

June 2023

Compliance Review Report

Australian Chamber of Commerce and Industry

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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 the Australian Chamber of Commerce and Industry (the political campaigner) with the Australian Electoral Commission's (AEC) assessment of the level of compliance of the 2018-19 annual disclosure return lodged on behalf of the political campaigner with disclosure obligations under ss 314AB, 314AC and 314AE of the Electoral Act.

Disclosure obligations

Registered political campaigners are required under Part XX of the Electoral Act to furnish annual returns¹.

Section 314AB of the Electoral Act requires the financial controller of the political campaigner 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 political campaigner, 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 political campaigner during the financial year;
- the total outstanding amount, as at the end of the financial year, of all debts incurred by or on behalf of, the political campaigner together with the details specified by s 314AE of the Electoral Act;
- the total amount of electoral expenditure incurred by or with the authority of the political campaigner; and
- details of any discretionary benefits received by, or on behalf of the political campaigner from the Commonwealth, a State or a Territory during the financial year.

Section 314AC of the Electoral Act provides that if the sum of all amounts received by, or on behalf of, the political campaigner 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 314AC(4) of the Electoral Act provides that where the political campaigner 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:

¹ On 13 December 2021, the *Electoral Legislation Amendment (Political Campaigners) Act 2021* received Royal Assent. A Political Campaigner is now known as a Significant Third Party, among other changes which can be found on the [AEC website](#). The legislation referred to throughout this report was in effect at the time the 2018-19 annual financial disclosure return was lodged.

- incur electoral expenditure; or
- create or communicate electoral matter; or
- reimburse the political campaigner for incurring electoral expenditure or creating or communicating electoral matter.

Section 314AE of the Electoral Act provides that if the sum of all outstanding debts incurred by, or on behalf of, the political campaigner 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 2018–19 financial year, the threshold was for sums in excess of \$13,800.

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 campaigners under Part XX of the Electoral Act.

Subsection 316(2A) requires the financial controller of a political campaigner 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 political campaigner to provide its financial records and other documents in relation to its financial operations for 2018–19.

Scope of the review

The records which were requested by the AEC from the financial controller 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 political campaigner's annual disclosure return (as amended on 15 January 2021) for the 2018–19 financial year:
 - total receipts
 - total gifts in kind

- individual receipts above \$13,800
- total payments
- total debts
- individual debts above \$13,800
- total electoral expenditure
- discretionary benefits.

The AEC did not examine other aspects of the financial operations of the political campaigner 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 political campaigner by phone, email and/or face to face meetings as appropriate to cover the following topics:

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

A draft compliance review report was issued by the authorised officer of the AEC on 8 June 2023. The entity was provided with an opportunity to comment on the draft report by 15 June 2023. The entity did not provide any comment and lodged a request for amendment on 15 June 2023.

Review outcomes

1. Timely lodgement

Subsection 314AB(1) of the Electoral Act requires the financial controller of the political campaigner to lodge an annual disclosure return with the AEC within 16 weeks after the end of the financial year. As lodgement occurred on 21 October 2019 which is on the due date of 21 October 2019, the return complied with the requirement under s 314AB(1) to lodge a return for the political campaigner within 16 weeks after the end of the financial year.

2.Accuracy in reporting – amendments

After examining the documents provided by the financial controller for the review, the authorised officer of the AEC identified several issues relating to compliance with disclosure obligations under sections 314AB, 314AC of the Electoral Act. The issues are discussed in detail below.

Total Receipts and Total Payments

Paragraph 314AB(2) of the Electoral Act requires the financial controller to report the total amount received by, or on behalf of, the political campaigner during the financial year, together with the details required by s 314AC. To satisfy this, the financial controller 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 political campaigner must also be included in total receipts.

Paragraph 314AB(2) of the Electoral Act requires the financial controller to report the total amount paid by, or on behalf of, the political campaigner during the financial year. To satisfy this, the financial controller 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.

Total reportable receipts disclosed by the financial controller were under-stated in the political campaigner's 2018–19 annual disclosure return. The amount recorded as total receipts in the return is required to be amended by the political campaigner in order to ensure compliance with the Electoral Act.

Total reportable payments disclosed by the financial controller were over-stated in the political campaigner's 2018–19 annual disclosure return. The amount recorded as total payments and outlays on the entity's behalf in the return is required to be amended by the political campaigner in order to ensure compliance with the Electoral Act.

