

Financial Disclosure Guide for Associated Entities

2019-20 financial year

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Enquiries regarding the licence and any use of this document are welcome at:

Funding and Disclosure
Australian Electoral Commission
Locked Bag 4007
Canberra ACT 2601

Email: fad@aec.gov.au

Phone: 02 6271 4552

www.aec.gov.au

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Introduction

The Commonwealth funding and disclosure scheme (the disclosure scheme) established under Part XX of the *Commonwealth Electoral Act 1918* (Electoral Act), deals with the public funding of federal election campaigns and the disclosure of detailed financial information.

The disclosure scheme was introduced to increase overall transparency and inform the public about the financial dealings of political parties, candidates and others involved in the electoral process.

The disclosure scheme requires federally registered political parties, their state branches and local branches/sub-party units (referred to collectively as political parties in this guide), their associated entities, political campaigners, donors and other participants in the electoral process, to lodge an annual or election period financial disclosure return with the Australian Electoral Commission (AEC). The disclosure returns are then published on the [AEC website](#).




The Guide

This version of the Financial Disclosure Guide for Associated Entities (Guide for associated entities) applies to returns for the 2019-20 financial year. While the guide is intended to assist associated entities with meeting their disclosure requirements, it does not address the whole of the Electoral Act. Users should familiarise themselves with the relevant part of the Electoral Act and seek independent legal advice where necessary.

In addition to lodging an Associated Entity Disclosure Return, some associated entities may also have an obligation to lodge a Third Party Return of Electoral Expenditure. Accordingly, it is recommended associated entities also familiarise themselves with the disclosure obligations of third parties.

The Electoral Act and all guides published by the AEC are available at www.aec.gov.au. The annual and election returns are also available for viewing on this site after the public release date. A searchable database is provided which allows data to be exported.

The guide incorporates text boxes to highlight important information. Each text box is prefaced with a symbol. For example:

	A warning symbol indicates information relating to a legal obligation under the Electoral Act.
	An information symbol indicates a useful tip.
	A timing symbol indicates a due date.

Registration as an associated entity

A person or entity must register as an associated entity if any of the following apply during the financial year:

- the entity is controlled by one or more registered political parties;
- the entity operates wholly, or to a significant extent, for the benefit of one or more registered political parties;
- the entity is a financial member of a registered political party;
- another person is a financial member of a registered political party on behalf of the entity;
- the entity has voting rights in a registered political party;
- another person has voting rights in a registered political party on behalf of the entity.

Registration

A person or entity that meets the definition of an associated entity must register with the AEC before the **end of 90 days** after becoming required to be registered. A person or entity that is required to be registered in a financial year must not incur further electoral expenditure in that financial year until they are registered.

Details of registered associated entities are recorded on the [Transparency Register](#) published on the on the AEC website.

If a registered associated entity no longer meets the requirements to be an associated entity, the associated entity may apply to be deregistered at any time by completing and submitting an [Application to Deregister](#) form to the AEC.



Section [287\(1\)](#) of the Electoral Act provides the meaning of an associated entity.

Section [287H](#) of the Electoral Act provides for when a person or entity must register as an associated entity.

Section [287M](#) of the Electoral Act enables an associated entity to apply to the Electoral Commissioner to be deregistered.

Section [287N](#) of the Electoral Act provides for the establishment and maintenance of a Transparency Register.

Annual disclosure



An associated entity that is also registered as a political campaigner must **only** lodge a Political Campaigner Return. The political campaigner guide is available on the AEC website at www.aec.gov.au.



An associated entity that does not meet the definition of a political campaigner but incurs electoral expenditure above the threshold must also lodge a Third Party Return. The third party guide is available on the AEC website at www.aec.gov.au.

Responsibility for lodging the Associated Entity return (the return)

The financial controller of the associated entity must lodge the return. If the associated entity is an individual, he or she may nominate himself or herself as the financial controller, or if the associated entity is not a legal person, an individual acting on behalf of the entity must nominate the financial controller.




Section [287\(1\)](#) of the Electoral Act provides the meaning of a financial controller.
Section [292F](#) of the Electoral Act provides the conditions that must be met to be nominated as a financial controller.

Financial controller details must be provided to the AEC when submitting an [Application for Registration as an Associated Entity](#).


Changes to financial controller details must be provided to the AEC **within 90 days** of the information ceasing to be correct or complete using a [Change to Transparency Register](#) form available on the AEC website.

Reporting period

The return covers the financial year 1 July 2019 to 30 June 2020. For an associated entity that is registered or is deregistered during the financial year, the return must be provided in relation to the period it was an associated entity.

	A return must be lodged regardless of whether an associated entity has any transactions to report.
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Disclosure threshold

	The disclosure threshold for the 2019-20 financial year is for amounts of more than \$14,000 . This figure is indexed annually.
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Due date for lodging returns

The AEC will advise financial controllers of their obligation to lodge a return following the conclusion of the financial year. Associated entities should ensure their contact details with the AEC are current.

