## Election & Disclosure Obligations Candidates and Groups of Candidates

FOR LOCAL GOVERNMENT ELECTIONS

Handbook 1



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## 1. Introduction

This handbook is issued by the Electoral Commission of Queensland (ECQ) to provide guidance to candidates and groups of candidates for local government elections on their campaign funding and disclosure obligations under the LGEA. In providing this information, the ECQ seeks to ensure the integrity of Queensland's electoral processes, and ensure all electoral participants have adequate information to enable them to comply with their legislated obligations and responsibilities.

For the 2020 Local Government Quadrennial Election, candidates and groups of candidates will have additional disclosure obligations under the LGEA. Candidates and groups of candidates must ensure they are fully aware of their obligations. Being unfamiliar with the relevant legislative obligations will not be accepted as an excuse for non-compliance.

All disclosure returns to be given to the ECQ should be lodged through the Electronic Disclosure System (EDS), available at <u>disclosures.ecq.qld.gov.au</u>. In addition to disclosure obligations, this handbook provides candidates and groups of candidates with information about other important obligations under Queensland's electoral legislation.

Amendments to the LGEA mean there are now new offences applicable to all electoral participants. The ECQ can undertake a range of actions to ensure and enforce compliance. These may include issuing fines, commencing prosecution, or undertaking compliance reviews (audits).

Under the provisions of the LGEA, the Prohibited Donors Scheme prohibits property developers, industry representative organisations and their close associates from making political donations to local government electoral participants.

## How to use this handbook

This handbook consists of several parts:

- Section 2 provides general information about candidates and groups of candidates.
- Section 3 provides an overview of disclosure obligations including the disclosure of gifts and loans received, the disclosure of electoral expenditure and giving election summary returns.
- Sections 4 9 provide detailed information about obligations around gifts and loans, disclosing relevant details and giving notice to donors.
- Sections 10 11 describe essential campaign financial management and recordkeeping obligations.
- Sections 12 15 describe the monitoring and compliance activities undertaken by the ECQ and provides information on where to get more information and support and how to contact the ECQ.

Candidates should familiarise themselves with all sections of the handbook. Candidates may also wish to regularly refer to this handbook to ensure all election and disclosure obligations are met.

## Assistance and Enquiries

The ECQ's Funding, Disclosure & Compliance Division is available to provide general guidance and information in relation to election and disclosure compliance matters. The ECQ will not provide specific legal, financial or other professional advice. Candidates should seek their own legal advice if they are in doubt about how the law treats their particular circumstances.

## 2. Candidates and groups of candidates

## Candidates

For funding and disclosure purposes, the term 'candidate' can refer to any of the following persons:

- a person whose nomination for a local government election has been certified;
- a person who is an elected or appointed councillor at any time; or
- a person who has announced or otherwise indicated an intention to be a candidate (e.g. accepting a gift for campaign purposes) in a local government election.

Legal obligations commence as soon as a person decides that they intend to stand for a local government election.

## Groups of candidates

Candidates may form a group to contest a local government election in order to campaign collectively, execute common policies and achieve shared goals if elected to council. Candidates who are part of a group will appear on the ballot paper for the election with the name of the group under their name. A group can only be registered for one local government area (e.g. Group A cannot register to contest for City Council A and Regional Council B). Each group must have at least two candidates within a local government area.

Under the LGEA, as of 20 January 2020, candidates who wish to form a group must register with the Electoral Commission of Queensland (ECQ) before they begin campaigning as a group. Candidates endorsed by a registered political party are not required to register as a group and are able to engage in group campaign activities without registering with the ECQ.

Registering as a group is not the same as nominating for the election. Candidates in a group must still individually nominate for the election before nominations close.

### Why register as a group?

Once candidates register a group with the ECQ, they can begin conducting group campaign activities, such as sharing campaign funds, advertising and other resources.

### When to register as a group

Candidates who wish to form a group can register their group with the ECQ at any time, up until 12pm on the last day of nominations. Candidates do not need to formally nominate as a candidate before the *Application to Register a Group of Candidates* (Form QLG05A) is lodged with the ECQ.

Candidates are prohibited from conducting any form of group campaign activities prior to registering as a group. Conducting group campaign activities before registering with the ECQ could result in financial penalties of up to 100 penalty units (\$13,345 as at 1 July 2019).

#### What are group campaign activities?

From 20 January 2020, only candidates who are members of a registered group (or endorsed by a political party) can conduct group campaign activities.

Group campaign activities include any of the following activities, carried out in an intentionally coordinated way by two or more candidates:

- using a common platform to promote the election of the candidates (e.g. promoting the same political policies);
- using the same advertisements (e.g. pamphlets, billboards);
- using the same campaign slogans;
- using the same brands or images;
- using the same how-to-vote cards;
- participating in the same fundraising activities or events;
- sharing the same resources for election campaigns (other than volunteers); and/or
- sharing gifts or loans.

Inadvertent and unintentional incidents, such as independently developing the same or similar policies, attending the same community events (e.g. those organised by community groups or the local council), or independently engaging the same suppliers at full commercial cost, will generally not be considered group campaign activities. Similarly, merely maintaining pre-existing friendships or acquaintances (or establishing new ones throughout the course of the election) with other candidates will not, on its own, be considered a group campaign activity, unless any of those behaviours outlined above are evident.

When considering whether a group campaign activity has been conducted, the ECQ will examine the specific circumstances of the matter, the overall context of the election, and a candidate's behaviour across throughout the course of the election. In relation to those activities involving election material or advertising, the specific wording of the material and the intended audience will also be highly relevant.

### How to register a group

Groups of candidates contesting a local government election must register as a group before undertaking any group campaign activities. To register as a group, a candidate in the group must give the ECQ an *Application to Register a Group of Candidates* (Form QLD05A) which must be signed by each member of the group, and the person who is to be appointed as the agent for the group. The group's dedicated bank account must be opened before the group can be registered with the ECQ.

An agent for a local government group must be an adult individual, and is commonly also a candidate for the group. Potential agents should make themselves aware of the full extent of the role's responsibilities prior to registering their appointment as a group's agent.

The ECQ is required to publish the following details from the *Application to Register a Group* of Candidates (Form QLD05A):

- name of the group;
- local government area the group is contesting;
- names and addresses of candidates (unless candidate is a silent elector, in which case only the candidate's name will be published);
- name and address of the agent; and
- date of group registration.

#### Penalty for failure to comply

Candidates who are not a member of a group or endorsed by a political party are strictly prohibited from engaging in group campaign activities. Non-compliance carries a maximum penalty of 100 penalty units (\$13,345 as at 1 July 2019). An offence against this provision is an integrity offence under the *Local Government Act 2009*.

