



DISCLOSURE HANDBOOK

for

REGISTERED POLITICAL PARTIES

NT ELECTORAL COMMISSION OFFICES

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NTEC – Summary of disclosure provisions as at March 2016

As at June 2012 no political funding is provided for in the NT. Certain groups and individuals must disclose as outlined below.

Note: disclosure amounts are inclusive of GST. The onus is on the person disclosing to get it right.

Who reports?	What is reported?	Reporting period/due date for lodgement
Candidates	<ul style="list-style-type: none"> • Details of each gift ≥\$200 • All persons/organisations making gifts • Loans of ≥\$1500 • Details of all expenditures by category 	<p><i>Independent candidate</i> – commences day candidature announced or day nominated, whichever is the earlier</p> <p><i>Newly endorsed party candidate</i> – commences from the date of endorsement</p> <p><i>Candidate from the previous election nominating again</i> – commences 30 days after the previous polling day</p> <p>Ends 30 days after polling day</p> <p>Due date - within 15 weeks of polling day</p>
Registered political parties	<ul style="list-style-type: none"> • Total amounts received and paid during year • Loans by individual persons or parties of ≥\$1500 • In-kind gifts of goods, assets and services <p>Anonymous donations of ≥\$1000 & loans ≥\$1500 are illegal</p>	<p>Due date - 16 weeks after financial year end</p> <p>Public inspection is available from 1 March following the due date at NTEC office/on website</p>
Associated entities	<ul style="list-style-type: none"> • Total amounts received and paid during year. • From whom or on whose behalf payments of ≥\$1500 were received • From whom or on whose behalf liabilities totalling ≥\$1500 were incurred <p>Organisation/individual contributing capital and the amount</p>	<p>Reporting is by financial year (July – June)</p> <p>Due date - 16 weeks after end financial year</p> <p>Public inspection is available from 1 March following the due date at NTEC office/on website</p>
Donors to parties and candidates	<p>Donations outside elections:</p> <ul style="list-style-type: none"> • Direct or indirect donations of ≥\$1500 • Donations of ≥\$1000 used in whole or part to make party donations of ≥\$1500 <p>Donations during the election period:</p> <ul style="list-style-type: none"> • Donations totalling ≥\$200 to a candidate or ≥\$1000 to parties and other organisations. 	<p>Annual returns – lodged within 20 weeks after the end of the financial year where total donations are \$1500 or more.</p> <p>Election returns - by 15 weeks after polling day</p>
Broadcasters and Publishers	<ul style="list-style-type: none"> • Details of all electoral advertisement broadcast and published • Free/below-market rate ads are classified as donations requiring separate reporting if valued at >\$1000. 	<p>8 weeks after polling day</p>

Note: Forms and handbooks are available on the NTEC website. For advice phone 8999 5000.

1 INTRODUCTION

1.1 Purpose

The purpose of this handbook is to assist candidates at NT registered political parties to comply with the financial disclosure provisions of Part 10 of the *Electoral Act*.

1.2 Publications

It is one of a series of publications prepared by the Northern Territory Electoral Commission (NTEC) to assist parties, candidates, donors and other affected persons to comply with the disclosure provisions of the Act. The other publications are:

- Disclosure Handbook for Associated Entities
- Disclosure Handbook for Candidates
- Disclosure Handbook for Donors
- Disclosure Handbook for Broadcasters and Publishers.

1.3 Information from the Electoral Act

This handbook provides information derived from the Act, and from the experience of other jurisdictions, such as the Australian Electoral Commission, in the administration of its disclosure provisions. It attempts to simplify and explain the legislative provisions. While it is intended as a user-friendly guide to the disclosure requirements, it does not address the whole of the Act nor does it substitute for specific legal advice on detailed compliance issues.

1.4 Advice

Information and advice may be available from the NTEC:

Northern Territory Electoral Commission
GPO Box 2419
Darwin NT 0801.

