

April 2023

# Compliance Review Report

**Australian Greens (South Australia)**

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## Purpose of this report

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Pursuant to s 316(2A) of the *Commonwealth Electoral Act 1918* (Electoral Act), this report provides the party agent of the Australian Greens (South Australia) (the party) with the Australian Electoral Commission's (AEC) assessment of the level of compliance of the 2020–21 annual disclosure return lodged on behalf of the party with disclosure obligations under ss 314AB, 314AC and 314AE of the Electoral Act.

## Disclosure obligations

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

Section 314AB of the Electoral Act requires the party agent of a registered political party 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 party, 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 party, 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 party, together with the details specified by s 314AE of the Electoral Act.
- details of any discretionary benefits received by, or on behalf of the political party 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 party 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 party 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 2020–21 financial year, the threshold was for sums in excess of \$14,300.

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

## Conduct of the review

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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.

Subsection 316(2A) requires the party agent of a registered political party 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 party agent under s 316(2A) requiring the party to provide its financial records and other documents in relation to its financial operations for 2020–21.

## Scope of the review

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The records which were requested by the AEC from the party 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 party's annual disclosure return for the 2020–21 financial year:
  - total gifts in kind
  - individual receipts above \$14,300
  - total debts
  - individual debts above \$14,300

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

## Stakeholder engagement

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

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

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

A draft compliance review report was issued by the authorised officer of the AEC on 29 March 2023. The party was provided with an opportunity to comment on the draft report by 5 April 2023. The party did not provide any comment and lodged a request for amendment on 1 April 2023.

## Review outcomes

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### 1. Timely lodgement

Subsection 314AB(1) of the Electoral Act requires the party agent of the registered political party to lodge an annual disclosure return with the AEC within 16 weeks after the end of the financial year. As lodgement occurred on 4 November 2021 which is after the due date of 20 October 2021, the return did not comply with the requirement under s 314AB(1) to lodge a return for a registered political party within 16 weeks after the end of the financial year.

### 2. Accuracy in reporting – amendments

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

#### Gifts-in-kind

Paragraph 314AB(2)(a) of the Electoral Act requires the party agent to report the total amount received by, or on behalf of, the party during the financial year. The total amount received must also include the value of a *gift* (donation), loan or bequest in accordance with the definition at s 314AA.

Section 287 of the Electoral Act defines *gift* as being:

“any disposition of property made by a person to another person, otherwise than by will, 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...”.

Therefore, goods or services provided free of charge or at less than commercial rates constitute a gift that must be disclosed as a receipt by the party.

Total reportable gifts-in-kind received by the party were under-stated in the party's 2020–21 annual disclosure return. The relevant amendment is set out below.

#### Part 1b: Total Gifts in kind – amendment

Total disclosed in return	Nil
Amended total	\$4,430

### Amounts of more than \$14,300 received

Section 314AC of the Electoral Act 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. Furthermore, that sum is to include only those individual amounts which exceed the threshold.

Individual receipts exceeding the threshold were over-disclosed in the party's 2020–21 annual disclosure return. A number of amendments to individual receipts exceeding the \$14,300 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 \$14,300 received – amendments				
Entry	Name	Address	Amount received	Receipt Type
Original entry no. 1	Mark Parnell	Parliament House, North Tce Adelaide SA 5000	\$30,909	Other Receipt
Amended entry no. 1	To be removed			
Original entry no. 2	Tammy Franks	Parliament House North Tce Adelaide SA 5000	\$25,819	Other Receipt
Amended entry no. 2	To be removed			
Original entry no. 3 (to be removed)	Australian Taxation Office	GPO Box 9990 Adelaide SA 5001	\$16,988	Other Receipt
Amended entry no.3	To be removed			

### Total Debts

Paragraph 314AB(2)(a) of the Electoral Act requires the party agent to report the total outstanding amount as at the end of the financial year of all debts incurred by or, on behalf of, the party.

Total reportable debts of the party were over-stated in the party's 2020–21 annual disclosure return. The amount recorded as total debts in the return is required to be amended by the party in order to ensure compliance with the Electoral Act. The relevant amendment is set out below.

<b>Part 4: Total Debts – amendment</b>	
Total disclosed in return	\$208,878
Amended total	\$173,495

### Debts of more than \$14,300

Section 314AE of the Electoral 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 return must include the particulars of that sum.

Individual debts exceeding the threshold were over-disclosed in the party's 2020–21 annual disclosure return. An amendment to individual debts exceeding the \$14,300 threshold is required in order to ensure compliance with the Electoral Act. The relevant amendment is set out below.

<b>Part 5: Debts of more than \$14,300 – amendments</b>				
<b>Entry</b>	<b>Name</b>	<b>Address</b>	<b>Amount Owed</b>	<b>Financial/Non-financial institution</b>
Original entry no. 1	ATO	GPO box 9990 Adelaide SA 5001	\$15,426	Non-financial institution
Amended entry no. 1	To be removed			

## Matters requiring future action

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

- accurately examining all amounts received by the entity in identifying gifts-in-kind for disclosure.
- checking the accuracy of all calculations of amounts for disclosure in the annual disclosure return.

## Conclusion

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The authorised officer of the AEC for the purposes of s 316(2) of the Electoral Act has assessed the 2020–21 annual disclosure return for the party lodged with the AEC on 4 November 2021 did not comply with the requirement under s 314AB(1) of the Electoral Act to lodge a return for a registered political party within 16 weeks after the end of the financial year.

In addition, in view of the discrepancies identified, the return did not comply with the provisions of ss 314AB, 314AC and 314AE of the Electoral Act.

In view of the lodgement by the party agent on 1 April 2023, of an amendment to the party's 2020–21 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, 314AC and 314AE of the Electoral Act.

Joanne Reid  
Assistant Commissioner  
Australian Electoral Commission

21 April 2023