

# New rules for Local Government political donations and electoral expenditure.

Important new laws applying to Local Council elections and Local Government Councillors commenced 1 July 2016. The new laws are to promote integrity in the Local Government electoral process, and have consistency with Local Government and State election political donations regulations.

This fact sheet refers to new laws introduced by the *Local Government and Elections Amendment Legislation (Integrity) Bill 2016* which specifically relate to the *Election Funding, Expenditure and Disclosures Act 1981*.

## The Key Changes

1. Capping political donations
2. Regulating third-party campaigners
3. Requiring political parties to keep a campaign account for local Council elections

### 1. Caps on political donations

Political donations made to political parties, elected members, candidates, groups of candidates and third-party campaigners are now capped.

It is unlawful for a person to make or accept a political donation that exceeds the relevant cap.

The caps on political donations are determined each financial year.

#### How the caps work

- \$5,900 cap from 1 July 2016 for any political donation to, or, for the benefit of a registered party or of a group
- \$2,600 cap from 1 July 2016 for any political donation to, or, for the benefit of:
  - a party that is not a registered party, or
  - an elected member, or
  - a candidate, or
  - a third-party campaigner
- Donations less than the cap from the same donor to the same recipient in a financial year are to be aggregated
- Donations are to be aggregated separately for Local Government elections and other purposes. For example, a donor can give a total of \$5,900 to a party for Local Government elections and a total of \$5,900 to the same party for State elections.
- Donations to candidates, groups and elected members of the same party are to be aggregated separately for Local Government elections and other purposes.

### 2. Regulating third-party campaigners

Individuals and entities incurring more than \$2,000 in electoral communication expenditure during the local government expenditure period for a local Council election must be registered as a third-party campaigner with the NSWEC and appoint an official agent.

The local government expenditure period for a general election commences on 1 July and ends on polling day.

Electoral communication expenditure includes advertising and printing to promote or oppose a political party or candidate/s or to influence the vote at an election.

It is an offence to incur more than \$2,000 in electoral communication expenditure during the local government expenditure period before you are registered for the election.

### 3. Political parties to keep a campaign account

Political parties that incur electoral expenditure for a Local Council election must keep a local government campaign account. The campaign account is to be used to make payments for electoral expenditure and deposit political donations for a Local Council election.

#### It is a criminal offence to contravene these new laws.

There are criminal offences in place in the legislation that deal with the following:

- making or accepting a donation that exceeds the relevant cap
- a third-party campaigner not operating a campaign account in accordance with the rules
- a party not operating a local government campaign account in accordance with the rules.

#### Penalties can be incurred.

If a person commits an offence in relation to the new requirements the NSWEC may do the following:

- commence prosecution
- recover the value of 'over the cap' donations from the donation recipient
- issue a warning.

Refer to the NSWEC's Compliance and Enforcement Policy for more information about how we deal with offences against the Act.

#### Who can I talk to about the new rules and regulations?

The NSW Electoral Commission provides helpful advice to candidates, political parties and others.

Call 1300 022 011 or email [fdc@elections.nsw.gov.au](mailto:fdc@elections.nsw.gov.au)