Phone enquiries: (08) 8999 5000 and 1800 **MYVOTE**

Fax enquiries: (08) 8999 7630

E-mail enquiries: ntec@ntec.gov.au

Note: The NTEC does not offer legal advice. If you have any doubts concerning compliance issues, it is recommended that you obtain private legal advice.

2 BACKGROUND

2.1 Electoral Act

Part 10 of the *Electoral Act* applies to the disclosure of information regarding political contributions and electoral expenditure. It requires candidates, registered political parties and their associated entities, broadcasters and publishers, and certain donors, to lodge disclosure returns with the NTEC.

Disclosure returns are available for inspection in order to inform the public about the financial dealings of parties, candidates and others involved in the election process. The aim is to prevent political corruption by making the financing of political parties and candidates as transparent as possible.

The disclosure provisions require each registered political party to nominate an agent who is responsible for compliance with the disclosure provisions of the *Electoral Act*. Candidates may appoint an agent.

2.2 Overview

- Parties must appoint an agent to act on their behalf regarding disclosure matters
- Parties are required to lodge annual returns of receipts, payments and debts
- The names and addresses of persons or organisations who donated or lent \$1500 or more to the party must be disclosed
- People or organisations donating \$1500 or more to the same party in a financial year must lodge returns
- Associated entities of political parties must lodge annual disclosure returns
- Anonymous donations of \$1000 or more are illegal, and loans of \$1500 or more must be documented
- Disclosure returns are on the public record and
- Registered political parties and their associated entities are subject to compliance investigation by the NTEC.

2.3 Political parties

A registered political party is one that is registered with the NTEC under Part 9 of the *Electoral Act*. The Handbook - *Registration of Political Parties in the Northern Territory* has been prepared by the NTEC to assist political parties to register.

For the purposes of the disclosure provisions, a campaign committee of an endorsed candidate is part of the party and is to be included in the return of the political party

'Political parties' that are not registered with the NTEC are treated as donors for the purposes of the disclosure provisions. The *Disclosure Handbook for Donors* applies to these parties.

2.4 Summary of reporting obligations for registered political parties

Registered parties must report

- Total amounts received and paid during year and outstanding liabilities at end year
- Details of persons and organisations who donated or lent the party **\$1500** or more
- Anonymous donations of \$1000 and loans or \$1500 or more are illegal
- In-kind gifting of goods, assets and services that were free or below true market value – except volunteer work.

Reporting period/due date for lodgement

Reporting is by financial year

The return is due **16 weeks** after the end of each financial year*

Public inspection is available from 1 March following the due date at NTEC office.

NOTE:

Registered parties must

- Appoint an agent for disclosure matters
- Lodge annual (July – June) returns of receipts, payments and debts

Multiple payments collectively below \$1500 do not need to be detailed, but over \$1500 collectively must be detailed

Associated returns

- People and organisations making donations to political parties and associated entities are required to disclose donations totalling \$1500 or more
- All donations less than \$1500 by 1 donor/associated entity must be considered to determine if the threshold has been met.

* Note Parties must also report within 16 weeks after the end of each financial year that they continue to comply with their original registration criteria and provide a copy of their current constitution.

3 APPOINTMENT OF AGENTS

Section 184 of the Electoral Act applies to the appointment of agents.

Registered political parties **MUST** appoint an agent to act on their behalf regarding disclosure matters.

Candidates **MAY** appoint an agent, if they wish, to act on their behalf for these purposes.

3.1 Registered political party

A registered political party is one that is registered with the NTEC. Registration with another State or Territory electoral authority or the Australian Electoral Commission does not confer registration in the Northern Territory.

The registration requirements and obligations are separately addressed in the handbook *Registration of Political Parties in the Northern Territory*.

3.2 Responsibilities

The agent of a party assumes responsibility for lodging receipt and expenditure disclosure returns.

3.3 Candidates

The party agent is not the agent of endorsed candidates unless separately appointed as such. The appointment and responsibilities of candidates' agents are addressed in the *Disclosure Handbook for Candidates*.