	<p>Completed returns, including nil returns must reach the AEC no later than 16 weeks after the end of the financial year.</p> <p>For the 2019-20 financial year, the due date is 20 October 2020.</p> <p>The AEC has no legislative discretion to extend this deadline.</p>
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Returns are published on the AEC website on the first working day of February.

Lodging your return

Associated entities can prepare and lodge their returns online via the eReturns portal. The eReturns portal can be accessed from <https://ereturns.aec.gov.au>. The easiest way to lodge your return accurately and on time is to use the eReturns portal; it is quick, secure and allows importing/exporting of files which eliminates transcription errors. To assist with completing a return online, the [eReturns Associated Entity Quick Reference Guide](#), a step-by-step guide is available. See [Appendix 3](#) for more information.

Penalties

The Electoral Act imposes civil penalties and in some cases criminal penalties if a person or entity contravenes the requirements of the Electoral Act. The AEC provides support, including this guide, to assist associated entities to comply with their disclosure obligations.

The AEC deals with non-compliance as appropriate to the circumstances, including possible referral to the Commonwealth Director of Public Prosecutions. Refer to [Appendix 2](#) of this guide for a list of civil and criminal penalties that may apply to associated entities under the Electoral Act.



Political parties, candidates, Senate groups, associated entities, political campaigners, third parties and donors may be subject to a compliance review by the AEC to assess the completeness and accuracy of lodged disclosure returns.



Please note that a number of state and territory jurisdictions have their own disclosure schemes, which are separate to the Commonwealth disclosure scheme. Entities should check with state and territory electoral commissions for possible obligations.

Important Information

Definition of a donation

A donation has the same meaning as a gift under the Electoral Act. A gift is defined as any disposition of property made by a person to another person, being a disposition made without consideration in money or money's worth or with inadequate consideration, and includes the provision of a service (other than volunteer labour) for no consideration or for inadequate consideration, but does not include:

- (a) a payment under Division 3; or
- (b) an annual subscription paid to a political party, to a State branch of a political party or to a division of a State branch of a political party by a person in respect of the person's membership of the party, branch or division; or
- (c) any visit, experience or activity provided for the purposes of a political exchange program.

A gift also includes a 'gift-in-kind' such as the provision of a service (other than volunteer labour) for no consideration (see [Part 2b](#) for examples).



Section [287\(1\)](#) of the Electoral Act provides the meaning of a gift.

Restrictions on receiving gifts from foreign donors

The Electoral Act restricts political entities, political campaigners and third parties from receiving gifts from foreign donors. The Electoral Act has anti-avoidance provisions to prevent schemes to avoid these restrictions by channelling foreign donations to political entities, political campaigners or third parties via a relevant person or entity (such as an associated entities).

It is an offence under section 302H to establish arrangements to avoid the foreign donations restrictions. The Electoral Commissioner can issue a written notice if:

- A relevant person or entity (alone or with others) enters into, begins to carry out or carries out a scheme
- There are reasonable grounds to conclude the relevant person did so for the sole or dominant purpose of avoiding foreign donation restrictions
- The scheme avoids the application of a foreign donation restriction, and
- The scheme involved donation splitting, conduit corporations or any other unspecified avoidance scheme.

A person or entity who commits an offence may be subject to both civil or criminal penalties.



Section [302H](#) of the Electoral Act prohibits schemes or arrangements for receiving foreign donations.

Electoral matter and electoral expenditure

Electoral expenditure is expenditure incurred for the dominant purpose of creating or communicating electoral matter. Electoral matter is matter communicated or intended to be communicated for the dominant purpose of influencing the way electors vote in an election. Further information can be found in the [Factsheet on Electoral Matter and Electoral Expenditure](#) available on the AEC website.



Section [287AB](#) of the Electoral Act provides the meaning of electoral expenditure, and section [4AA](#) of the Electoral Act provides the meaning of electoral matter.

Receipts and debts from a representative or a person acting on behalf of a principal

Care must be exercised to ensure that disclosure is made of the correct person or organisation. A gift made by a person from their personal account must be disclosed as having been received from that person. This is regardless of whether that person nominated that the donation was made on behalf of their company and irrespective of whether the person was subsequently reimbursed by the company.

The only exception to this rule is where one person, organisation or other entity is acting as the legal representative of another person or organisation (the principal). The identity of the principal itself, rather than the identity of the agent is to be disclosed, where the amount received from the principal is more than the disclosure threshold

For example:

- In the case of a payment from a solicitor's trust account, disclosure should be made in relation to the person on whose behalf the payment is made, for example, {name of trust account} on behalf of {name of principal}.
- In the case of an employer passing employee contributions or levies to a political party or associated entity as the agent for the employee, disclosure of the employee, not the employer, must be made.

The concept of principal and agent is different to situations where someone makes donations to a political campaigner from donations that they have themselves collected, or for which they are later reimbursed. In these situations the person handing over the donation would be disclosed.

