

# Compliance Review Report

## Australian Motoring Enthusiast Party

### 2013–14 Annual Disclosure Return

February 2016



**AEC**

Australian Electoral Commission

# Contents

Purpose of the report .....	2
Disclosure obligations .....	2
Conduct of the review .....	2
Scope of the review.....	2
Stakeholder engagement .....	3
The AEC's Opinion.....	3
1. Timely lodgement.....	3
2. Accuracy in reporting – amendment suggested.....	4
Matters requiring future action.....	4
Conclusion .....	4
Attachment A .....	6
Attachment B .....	8

Released under the Freedom of Information Act 1982

## Purpose of the report

This report provides the party agent of the registered political party Australian Motoring Enthusiast Party (the Party), Mr Keith Littler, with the Australian Electoral Commission's (the AEC) opinion as to whether the 2013–14 annual disclosure return lodged on behalf of the Party has complied with obligations under sections 314AB, 314AC and 314AE of the *Commonwealth Electoral Act 1918* (the Act).

## Disclosure obligations

Registered political parties are required under the provisions of the Act to lodge annual disclosure returns.

Section 314AB of the Act requires the agent of a registered political party and each state branch of the registered party to report after the end of each financial year:

- the total amount received by, or on behalf of, the party
- the total amount paid by, or on behalf of, the party
- the total outstanding amount of all debts incurred by, or on behalf of, the party.

Section 314AC of the Act also provides that if the sum of all amounts received by, or on behalf of, the party 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.

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

Extracts of the texts of these provisions of the Act are reproduced in *Attachment A* to this report.

## Conduct of the review

The AEC has authority under s.316(2A) of the Act to review records and gather relevant information to assess whether these disclosure obligations have been met. Section 316(2A) requires the agent of a registered party to produce the documents requested in a notice from the AEC within the period and in the manner specified in the notice.

As part of this process, the AEC issued a notice to Mr Littler under s.316(2A) requiring the Party to provide its financial records and other documents in relation to its financial operations for 2013-14.

A copy of the notice issued under s.316(2A) of the Act is provided at *Attachment B* to this report.

## Scope of the review

The AEC's review was limited to those financial records and documents, which were considered relevant to determine the completeness, and accuracy of information reported in the Party's 2013–14 annual disclosure return in accordance with the requirements of sections 314AB, 314AC and 314AE of the Act.

The AEC does not have the authority under Part XX of the Act to examine any other aspects of the financial operations of the Party such as the existence or effectiveness of internal controls.

## Stakeholder engagement

The AEC's general practice, prior to commencing a review, is to contact the relevant officer of the political party to discuss the scope of the review. This contact may involve face to face meetings.

Prior to commencement of this compliance review, staff of the AEC contacted Mr Littler by telephone to discuss the scope of the review process.

It is also the AEC's practice, prior to finalising a review, to discuss with the relevant officer of the political party its opinion on compliance issues. Where there are any errors or omissions the AEC will discuss with the relevant officer how they might have occurred.

The objective of such discussions is to encourage the political party to examine its internal processes and systems in order to improve the accuracy of future annual disclosure returns and thereby improve compliance with Part XX of the Act.

On 18 January 2016 the AEC provided Mr Littler with a draft of the compliance report for his consideration and comment. Mr Littler was asked to provide his comments by 1 February 2016. On 1 February 2016, Mr Littler emailed the AEC to advise that the Party had no comment to make in respect of the draft report.

## The AEC's Opinion

### 1. Timely lodgement

Subsection 314AB(1) of the Act requires the agent of the registered political party to lodge a disclosure return with the AEC within 16 weeks after the end of the financial year. For 2013–14, the due date was 20 October 2014.

Mr Littler lodged the 2013–14 disclosure return on 18 November 2014, four weeks after the required date for lodgement. The party explained that the delay in lodgement resulted from conversion from manual to electronic record keeping and relocation of the Party agent between states.

## 2. Accuracy in reporting – amendment suggested

### Total Receipts

Section 314AB(2)(a) of the Act requires the Party agent to report the total amount received by, or on behalf of, the Party during the financial year. To satisfy this, the Party must account for all transactions that result in receipts from external entities, including all gifts received in kind. All transactions must be accounted for on a gross basis without any offsetting, inclusive of GST.