3.4 Appointment of agent

A request to appoint an agent must be lodged with the NTEC's Darwin office.

The NTEC has forms for the *Appointment of Agents*.

To be eligible for appointment as an agent a person must:

- be at least 18 years of age
- not have been convicted of an offence under the disclosure provisions
- have signed a consent to the appointment and
- have signed a declaration of eligibility for appointment containing the person's name and address.

The appointment form incorporates a statement of consent to the appointment, a declaration of eligibility for appointment and the other relevant information.

A person may accept multiple appointments as agent but each appointment must be made separately. Only natural persons, and not corporations, may be appointed as agents.

3.5 Register of party agents

The NTEC keeps a register of party agents showing the name and address of every person appointed as agent of a political party. An entry in the register is evidence that the person is an agent for disclosure purposes.

Registration is effective from the time the details are entered in the register and ceases at the time the details are removed.

3.6 Termination of appointment

Agents may resign their appointment at any time by written notice to the NTEC.

An appointment as agent may be revoked at any time by written notice to the NTEC from the party secretary.

If an agent dies, the party or branch has 28 days in which to notify the NTEC, and advise a replacement agent.

An agent who is convicted of an offence against the disclosure provisions is no longer eligible to hold office. The party has 28 days from the conviction, or from an unsuccessful appeal, in which to make a fresh appointment.

If a party does not have an agent the registered officer of the party for party registration is taken to be the agent.

4 ANNUAL RETURN

Section 205 of the *Electoral Act* provides for annual returns by registered political parties in the Northern Territory.

4.1 Disclosure obligations

The agent of each registered political party must lodge an annual return with the Commission.

The return requires disclosure of the total amount:

- received by or on behalf of the party or branch during the financial year (Part 4)
- paid by or on behalf of the party or branch during the financial year (Part 5)
- of liabilities outstanding by or on behalf of the party or branch at the end of the financial year (Part 6).

It also requires the name and address of people or entities:

- from whom, or on whose behalf, payments of \$1500 or more were received during the financial year (Part 4.2)
 - Payments, including multiple payments, of less than \$1500 are disregarded for this disclosure requirement.
- from whom, or on whose behalf, liabilities totalling \$1500 or more were incurred during the financial year (Part 6.2)
 - Individual transactions of less than \$1500 which total \$1500 or more must be considered for this disclosure requirement.

The disclosure return applies to registered political parties regardless of whether the party is incorporated under federal, State or Territory law, or operates in the form of a partnership.

4.2 Period covered

The return covers the financial year 1 July to 30 June.

For a party that is newly registered, the period commences on the date of registration and ends on 30 June. Transactions before the party was registered with the NTEC do not have to be disclosed.

4.3 Responsibility for lodging returns

Responsibility for lodging the return lies with the agent registered with the NTEC.

Where there is no agent, the registered officer of the party for party registration is responsible for lodging the return.

4.4 General principles

The following principles apply to completion of the return.

- **Cash accounting** - The return separately addresses amounts received, amounts paid and liabilities outstanding. These transactions are reported on a cash basis rather than a cash received/cheques written or an accruals accounting basis. The effect is:
 - Only completed transactions are disclosed eg a cheque payment is reported when the cheque is presented (and the underlying money has changed hands) rather than when the cheque is written
 - Accounting 'book entries' such as depreciation, provisions and valuation adjustments are not reported
 - The return will be unlikely to fully reconcile to the financial statements of the party or branch and some accounting standards will not be relevant. It will assist any subsequent NTEC audit if a reconciliation was included in the working papers to be retained by the party or branch.
- **Scope** - Transactions of all sections of the party, including local branches and committees, must be included. Care should be taken to ensure that intra-Territory transactions are not double counted:
 - Transactions between party units within the Territory are **NOT** included to avoid double counting within the return eg a transfer of donated funds from a campaign committee within the Territory to the party is not disclosed
 - Transactions between the Territory party and the federal party and other States or Territories **ARE** included as these are separate entities for disclosure purposes eg money received from the federal secretariat is disclosed as a receipt by the Territory party
 - Transactions of the campaign committee of a candidate endorsed by the party **must** be included in the return
 - Transactions by persons acting on behalf of the party, including candidates at federal, State and local elections, **must** be included in the return.
- **Gross reporting** - The return is completed on a gross basis, without netting of expenses eg a fundraiser taking \$4000 with costs of \$2750 and a net profit of \$1250 should be reported as \$4000 receipts and \$2750 payments, rather than net receipts of \$1250.