The return

An associated entity must disclose the following information in the return:

- other business names—see [Part 1a](#)
- related bodies corporate—see [Part 1b](#)
- unions—see [Part 1c](#)
- total receipts—see [Part 2a](#)
- value of gifts-in-kind—see [Part 2b](#)
- details of receipts greater than the disclosure threshold—see [Part 3](#)
- total payments—see [Part 4](#)
- total debts—see [Part 5](#)
- details of debts greater than the disclosure threshold—see [Part 6](#)
- details of discretionary benefits—see [Part 7](#)
- details of capital contributions—see [Part 8](#)



Sections [314AEA](#), [314AC](#) and [314AE](#) of the Electoral Act govern the lodgement of annual returns by associated entities.

Part 1a: Other business names

An associated entity should list any other names under which it conducts business.

Part 1b: Related bodies corporate

The Electoral Act deems related bodies corporate to be the same entity. Related bodies corporate has the same meaning under the Electoral Act as defined in [section 50 of the Corporations Act 2001](#).

The parent company of the group, therefore, should lodge under its name a return consolidated across the entire group and list in this part of the return the names of all related bodies corporate.



Section [287\(6\)](#) of the Electoral Act deems related bodies corporate to be the same entity.

Part 1c: Are you a union?

Where an associated entity is a union, the associated entity should list the name and address of any subsidiaries or branches on behalf of whom the return is being lodged.

Part 2a: Total receipts for financial year 1 July 2019 to 30 June 2020

Part 2a of the return requires disclosure of the total of all amounts received from external entities.

Amounts received include, but are not limited to, the following:

- gifts of money
- gifts-in-kind of services or goods
- membership subscriptions
- loan monies received
- returns on investments
- proceeds from the sale of assets
- public funding provided by the Commonwealth or a State or Territory
- discretionary benefits provided by the Commonwealth or a State or Territory



Section [314AEA\(1\)\(a\)](#) of the Electoral Act provides for the disclosure of the total amount received by, or on behalf of, the associated entity during the financial year.

When determining what transactions need to be included in Part 2a of the return, the following principles should be observed:

- All receipts of the associated entity must be disclosed, including those that are not to the benefit of a registered political party.
- Transactions such as transfers between the associated entity and a political party must be included.
- Receipts of related body corporates of the associated entity (as determined under the *Corporations Act 2001*) must be included.
 - In general, related body corporates are entities at least 50 per cent owned or controlled by another entity, or entities over which that other entity is able to exert control.
- Where the associated entity is lodging on behalf of related entities, receipts of related entities should be consolidated before determining whether the disclosure threshold has been reached, and one return lodged on behalf of all entities.
- When an associated entity is a trust, trustees have the reporting obligation.
 - Where funds or assets are received from a trustee, it should be disclosed as ‘ABC as trustee for XYZ Trust’, not just the trust name or the trustee name.

- Trustees should not list transactions involving their own trusts.
- If an investigation of a trust is undertaken, a copy of the trust deed will be requested as a matter of course in order to allow the AEC to readily determine the relevant features of the trust.

Examples of receipts that are required to be included in Part 2a of the return could be:

- membership fees
- a gift of \$15,000 cash
- a donation of printing of stationery that if purchased commercially would have been priced at \$350
- interest on term deposit of \$2,755
- loan of \$7,000 cash received from a financial institution
- three separate gifts of \$8,000 each are received from a person on different days
- rent received of \$15,000 relating to commercial premises owned by the associated entity
- a cheque for \$400 relating to the sale of office furniture from the office of the associated entity
- two separate donations are received from the same person on different days. One amount is \$9,500 and the other is \$35,000 both of which are included
- a discretionary grant of \$10,000 received from a State, Territory or Federal Government.
- a capital contribution of \$10,000.

Disclosure of gross amounts

Total receipts must be disclosed on a gross basis inclusive of goods and services tax (GST) and merchant fees. Further, in calculating the total amount received, individual amounts received must not be netted against amounts paid in relation to the same transaction—each transaction must be reported separately. For example:

- a fundraiser taking \$14,000 with costs of \$12,750 and a net profit of \$1,250 is disclosed as:
 - a receipt of \$14,000
 - and a payment of \$12,750.
- a transaction through American Express for \$17,600 of which \$16,864 was deposited in the bank account following the merchant deducting their fee should be disclosed as the full amount of \$17,600. The amount of \$736 should be recorded as a payment. Also note that in this particular example, funds that are transferred from a bank account to repay a credit card should be eliminated as an internal transfer between accounts held by the same associated entity.
- a deposit of \$200 into a third party merchant account (e.g. Eway or Paypal) of which \$2.50 was deducted for merchant fees. The full \$200 should be recorded as a receipt, and \$2.50 as a payment. Also note that where the funds from the third party

account have been drawn and banked into the associated entity's bank account, an elimination would also need to be recorded for receipts internally transferred between accounts to avoid overstating total receipts.

- a receipt of \$20,000 subsequently refunded must be disclosed as:
 - a receipt of \$20,000
 - and a payment of \$20,000.