Total reportable receipts by the Party were over-stated in the Party's 2013-14 annual disclosure return only due to inclusion of amounts received prior to the Party's registration on 9 July 2013. Therefore, in order to achieve accurate disclosure of total receipts, the Party should consider amending the total receipts figure reported in its 2013-14 annual disclosure return from \$47 162 to \$41 661.

The suggested amendment is set out below.

#### Suggested Amendment – Part 1a: Total Receipts

Amount disclosed in return	\$47 162
Amended total	\$41 661

### Matters requiring future action

In order to ensure future compliance by the Party agent with his obligations under Part XX of the Act, the AEC recommends the Party:

- lodge its future annual disclosure returns by the due date
- use cash receipts and cash payments reports in preparing the Party's annual disclosure return.

### Conclusion

The AEC is of the opinion that Mr Littler did not comply with the requirement of s.314AB(1) to lodge the 2013–14 annual disclosure return on behalf of the Australian Motoring Enthusiast Party within 16 weeks after the end of the financial year.

The AEC is of the opinion that the 2013-14 annual disclosure return lodged by the Party on 18 November 2014 is accurate in relation to reporting of total payments, total gifts-in-kind, total debts, individual receipts and debts exceeding \$12 400 in accordance with ss.314AB(2)(b), 314AB(2)(c), 314 AC and 314AE of the Act. However, the AEC is of the opinion that the 2013-14 annual disclosure return was inaccurate in relation to the reporting of total receipts under ss.314AB(2)(a) of the Act.

In view of the lodgement by Mr Littler on 10 February 2016 of the amendment to the Party's 2013-14 annual disclosure return, the AEC is of the opinion that the disclosure return (as amended) now accurately sets out the information required to be disclosed by a political party under the provisions of sections 314AB, 314AC and 314AE of the Act.

4

Tim Courtney  
Vg First Assistant Commissioner  
Australian Electoral Commission

16<sup>th</sup> February 2016

Released under the Freedom of Information Act 1982

## Extracts from the *Commonwealth Electoral Act 1918*

### 314AB Annual returns by registered political parties

- (1) Subject to this Division, the agent of each registered political party and of each State branch of each registered political party must, within 16 weeks after the end of each financial year beginning on or after 1 July 1992, furnish to the Electoral Commission a return:
  - (a) that is in an approved form; or
  - (b) that is constituted by the audited annual accounts of the registered political party or the State branch, in a form that is approved by the Electoral Commission.
- (2) A return under paragraph (1)(a) or (1)(b) must set out the following:
  - (a) the total amount received by, or on behalf of, the party during the financial year, together with the details required by section 314AG;
  - (b) the total amount paid by, or on behalf of, the party during the financial year;
  - (c) the total outstanding amount, as at the end of the financial year, of all debts incurred by, or on behalf of, the party, together with the details required by section 314AE.

### 314AC Amounts received

- (1) If the sum of all amounts received by, or on behalf of, the party from a person or organisation during a financial year is more than \$10,000, the return must include the particulars of that sum.

Note: The dollar amount mentioned in this subsection is indexed under section 321A.
- (2) In calculating the sum, an amount of \$10,000 or less need not be counted.

Note: The dollar amount mentioned in this subsection is indexed under section 321A.
- (3) The particulars of the sum required to be furnished under subsection (1) are the amount of the sum and:
  - (a) if the sum was received from an unincorporated association, other than a registered industrial organisation:
    - (i) the name of the association; and
    - (ii) the names and addresses of the members of the executive committee (however described) of the association; or
  - (b) if the sum was purportedly paid out of a trust fund or out of the funds of a foundation:
    - (i) the names and addresses of the trustees of the fund or of the foundation; and
    - (ii) the title or other description of the trust fund, or the name of the foundation, as the case requires; or
  - (ba) if the sum was received as a result of a loan—the information required to be kept under subsection 306A(3), or the name of the financial institution, as the case requires; or
  - (c) in any other case—the name and address of the person or organisation.

**314AE Outstanding amounts**

- (1) If the sum of all outstanding debts incurred by, or on behalf of, the party to a person or an organisation during a financial year is more than \$10,000, the return must include the particulars of that sum.

