

August 2021

Compliance Review Report

Liberal Party of Australia

Table of Contents

Purpose of this report	2
Disclosure obligations	2
Conduct of the review	2
Scope of the review	3
Stakeholder engagement.....	3
Review outcomes	4
1. Timely lodgement.....	4
2. Accuracy in reporting – amendments	4
Matters requiring future action	7
Conclusion.....	7

Purpose of this report

Pursuant to s 316(2A) of the *Commonwealth Electoral Act 1918* (Electoral Act), this report provides the party agent of the Liberal Party of Australia (the party) 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 party with disclosure obligations under ss 314AB, 314AC and 314AE of the Electoral Act.

Disclosure obligations

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.

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 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 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 2018–19.

Scope of the review

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 (as amended on 15 January 2020 and 13 February 2020) for the 2018–19 financial year:
 - total gifts in kind
 - individual receipts above \$13,800
 - total debts
 - individual debts above \$13,800

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

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 Wednesday 28 July 2021. The party was provided with an opportunity to comment on the draft report by Thursday 12 August 2021. On 12 August 2021 the party provided comments on the draft report and discussions took place regarding the proposed amendments. An amended return was lodged by the party on Friday 27 August 2021.

Review outcomes

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 17 October 2019 which is before the due date of 21 October 2019, the return complied 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 ss 314AB and 314AC of the Electoral Act. The issues are discussed in detail below.

Amounts of more than \$13,800 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 under-disclosed in the party'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	Department of Finance	Ministerial & Parliamentary Services Forrest ACT 2603	\$16,455	Other Receipt

Part 2: Amounts of more than \$13,800 received – amendments				
Entry	Name	Address	Amount received	Receipt Type
New Entry No. 1	Department of Finance	Ministerial & Parliamentary Services Forrest ACT 2603	\$15,343	Other Receipt
New Entry No. 3	Paul Gedoun	22 Reading Street Paddington QLD 4064	\$15,000	Donation
Original Entry No. 1	Australian Taxation Office	Locked Bag 1793 Penrith NSW 1793	\$83,085	Other Receipt
Amended Entry No. 1	Remove			
Original Entry No. 2	Cormann LP Campaign Committee	P.O. Box 7718 Cloisters Square WA 6850	\$30,000	Donation
Amended Entry No. 2	Liberal Party (W.A. Division) Inc	PO Box 49 WEST PERTH WA 6872	\$30,000	Donation
Original Entry No. 3	Cormann LP Campaign Committee	P.O. Box 7718 Cloisters Square WA 6850	\$33,990	Other Receipt
Amended Entry No. 3	Liberal Party (W.A. Division) Inc	PO Box 49 WEST PERTH WA 6872	\$33,990	Other Receipt
Original Entry No. 4	Cormann LP Campaign Committee	P.O. Box 7718 Cloisters Square WA 6850	\$50,000	Donation
Amended Entry No. 4	Liberal Party (W.A. Division) Inc	PO Box 49 WEST PERTH WA 6872	\$50,000	Donation
Original Entry No. 5	Cormann LP Campaign Committee	P.O. Box 7718 Cloisters Square WA 6850	\$130,000	Donation
Amended Entry No. 5	Liberal Party (W.A. Division) Inc	PO Box 49 WEST PERTH WA 6872	\$130,000	Donation
Original Entry No. 6	Cormann LP Campaign Committee	P.O. Box 7718 Cloisters Square WA 6850	\$175,000	Donation
Amended Entry No. 6	Liberal Party (W.A. Division) Inc	PO Box 49 WEST PERTH WA 6872	\$175,000	Donation
Original Entry No. 7	Liberal National Party - Qld	P.O. Box 940 Spring Hill QLD 4004	\$43,777	Other Receipt

Part 2: Amounts of more than \$13,800 received – amendments				
Entry	Name	Address	Amount received	Receipt Type
Amended Entry No. 7	Liberal National Party - Qld	P.O. Box 940 Spring Hill QLD 4004	\$44,603	Other Receipt
Original Entry No. 8	Liberal Party of Australia Victorian Division	Level 3, 104 Exhibition Street Melbourne VIC 3000	\$25,674	Other Receipt
Amended Entry No. 8	Remove			
Original Entry No. 9	Ramsay Health Care Aust P/L	Level 18,126 Phillip Street Sydney NSW 2000	\$20,000	Donation
Amended Entry No. 9	Michael Siddle	6a View Street WOOLWICH NSW 2110	\$20,000	Donation
Original Entry No. 10	Village Roadshow Limited	P.O. Box 2275 Prahran VIC 3181	\$20,000	Other Receipt
Amended Entry No. 10	Graham Burke	Level 1 500 Chapel Street SOUTH YARRA VIC 3141	\$20,000	Other Receipt

Total Debts

Paragraph 314AB(2)(c) 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 2018–19 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.

Part 4: Total Debts – amendment	
Total disclosed in return	\$4,615,257
Amended total	\$4,039,352

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:

- examining all amounts received by the party in identifying receipts above the threshold for disclosure
- including all debts listed in the trial balance as owing to other persons and entities in the calculation of total debts, other than amounts owed for staff entitlements, regardless of the age of the debt
- 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 party lodged with the AEC on 17 October 2019 complied 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.

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 party agent on 27 August 2021, of an amendment to the party'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

31 August 2021