Transactions not to be reported

Internal transactions must not be reported as they result in double counting of amounts received and so overstate the total receipts of the associated entity. Examples of internal transactions include:

- transfers between an associated entity's bank accounts, for example:
 - a transfer between bank accounts both held by the associated entity
 - a transfer from a transaction account to an investment account, such as a term deposit account.
- where the associated entity is lodging on behalf of related entities, receipts of related entities should be consolidated before determining whether the disclosure threshold has been reached, and one return lodged on behalf of all entities.

Other transactions that are not to be reported in the return include:

- commercial discounts received in the normal course of business
- volunteer labour, such as persons handing out how-to-vote cards or services provided in a private capacity by individuals who are party members

Part 2b: Amount calculated to be the value of gifts-in-kind

Part 2b of the return requires disclosure of the value of gifts-in-kind which should have been included in the total receipts amount disclosed at [Part 2a](#).

Gifts-in-kind may be goods or services received for which no payment (in cash or in kind) or inadequate consideration is made. Inadequate consideration is where the benefits obtained are clearly of a lesser value than the payment made. Inadequate consideration includes discounts provided that are over and above those that would be offered under normal commercial arrangements.

These gifts are to be disclosed for an amount that reflects the fair value. That is, the normal commercial or sale value of the item or service as evidenced by arms-length transaction or comparative quotations or expert assessment.

Examples of gifts-in-kind could be:

- free/discounted services such as legal advice, accounting services or web and IT services

- excessive payments received for goods, services or other benefits provided (including excessive membership fees)
- wages or salaries (including on-costs) incurred by an employer whose employee works for the associated entity during normal working hours while continuing to receive salary or wages from the employer unless the employee takes paid leave to work for the associated entity
- free/discounted use of premises or equipment and facilities
- free use of a vehicle, or free fuel or servicing of a vehicle
- free/discounted time or production services by a broadcaster
- free/discounted advertising by a publisher or advertising production service
- free air travel or the free use of a private aircraft
- loans provided interest free, or at rates that are less than those available in the commercial loan market
- free/discounted printing, typesetting or associated services
- free/discounted goods or services (for example, travel, artwork, sports memorabilia or electrical goods) for use in raffles or other fundraising activities
- where a person pays a bill/account owed by the party.

Part 3: Amounts of more than \$14,000 received in financial year 1 July 2019 to 30 June 2020

Part 3 of the return requires disclosure of the details of amounts received greater than the disclosure threshold (\$14,000 in 2019-20).

For each person or entity, the following details must be disclosed:

- full name and address details of the person or organisation from whom the money or gift-in-kind was received
- the sum of amounts received from that person or organisation (details of individual amounts received from the same source that are less than the disclosure threshold are not required to be disclosed)
- whether the receipt is a 'donation' or 'other receipt'.

Note: An 'other receipt' is a receipt that does not meet the definition of a donation (see 'Definition of a donation' above).



Sections [314AC\(1\)](#) and [\(2\)](#) of the Electoral Act provide for the disclosure of details of amounts received greater than the disclosure threshold.

Where the associated entity is a person or organisation registered under the *Australian Charities and Not-for profits Commission Act 2012*, an amount received greater than the threshold does **not** need to be disclosed if no part of it was used during the financial year to:

- create or communicate electoral matter; or
- incur electoral expenditure; or
- to reimburse the associated entity for creating or communicating electoral matter or incurring electoral expenditure.

Examples of amounts received that are required to be disclosed at Part 3 of the return could be:

- funds relating to a loan of \$50,000 received from a financial institution
- funds relating to a loan of \$20,000 received from a non-financial institution
- a distribution of \$14,500 from a trust which was paid into the bank account
- a non-monetary gift valued at \$15,000 relating to commercial premises provided to the associated entity rent free for a year. The market rent for the commercial premises is valued at \$15,000.
- GST refund of \$20,000
- two separate donations are received from the same person on different days. One amount is \$9,500 and the other is \$35,000:
 - The \$35,000 is disclosed in Part 3 as it is more than the disclosure threshold.
 - The \$9,500 is not required to be disclosed in Part 3 as it is less than the disclosure threshold. However, both amounts should be disclosed in Part 2a 'total receipts'.

An associated entity should provide additional clarifying information and supporting documentation in situations where disclosure does not provide a clear picture of the underlying transactions. For example, associated entities should separately identify bulk receipts such as membership fees, subscriptions or loan funds that are not required to be disclosed as a receipt above the threshold when the deposit is made up of several amounts under the threshold or where the receipt of a gift was subsequently returned.

Amounts received from unincorporated associations, trusts or foundations

Where an amount has been received from an unincorporated association (other than a registered industrial organisation), the name of the association and the names and addresses of all members of the executive committee of the association must be disclosed.


Where an amount has been received from a trust fund or foundation fund, the name and description of the trust or foundation and the names and addresses of all trustees must be disclosed.

