

Administrative expenditure funding application

Administrative expenditure funding

The Victorian Electoral Commission (VEC) pays administrative expenditure funding (AEF) to eligible registered political parties (RPP) and independent elected members (IEM) to cover the general running costs of the office of a party or an elected member.

Eligibility

RPPs with at least one elected member and IEMs are entitled to receive AEF.

Section 207GA Entitlement to administrative expenditure funding

Claimable and non-claimable expenditure

Expenses that may be claimed as administrative expenditure include:

1. Expenditure for the administration or management of the RPP/IEM's activities.
2. Expenditure for conferences, seminars, meetings or similar functions at which the policies of the RPP/IEM are discussed or formulated.
3. Expenditure by the RPP/IEM in respect of the audit of financial accounts, or claims for payment or disclosures under the *Electoral Act 2002 (Vic)* of the RPP/IEM.
4. Expenditure on the remuneration of staff engaged in the matters referred to in points 1, 2 or 3 (above) for the RPP/IEM to the extent that that expenditure relates to the time that the staff are engaged in those matters.
5. Expenditure on equipment or vehicles used by staff whilst engaged in the matters referred to in points 1, 2 or 3 (above) for the RPP/IEM to the extent that the expenditure relates to use of the equipment or vehicles by the staff whilst engaged in those matters.
6. Expenditure on office accommodation for the staff and equipment referred to in points 4 or 5 (above).
7. Expenditure on interest payments on loans.

Expenses that **may not** be claimed as administrative expenses include:

1. Political expenditure as defined in the *Electoral Act 2002 (Vic)*.
2. Electoral expenditure as defined in the *Electoral Act 2002 (Vic)*.
3. Expenditure for which an elected member has claimed a parliamentary allowance as a member.
4. Expenditure that is incurred substantially in respect of operations or activities relating to the election of members of the party or an independent elected member to a Parliament other than the Parliament of Victoria.

Section 207G Definitions

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Entitlement amount

For an RPP, the amount payable is tiered based on the number of elected members a party has and is capped at 45 members.

For an IEM, the amount payable is a fixed sum.

The entitlement amounts are indexed annually in line with the consumer price index (CPI). Entitlement amounts for the current financial year are available on the VEC website:

www.vec.vic.gov.au/candidates-and-parties/political-donations/indexation

AEF entitlement amounts are calculated on a daily, pro-rata basis.

Section 207GA Entitlement to administrative expenditure funding

Application requirements

The registered officer of an eligible RPP must complete and submit an AEF application form to the VEC before the RPP receives any AEF payments.

The registered agent of an eligible IEM must complete and submit an AEF application form to the VEC before the IEM receives any AEF payments. When the IEM has not appointed a registered agent with the VEC, the IEM is taken to be their own registered agent.

The completed AEF application form must be emailed to disclosures@vec.vic.gov.au.

Section 207GB Request to Commission to receive administrative expenditure funding

Due date

Application trigger	Submission date
New parliamentary term	As soon as practicable after election day
For an RPP, when number of elected members increases	As soon as practicable after the increase in elected members (RPPs) or becoming an independent elected member (IEMs)
For an IEM, when that member becomes an independent elected member after previously being an elected member endorsed by a registered political party	
Scheduled general election period	Before 1 July in an election year

An application for the scheduled general election period covers from 1 July to the day of the election.

For an RPP, the application must only include the number of elected members endorsed by the party that intend to recontest the next election. For an IEM, the application is only to be submitted if the IEM intends to recontest the next election.

Section 207GB Request to Commission to receive administrative expenditure funding

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Payments

During a quarter in which an election is held (either a general election or a by-election), payments are made in advance at the start of the quarter until the day of the election.

Following the election, payments are made in arrears from the day after the election until the end of that quarter. These payments are made with the next regular quarterly payment.

Section 207GA(3) Entitlement to administrative expenditure funding

Consequences of the payment or use of administrative expenditure funding in breach of the Electoral Act

The registered officer of a RPP or the registered agent of an IEM must ensure that any payment of AEF received by the RPP or IEM is not paid into the State campaign account and is not used to incur any non-claimable expenditure under Section 207GG(2)(a–d) of the Electoral Act.

When a payment of AEF has been paid or used in contravention of the Electoral Act, the VEC will notify the registered officer of the RPP or the registered agent of the IEM. The RPP or the IEM must then pay to the VEC a penalty equal to 200 per cent of the amount paid or used in contravention of the Electoral Act within 60 days of the date of the notice.

