect of the entity's Head Office and Victorian branch:
 - total receipts
 - total gifts in kind
 - individual receipts above \$13,000
 - total payments
 - total debts
 - individual debts above \$13,000

The AEC did not examine other aspects of the financial operations of the entity such as the existence or effectiveness of internal controls.

Stakeholder engagement

The AEC's general practice is to communicate with the relevant officer of the entity by phone, email and/or face to face meetings as appropriate to cover the following topics:

- financial reports and documentation available from the entity's accounting system
- compliance issues arising from the AEC review of the financial reports and documentation provided by the entity
- required and suggested amendments to the annual disclosure return which arise from the compliance review
- potential enhancements in the entity's understanding of disclosure obligations and accounting processes to improve future compliance.

During the review the entity provided documentation to the AEC as requested and within set timeframes.

A draft compliance report was issued by the authorised officer on 2 February 2018. The entity was provided with the opportunity to comment on the draft report by 16 February 2018. On 15 February 2018 the entity lodged an amendment to their return.

Review outcomes

1. Timely lodgement

Sub-section 314AEA(1) of the Electoral Act requires the financial controller of the associated entity to lodge an annual disclosure return with the AEC within 16 weeks after the end of the financial year. As lodgement occurred by the due date of 20 October 2016, it complied with the requirement under s 314AEA(1) to lodge a return for an associated entity within 16 weeks after the end of the financial year.

2. Accuracy in reporting – amendments

After examining the documents provided by the entity for the review, the authorised officer of the AEC identified several issues relating to compliance with disclosure obligations under sections 314AEA(1) and 314AEA(5) of the Electoral Act. The issues are discussed in detail below.

Total Receipts and Total Payments

Paragraph 314AEA(1)(a) of the Electoral Act requires the financial controller to report the total amount received by, or on behalf of, the entity during the financial year, together with the details required by s 314AC. To satisfy this, the entity must account for all transactions that result in receipts from external entities. These transactions must be accounted for on a gross basis without any

offsetting, inclusive of GST. All non-cash benefits received by the entity must also be included in total receipts.

Paragraph 314AEA(1)(b) of the Electoral Act requires the financial controller to report the total amount paid by, or on behalf of, the entity during the financial year. To satisfy this, the entity must account for all transactions that result in payments to external entities. These transactions must be accounted for on a gross basis without any offsetting, inclusive of GST.

Transactions within the entity, including those between its individual bank accounts, represent internal transfers. Such transactions should be eliminated from the calculation of total receipts and total payments to avoid inflating the total amounts reported in the return.

An overstatement of total reportable receipts in the entity's 2015–16 annual disclosure return was identified during the review. The amount recorded as total receipts in the return is required to be amended by the entity in order to ensure the return more accurately sets out the information required under s 314AEA(1)(a) of the Electoral Act.

An overstatement of total reportable payments in the entity's 2015–16 annual disclosure return was identified during the review. The amount recorded as total payments in the return is required to be amended by the entity in order to ensure the return more accurately sets out the information required under s 314AEA(1)(b) of the Electoral Act.

The relevant amendments are set out below.

Part 2a: Total Receipts AND Part 4: Total payments – amendments		
	Total receipts	Total payments
Total disclosed in return	\$83,900,035	\$83,366,238
Amended total	\$73,194,296	\$68,699,201

Amounts of more than \$13,000 received

By virtue of s 314AEA(5) of the Electoral Act, s 314AC applies to a return for an associated entity in the same way as it applies to a return for a registered political party.

Section 314AC of the Electoral Act provides that if the sum of all amounts received by, or on behalf of, the entity from a person or organisation during a financial year is more than the threshold, the annual disclosure return must include the particulars of that sum. Furthermore, that sum is to include only those individual amounts which exceed the threshold.

Individual receipts exceeding the threshold were over-disclosed in the entity's 2015–16 annual disclosure return. A number of amendments to individual receipts exceeding the \$13,000 threshold are required in order to ensure the return more accurately sets out the information required under s 314AEA(1)(a) of the Electoral Act. The relevant amendments are attached as **Annexure A**.

Total Debts

Section 314AEA(1)(c) of the Electoral Act requires the financial controller to report the total

outstanding amount as at the end of the financial year of all debts incurred by or, on behalf of, the entity.