Amounts received as a result of a loan

There are specific record keeping requirements for amounts received as a result of a loan. For loans received from a financial institution (see note below) greater than the disclosure

threshold (\$14,000 in 2019-20), the name of the financial institution and the sum of all amounts received from the loan must be disclosed.

Note: A financial institution is a bank, credit union, building society or a special service provider registered with the Australian Prudential Regulation Authority (APRA). An up to date list is available from the [APRA website](#).

	<p>Section 314AC(3)(ba) of the Electoral Act requires information about amounts received as a result of a loan to be kept.</p> <p>Section 306A of the Electoral Act makes it unlawful for loans to be received from a person or entity other than a financial institution unless certain records are kept.</p>
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Loans received from a person or entity other than a financial institution

For loans received from a person or entity other than a financial institution greater than the disclosure threshold (\$14,000 in 2019-20) the terms and conditions of the loan must be kept and the following particulars (as the case requires):

- for a loan from a registered industrial organisation (other than a financial institution), the:
 - name of the organisation
 - names and addresses of the members of the executive committee (however described) of the organisation
- for a loan from an unincorporated association, the:
 - name of the association
 - names and addresses of the executive committee (however described) of the association
- for a loan paid out of a trust fund or out of the funds of a foundation:
 - the names and addresses of the trustees of the fund or foundation
 - title, name or other description of the trust fund or foundation
- for any other loan, the name and address of the person or organisation that made the loan.

Part 4: Total payments for financial year 1 July 2019 to 30 June 2020

Part 4 of the return requires the disclosure of the gross total amount of all payments made by or on behalf of the associated entity to external entities.

Note: the same rules apply for using gross figures and eliminating internal transfers as explained for the completion of 'Total receipts for financial year' at [Part 2a](#) of the return.

Amounts paid include, but are not limited to, the following:

- salaries
- administrative expenses
- purchase of assets

- electoral expenses
- loan repayments
- bank charges
- merchant service fees on credit/charge cards
- gifts received but subsequently returned or forfeited to the Commonwealth.



Section [314AEA\(1\)\(b\)](#) of the Electoral Act provides for the disclosure of the total amount paid by, or on behalf of, the political campaigner during the financial year.

Examples of amounts paid that are required to be included in the calculation of 'total payments' at Part 4 of the return could be:

- loan repayments paid totalling \$32,000
- bank charges of \$145 incurred
- repayment of capital totalling \$10,000
- merchant service fees totalling \$3,400.

Part 5: Total debts as at 30 June 2020

Part 5 of the return requires disclosure of the total outstanding amount of all debts incurred by or on behalf of the associated entity as at the end of the financial year (30 June 2020).

Debts include, but are not limited to, the following:

- loans
- overdrafts
- unpaid accounts



Section [314AEA\(1\)\(c\)](#) of the Electoral Act provides for the disclosure of all debts incurred by or on behalf of the associated entity.

Examples of debts outstanding could be:

- loan from a financial institution with outstanding balance of \$36,000
- loan from a non-financial institution obtained in a previous financial year with outstanding balance of \$8,000
- invoices received, but not paid, from a supplier totalling \$4,500
- superannuation payable
- GST and PAYG debt to the ATO. Payroll tax is not required to be included as it is a provision and not considered a debt for the purposes of disclosure.

Note: Employee provisions (for example, provision for annual leave) are not considered debts for the purposes of disclosure.

Part 6: Debts of more than \$14,000 as at 30 June 2020

Part 6 of the return requires disclosure of the details of all outstanding debts greater than the disclosure threshold (\$14,000 in 2019-20) owed to a person or entity as at the last day of the relevant financial year (that is, 30 June 2020 for the 2019-20 financial year).

Note: debts that are individually less than the disclosure threshold, but from the same person or entity, must be considered in determining whether the debts exceed the disclosure threshold.

The details required to be disclosed are:

- full name and address details of the person or organisation that the debt is owed to
- the amount that is owed
- whether the debt is to a financial institution or non-financial institution.



Section [314AE\(1\)](#) of the Electoral Act requires disclosure of the details of debts greater than the disclosure threshold.

Examples of debts outstanding that require disclosure of details in Part 6 of the return could be:

- bank overdraft account balance of \$24,300
- an individual amount owing on a credit card totalling \$14,450
- invoices received from supplier totalling \$17,400
- a loan from a financial institution with an outstanding balance of \$45,000
- two outstanding invoices payable to the same entity with values of \$2,000 and \$20,000, a total of \$22,000 is required to be disclosed
- GST and PAYG debt to the ATO which are above \$14,000.

Debts owed to unincorporated associations

Where a debt is owed to an unincorporated association (other than a registered industrial organisation), the name of the association, along with the names and addresses of each member of the executive committee of the association must be disclosed.

Debts owed to a trust or foundation

Where a debt is owed to a trust or foundation, the name and description of the trust or foundation, along with the names and addresses of all trustees must be disclosed.

Part 7: Details of discretionary benefits

Part 7 of the return requires disclosure of the details of any discretionary benefits (however described) received by or on behalf of the associated entity from the Commonwealth, a State or a Territory during the financial year.