Section 207GG Prohibition on the payment or use of administrative expenditure funding

Annual return in relation to administrative expenses

Following the end of each calendar year, RPPs and IEMs are required to submit an audited annual return in relation to administrative expenses. The annual return must be accompanied by an audit certificate to be valid.

For RPPs the audit must be conducted by a registered company auditor within the meaning of the *Corporations Act 2001* (Cth) and the prescribed VEC audit certificate form must be used. The VEC will not accept any other format of audit certificate.

For IEMs the audit must be conducted by an independent auditor and the prescribed VEC audit certificate form must be used. The VEC will not accept any other format of audit certificate.

If the annual return specifies the RPP or IEM has spent less on administrative expenses than the entitlement received, or has been overpaid for any reason, the RPP or IEM must either repay the amount or, where applicable, request to have future payments reduced.

Section 207GC Annual return and section 207GD Audit of annual return

Section 207GE Powers of Commission

Failure to submit a return by the due date

If an AEF recipient does not give the VEC a properly completed AEF annual return by the due date, they are taken to have incurred no claimable expenditure in that calendar year. As a consequence, they must repay to the VEC the total amount of all AEF received during that calendar year.

Section 207GC(3) Annual return

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Offences

Any intention to circumvent a prohibition or requirement of Part 12 of the Electoral Act, or to provide false or misleading information, is a serious offence. Certain offences may also result in fines, prison sentences, as well as penalties attached to the recovery of donation amounts.

The offences include (but are not limited to):

- A person who fails to provide an annual return as required under Part 12 of the Electoral Act is guilty of an offence.

Penalty: 200 penalty units

Section 218A(1) Offences in relation to disclosure returns and annual returns

- A person who provides an annual return that contains particulars that are, to the knowledge of the person, false or misleading in a material particular is guilty of an offence.

Penalty: 300 penalty units or 2 years imprisonment or both.

Section 218A(2) Offences in relation to disclosure returns and annual returns

See Part 12 Division 4 of the Electoral Act for further information on offences.

The VEC recommends that funding recipients consult a taxation adviser to ensure that any possible GST implications are understood in relation to funding and this application.

More information

For more information, please visit the VEC website at www.vec.vic.gov.au or email Funding, Disclosure and Registration at: disclosures@vec.vic.gov.au.

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Funding applicant

Applicant is: <i>(tick one box)</i>	Registered Political Party (RPP) <input type="checkbox"/>	Independent Elected Member (IEM) <input type="checkbox"/>
Name of applicant		

Submitter of application

Name of person completing form	
Role of person completing form <i>(e.g. registered officer or registered agent)</i>	
Phone number	
Email	
Address	

Nominated account *This account cannot be the State campaign account*

Account name	
Financial institution name	
BSB	
Account number	

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Fill in **either** the RPP attestation **or** the IEM attestation.

Attestation – RPP	
I acknowledge that administrative expenditure funding payments must not be used for political expenditure or electoral expenditure as defined in the <i>Electoral Act 2002 (Vic)</i> , expenditure for which an elected member has claimed a parliamentary allowance as a member, or expenditure incurred substantially in respect of operations or activities relating to the election of members of the registered political party to a Parliament other than the Parliament of Victoria.	<input type="checkbox"/>
I acknowledge that following the end of each calendar year I must submit an audited annual return on behalf of the registered political party detailing administrative expenses, and that any amount of funding not used for administrative purposes must be repaid.	<input type="checkbox"/>
<i>For applications from 1 July in an election year</i> To the best of my knowledge, the information I have provided about the members recontesting the next State election is accurate. I acknowledge the party will be liable to pay back any amounts received for an elected member that does not recontest.	<input type="checkbox"/>
Attestation – IEM	
I acknowledge that administrative expenditure funding payments must not be used for political expenditure or electoral expenditure as defined in the <i>Electoral Act 2002 (Vic)</i> , or expenditure for which an elected member has claimed a parliamentary allowance as a member, or expenditure incurred substantially in respect of operations or activities relating to the election of a member to a Parliament other than the Parliament of Victoria.	<input type="checkbox"/>
I acknowledge that following the end of each calendar year I must submit an audited annual return on behalf of the independent elected member detailing administrative expenses, and that any amount of funding not used for administrative purposes must be repaid.	<input type="checkbox"/>
<i>For applications from 1 July in an election year</i> To the best of my knowledge, the information I have provided about the member recontesting the next State election is accurate. I acknowledge the elected member will be liable to pay back any amounts received if they do not recontest.	<input type="checkbox"/>

Signature of submitter	
Signature	
Date	