## Agents for groups of candidates

### What is an agent?

The agent is the person responsible for ensuring the group's obligations are met and is accountable and liable for financial penalties issued in the event of non-compliance.

Any adult can be an agent for a group of candidates. Typically, the agent is also a candidate for the election. The name and address of the agent will be published on the ECQ's website.

#### Appointment and removal of agents

An agent must be appointed when a group of candidates is first registered.

If circumstances change and the agent is no longer able to perform their duties, the agent can resign by completing a *Resignation as Agent of a Group of Candidates* form (Form QLG05E) and lodging it with the ECQ. If a group wishes to remove their appointed agent, they can do so by completing an *Appointment or Removal of Agent for a Group of Candidates* form (Form QLG05D) and lodging it with the ECQ. If the group is also appointing a new agent, this can be done on the same form.

If, at any time, an agent is not appointed for a group, all members of the group assume responsibility for obligations under the LGEA, including any penalties which may be imposed for non-compliance. Once an agent resigns or is removed, a new agent can be appointed, including after the close of candidate nominations. To appoint a new agent, a new *Appointment or Removal of Agent for a Group of Candidates* form must be lodged.

### Responsibilities of an agent

The agent for a group is responsible for:

- ensuring all disclosure returns for gifts, loans, and expenditure are lodged by the due date (before, during, and after the election);
- ensuring all information contained in the returns is complete and accurate;
- informing donors about their disclosure obligations under the LGEA, including taking reasonable steps to notify the public;
- maintaining all records associated with disclosure returns for five years after the election (including bank statements from the group's dedicated bank account), unless transferred to a member of the group; and
- responding to the ECQ about any matters which arise in respect of the group's compliance (before, during, and after the election).

#### Penalty for allowing an agent to give a false or misleading return

Candidates have an obligation to ensure agents do not give a return the candidate knows to be false or misleading. Allowing an agent to do so carries a maximum penalty of 100 penalty units (\$13,345 as at 1 July 2019).

The ECQ recommends that the agent ensures all candidates in the group review their completed election summary return before it is submitted.

Applications to register a group can be submitted through the *Candidate Self-Service Portal* on the ECQ's Election Management System (EMS), or by using a paper form if the EMS cannot be accessed. Forms can be submitted by emailing them to <u>fad@ecq.qld.gov.au</u>.

## 3. Overview of disclosure obligations

Candidates and agents for groups of candidates have obligations and responsibilities under the LGEA to disclose political donations received and expenditure made in support of their local government election campaign. The regulations can differ depending on the individual candidate's circumstances, the gifts and loans they receive, their electoral expenditure and the timeline on which they run their campaign. There have been several amendments to the LGEA, so it is important that candidates continue to familiarise themselves with current requirements.

Disclosure returns are to be lodged via the ECQ's EDS - <u>disclosures.ecq.qld.gov.au</u>. The ECQ is required to publish these returns online for public view.

### What must be disclosed?

- Gifts (donations) or loans received of \$500 or more from a single entity (refer to Section 4 Disclosure of gifts and loans received);
- Electoral expenditure incurred of \$500 or more (refer to Section 5 Disclosure of electoral expenditure); and
- Total expenditure incurred and/or total gifts received (refer to Section 6 Election summary returns).

## What is the disclosure period for candidates and groups of candidates?

If a candidate has contested the 2016 Local Government Quadrennial Election or a more recent local government by-election, their disclosure period begins 30 days after election day for that election and ends 30 days after election day for the current election.

If a candidate has not contested a local government election within the past five years, their disclosure period begins on the day the candidate announces or otherwise indicates their intention to be a candidate for the election, or nominates as a candidate for the election (whichever is the earlier), and ends 30 days after election day for the current election.

For groups of candidates, the disclosure period begins 30 days after the last quadrennial election and ends 30 days after the current election. This is irrespective of whether a group of candidates was registered to contest a previous election or has registered as a group of candidates to conduct group campaign activities for the 2020 Local Government Quadrennial Election.

SUMMARY OF DISCLOSURE OBLIGATIONS FOR LOCAL GOVERNMENT CANDIDATES AND GROUPS OF CANDIDATES				
What	Receipt of a gift or loan	Electoral expenditure		
Requirement	Candidates/groups receiving gifts or loans of \$500 or more from a single entity during the candidate's / group's disclosure period are required to give a real- time return, in addition to their election summary return.	Candidates/groups which incur electoral expenditure of \$500 or more during the candidate's / group's disclosure period are required to give a real-time return about the expenditure, in addition to their election summary return.		
	<b>Real-time return:</b> Within 7 business days of receipt.	<b>Real-time return:</b> Within 7 business days of expenditure.		
When	In the last 7 business days prior to election day: Within 24 hours of the receipt.	In the last 7 business days prior to election day: Within 24 hours of incurring expenditure.		
	<b>Election summary return:</b> Within 15 weeks after election day.	<b>Election summary return:</b> Within 15 weeks after election day.		
Disclosure period	<ul> <li>For a candidate who has previously contested a local government election:</li> <li>Start: 30 days after election day for the last local government election which the candidate contested</li> <li>End: 30 days after election day for the current election</li> <li>For a candidate who has NOT contested a local government election in the past 5 years:</li> <li>Start: The day the candidate announces their intention to contest the election, is endorsed by their party, or nominates for the election (whichever is earlier)</li> <li>End: 30 days after election day for the current election</li> </ul>			
	For groups of candidates: Start: 30 days after election quadrennial election. End: 30 days after election day for	day for the most recently held or the current election.		

### 2020 Local Government Quadrennial Election

The 2020 Local Government Quadrennial Election will be held on 28 March 2020. Following amendments made to the LGEA, candidates and groups of candidates have interim obligations as part of the transitional arrangements for the new legislation.

On completion of the transitional arrangements, the disclosure period for the 2020 Local Government Election will commence from the date of commencement of the new legislation, which is 20 January 2020, and end 30 days after election day (i.e. 27 April 2020).

Refer to <u>Fact Sheet 10 - Transitional Disclosure Returns</u> on the ECQ website for more information about obligations for transitional disclosures returns.

## The Electronic Disclosure System

Under Queensland's electoral legislation, the ECQ is required to ensure that disclosures are published and made available for public view.

Disclosure returns are to be lodged by all electoral participants via the ECQ's EDS - disclosures.ecq.qld.gov.au.

Refer to *Section 13 - Help and support* for instructions on how to register and lodge returns in the EDS as a candidate or on behalf of a group of candidates.

## 4. Disclosure of gifts and loans received

## Who needs to disclose gifts and loans received?

Candidates and agents for groups of candidates who receive a **gift** or a **loan** of \$500 or more from a single entity during their disclosure period for an election are required to give the ECQ a return.