- **Disclosure threshold** – The total of all receipts, payments and liabilities must be disclosed, together with:
 - Details of receipts of \$1500 or more (ignoring individual amounts less than \$1500)
 - Details of liabilities totalling \$1500 or more (aggregating individual amounts less than \$1500).

- **Related bodies corporate** - Parties or branches and their related bodies corporate (as determined under the *Corporations Law*) are treated as a single entity:
 - Consolidate transactions of related entities (eg holding companies and subsidiaries) when determining whether the disclosure threshold has been reached
 - Simplistically, related bodies corporate are entities at least 50% owned or controlled by another entity
 - Consider multiple donations received under different company names to determine whether these companies are related bodies corporate requiring consolidated disclosure.

4.5 Total receipts, payments and debts

Parts 4, 5 and 6 of the return are the total of all transactions for the party, including party units:

- All transactions of the party or branch **must** be included regardless of the amount (i.e. receipts, payments and liabilities of less than \$1500 are included)
- No category or class of transaction is excluded. Included are:
 - Membership and affiliation fees, and federal election funding are included in total receipts
 - Federal, State and other election campaign expenses, salaries and wages in total payments
 - Trading liabilities e.g. accounts outstanding in total debts.

4.6 Donations received

Receipts to be reported include donations or gifts received. These are widely defined to include any transfer or gift of property or services for which no payment, or an inadequate payment, is received. Donations may be cash (e.g. money or cheque), or 'gifts-in-kind'.

They may be received directly by the party, or by a third party on their behalf, or with their authority. They may be received by an endorsed candidate, campaign committee, or by a broader political supporter.

4.7 Gifts-in-kind

Receipts include gifts-in-kind, which must be appropriately valued. Gifts-in-kind are goods, assets or services for which no payment (in cash or kind), or a payment less than true value is made. These donations are to be disclosed at their proper value – normally the commercial or sale value of the item or service as evidenced by arms-length quotations, comparative advertisements or expert assessment.

Examples of in-kind donations include:

- free services or services provided at a discount to the commercial rates normally charged by the service provider (e.g. for legal advice, accounting services or web/IT services)
- excessive payments received for goods or services provided (including excessive membership fees)
- wages or salaries (including on-costs) incurred by an employer whose employee works for the party during normal working hours while continuing to receive salary or wages from the employer (but not if the employee takes paid leave to work for the party)
- free use of a motor vehicle, or free fuel or servicing of a motor vehicle
- free or discounted
 - time or production services by a broadcaster (except time provided by the ABC or SBS specifically for political broadcasting)
 - advertising by a publisher or advertising production service
 - printing, typesetting or associated services
 - use of commercial premises and/or the associated utilities.

4.8 Volunteer labour

Volunteer labour does not need to be disclosed as a receipt. This is because the amount of a receipt is defined to include a gift, the definition of which specifically excludes volunteer labour. The donation of unpaid time by a person is volunteer labour where it is provided 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.

The distinction between gifts-in-kind and volunteer labour is seen in the following examples:

- the donation of legal advice by a solicitor who is a party member is volunteer labour because the solicitor is a party member
- the donation of legal advice by a solicitor who is not a party member is a gift-in-kind that must be disclosed because this is a service for which that person normally charges
- a solicitor who is not a party member handing out how-to-vote cards is volunteer labour because this is not a service for which that person normally charges

- the donation of legal advice on behalf of a firm of solicitors is a gift-in-kind that must be disclosed because volunteer labour may only be provided by natural persons, not organisations.