Discretionary benefits include:

- grants
- contracts
- payments
- other benefits requiring the exercise of discretion by the Commonwealth or State or Territory.

Discretionary benefits are different to statutory entitlements, which are provided automatically if specified criteria are met, such as election funding.



Section [314AEA\(1\)\(d\)](#) of the Electoral Act provides for the disclosure of details of discretionary benefits received.

The relevant details to be disclosed are the:

- full name of the person or organisation from whom the discretionary benefit was received
- date the discretionary benefit was received
- value or amount of the discretionary benefit.

Part 8: Capital Contributions

Part 8 of the return requires disclosure of the details of amounts paid to or for the benefit of one or more political parties that was paid out of funds generated from capital of the associated entity.



Section [314AEA\(3\)](#) of the Electoral Act provides for the disclosure of details of amounts paid to political parties from funds generated from capital.

Section [314AEA\(4\)](#) provides that where contributions have been disclosed in a previous return subsection 3 does not apply.

The relevant details to be disclosed are the:

- full name and address details of the person
- total amount of the contributions to the capital up to the end of the financial year.

Incomplete returns

Where a financial controller is unable to obtain all the information required to fully complete a return, a Notice of Incomplete Return must be completed and lodged with the Associated Entity Disclosure Return.

Where it is necessary to submit a Notice of Incomplete Return:

- complete the Associated Entity Disclosure Return as fully as possible
- complete the Notice of Incomplete Return
- lodge the Notice of Incomplete Return and the incomplete Associated Entity Disclosure Return with the AEC at the same time.

Note: lodgement of a Notice of Incomplete Return does not relieve the financial controller of the responsibility of making reasonable efforts to obtain the information required to complete the return. The AEC may assess whether the lodgement of a Notice of Incomplete Return was used by a financial controller to avoid their responsibilities under the Electoral Act.



Section [318](#) of the Electoral Act provides for when a person who is required to furnish a return is unable to do so.

The Notice of Incomplete Return contains three parts:

Part 1 – requires the full details of the information believed to be missing from the return.

Part 2 – requires the:

- reason the particulars listed in Part 1 were unable to be obtained
- details of all attempts made to obtain the missing information.

Part 3 – requires:

- full name/s and address details of the person/s believed to possess the missing particulars
- reason why it is believed this person/s possesses the required information.

Amending returns

A request may be made to, or by the AEC seeking amendment of a return that has been lodged and subsequently found to be incomplete or incorrect.



Section [319A](#) of the Electoral Act provides for the amendment of returns.

Amendments to the return require previously submitted amounts to be provided together with the amended amount/s.

Changes to details of receipts or debts should be separated into:

- additional information not previously provided
- amendment of information previously provided.

In order to avoid confusion or ambiguity the record/s being changed should be clearly identified. Amendments are processed through eReturns.

Administration

Date for public inspection of annual returns

Annual returns are made available for public inspection on the first working day of February each year.

Returns are available for inspection on the AEC's website at

<https://transparency.aec.gov.au/>.

Record keeping

Associated entities like all other entities and organisations should keep adequate records.

Financial recording systems and procedures must be sufficient to enable the return, which will be publicly available, to be properly completed.

All transactions should be supported by source documents recording the details of individual transactions. Examples of source documents are:

- receipts
- tax invoices
- loan documents
- wages records
- bank deposit books and cheque butts
- bank account statements
- credit card statements
- contract and grant agreements.

Source documents should contain information required to complete the return, such as the:

- date of the transaction
- name of person and/or organisation from whom a receipt was received
- name of person and/or organisation to whom a payment was made
- name and address of organisation that has provided a loan to the associated entity
- total payment made or amount received
- amount of GST
- merchant fees.

Retention of records

Relevant records, whether formal or informal, must be retained for a minimum of 5 years following the end of the reporting period.

A record must also be kept in accordance with any other requirements as determined by the Electoral Commissioner.

A person or entity who fails to comply with these requirements will be subject to civil penalties.



Section [317](#) of the Electoral Act provides for the retention of records.

Compliance Reviews

The AEC conducts compliance reviews of annual returns lodged by associated entities to verify the accuracy and completeness of disclosures.

Compliance reviews are undertaken 'off-site', however officers of the AEC may still attend associated entity premises to inspect original documentation and to hold an exit interview to discuss the review.

A written report will be issued detailing any findings. This may include advice to amend the political campaigner's return.



Section [316\(2A\)](#) of the Electoral Act provides for the conduct of compliance reviews.

Further information on the conduct of compliance reviews can be found at [Compliance Reviews](#) on the AEC website.