A **gift** is defined as the disposition of property, or provision of a service, for no consideration or inadequate consideration (further information is provided in *Section 7 - Gifts and loans*).

**Loans** received by a candidate or group of candidates totalling \$500 or more from any entity other than a financial institution must also be reported to the ECQ by the disclosure date. Refer to *Section 7 - Gifts and loans* for more information.

The \$500 threshold for reporting a gift received is cumulative, meaning it does not matter whether one entity gives you smaller gifts/loans which collectively exceed \$500, or one big gift. Once the \$500 threshold is reached, all gifts/loans from that entity must be disclosed.

### Self-funded candidates

A self-funded candidate is a candidate who uses their personal funds to fund their campaign instead of accepting donations. Personal funds can be transferred from a personal bank account to the dedicated account to pay for campaign expenses. Note that funds remaining in the dedicated bank account after the election may only be withdrawn under certain circumstances, so candidates may wish to consider only transferring funds to the dedicated campaign account on an 'as needed' basis.

A transfer of a candidate's personal funds to their dedicated account is not considered a gift and does not have to be disclosed. However, funds from a joint bank account held with a spouse or other person are **not** considered personal funds and should be disclosed as being gifts from the other account holders. Similarly, funds originating from a candidate's business or another entity in which they have an interest are not considered personal funds and must be disclosed.

#### Examples of gifts and loans received

#### Example 1

Candidate A receives \$300 from a family member and later another \$200, from the same family member, in support of her election campaign. As Candidate A received \$500 from the same person, they are required to lodge a return disclosing the details of both gifts.

#### Example 2

Candidate B receives \$1,000 from a friend who runs a small business. As Candidate B received more than \$500, he is required to lodge a return disclosing details of the gift. Candidate B receives another \$50 from the same friend a week later. As Candidate B has already received more than \$500 in gifts from his friend during his disclosure period, any additional gifts made by the friend must be disclosed, regardless of the amount. As such, Candidate B must lodge another return disclosing the details of the \$50 gift.

#### Example 3

A group of candidate receives a \$500 discount for the printing of election material from a printing company. As the group received a discount that was equal to the \$500 gift threshold, the agent for the group must lodge a return disclosing the details of the gift.

#### Example 4

Candidate C receives a \$300 donation from a friend. The friend also pays for an invoice for \$250 for Candidate C. As Candidate C received gifts exceeding the \$500 gift threshold, she is required to lodge a return disclosing details of the gifts.

## What needs to be disclosed?

When lodging a return for gifts and loans received, candidates and groups of candidates must disclose **relevant details** of the gifts. (Refer to *Section 8 - Relevant details and source of gifts/loans*).

## When does it need to be disclosed?

Disclosure returns about gifts and loans received must be given to the ECQ in real-time. This means, within 7 business days of the \$500 threshold being reached. Any subsequent gifts or loans received from the same entity must be disclosed within 7 business days, regardless of value.

During the last 7 days before election day, returns must be given within 1 business day of receipt.

In addition, all candidates and agents for groups must lodge an election summary return within 15 weeks after the election, regardless if candidates were successfully elected or not

or the value of gifts/loans received. This return must state the total value of gifts/loans and the number of entities who made the gifts/loans during a candidate or group's disclosure period. (Refer to *Section 6 - Election summary returns*).

## How does it need to be disclosed?

Returns must be lodged online via the ECQ's EDS, available at <u>disclosures.ecq.qld.gov.au</u>. Refer to *Section 13 - Help and support* for instructions on how to register and lodge returns in the EDS as a candidate or on behalf of a group of candidates.

## Disclosure obligations for groups of candidates

The disclosure obligations for a group of candidates must be managed by the agent of a group. If there is no agent for a group, the candidates are all equally responsible for ensuring compliance with the LGEA.

### Disclosure of gifts/loans received

Agents for groups must give the ECQ a return within a specified timeframe if the group receives a gift or loan of \$500 or more, that is 7 business days of the gift or loan being received or if during the last 7 days before election day, within one business day of receipt.

## Election summary return

Within 15 weeks after election day, the agent for the group must give the ECQ a return which contains summary information for all gifts/loans received. This disclosure period began 30 days after election day for the last quadrennial election and ends 30 days after the election.

## Dedicated bank account requirements for groups of candidates

Groups are required to maintain one dedicated bank account for the group. This bank account must be opened before the group can be registered with the ECQ. Refer to *Section 10 - Campaign financial management obligations* for further information about dedicated bank account requirements.

#### Penalty for failure to give a return within the time required

A person must give a return within the time required by the LGEA. The maximum penalty for non-compliance, is 20 penalty units (\$2,669 as at 1 July 2019). The ECQ has the power to issue a penalty infringement notice (a fine) for 2 penalty units.

## Penalty for knowingly giving a return that contains false or misleading particulars

A person must not give a return that contains particulars that are, to their knowledge, false or misleading. Non-compliance carries a maximum penalty of 100 penalty units (\$13,345 as at 1 July 2019). An offence against this provision is an integrity offence under the *Local Government Act 2009*.

#### Penalty for allowing an agent to give a false or misleading return

Candidates who are members of a group have an obligation to ensure agents do not give a return the candidate knows to be false or misleading. Allowing an agent to do so carries a maximum penalty of 100 penalty units (\$13,345 as at 1 July 2019). An offence against this provision is an integrity offence under the *Local Government Act 2009*.

The ECQ recommends that the agent ensures all candidates in the group review their completed return before it is submitted.

## 5. Disclosure of electoral expenditure

Electoral expenditure includes expenditure incurred for publishing, producing or distributing political advertisements or election material, or carrying out opinion polls or other research relating to the election. All electoral expenditure must be paid for from a candidate's or a group's dedicated campaign bank account. Refer to *Section 10 - Campaign financial management obligations.* 

If a candidate or group of candidates incurs \$500 or more in electoral expenditure during their disclosure period for the election, they must give the ECQ a disclosure return about each item of expenditure. The ECQ is required to publish electoral expenditure disclosures.

Expenditure items are cumulative, meaning it does not matter whether the expenditure was incurred in small amounts, or all at once. Once the threshold of \$500 is met, all previous and future electoral expenditure must be disclosed, regardless of value.

## What is electoral expenditure?

Electoral expenditure consists of expenditure incurred on any of the following:

- broadcasting a political advertisement;
- publishing a political advertisement in a journal (e.g. newspaper, magazine, or other periodical);
- publishing a political advertisement on the internet;
- displaying a political advertisement at a place of entertainment (e.g. theatre);
- producing and distributing any of the political advertisements mentioned above;
- producing and distributing other material that advocates a vote for or against a candidate, group of candidates or registered political party, and is required to include an authorisation; or
- carrying out an opinion poll or other research relating to the election if the dominant purpose of the opinion poll or research is to, directly or indirectly:
  - promote or oppose the election of a candidate or group of candidates
  - promote or oppose a registered political party in relation to the election
  - otherwise influence voting at the election.