4.9 Excluded items

Transactions that do **not** need to be reported as receipts include:

- personal gifts to a candidate that are not used to incur campaign expenditure
- commercial discounts received in the normal course of business
- volunteer labour, such as persons handing out how-to-vote cards and
- interviews and news items published in a newspaper or broadcast in the electronic media.

There may be tension between the requirement to disclose donated advertising and the exclusion of interviews granted in the normal course of political activity. Material presented on an 'advertorial' basis (e.g. a combination of paid advertising and interviews) should be disclosed consistent with the promotional intention of the activity.

4.10 Details of receipts and debts

Parts 4.2 and 6.2 of the return require disclosure of details of those persons or organisations from whom the party has received, or to whom it owes, \$1500 or more.

- Only individual receipts of \$1500 or more are taken into account in calculating whether a person or organisation has reached the \$1500 threshold for amounts received
- All debts and unpaid accounts, regardless of the amount, must be included when calculating whether the threshold for debts has been reached i.e. including those under \$1500.

4.11 Some examples of receipts and debts

- Where a person makes separate donations of \$2000 and \$1500, their details must be disclosed at Part 4.2 for a total of \$3500
 - The \$3500 total should also be included at Part 4.1 (total receipts), and the donor must lodge a disclosure return showing the \$3500;
- Where a person makes separate donations of \$2000, \$1500 and \$500 (\$4000), their details must be disclosed at Part 4.2 for a total of \$3500 as the final donation of \$500 falls below the disclosure threshold and does not need to be counted
 - It is open to the party to include the \$500 should it so choose
 - The \$4000 total should be included at Part 4.1 (total receipts) and the donor must lodge a disclosure return showing the \$4000.

- Where a person makes separate donations of \$600, \$600 and \$600 their details do not need to be disclosed under Part 4.2 because, although those donations total more than \$1500, none is \$1500 or more
 - The \$1800 total should be included at Part 4.1 (total receipts) and the donor must lodge a disclosure return showing the \$1800 donations
- An outstanding liability of \$1000 must be included in Part 6.1 (total debts) but does not need to be disclosed at Part 6.2 because it is less than the \$1500 threshold
 - An outstanding liability of \$2000, comprising 2 accounts of \$1000 each must be disclosed at Part 6.1, and at Part 6.2.

4.12 Disclosure details

The full name, address and value of transactions for each person who has reached the disclosure threshold must be disclosed:

- In the case of a trust or foundation, the names and addresses of the trustees must be disclosed along with the name or description of the trust or foundation
- In the case of an unincorporated organisation (except for registered industrial organisations) the names and addresses of the members of the executive committee must be disclosed along with the organisation
 - It is sufficient to provide the name and address of a registered industrial organisation.

Attach further pages if there is insufficient space. Attachments should be in the same format as the return and numbered so that both the total number of pages and their sequence is apparent (e.g. page 1 of 4 pages, page 2 of 4 pages etc).

4.13 Loans received

Parties and people acting on their behalf, must keep records of any loan to the value of \$1500 or more received from a source other than a financial institution. Details of such loans are to be included in Part 4.2 of the return

- A financial institution is a bank, credit union, building society or a 'special service provider' (e.g. friendly society) registered with the Australian Financial Institutions Commission Codes
- A loan is broadly defined to include advances, provision of credit, financial accommodations, any amounts with an obligation to repay, and transactions having the effect of a loan of money. Each credit card transaction is an individual loan for these purposes.

The records to be kept are the terms and conditions of the loan and details of the lender.

The terms and conditions that must be recorded are not defined in the Act. These include items such as loan documentation and schedules, including the amount, interest rate and repayment terms.

4.14 Provider details to be kept

Provider details to be kept are as follows:

Loan Provider	Details to be provided
A registered industrial organisation	The name of the organisation and the names and addresses of its executive committee
A trust of foundation	The names and addresses of the trustees, along with the title or description of the trust or foundation
An unincorporated organisation	The names and addresses of the members of the executive committee, along with the name of the organisation
In other cases	The name and address of the person or organisation

It is unlawful for a loan of \$1500 or more to be received from other than a financial institution if these records are not kept. If the records are not kept, the amount of the loan is a debt to the Territory.