Note: The dollar amount mentioned in this subsection is indexed under section 321A.

- (2) The particulars of a sum required to be furnished under subsection (1) are the amount of the sum and:
- (a) if the sum was owed to an unincorporated association, other than a registered industrial organisation:
    - (i) the name of the association; and
    - (ii) the names and addresses of the members of the executive committee (however described) of the association; or
  - (b) if the sum was purportedly incurred as a debt to a trust fund or to a foundation:
    - (i) the names and addresses of the trustees of the fund or of the foundation; and
    - (ii) the title or other description of the trust fund, or the name of the foundation, as the case requires; or
  - (c) in any other case—the name and address of the person or organisation.

**316 Investigation etc.**

- (1) In this section:

*authorised officer* means a person authorised by the Electoral Commission under subsection (2).

*prescribed person* means a person whose name is included in a list in a report mentioned in subsection 17(2A).

(2) The Electoral Commission may, by instrument in writing signed by the Electoral Commissioner on behalf of the Electoral Commission, authorize a person or a person included in a class of persons to perform duties under this section.

(2A) An authorised officer may, for the purpose of finding out whether a prescribed person, the financial controller of an associated entity or the agent of a registered political party has complied with this Part, by notice served personally or by post on:

- (a) the agent or any officer of the political party; or
- (aa) the financial controller of the associated entity or any officer of the associated entity; or
- (b) the prescribed person or, if the prescribed person is a body corporate, any of its officers;
 

as the case may be, require the agent, financial controller, person or officer:
- (c) to produce, within the period and in the manner specified in the notice, the documents or other things referred to in the notice; or
- (d) to appear, at a 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.



## COMMONWEALTH ELECTORAL ACT 1918 – SECTION 316(2A)

NOTICE TO PRODUCE DOCUMENTS  
DISCLOSURE RETURN 2013–14

To: Mr Keith Littler  
Party Agent  
Australian Motoring Enthusiast Party  
PO Box 4542  
SPRINGFIELD QLD 4300

I, Tim Courtney, an authorised officer within the meaning of s.316 of the *Commonwealth Electoral Act 1918* (the Act), for the purpose of finding out whether you, as the party agent of the Australian Motoring Enthusiast Party (the Party), have complied with Part XX of the Act, hereby require you, pursuant to s.316(2A) of the Act, to produce the information referred to below within the period and in the manner specified in this notice.

**Information to be produced in relation to Financial Year ended 30 June 2014**

1. Please provide us with the documents in the specified format listed in Attachment A of this notice.
2. A complete list of all party units/local branches for the 2013–14 financial year (in Excel format) with details of:
  - a. the party units that have lodged annual returns with the Party
  - b. the party units that have not lodged annual returns with the Party
  - c. total of receipts, payments and debt reported by each party unit in its annual return to the Party
  - d. details of receipts at the disclosure threshold of more than \$12 400
  - e. details of debts at the disclosure threshold of more than \$12 400.
3. A completed and signed *Document Checklist* provided at Attachment B.

**Timing and manner of production**

You are required to produce the documents referred to in this notice to:

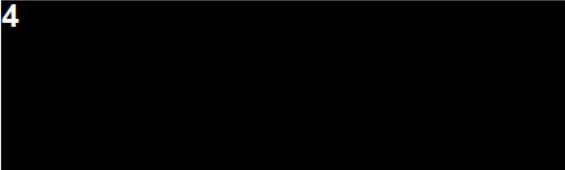
Attention: Mr Salman Siddiqui  
Compliance Section  
Funding and Disclosure Branch  
Australian Electoral Commission  
PO Box 6172  
KINGSTON ACT 2604

by no later than 5:00pm Friday, 28 August 2015.

**Refusal or failure to comply with this notice**

It is an offence for you to refuse or fail to comply with this notice to the fullest extent capable—s.316(5) and (5A). It is also an offence to supply false or misleading evidence in purported compliance with this notice—s.316(6).

Dated: 6<sup>th</sup> August 2015

4  


Tim Courtney  
A/g First Assistant Commissioner  
Australian Electoral Commission

An authorised officer for the purposes of section 316 of the Act.

Released under the Freedom of Information Act 1982

## 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.

Released under the Freedom of Information Act 1982