A political advertisement is any advertisement that advocates a vote for or against a candidate, group of candidates or registered political party.

Material requiring an authorisation is any advertisement, handbill, pamphlet, or notice which is able or intends to influence an elector about voting at an election or affect the result of the election (discussed further below).

Refer to the relevant ECQ fact sheets and *Candidate Handbook for Local Government Elections* for more information about electoral advertising and how-to-vote cards. Fact

## When is electoral expenditure incurred?

Electoral expenditure is incurred when the goods or services are delivered or received or, in the case of political advertising, when the advertisement is broadcast, published or posted online. Electoral expenditure may be incurred at any time, including before, during or after the election.

In some cases, a candidate may operate on a 'purchase order' basis, where the exact cost of advertising is not known until after the advertisements have run. For example, a candidate may arrange for a package of advertisements to run during the election period, with the final cost being unknown until after the advertisements have run. In this case, the invoice for the exact cost would be issued at a later time.

The ECQ recommends lodging a return for the maximum amount of the purchase order at the time that the expenditure is incurred (which is when the advertisements are published, broadcast or posted) and then seeking an amendment to that return once the exact amount is known.

## What needs to be disclosed?

When lodging a return for electoral expenditure incurred, candidates and agents for groups of candidates must disclose:

- the name and address of the person who supplied the goods or services;
- a description of the goods or service;
- the amount of the electoral expenditure;
- when the expenditure was incurred; and
- the purpose of the expenditure.

## When does it need to be disclosed?

All candidates and groups of candidates must disclose their electoral expenditure in realtime. This means that candidates or groups of candidates who incur electoral expenditure of \$500 or more during their disclosure period for the election must provide the ECQ a disclosure return within 7 business days of the expenditure being incurred. If the expenditure is incurred during the last 7 days before an election day, the expenditure must be disclosed within 24 hours of it being incurred.

Candidates and groups of candidates are also required to give an **election summary return** to the ECQ within 15 weeks after election day that states the total amount of electoral expenditure incurred during their disclosure period (refer to *Section 6 - Election summary returns*).

## How does it need to be disclosed?

Returns must be lodged online via the ECQ's EDS, available at <u>disclosures.ecq.qld.gov.au</u>. Refer to *Section 13 - Help and support* for instructions on how to register and lodge returns in the EDS as a candidate or on behalf of a group of candidates.

#### Penalty for failure to give a return within the time required

A person must give a return within the time required by the LGEA. The maximum penalty for non-compliance, is 20 penalty units (\$2,669 as at 1 July 2019). The ECQ has the power to issue a penalty infringement notice (a fine) for 2 penalty units.

#### Penalty for knowingly giving a return that contains false or misleading particulars

A person must not give a return that contains particulars that are, to their knowledge, false or misleading. Non-compliance carries a maximum penalty of 100 penalty units (\$13,345 as at 1 July 2019). An offence against this provision is an integrity offence under the *Local Government Act 2009*.

#### Penalty for allowing an agent to give a false or misleading return

Candidates who are members of a group have an obligation to ensure agents do not give a return the candidate knows to be false or misleading. Allowing an agent to do so carries a maximum penalty of 100 penalty units (\$13,345 as at 1 July 2019). An offence against this provision is an integrity offence under the *Local Government Act 2009*.

The ECQ recommends that the agent ensures all candidates in the group review their completed return before it is submitted.

## Are there any additional requirements regarding election advertising?

### Authorisation

During the election period for an election, an authorisation must be included on any advertisement, handbill, pamphlet or notice that is able to, or intended to, influence an elector about voting, or affect the result of the election.

The authorisation must state the name and address (other than a post office box) of the person who authorised the election material.

Authorisations should be legible on the election material and delivered in the same manner as the rest of the election material (for example, a spoken video must have a spoken authorisation at its end).

Candidates may wish to refer to the Office of the Independent Assessor's publication '*Your Social Media and You: A guide for elected council members in Queensland,* available here: <u>https://oia.qld.gov.au/resources/oia/for-councillors/your-social-media-and-you.pdf</u>.

While much of the guide is specific to sitting councillors, some sections that deal with social media requirements during an election period could provide useful information and tips other candidates may wish to adopt.

#### Penalty for failing to authorise election material

Non-compliance by an individual carries a maximum penalty of 20 penalty units (\$2,699 as at 1 July 2019) or 85 penalty units (\$11,343 as at 1 July 2019) for a corporation. The ECQ can also issue a penalty infringement notice (a fine) for 2 penalty units (for an individual) or 8 penalty units (for a corporation).

### Misleading electors

During the election period for an election, a person must not print, publish, distribute, broadcast or post online anything that:

- is intended or likely to mislead an elector about the ways of voting at the election; or
- represents a ballot paper for use in the election and is likely to induce an elector to cast an informal vote.

#### Penalty for misleading electors

Non-compliance carries a maximum penalty of 40 penalty units (\$5,338 as at 1 July 2019).

## 6. Election summary returns

## Who needs to give an election summary return?

All candidates and agents for groups of candidates are required to give the ECQ an **election summary return** about gifts/loans received and electoral expenditure incurred during the disclosure period.

If a candidate or group of candidates has not received any gifts/loans or incurred any electoral expenditure during the disclosure period, they are still required to submit a disclosure return indicating this. This is known as a nil return.

## What needs to be disclosed?

When lodging an election summary return, candidates and groups of candidates will need to disclose:

- the total value of all gifts/loans received (including gifts under \$500);
- the total amount of electoral expenditure incurred; and
- the number of entities that made the gifts/loans.

The election summary return must include all gifts/loans received and all electoral expenditure incurred during the candidate's or group's disclosure period. Refer to Section 3 - Overview of disclosure obligations for information on disclosure periods as they apply to candidates and groups of candidates.

Candidates and agents for groups of candidates must also provide a copy of bank statements from their dedicated bank account when lodging an election summary return. Refer to Section 10 - Campaign financial management obligations.

## When does it need to be disclosed?

Candidates and agents for groups of candidates must provide their election summary return to the ECQ within 15 weeks after election day for the election. An elected candidate cannot take office until their election summary return has been lodged.

For the 2020 Local Government Quadrennial Election, the deadline for the lodgement of election summary returns will be 13 July 2020.

## How does it need to be disclosed?

Returns must be lodged online via the ECQ's EDS, available at <u>disclosures.ecq.qld.gov.au</u>. Refer to *Section 13 - Help and support* for instructions on how to register and lodge returns in the EDS as a candidate or on behalf of a group of candidates.