The disclosure return requires details of the persons and organisations from whom loans of \$1500 or more were received or are outstanding.

4.15 Amendment, lodgement, etc

It is open to a party to provide additional clarifying information in situations where minimum disclosure does not provide a clear picture of the underlying transactions. For example, the return does not distinguish between classes of receipts and parties may wish to identify receipts such as donations, membership or other fundraisers.

A column is provided on the return form for these disclosures.

The *Electoral Act* provides that membership lists are not to be included.

4.16 Incomplete returns

In cases where the party agent is unable to obtain all necessary information for inclusion in the return, the form should be accompanied by a statement:

- that the return is incomplete because certain information is unable to be obtained
- outlining
 - the particulars of the information that are unable to be obtained
 - the reasons why the information could not be obtained and

- that if it is reasonable to believe another person can give the missing particulars and the reasons for that belief, then the name, address of that person.

The NTEC will then follow up the information directly.

A test of materiality should be applied. For example, where a satisfactory response is not received from a defunct or inactive party unit, and it is believed that no material transactions have been omitted from the return as a result, there is no need to report this.

4.17 Due date for lodging the return

The return must reach the NTEC at its Darwin office within **16 weeks** after the end of the financial year.

4.18 Date for public inspection of annual returns

Annual returns become available for public inspection at the NTEC's Darwin office and on the NTEC website on 1 March following the due date for the lodgement of the return.

Copies of returns are available from the NTEC's Darwin office upon payment of the fee determined by the Commission. Please check to confirm current pricing and availability.

4.19 Amendment of returns

The NTEC, or the person who lodged a return, may rectify errors or omissions in the return. Section 223 sets out the formal process to be followed.

A separate return form has been developed for the lodgement of amending information. This requires, for each of Parts 4, 5 and 6 (disclosure of total receipts, expenditure and debts) that the previously submitted amount be provided, together with new amount. The effect is that both amounts become part of the public record.

Any changes to the details of receipts (Part 4) or debts (Part 6) should be provided, separated into:

- Information previously omitted; and
- Amendment of information previously submitted.
 - The item being changed should be clearly identified eg by restating the original item and noting the changes, or by resubmitting the original part of the return with the item highlighted and the change detailed on the amending return.

4.20 Associated returns

Donors are individuals and organisations making donations to political parties and their associated entities are required to disclose donations totalling \$1500 or more.

They must:

- disclose donations to other individuals or organizations which are intended to benefit a political party, where the total is \$1500 or more
- consider all donations, including those less than \$1500, when determining whether the \$1500 disclosure threshold has been met
- disclose donations they have received totalling \$1000 or more which they used to make donations to political parties.

These requirements are explained more completely in the *Disclosure Handbook for Donors* available from the NTEC.

Associated entities are organisations controlled by, or operating for the benefit of political parties. They are required to lodge annual returns with the same detail as parties, and also to disclose the sources of capital used to generate funds to finance payments to a party.

This definition and the disclosure requirements are explained more completely in the *Disclosure Handbook for Associated Entities* available from the NTEC.

Parties should provide the NTEC with contact details for the associated entities of their party.

Candidates must report total donations received, and details of individuals or organisations that donated \$200 or more to a candidate. They must also report details of certain categories of their expenditure.

These requirements are explained more completely in the *Disclosure Handbook for Candidates* available from the NTEC.

5 UNLAWFUL DONATIONS AND LOANS

Sections 204, 208, 209 and 210 of the *Electoral Act* apply.

5.1 Anonymous donations

It is illegal for a political party, or a person acting on its behalf to receive donations totalling \$1000 or more unless the person receiving the gift knows the name and the address of the donor:

- in the case of donations received from a trust or foundation, the names and addresses of the trustees must be known, along with the title or description of the trust or foundation
- in the case of an unincorporated organisation (except for registered industrial organisations) the names and addresses of the members of the executive committee must be known, along with the name of the organisation
 - It is sufficient to know the name and address of a registered industrial organisation.