The relevant amendments are set out below.

Part 1a: Total Receipts AND Part 3: Total payments – amendments		
	Total receipts	Total payments
Total disclosed in return	\$7,233,467	\$7,053,749
Amended total	\$7,288,280	\$6,976,673

Receipts of more than \$13,800

Section 314AC of the Electoral Act provides that if the sum of all amounts received by, or on behalf of, the political campaigner 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 under-disclosed in the political campaigner's 2018-19 annual disclosure return. A number of amendments to individual receipts exceeding the \$13,800 threshold are required in order to ensure compliance with the Electoral Act. The relevant amendments are set out below.

Part 2: Amounts of more than \$13,800 received – amendments				
Entry	Name	Address	Amount received	Receipt Type
New entry no. 1	CADF PTY Ltd	PO Box 1185, Ashfield NSW 2131	\$42,350	Other Receipt
New entry no. 2	MindJam	Level 2, 77 Dunning Ave, Rosebery NSW 2018	\$19,866	Other Receipt
Original entry no. 1	Victorian Chamber of Commerce and Industry	GPO Box 4352 Melbourne VIC 3001	\$876,070	Other Receipt
Amended entry no. 1	Victorian Chamber of Commerce and Industry	GPO Box 4352 Melbourne VIC 3001	\$963,677	Other Receipt
Original entry no. 2	NSW Business Chamber	Locked Bag 938 North Sydney NSW 2019	\$828,358	Other Receipt
Amended entry no. 2	NSW Business Chamber	Locked Bag 938 North Sydney NSW 2019	\$1,003,123	Other Receipt
Original entry no. 3	Chamber of Commerce & Industry WA	PO Box 6209 East Perth WA 6892	\$743,935	Other Receipt
Amended entry no.3	Chamber of Commerce & Industry WA	PO Box 6209 East Perth WA 6892	\$641,009	Other Receipt
Original entry no. 4	Chamber of Commerce & Industry Queensland	Industry House, 375 Wickham Terrace Spring Hill QLD 4000	\$318,992	Other Receipt
Amended entry no.4	Chamber of Commerce & Industry Queensland	Industry House, 375 Wickham Terrace Spring Hill QLD 4000	\$430,557	Other Receipt
Original entry no. 5	Business SA	Level 1, 136 Greenhill Road Unley SA 5061	\$168,546	Other Receipt

Part 2: Amounts of more than \$13,800 received – amendments				
Entry	Name	Address	Amount received	Receipt Type
Amended entry no. 5	Business SA	Level 1, 136 Greenhill Road Unley SA 5061	\$59,990	Other Receipt
Original entry no. 6	Victorian Automobile Chamber of Commerce	7th Floor, 464 St Kilda Road Melbourne VIC 3004	\$132,900	Other Receipt
Amended entry no. 6	Victorian Automobile Chamber of Commerce	7th Floor, 464 St Kilda Road Melbourne VIC 3004	\$109,643	Other Receipt
Original entry no. 7	Australian Mines & Metals Association	Level 14, 55 Collins Street Melbourne VIC 3000	\$126,000	Other Receipt
Amended entry no. 7	Australian Mines & Metals Association	Level 14, 55 Collins Street Melbourne VIC 3000	\$138,600	Other Receipt
Original entry no. 8	Australian Federation of Employers and Industries	PO Box A233 Sydney South NSW 1235	\$103,225	Other Receipt
Amended entry no. 8	Australian Federation of Employers and Industries	PO Box A233 Sydney South NSW 1235	\$115,610	Other Receipt
Original entry no. 9	Chamber of Commerce NT	PO Box 1825 DARWIN NT 0801	\$76,300	Other Receipt
Amended entry no. 9	Chamber of Commerce NT	PO Box 1825 DARWIN NT 0801	\$83,930	Other Receipt
Original entry no. 10	Tasmanian Chamber of Commerce & Industry	GPO Box 793 Hobart TAS 7001	\$74,124	Other Receipt
Amended entry no. 10	Tasmanian Chamber of Commerce & Industry	GPO Box 793 Hobart TAS 7001	\$59,070	Other Receipt
Original entry no. 11	Aust Arab Chamber of Commerce & Industry	Level 5, 121 Exhibition Street Melbourne VIC 3000	\$68,874	Other Receipt
Amended entry no. 11	Aust Arab Chamber of Commerce & Industry	Level 5, 121 Exhibition Street Melbourne VIC 3000	\$93,704	Other Receipt