#### Penalty for failure to give a return within the time required

A person must give a return within the time required by the LGEA. The maximum penalty for non-compliance, is 20 penalty units (\$2,669 as at 1 July 2019). The ECQ has the power to issue a penalty infringement notice (a fine) for 2 penalty units.

#### Penalty for knowingly giving a return that contains false or misleading particulars

A person must not give a return that contains particulars that are, to their knowledge, false or misleading. Non-compliance carries a maximum penalty of 100 penalty units (\$13,345 as at 1 July 2019). An offence against this provision is an integrity offence under the *Local Government Act 2009*.

#### Penalty for allowing an agent to give a false or misleading return

Candidates who are members of a group have an obligation to ensure agents do not give a return the candidate knows to be false or misleading. Allowing an agent to do so carries a maximum penalty of 100 penalty units (\$13,345 as at 1 July 2019). An offence against this provision is an integrity offence under the *Local Government Act 2009*.

The ECQ recommends that the agent ensures all candidates in the group review their completed return before it is submitted.

## 7. Gifts and loans

## What is a gift?

A gift, also known as a donation, is the transfer or disposition of property, or the provision of a service, for no consideration or inadequate consideration. Gifts can include money or services provided by friends, family, or other persons or businesses which have a personal relationship with the recipient.

A gift can be:

- monetary or non-monetary
- services provided at no or below cost
- uncharged interest on a loan; and/or
- any part of a **fundraising contribution** that exceeds \$200.

A **fundraising contribution** is the amount paid as a contribution, entry fee or other payment to entitle someone to participate in or benefit from a fundraising venture or function. This could include a raffle ticket, an amount paid at an auction, or amount paid for fundraising merchandise.

A gift does not include:

- volunteer labour (e.g. a family member handing out flyers on election day)
- the incidental use of a volunteer's vehicle or equipment
- a fundraising contribution of \$200 or less
- membership fees paid to a political party
- property transferred under a will
- a gift made in a private capacity that is for the personal use of an individual and not for any election-related purpose. If, however, any part of this gift is property, a service or a loan that the candidate uses in support of their election campaign, it will be considered a gift and must be disclosed.

### How is a gift valued?

Gifts are to be valued as follows:

- if the gift is money the amount of money;
- if the gift is property other than money the market value of the property;
- if the gift is the provision of a service the amount that would reasonably be charged for providing the service if the service were provided on a commercial basis;
- if the gift is uncharged interest on a loan the value of the gift is the amount of interest that would have been charged at the prevailing interest rate for a loan of that kind; or
- if the gift is a payment constituting a fundraising contribution the gross amount of the payment, regardless of the value of anything received in consideration for the payment.

#### Uncharged interest amount

Generally, the ECQ considers the 'prevailing interest rate' for a loan to be the Reserve Bank of Australia's cash rate, plus 3%. This means that if any loans are received with an interest rate less than this amount, a return will need to be lodged to disclose the difference as a gift-in-kind.

This is a guide only, and the ECQ will consider each matter on a case-by-case basis, taking into account the nature and terms of the loan.

#### Examples: Value of gifts received

#### Example 1

Candidate A operates a fundraising venture, whereby she offers potential donors the opportunity to purchase campaign merchandise, such as hats and t-shirts. A donor contributes \$1,000 and receives \$500 worth of merchandise in return. As the first \$200 for a fundraising contribution is exempt, Candidate A must disclose \$800, and not deduct the value of the merchandise provided in return.

#### Example 2

Candidate B hires Printing Company XYZ to print election material for \$1,000. Printing Company XYZ offers a \$400 discount, meaning Candidate B would only pay \$600. Candidate B accepts the discount. Candidate B must disclose the \$400 discount as a gift.

#### Example 3

A group of candidates organises a luncheon, and sells tables at \$2,000 each. The group sells 10 tables, raising \$20,000. The cost of venue hire, catering, and other expenses total \$1,500. The agent for the group of candidates must disclose 10 gifts of \$2,000, regardless of the \$1,500 in associated costs.

#### Example 4

Candidate C receives a loan of \$10,000 from a friend's business, with no interest charged. Candidate C must lodge a return for the \$10,000 loan, plus a second return to disclose a gift received. The gift is the amount equal to the amount of interest that would have been charged, had the prevailing interest rate been applied to the loan.

If a candidate is unsure if something is a gift, or how to calculate its value, they should seek their own professional advice.

### Are any gifts prohibited?

Gifts or loans made by property developers, their close associates, or industry representative organisations, to or for the benefit of a political party, a councillor, a candidate or group of candidates in an election is prohibited under the LGEA. Penalties apply to both the donor and the recipient of any unlawful donation or loan.

### Penalties related to prohibited donations

A person must not accept a political donation from a property developer or their close associates or solicit a person to make a political donation. The maximum penalty for non-compliance is 400 penalty units (\$53,380 as at 1 July 2019) or 2 years imprisonment.

A prohibited donor must not make a political donation or solicit a person to make a donation on behalf of a prohibited donor. The maximum penalty for non-compliance is 400 penalty units (\$53,380 as at 1 July 2019) or 2 years imprisonment.

A person must not knowingly participate in a scheme to circumvent a prohibition on political donations. The maximum penalty for non-compliance is 1,500 penalty units (\$200,175) or 10 years imprisonment.

For more information about the Prohibited Donors Scheme, refer to the ECQ website: <u>https://www.ecq.qld.gov.au/donations-and-gift-disclosure/prohibited-donors-scheme.</u>

Accepting gifts or loans where the relevant details are not known is also prohibited. Refer to Section 8 - Relevant details and source of gifts/loans.

## What is a loan?

A loan is defined to be any of the following, made other than by use of a credit card:

- an advance of money;
- a provision of credit or other form of financial accommodation;
- a payment of an amount for, on account of, on behalf of or at the request of an entity, if there is an express or implied obligation to repay the amount; or
- a transaction (whatever its terms or form) that in substance effects a loan of money.

Loans received from financial institutions do not need to be disclosed.

# Relevant details and source of gifts and loans

## Why are relevant details important?

When lodging returns with the ECQ, the LGEA requires electoral participants to disclose the relevant details of gifts and loans received. To ensure they can meet their obligations, candidates must ensure they collect the relevant details of the donor at the time they receive the donation. Failure to do so could result in forfeiting the donation to the ECQ.

## What are the relevant details?

The relevant details a candidate is required to collect (and later disclose to the ECQ) will differ depending on the type of entity which made the gift/loan. For all types of entities, the following relevant details are required:

- the value of the gift / loan;
- the date on which the gift / loan was made;
- for a loan the terms of the loan;
- if the person making the gift has an interest in a local government matter that is greater than that of other persons in the local government area
  - that fact; and
  - $\circ$  the nature of the person's interest
- if the gift or loan is made by an entity that is not the source of the gift / loan
  - o that fact; and
  - $\circ$  the relevant details for the entity that is the source of the gift / loan.