If such illegal donations are received, they are payable to, and recoverable by, the Territory.

5.2 Undocumented loans

It is illegal for a loan of \$1500 or more to be received from other than a financial institution unless the terms and conditions of the loan, and the details of the lender are recorded.

If such loans are held, the amount of the loan is payable to, and recoverable by, the Territory.

Loans totalling \$1500 or more must be disclosed in the annual return. The information and reporting requirements are discussed in more detail under 'annual returns' above.

6 ADMINISTRATION

6.1 NTEC Approach

The NTEC is responsible for the administration of the Act, including the disclosure provisions.

The NTEC's approach is to work with the community, candidates, political parties and others in order to achieve a successful electoral outcome and to facilitate compliance with the disclosure and other requirements.

Please direct enquiries and requests for guidance and assistance to the NTEC.

The disclosure requirements reflect government policy as enacted in law. The policy is one of proper disclosure for purposes of accountability. Administration and enforcement is in line with this policy background.

6.2 Record keeping

The disclosure requirements imposed on agents by the *Electoral Act* require parties to give consideration to the financial recording systems and procedures which are appropriate to their needs and circumstances.

The recording systems and procedures must be sufficient to enable the return form, which will be publicly available, to be properly completed, and to satisfy both NTEC and public review requirements. Agents should be aware that comparisons may be made by the public, including the press, of returns (e.g. of donor returns and party returns) and with any broader public record of transactions.

Some issues that may be relevant to the determination of an appropriate record keeping system include:

- the likely number, quantum and nature of receipts, liabilities and expenditure transactions
- the number, experience and training of people likely to be receiving donations, incurring liabilities, making payments and maintaining the records
- the need to centralise and consolidate records for reporting purposes
- ethical considerations such as the need to separate corporate and donated moneys, including by operation of separate bank accounts
- the need for the system to be able to be accurately maintained in the face of competing priorities e.g. over the peak election period
- the level of assistance and guidance that might be expected from other areas of the party (if any).

All transactions should be adequately documented and recorded:

- receipts should be issued for each donation or gift received, with details of these summarised in a receipts register, cash book, spread sheet or accounting package
- transactions by way of barter or gifts-in-kind must be clearly identified or described to provide a basis for accurate valuation, and should be included in the receipts register
- documentation in support of valuations should be retained, eg commercial quotations for comparable services
- the system must be sufficient to record the names and address of donors, and the names and office holders of any unincorporated associations, trusts or foundations making donations
- the system must be sufficient to record the details of creditors, and the terms and conditions attaching to liabilities
- expenditure source records such as invoices, accounts and receipts are to be retained and included in an expenses register.

Care should be taken to ensure that details are accurate, eg a donation from the chief executive of an organisation may be from the chief executive personally, or may be on behalf of the organisation. Similarly, the identity of the true donor should be recorded where a transaction is on behalf of someone else e.g. through a solicitor's trust account.

6.3 Retention of records

The *Electoral Act* requires that records, formal and informal, be retained for a minimum of **four years** after the date of the last day for lodgement of the return relating to that record. Thus the various receipt books, bank records, receipts registers, source documents and working papers must be kept for this period.

6.4 Audits

Section 216 of the *Electoral Act* provides for the NTEC to conduct investigations to ensure compliance with the disclosure provisions. The NTEC will conduct regular audits or inspections of registered political parties, and others to verify disclosure returns.

These audits are similar to the external audit of company financial statements. They are routine where an effort has been made to comply with the disclosure requirements, and provide an opportunity for advice and guidance to be provided by NTEC officers.

As part of an audit, the records of local party units, including the campaign committees of candidates may be inspected. The party agent or a nominee can be present at the audit.

7 OFFENCES

Section 215 of the *Electoral Act* contains penalty provisions for offences against the funding and disclosure provisions. These are available, through the Courts, to the NTEC where other reasonable avenues to resolve matters are exhausted.