An overstatement of total reportable debts in the entity's 2015–16 annual disclosure return was identified during the review. The amount recorded as total debts in the return is required to be amended by the entity in order to ensure the return more accurately sets out the information required under s 314AEA(1)(c) of the Electoral Act. The relevant amendment is set out below.

Part 5: Total Debts – amendment	
Total disclosed in return	\$3,828,342
Amended total	\$3,393,678

Debts of more than \$13,000

By virtue of s 314AEA(5) of the Electoral Act, s 314AE applies to a return for an associated entity in the same way as it applies to a return for a registered political party.

Section 314AE of the Electoral Act provides that if the sum of all outstanding debts, incurred by, or on behalf of, the entity to a person or an organisation during a financial year is more than the threshold, the return must include the particulars of that sum.

Individual debts exceeding the threshold were under-disclosed in the entity's 2015–16 annual disclosure return. A number of amendments to individual debts exceeding the \$13,000 threshold are required in order to ensure the return more accurately sets out the information required under s 314AEA(1)(c) of the Electoral Act. The relevant amendments are attached as **Annexure B**.

Matters requiring future action

It is recommended the entity ensures the accuracy of future annual disclosure returns and therefore improve compliance with Part XX of the Electoral Act by:

- ensuring that internal transfers are eliminated in calculating total receipts and total payments
- ensuring that internal receipts are not reported as receipts above the threshold
- including in the calculation of total debts all debts listed in the trial balance as owing to other persons and entities, other than amounts owed for staff entitlements, other provisions and accruals.
- ensuring that all debts above the threshold are disclosed in future disclosure returns and include the GST inclusive amount of the liability
- ensuring liabilities in the nature of provisions and accruals are excluded from disclosure as debts above the threshold

Conclusion

The authorised officer of the AEC for the purposes of s 316(2) of the Electoral Act has assessed the 2015–16 annual disclosure return for the entity lodged with the AEC on 17 October 2016 complied with the requirement under s 314AEA(1) of the Electoral Act to lodge a return for an associated entity within 16 weeks after the end of the financial year.

However, in view of the discrepancies identified, the return did not comply with the provisions of sections 314AEA(1) and 314AEA(5) of the Electoral Act.

In view of the lodgement by the financial controller on 15 February 2018, of an amendment to the entity's 2015–16 annual disclosure return, the authorised officer of the AEC has assessed that the disclosure return (as amended) accurately includes the information required to be disclosed under the provisions of sections 314AEA(1) and 314AEA(5) of the Electoral Act.

Annexure A

Part 3: Amounts of more than \$13,000 received – amendments				
Entry	Name	Address	Amount received	Receipt Type
New entry no. 1	ME Bank	Level 28 360 Elizabeth Street Melbourne Vic 3000	\$32,417	Other receipt
New entry no. 2	Compass Group (Australia) Pty Ltd	35-51 Mitchell St McMahons Point NSW 2060	\$20,000	Other receipt
New entry no. 3	Federal Circuit Court of Australia	GPO Box 9991 Hobart Tas 7001	\$15,000	Other receipt
Original entry no. 1 (amount to be amended)	Hostplus	Level 9 114 William Street Melbourne Vic 3000	\$175,777	Other receipt
Amended entry no.1	Hostplus	Level 9 114 William Street Melbourne Vic 3000	\$121,018	Other receipt
Original entry no. 1 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$57,849	Other receipt
Amended entry no.1	–	–	–	–
Original entry no. 2 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$32,918	Other receipt
Amended entry no.2	–	–	–	–
Original entry no. 3 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$32,127	Other receipt
Amended entry no.3	–	–	–	–

Original entry no. 4 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$30,426	Other receipt
Amended entry no.4	-	-	-	-
Original entry no. 5 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$29,007	Other receipt
Amended entry no.5	-	-	-	-
Original entry no. 6 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$28,290	Other receipt
Amended entry no.6	-	-	-	-
Original entry no. 7 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$25,099	Other receipt
Amended entry no.7	-	-	-	-
Original entry no. 8 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$24,925	Other receipt
Amended entry no.8	-	-	-	-
Original entry no. 9 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$24,006	Other receipt
Amended entry no.9	-	-	-	-
Original entry no. 10 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$23,728	Other receipt
Amended entry no.10	-	-	-	-