Type of entity that made the gift or loan	Relevant details
Individual	<ul> <li>the individual's name;</li> <li>the individual's residential or business address;</li> <li>the individual's occupation; and</li> <li>if the individual is employed, carries on a business, or is otherwise engaged in an industry - the industry in which the individual is employed, carries on a business, or is otherwise engaged</li> </ul>
Corporation	<ul> <li>the corporation's name;</li> <li>the names and residential or business addresses of the directors or members of the executive committee of the corporation;</li> <li>if the corporation has a holding company - the names and residential or business addresses of the directors</li> </ul>

The following relevant details are also required, based on the type of entity that made the gift or loan:

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	-
	<ul> <li>or members of the executive committee of the holding company; and</li> <li>a description of the type of business the corporation carries on</li> </ul>
Unincorporated • the association's name; and	
association	• the names and residential or business addresses of the
(excluding registered	members of the executive committee of the
industrial organisations)	association
Registered industrial	the organisation's name; and
organisation	<ul> <li>the organisation's address</li> </ul>
<ul> <li>the organisation's address</li> <li>the names and residential or business addresse trustees of the fund or other persons responsible funds of the foundation;</li> <li>the name or other description of the trust of foundation; and</li> <li>if the gift is given, or loan is made, out of a trust a of a lawyer or accountant under the instructio person who is in substance the giver of the gift o - the name and residential or business address person who gave the instruction</li> </ul>	
If none of the above	<ul> <li>the name and residential or business address of the person</li> </ul>

### When are the relevant details for a gift or loan to be disclosed?

The relevant details must be disclosed in a return if, during their disclosure period for a local government election, an election participant receives:

- one or more gifts from a particular entity, the sum of which is equal to, or exceeds, \$500; or
- one or more loans from a particular entity (other than a financial institution), the sum of which is equal to, or exceeds, \$500.

### Obtaining relevant details

When accepting gifts or loans, candidates must obtain the relevant details for the gift. The ECQ recommends that candidates obtain these details in writing for record keeping purposes. This is a dual obligation - candidates must collect the information when receiving gifts/loans, and the donor must give the information.

The ECQ has developed a sample notice which candidates and groups can use to collect relevant details from potential donors before accepting their donation (*Appendix A – Sample Notice from Donors to Recipients*). An editable version of the sample notice can also be downloaded at <u>www.ecq.qld.gov.au/candidates-and-parties/handbooks-and-forms</u>.

### Informing donors

Candidates must give their donors notice that the donor may also have an obligation to lodge a return under the LGEA. This notice should be in writing and must be given with 7 business days of receiving the gift. A sample notice is available in *Appendix B* – *Sample Notice from Recipients to Donors*. An editable version can also be downloaded at www.ecq.qld.gov.au/candidates-and-parties/handbooks-and-forms.

#### Penalty for failure to notify third parties of obligation to give a return

A candidate must give notice to a third party from whom gifts of \$500 or more are received, that the third party may be required to give a return about the gift. This notice must be given within 7 business days of the gift being received.

Non-compliance carries a maximum penalty of 20 penalty units (\$2,669 as at 1 July 2019).

### What happens if the relevant details are not known?

It is unlawful for a candidate or a group of candidates to receive a gift or loan of \$500 or more unless they know or obtain the relevant details for the gift or loan at the time it is received.

If a person receives a gift or loan without the relevant details, an amount equal to the value of the gift or loan may be recovered by the State (i.e. the ECQ). To avoid any doubt about the details of the donor, the ECQ strongly encourages candidates and groups of candidates to obtain the relevant details for all gifts or loans, even those of less than \$500.

### Penalty for failure to obtain information for a return

A person must take all reasonable steps to obtain the particulars required to complete a return and complete the return to the extent practicable. Non-compliance carries a maximum penalty of 20 penalty units (\$2,669 as at 1 July 2019).

## Source of gifts and loans

The LGEA requires candidates and agents for groups of candidates to disclose the source of the gifts and loans they receive.

If a donor receives a gift from another entity, then uses that gift to give a candidate or group of candidates a gift or loan, they must disclose the name and address of the source to the recipient of the gift or loan. The recipient must then disclose the source of the gift or loan in their disclosure return via the ECQ Electronic Disclosure System.

### Who is the source of a gift or loan?

An entity is the source of a gift or loan (ultimate gift or loan) made to another entity (the ultimate recipient) if -

- the entity makes a gift or loan (the first gift or loan) to another entity (the first recipient); and
- the entity's main purpose in making the first gift or loan is to enable (directly or indirectly) the first recipient, or another person, to make the ultimate gift or loan to the ultimate recipient; and
- the first recipient, or another person, makes the ultimate gift or loan to the ultimate recipient; and
- the first gift or loan enabled (directly or indirectly) the first recipient, or another person, to make the ultimate gift or loan.

### Who has to disclose the source of a gift or loan?

Candidates and groups of candidates in local government elections are required to disclose the name and address of the source of the gift or loan when lodging returns with the ECQ.

## 9. Notification requirements

## Notice to donors

If a candidate or group of candidates receives a gift of \$500 or more, the candidate or group of candidates must give the donor a notice that states that the donor may be required to give a return to the ECQ. This notice must be given within 7 business days of receiving the gift.

A sample notice is available in *Appendix B* – *Sample Notice from Recipients to Donors*. An editable version can also be downloaded at <u>www.ecq.qld.gov.au/candidates-and-parties/handbooks-and-forms</u>.

## Notice to public

Additionally, candidates and groups of candidates must take reasonable steps to notify the public about their disclosure obligations, including the candidate's requirement to:

- give the return to the ECQ; and
- state the relevant details for the gift in the return.

The notice must include a summary of the provisions of the LGEA under which the above requirements arise. Examples of how this requirement can be fulfilled include publishing a notice on a campaign website, social media page, or included on flyers or pamphlets, printed on invoices etc. A sample public notice is in *Appendix C - Sample Public Notice*.

### Penalty for failure to notify the public about disclosure obligations

A candidate must take reasonable steps to notify the public that the candidate is required to:

- give a return to the ECQ about any gifts or loans they receive; and
- state the relevant details for the gift or loan in the return.

Non-compliance carries a maximum penalty of 1 penalty unit (\$133.45 as at 1 July 2019).

# 10. Campaign financial management obligations

## Dedicated bank accounts

Candidates who contest a local government election must open a dedicated campaign account with a financial institution in order to successfully nominate for election. This account is known as a 'dedicated bank account'. Even if candidates are intending to self-fund their election campaign, they must operate a dedicated campaign bank account.