The offences include:

Offence	Penalties	
	Natural person	Body corporate
Failure to lodge a disclosure return by the due date	200 penalty units or 12 months imprisonment	1000 penalty units
Lodging an incomplete disclosure return		
Including false or misleading information in a disclosure return		
Providing false or misleading information to an agent for inclusion in a disclosure return		
Failure to retain records, including records of information, which should be, included in a disclosure return, for 4 years from the last day for lodgement of return relating to that record		
Contravening an investigation notice without a reasonable excuse		
Knowingly providing false or misleading information during a NTEC investigation		

Note: There is an annual revision of the monetary value of the penalty unit – *Penalty Units Act 2009* refers.

GLOSSARY

The description of the terms in this glossary may differ from the formal meaning given to those terms in the *Electoral Act*.

Term	Description
Anonymous donations	Gifts where the donor's name or address was not known to the person receiving the gift when the gift was made. Anonymous donations of \$1000 or more are debts to the Territory.
Associated entity	An organisation which is controlled by, or operates wholly or mainly for the benefit of one or more registered political parties. This includes organisations that are independent of, but primarily for the benefit of a party. It includes companies holding assets for a political party, investment or trust funds, and fundraising organisations, groups and clubs.
Campaign committees	Annual returns of the party must include the transactions of campaign committees of endorsed candidates.
Cash accounting	Annual returns are to be compiled on a cash basis i.e. only actual, completed transactions are disclosed. A payment by cheque is not reported when the cheque is written but when the cheque has been presented and money has actually changed hands.
Detailed disclosure	The full name, address and the total value of transactions for each person who has reached the disclosure threshold under receipts or debts.
Disclosure threshold	Detailed disclosure must be made where receipts or debts from an individual or entity total \$1500 or more in a financial year.
Donor	A person or organisation other than a registered political party and its associated entities, a candidate, broadcaster or publisher who is under an obligation to furnish a disclosure return e.g. donors of \$1500 or more to political parties, and lobby groups advertising during an election campaign.
Gifts-in-kind	Non-cash donations e.g. 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) are cash donations for disclosure purposes. Examples of gifts-in-kind include free legal advice given by a law firm and the donation of items or services as raffle prizes, but do not include volunteer labour of party members. Gifts-in-kind must be disclosed at the appropriate value - normally this is the commercial or sale value of the item or service.
Internal party transactions	Transactions between party units within a Northern Territory political party. Internal party transactions are not disclosed. Transactions with a party unit from the Federal or another State or Territory branch of the same party are not internal party transactions and must be disclosed.
Party agent	A person appointed by notice in writing to the NTEC by the relevant branch of the party. A party agent does not automatically become the agent for candidates of the party.

Party unit	A generic term used to describe all sections of a political party including its, local branches, and campaign committees.
Period of disclosure	Annual returns cover the financial year 1 July to 30 June.
Public inspection	Party disclosure returns are available for inspection by the public at the NTEC's Darwin office from 1 March each year.
Registered officer	The person registered with the NTEC who has the authority to nominate candidates. The nominated registered officer does not change until the NTEC is formally notified of a replacement.
Registered political party	A political party registered with the NTEC. (Registration with the Australian Electoral Commission or a State or Territory electoral office does not confer registration in the Northern Territory.) Federal or other State or Territory branches of a Northern Territory registered political party are treated as separate entities for the purposes of the disclosure provisions of the <i>Electoral Act</i> . Political parties not registered with the NTEC are treated as donors for disclosure purposes.
Related bodies corporate	Related bodies corporate are deemed to be the one entity for disclosure purposes. Related status is determined under the <i>Corporations Law</i> .
Transaction threshold	Only individual transactions of \$1500 or more are counted when calculating the disclosure threshold for receipts.
Volunteer labour	Volunteer labour provided to a registered political party does not need to be disclosed as a donation by that person or the party. Volunteer labour is 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.