Appendix 1 - Glossary of terms

AEC	Australian Electoral Commission
Anti-avoidance scheme	<p>Can include:</p> <ul style="list-style-type: none">■ Donation splitting: a foreign donor avoiding a disclosure threshold by giving multiple gifts below the disclosure threshold.■ Conduit corporations: a foreign donor forming or participating in the formation of a body corporate in Australia in order to channel gifts through an allowable donor.■ Unspecified avoidance scheme: facilitates a foreign donor making a prohibited gift, that is not donation splitting or a conduit corporation.
Associated entity	<p>An entity which:</p> <ul style="list-style-type: none">■ is controlled by one or more registered political parties; or■ operates wholly, or to a significant extent, for the benefit of one or more registered political parties; or■ is a financial member of a registered political party; or■ on whose behalf another person is a financial member of a registered political party; or■ has voting rights in a registered political party; or■ on whose behalf another person has voting rights in a registered political party. <p>It can include companies holding assets for a political party, investment or trust funds, fundraising organisations, groups and clubs, and trade unions or corporate members of political parties.</p>
Campaign committees	A campaign committee, in relation to a candidate or group, means a body of persons appointed or engaged to form a committee to assist the campaign of the candidate or group in an election.
Debt	Debt is any sum for which a legal obligation to pay exists as at the end of the financial year. It includes loans, mortgages, leases, unpaid invoices and goods and services received but not yet paid for.
Disclosure threshold	Detailed disclosure must be made of receipts totalling more than \$14,000 and debts totalling more than \$14,000 at 30 June 2020. This threshold is indexed annually.
Discretionary benefits	<p>Grants, contracts, payments and other benefits requiring the exercise of discretion by the Commonwealth, State or Territory.</p> <p>Discretionary benefits do not include statutory entitlements such as election funding.</p>

Donation / gift	Any disposition of property made by a person to another person without consideration or with inadequate consideration.
Donor	A person, organisation or other body other than a political party, an associated entity or a candidate in a federal election who is under an obligation to furnish a disclosure return because they made a donation.
Electoral Act	<i>Commonwealth Electoral Act 1918</i>
Electoral expenditure	Expenditure incurred for the dominant purpose of creating or communicating electoral matter. The Factsheet on Electoral Matter and Electoral Expenditure on the AEC website contains further information.
Electoral matter	Matter communicated or intended to be communicated for the dominant purpose of influencing the way electors vote in a federal election.
Foreign donation	A donation or gift to a political entity, political campaigner or third party from a foreign donor. The Factsheet on Foreign Donations available on the AEC website contains further information.
Foreign donor	A person who does not have a connection with Australia, such as a person who is not an Australian Citizen or an entity that does not have significant business presence in Australia.
Gifts-in-kind	Non-cash donations. For example, receipt of an asset or service, discounts other than in the normal course of business and non-commercial or excessive payment for goods or services (including membership). Gifts-in-kind must be disclosed for an amount that reflects the fair value, that is, normally the commercial or sale value of the item or service. Examples of gifts-in-kind: <ul style="list-style-type: none"> ■ the donation of legal advice by a solicitor ■ the donation of the use of premises to conduct campaign activities.
Indexation	The disclosure threshold is indexed to the All Groups Consumer Price Index. A listing of past disclosure thresholds is available on the AEC website.

Internal transactions	<ul style="list-style-type: none"> ■ transactions between the associated entity and the branches it is reporting for ■ receipts of related body corporates of the associated entity ■ transactions between branches within the associated entity ■ transfers between an associated entity's bank accounts, for example: <ul style="list-style-type: none"> – a transfer from the associated entity's bank account to a branch's bank account – a transfer between bank accounts both held by the associated entity – a transfer from a transaction account to a term deposit account.
Penalty Unit	In accordance with subsection 4AA(1A) of the <i>Crimes Act 1914</i> a penalty unit is indexed annually.
Period of disclosure	Annual returns cover a financial year, that is, the period from 1 July to 30 June.
Political campaigner	<p>A person or entity that is registered with the AEC as a political campaigner.</p> <p>A person or entity is required to register as a political campaigner when their electoral expenditure during the current, or in any of the previous three financial years, was \$500,000 or more, or electoral expenditure during the year was \$100,000 or more and during the previous financial year their electoral expenditure was a least two-thirds of the revenue for that year.</p> <p>A political campaigner that has branches is treated as a single political campaigner.</p>
Political entity	A registered political party, a State branch of a registered political party, a candidate in an election or by-election, or member of a Senate group.
Public inspection	Disclosure returns are available for inspection by the public at https://transparency.aec.gov.au/ , through public access terminals in AEC State Offices located in each state and territory capital city and at the AEC National Office in Canberra. Annual returns are made available from the first working day in February each year.
Registered political party	For the purpose of this guide, this term refers to a political party registered with the AEC, or any state or territory branch of a federally registered political party. Registration with a state or territory electoral authority does not confer federal registration.