Original entry no. 11 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$23,690	Other receipt
Amended entry no.11	-	-	-	-
Original entry no. 12 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$22,474	Other receipt
Amended entry no.12	-	-	-	-
Original entry no. 13 (to be removed)	United Voice Western Australia Branch	PO Box 414 SUBIACO WA 6000	\$22,000	Other receipt
Amended entry no.13	-	-	-	-
Original entry no. 14 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$21,281	Other receipt
Amended entry no.14	-	-	-	-
Original entry no. 15 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$21,252	Other receipt
Amended entry no.15	-	-	-	-
Original entry no. 16 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$19,679	Other receipt
Amended entry no.16	-	-	-	-
Original entry no. 17 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$19,617	Other receipt
Amended entry no.17	-	-	-	-

Original entry no. 18 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$19,047	Other receipt
Amended entry no.18	-	-	-	-
Original entry no. 19 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$18,997	Other receipt
Amended entry no.19	-	-	-	-
Original entry no. 20 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$18,986	Other receipt
Amended entry no.20	-	-	-	-
Original entry no. 21 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$17,145	Other receipt
Amended entry no.21	-	-	-	-
Original entry no. 22 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$16,948	Other receipt
Amended entry no.22	-	-	-	-
Original entry no. 23 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$15,993	Other receipt
Amended entry no.23	-	-	-	-
Original entry no. 24 (to be removed)	United Voice - Legal	Level 2 54 Cheriton St Perth WA 6000	\$14,965	Other receipt
Amended entry no.24	-	-	-	-

Annexure B

Part 6: Debts of more than \$13,000 – amendments				
Entry	Name	Address	Amount Owed	Financial/Non-financial institution
New entry no. 1	Property Units Plan 94/25	Unit 8 38 Wood Street Darwin NT 0800	\$15,875	Non-financial institution
New entry no. 2	Crowne Plaza Surfers Paradise	2807 Gold Coast Highway Surfers Paradise QLD 4217	\$17,992	Non-financial institution
New entry no. 3	Enablis Pty Ltd	6-8 Underwood Street Sydney NSW 2000	\$34,108	Non-financial institution
Original entry no. 1 (amount to be amended)	Australian Taxation Office	Locked Bag 1793 Penrith NSW 2751	\$755,254	Non-financial institution
Amended entry no. 1	Australian Taxation Office	Locked Bag 1793 Penrith NSW 2751	\$1,003,265	Non-financial institution
Original entry no. 2 (amount to be amended)	Australia Post	GPO Box 2890 Melbourne Vic 3000	\$105,559	Non-financial institution
Amended entry no. 2	Australia Post	GPO Box 2890 Melbourne Vic 3000	\$114,066	Non-financial institution
Original entry no. 3 (amount to be amended)	Australian Super	GPO Box 1901 Melbourne Vic 3000	\$105,559	Non-financial institution
Amended entry no. 3	Australian Super	GPO Box 1901 Melbourne Vic 3000	\$55,318	Non-financial institution
Original entry no. 4 (amount to be amended)	Hall Chadwick	GPO Box 3555 Sydney NSW 1001	\$74,080	Non-financial institution
Amended entry no. 4	Hall Chadwick	GPO Box 3555 Sydney NSW 2001	\$36,080	Non-financial institution

Original entry no. 5 (amount to be amended)	IPMG	PO Box 7000 Alexandria NSW 1435	\$28,681	Non-financial institution
Amended entry no. 5	IPMG	PO Box 7000 Alexandria NSW 1435	\$31,549	Non-financial institution
Original entry no. 6 (amount to be amended)	Pearman Game Changer	107-109 Union Street McMahons Point NSW 2060	\$344,241	Non-financial institution
Amended entry no. 6	Pearman Game Changer	107-109 Union Street McMahons Point NSW 2060	\$378,665	Non-financial institution
Original entry no. 7 (amount to be amended)	Reachtel	PO Box 3162 South Brisbane QLD 4101	\$76,427	Non-financial institution
Amended entry no. 7 (amount to be amended)	Reachtel	PO Box 3162 South Brisbane QLD 4101	\$84,069	Non-financial institution
Original entry no. 8 (amount to be amended)	Reachtel	PO Box 3162 South Brisbane QLD 4101	\$18,500	Non-financial institution
Amended entry no. 8	Reachtel	PO Box 3162 South Brisbane QLD 4101	\$20,350	Non-financial institution
Original entry no. 1 (to be removed)	STI Interiors	Unit 146 45 Gilby Road Mt Waverley Vic 3149	\$37,000	Non-financial institution
Amended entry no.1	–	–	–	–