Candidates are required to provide details about their bank account during the nomination process. The details of the dedicated bank account that must be provided to the ECQ include:

- name of the financial institution;
- BSB number;
- account number; and
- account name.

Bank account details are not made public by the ECQ.

## A nomination for an election cannot be completed unless a dedicated bank account has been opened.

The dedicated bank account can only be used for receiving gifts/loans and paying amounts related to a local government election campaign. All amounts received from donors must be paid directly into the dedicated bank account. All expenditure incurred must be paid directly to suppliers from the dedicated bank account.

For groups of candidates, the requirement to operate a dedicated bank account applies to the group as a whole (i.e. only one bank account is required for the whole group). Candidates who intend on nominating as part of a group will only be required to disclose the group bank account details. Refer to Section 2 - Candidates and groups of candidates for more information on running as a member of a group of candidates.

Candidates/groups who receive a loan directly into their dedicated bank account can use funds from the dedicated account to pay back the loan. However, any loans paid into an account other than a candidate's dedicated campaign account cannot be repaid using dedicated account funds, even if all or part of the loan was used for electoral purposes.

## A group of candidates cannot be registered unless a dedicated bank account has been opened.

What are the requirements for operating a dedicated bank account?

Candidates and groups of candidates are required during their disclosure period to:

- deposit all amounts received by the candidate/group (including those received by other persons on behalf of the candidate/group) **directly** into the account; and
- pay all expenses for the conduct of the candidate's/group's campaign **directly** from the account. Expenses can only be paid from the account in the following ways:
  - an electronic funds transfer transaction from the account; or
  - using a debit card that withdraws the payment directly from the account; or
  - a cash withdrawal from the account, provided that:
    - the amount withdrawn does not exceed the value of the expense; or
    - if the cash is being withdrawn from an ATM, the amount withdrawn does not exceed the value of the expense, rounded up to the nearest amount which the ATM can dispense.

Candidates/groups must not use other accounts to 'filter' or otherwise screen their donations or expenditure.

### What about after the election?

Any amount that remains in a dedicated account 30 days after election day can only be:

- kept in the account for future election campaigns by the candidate or group;
- paid to a political party, if the candidate (or each member of a group) was a member of a political party during the disclosure period; or
- paid to a charity nominated by a candidate or group.

At the end of the election, candidates (or the agent for a group of candidates) will be required to provide a bank statement with their election summary return. They will also be required to keep any and all records related to the bank account for at least five years.

### What if I don't comply?

If you are party to a transaction that does not comply with the above requirements, you should notify the ECQ in writing immediately after the transaction occurs. You should also keep all records associated with the transaction, and if applicable, ensure that you disclose the transaction. The ECQ will take into account any voluntary disclosure regarding non-compliance when conducting its compliance and enforcement activities after the election.

### Penalty for failure to comply with dedicated account requirements

Candidates or groups of candidates who fail to comply with dedicated account requirements may incur a maximum penalty of 100 penalty units (\$13,345 as of 1 July 2019). An offence against this provision is an integrity offence under the *Local Government Act 2009*.

## Prohibited use of credit cards

The use of **credit cards** to pay for the conduct of an election campaign is **strictly prohibited**, as is using funds in a dedicated bank account to pay for a charge incurred using a credit card.

Candidates and groups of candidates **must not use a credit card** to pay for campaign expenses or use a dedicated bank account to pay a charge incurred using a credit card. A credit card facility must not be attached to a candidate's or a group of candidates' dedicated campaign bank account.

Nomination fees cannot be paid for by a credit card. Nomination fees may be paid to the ECQ by electronic funds transfer (EFT), a cheque drawn by a financial institution, by cash or by BPoint via the *Candidate Portal*, which can be accessed via the ECQ's website - <u>www.ecq.qld.gov.au</u>.

The ECQ, as part of its compliance function, conducts regular audits of dedicated bank accounts to ensure compliance with disclosure requirements, including the use of credit cards.

At the end of the election, candidates and agents for a group of candidates will be required to provide a bank statement with their **election summary return**. They will also be required to keep all records related to the bank account for at least five years.

#### Penalty for violating credit card requirements

Non-compliance carries a maximum penalty of 100 penalty units (\$13,345 as of 1 July 2019).

## 11. Recordkeeping obligations

Under the LGEA, candidates and groups of candidates who participate in a local government election are required to keep full and accurate records to meet election and disclosure requirements. These records must be maintained even after the election.

Good record keeping practices promote accountability and transparency and increase public confidence in election campaigning in local government. Retaining all relevant records and storing and managing them in a meaningful way allows candidates and groups of candidates to retrieve them to properly disclose and fully meet their reporting obligations.

All election participants, including candidates and groups of candidates, must keep all relevant records required to make complete and accurate electoral disclosures. This will include recording receipt of gifts and loans received and keeping receipts for electoral expenditure incurred.

The following documents are examples of records which should be kept:

- bank statements;
- invoices;
- receipt books;
- deposit books;
- cheque books;
- ledgers; and
- notices which relate to information contained in a return.

Records may be kept in a paper or electronic form.

All relevant election disclosure records must be kept for a period of **at least five years after the election**, whether the candidate's campaign is successful or not. The ECQ may request to view these documents as part of its ongoing compliance activities, and you will be required to make your records available to the ECQ if requested to do so.

#### Penalty for failure to keep records for the time required

A person must keep records relating to a return for at least 5 years after the conclusion of an election, unless, in the normal course of business, the records are transferred to someone else.

Non-compliance carries a maximum penalty of 20 penalty units (\$2,669 as at 1 July 2019). The ECQ has the power to issue a penalty infringement notice (a fine) for 2 penalty units.

Additional penalties may apply if you fail to produce the records to the ECQ's officers when requested to do so.

## 12. Compliance

The ECQ is responsible for ensuring election participants comply with their disclosure obligations under the LGEA. Compliance with these requirements greatly enhances the integrity and transparency of the election. As such, the ECQ regularly conducts compliance reviews following an election to monitor and enforce compliance.

Candidates and groups of candidates may be contacted up to five years after an election to provide information or documentation relating to a disclosure matter. The information and documents provided will be reviewed by the ECQ to assess the level of compliance with disclosure laws. Where instances of non-compliance are detected, the ECQ may undertake further investigation or enforcement action where appropriate.

The ECQ will work with election participants who are willing to comply with the law. The ECQ encourages election participants to be informed and proactive in their approach to compliance, and to notify the ECQ immediately if they have any questions or become aware of any issues relating to their disclosure obligations under the LGEA.

## Offences and penalties for non-compliance

The LGEA outlines the penalties that may apply to candidates and sitting councillors who breach their disclosure obligations in relation to a local government election. The ECQ is the responsible body for administering and enforcing these laws. Note that councillors and candidates may also be subject to laws enforced by other agencies.