Part 2: Amounts of more than \$13,800 received – amendments				
Entry	Name	Address	Amount received	Receipt Type
Original entry no. 12	Housing Industry Association	79 Constitution Avenue Campbell ACT 2612	\$64,250	Other Receipt
Amended entry no. 12	Housing Industry Association	79 Constitution Avenue Campbell ACT 2612	\$70,675	Other Receipt
Original entry no. 13	Pharmacy Guild of Australia	PO BOX 310 Fyshwick Mail Centre ACT 2609	\$56,100	Other Receipt
Amended entry no. 13	Pharmacy Guild of Australia	PO BOX 310 Fyshwick Mail Centre ACT 2609	\$61,710	Other Receipt
Original entry no. 14	Canberra Business Chamber	PO Box 6308 O'Connor ACT 2602	\$53,700	Other Receipt
Amended entry no. 14	Canberra Business Chamber	PO Box 6308 O'Connor ACT 2602	\$59,110	Other Receipt
Original entry no. 15	Westpac Banking Corporation	Level 2, Westpac Place, 275 Kent Street Sydney NSW 2000	\$43,000	Other Receipt
Amended entry no. 15	Westpac Banking Corporation	Level 2, Westpac Place, 275 Kent Street Sydney NSW 2000	\$23,650	Other Receipt
Original entry no. 16	Procurement Australia	Level 18, 461 Bourke Street Melbourne VIC 3000	\$40,500	Other Receipt
Amended entry no. 16	Procurement Australia	Level 18, 461 Bourke Street Melbourne VIC 3000	\$72,050	Other Receipt
Original entry no. 17	Imperial Tobacco Australia Limited	Level 4, 4-8 Inglewood Place Baulkham Hills NSW 2153	\$26,650	Other Receipt
Amended entry no. 17	Imperial Tobacco Australia Limited	Level 4, 4-8 Inglewood Place Baulkham Hills NSW 2153	\$29,315	Other Receipt
Original entry no. 18	British American Tobacco	166 William Street Woolloomooloo NSW 2011	\$26,650	Other Receipt

Part 2: Amounts of more than \$13,800 received – amendments				
Entry	Name	Address	Amount received	Receipt Type
Amended entry no. 18	British American Tobacco	166 William Street Woolloomooloo NSW 2011	\$29,315	Other Receipt
Original entry no. 19	Philip Morris Limited	Level 6, 30 Convention Centre Place South Wharf VIC 3006	\$26,650	Other Receipt
Amended entry no. 19	Philip Morris Limited	Level 6, 30 Convention Centre Place South Wharf VIC 3006	\$29,315	Other Receipt
Original entry no. 20	Sanofi	12-24 Talavera Rd Macquarie Park NSW 2113	\$26,000	Other Receipt
Amended entry no. 20	Sanofi	12-24 Talavera Rd Macquarie Park NSW 2113	\$28,600	Other Receipt
Original entry no. 21	Stratium Global	3 Garnet Street Rockdale NSW 2216	\$26,000	Other Receipt
Amended entry no. 21	Stratium Global	3 Garnet Street Rockdale NSW 2216	\$28,600	Other Receipt
Original entry no. 22	Bank of China	Ground Floor, 140 Sussex Street Sydney NSW 2000	\$26,000	Other Receipt
Amended entry no. 22	Bank of China	Ground Floor, 140 Sussex Street Sydney NSW 2000	\$28,600	Other Receipt
Original entry no. 23	CareSuper	Level 20, 6 O'Connell Street Sydney NSW 2000	\$20,000	Other Receipt
Amended entry no. 23	CareSuper	Level 20, 6 O'Connell Street Sydney NSW 2000	\$22,000	Other Receipt
Original entry no. 24	The National Roads and Motorists Association	Level 13/151 Clarence Street Sydney NSW 2000	\$16,150	Other Receipt
Amended entry no. 24	The National Roads and Motorists Association	Level 13/151 Clarence Street Sydney NSW 2000	\$17,765	Other Receipt