Related body corporate	<p>Section 50 of the <i>Corporations Act 2001</i> provides that where a body corporate is:</p> <ul style="list-style-type: none"> ■ a holding company of another body corporate ■ a subsidiary of another body corporate or ■ a subsidiary of a holding company of another body corporate ■ the first-mentioned body and the other body are 'related' to each other. <p>Transactions of related body corporates should be consolidated when determining whether the disclosure threshold has been reached.</p>
State branch	<p>A branch or division of a federally registered political party organised on the basis of a state or territory. State branches are treated as separate political parties for funding and disclosure purposes.</p>
Third party	<p>A person or organisation who incurs electoral expenditure above the disclosure threshold. Other than political entities, members of the House of Representatives or the Senate, and is not required to register and is not registered as a political campaigner.</p>
Volunteer labour	<p>A service provided free of charge to a party by an office holder of the party or a party member, or any other person where that service is not one for which that person normally receives payment. Volunteer labour provided to a registered political party does not need to be disclosed as a gift by that person or the registered political party.</p> <p>Examples of volunteer labour could include:</p> <ul style="list-style-type: none"> ■ the donation of legal advice by a solicitor who is a party member ■ a person handing out how-to-vote cards.

Appendix 2 - Penalties relating to the Commonwealth funding and disclosure regulations

In addition to the penalties in the Electoral Act listed below, it is also an offence to provide false or misleading information under section 137.1 of the *Criminal Code Act 1995*. A person contravenes this section if they knowingly give information to the Commonwealth that is false or misleading or omits any matter which would make the information misleading. The penalty is a criminal penalty of imprisonment for 12 months.

Registration requirements associated entities

Offence	Section of the Electoral Act	Applies to	Maximum civil penalty	Maximum criminal penalty
Incurring electoral expenditure if the person or entity is not registered as an associated entity in that same financial year	287H	Associated entity	Whichever is higher of: <ul style="list-style-type: none"> ■ 200 penalty units, or ■ three times the amount of electoral expenditure incurred (if there is sufficient evidence for the court to determine the amount, or an estimate of the amount, of electoral expenditure) (s287H(3)) 	Not applicable
Failure to notify the Electoral Commissioner within 90 days if information on the Transparency Register fails to be correct or complete	287P	<ul style="list-style-type: none"> ■ Associated entity ■ Political Campaigner 	60 penalty units (s287P(2))	Not applicable
Establishing a scheme to avoid sections 302D, 302E or 302F	302H	<ul style="list-style-type: none"> ■ Political entity ■ Political campaigner ■ Third party ■ Donor 	Whichever is higher: <ul style="list-style-type: none"> ■ 200 penalty units, or ■ three times the amount of the value of the gift (if there is sufficient evidence for the court to determine the amount, or an estimate of the amount, of the value of the gift) (s302H(5)) 	200 penalty units (s302H(3))

Annual returns

Offence	Section of the Electoral Act	Applies to	Maximum civil penalty	Maximum criminal penalty
Failure of an associated entity to provide an annual return	314AEA	Associated entity or its financial controller	Whichever is higher of: <ul style="list-style-type: none"> ■ 60 penalty units, or ■ three times the value of the amount not disclosed (if there is sufficient evidence for the court to determine the amount, or an estimate of the amount, not disclosed) (s 314AEA(1)) 	Not applicable

AEC investigations

Offence	Section of the Electoral Act	Applies to	Maximum civil penalty	Maximum criminal penalty
Refusal or failure to comply with a notice relating to a compliance review or investigation	316(5)-(5A)	<ul style="list-style-type: none"> ■ Political entity or its agent ■ Political campaigner or its financial controller ■ Associated entity or its financial controller ■ Third party ■ Donor ■ Prescribed person under s17(2A) 	Not applicable	<p>For a refusal to comply with a notice under s316(2A), (3) or (3A):</p> <ul style="list-style-type: none"> ■ 10 penalty units (s316(5)) <p>For a failure to comply with a notice under s316(2A), (3) or (3A):</p> <ul style="list-style-type: none"> ■ 10 penalty units (s316(5A))
Providing false or misleading information during a compliance review or investigation	316(6)	<ul style="list-style-type: none"> ■ Political entity or its agent ■ Political campaigner or its financial controller ■ Associated entity or its financial controller ■ Third party ■ Donor ■ Prescribed person under s17(2A) 	Not applicable	Imprisonment for 6 months, or 10 penalty units, or both (s316(6))

Keeping records

Offence	Section of the Electoral Act	Applies to	Maximum civil penalty	Maximum criminal penalty
Failure to keep records	317(2)-(4)	<ul style="list-style-type: none">■ Political entity or its agent■ Political campaigner or its financial controller■ Associated entity or its financial controller■ Third party■ Donor■ Prescribed person under s17(2A)	200 penalty units (s317(1))	Not applicable

Appendix 3 - eReturns

The [eReturns portal](#) allows political parties, political campaigners, associated entities, donors and third parties to fulfil their obligations under Part XX of the Electoral Act. By preparing and lodging disclosure returns electronically the need to re-key data is eliminated and it ensures that information is accurately reported on the AEC website when returns are made publically available.

To use the eReturns portal you need an account with a unique username and password. New donors will have a username and password sent to them with their obligation letter. Donors can register online before they receive an obligation letter.

For more information about lodging a return online using eReturns please refer to the [eReturns Quick Reference Guides](#), available on the AEC website.