Part 2: Amounts of more than \$13,800 received – amendments				
Entry	Name	Address	Amount received	Receipt Type
Original entry no. 25	Australian Meat Processor Corporation	Suite 2 Level 6, 99 Walker Street North Sydney NSW 2060	\$16,150	Other Receipt
Amended entry no. 25	Australian Meat Processor Corporation	Suite 2 Level 6, 99 Walker Street North Sydney NSW 2060	\$17,765	Other Receipt
Original entry no. 26	The Star Entertainment Group	80 Pymont Street Pymont NSW 2009	\$16,150	Other Receipt
Amended entry no. 26	The Star Entertainment Group	80 Pymont Street Pymont NSW 2009	\$17,765	Other Receipt
Original entry no. 27	Laureate International Universities ANZ / Torrens University	Level 24, 680 George Street Sydney NSW 2000	\$16,150	Other Receipt
Amended entry no. 27	Laureate International Universities ANZ / Torrens University	Level 24, 680 George Street Sydney NSW 2000	\$17,765	Other Receipt
Original entry no. 28	Medicines Australia	17 Dennison Street Deakin ACT 2600	\$16,150	Other Receipt
Amended entry no. 28	Medicines Australia	17 Dennison Street Deakin ACT 2600	\$17,765	Other Receipt
Original entry no. 29	Southern Cross Group Services	4/369 Victoria Street Wetherill Park NSW 2164	\$16,150	Other Receipt
Amended entry no. 29	Southern Cross Group Services	4/369 Victoria Street Wetherill Park NSW 2164	\$17,765	Other Receipt

Total Electoral Expenditure

Section 314AB(2) of the Electoral Act provides for the disclosure of the total amount of electoral expenditure incurred by, or with the authority of the political campaigner.

Section 287AB of the Electoral Act defines electoral expenditure as being:

“expenditure incurred for the dominant purpose of creating or communicating electoral matter,…”

Section 4AA of the Electoral Act defines electoral matter as being:

“matter communicated or intended to be communicated for the dominant purpose of influencing the way electors vote in an election (a **federal election**).”

Total electoral expenditure disclosed by the political campaigner was over-stated in the political campaigner’s 2018–19 annual disclosure return. The relevant amendment is set out below.

Part 6: Total Electoral Expenditure – amendment	
Total disclosed in return	\$614,491
Amended total	\$0

Discretionary Benefits

Section 314AB(2)(b) of the Electoral Act provides for the disclosure of details of any discretionary benefits received by, or on behalf of the political campaigner from the Commonwealth, a State or a Territory during the financial year.

Discretionary benefits disclosed by the political campaigner were over-stated in the political campaigner’s 2018–19 annual disclosure return. A number of amendments to discretionary benefits are required in order to ensure compliance with the Electoral Act. The relevant amendments are set out below.

Part 7: Discretionary Benefits – amendments				
Entry	Name	Purpose	Amount received	Receipt Type
Original entry no. 1 (to be removed)	Department of Foreign Affairs and Trade- Women’s economic empowerment		\$68,006	Other receipt
Amended entry no. 1	Remove			
Original entry no. 2 (to be removed)	Safe Work Australia		\$3,000	Other receipt
Amended entry no. 2	Remove			

Matters requiring future action

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

- calculating total receipts and payments from a complete listing of bank account receipts and payments respectively
- including all amounts received in the calculation of total receipts, regardless of the nature of the amounts received
- including all amounts paid in the calculation of total payments, regardless of the nature of the amounts paid
- examining all amounts received by the entity in identifying receipts above the threshold for disclosure
- examining all expenses listed in the trial balance to ensure that electoral expenditure is correctly identified and disclosed
- examining all amounts received by the entity to ensure that discretionary benefits received are correctly identified and disclosed
- checking the accuracy of all calculations of amounts for disclosure in the annual disclosure return.

Conclusion

The authorised officer of the AEC for the purposes of s 316(2) of the Electoral Act has assessed the 2018–19 annual disclosure return for the political campaigner lodged with the AEC on 21 October 2019 complied with the requirement under s 314AB(1) of the Electoral Act to lodge a return for political campaigner 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 ss 314AB and 314AC of the Electoral Act.

In view of the lodgement by the financial controller on 15 June 2023, of an amendment to the political campaigner's 2018–19 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 314AB and 314AC of the Electoral Act.

Joanne Reid
Assistant Commissioner
Australian Electoral Commission

21 June 2023