## What happens if a candidate or councillor commits an offence under the LGEA?

A candidate or councillor who commits an offence under the LGEA may be subject to fines or prosecution, depending on the seriousness of the offence. A sitting councillor will be automatically suspended if they are charged with an integrity offence or a serious integrity offence. Both sitting councillors and candidates will be disqualified from being a councillor for:

- 4 years after being convicted of an integrity offence; or
- 7 years after being convicted of a serious integrity offence.

## Compliance with group campaign activity provisions

Inadvertent and unintentional incidents, such as independently developing the same or similar policies, attending the same community events (e.g. those organised by community groups or the local council), or independently engaging the same suppliers at full commercial cost, will generally not be considered group campaign activities. Similarly, merely maintaining pre-existing friendships or acquaintances (or establishing new ones throughout the course of the election) with other candidates will not, on its own, be considered a group
campaign activity, unless any of those behaviours outlined on page 7 of this handbook are evident.

When considering whether a group campaign activity has been conducted, the ECQ will examine the specific circumstances of the matter, the overall context of the election, and a candidate's behaviour across throughout the course of the election. In relation to those activities involving election material or advertising, the specific wording of the material and the intended audience will also be highly relevant.

# 13. Help and support

Other handbooks in this series:

- Candidate Handbook for Local Government Elections;
- Election and Disclosure Handbook for Registered Political Parties and Associated Entities for Local Government Elections;
- Election and Disclosure Handbook for Third Parties for Local Government Elections.

ECQ handbooks, forms and fact sheets are available on the ECQ website - <u>https://www.ecq.qld.gov.au/candidates-and-parties/handbooks-and-forms</u>

For more information about Queensland elections, voting and electoral boundaries, refer to the Electoral Commission of Queensland website - <u>www.ecq.qld.gov.au</u>.

# 14. Contact us

Contact	Details
Postal address	GPO Box 1393, BRISBANE QLD 4001
Phone	1300 881 665
Email	fad@ecq.qld.gov.au

# 15. Glossary

# Agent

An agent refers to an agent for a group of local government candidates recorded in a register of group agents. The agent is the person responsible for ensuring the group's obligations under the LGEA are complied with.

# Candidate

A person whose nomination as a candidate for an election has been certified by a returning officer and, for disclosure purposes, includes a person who:

- is elected or appointed councillor at any time during the disclosure period;
- has announced or otherwise publicly indicated an intention to be a candidate in an election; or
- has otherwise indicated their intention to be a candidate in the election, including, for example by accepting a gift made for the purpose of an election.

# **Close Associate**

For the purposes of the prohibited donor scheme, the following persons are considered close associates of a corporation which is a property developer:

- a related body corporate of the property developer;
- a director or other officer of the property developer;
- a person with more than 20% of the voting power of the property developer or a related body corporate;
- a spouse of a person described above;
- if the corporation or a related body corporation of the corporation is a stapled entity in relation to a stapled security the other stapled entity in relation to the stapled security;
- if the corporation is a trustee, manager or responsible entity in relation to a unit trust a person who holds more than 20% of the units in the trust; or
- if the corporation is a trustee, manager, or responsible entity in relation to a discretionary trust a beneficiary of the trust.

# **Dedicated account**

A single account with a financial institution operated by a candidate, or group of candidates, to receive all gifts and loans and to pay all electoral expenditure related to a local government election campaign. Account details must be disclosed to the ECQ and campaign accounts may be subject to compliance reviews up to five years after the election.

The use of credit card to pay for campaign expenses and the use of campaign funds to pay for a charge incurred on a credit card is prohibited.

# Disclosure

A disclosure is the reporting of information to the ECQ by related to political donations and/or electoral expenditure.

# **Disclosure periods**

A disclosure period for an election depends upon an individual or entity's circumstances:

**Sitting councillors**: If the councillor was a candidate in an election held within five years before the polling day for the election, their disclosure period begins 30 days after the election day for the most recent election and ends 30 days after the election day for the election.

**Announced candidates**: If a person who announces their intention to nominate for an election - but has not contested an election within the last five years - their disclosure period begins on the day that the candidate publicly announces their intention to be a candidate, or otherwise indicates their intention to be a candidate (e.g. accepting a gift), and ends 30 days after the polling day for the election.

**Groups of candidates**: The disclosure period for a group of candidates begins 30 days after the polling day for the last quadrennial election and ends 30 days after the polling day for the election.

#### EDS

Refer to the definition of Electronic Disclosure System.

#### **Election day**

The polling day for an election. Polling places open at 8am and close at 6pm on election day. Counting of the votes commences at 6pm.

#### Election material

Anything able to, or intended to, influence an elector about voting at an election or affect the result of an election. This includes all election material printed, published, distributed or broadcast, for example any advertisement, handbill, pamphlet, notice or social media post.

#### **Election period**

An election period for an election starts upon public notice of the election and ends at the close of polls on election day.

#### **Election summary return**

A summary disclosure return is a submission which contains details of all gifts, loans or expenditure, completed via the Electronic Disclosure System within 15 weeks after election day.

#### **Electoral advertising**

Electoral or political advertising is any advertisement which advocates a vote for or against a candidate, group of candidates, or a registered political party. Under the LGEA, candidates, groups of candidates and campaigns must adhere to the provisions relating to political advertising during an election period. The election period for a local government election commences when the Notice of Election is published and ends when polling closes on the day of the election.

These provisions include: requirements for authorisation to be printed clearly on electoral materials, regulations relating to where signage can be placed in support of a local

government campaign, procedures for the acceptance of how-to-vote cards by the ECQ and offences such as misleading electors or publishing false statements about the personal character or conduct of a candidate, with the intent to influence the outcome of an election. For more information, refer to Local Government Fact Sheet 6 - Electoral Advertising and Signage.

# Electoral expenditure

Electoral expenditure is expenses incurred, including a gift-in-kind, to support an election campaign, regardless of when the expense is incurred. Electoral expenses are costs helping to advocate for or against a candidate, group or candidates or political party and can include but in this context, not limited to:

- the cost of producing and distributing political advertisements, whether broadcasted, published in physical form or electronically, displayed at a theatre or other place of entertainment (e.g. television advertising, social media advertising; or
- the cost of producing and distributing any advertisement or election material requiring the name and address of the person authorising the material (e.g. flyers, pamphlets handbills, how-to-vote cards); or
- carrying out an opinion poll or research to promote or influence voting (e.g. phone polling, data analysis, focus groups).

Electoral expenditure is incurred at the time when the goods or services are provided. For example, expenditure on advertising is incurred when the advertisement is broadcast, published or posted online and expenditure on election material is incurred when the material is distributed.

<u>Note:</u> 'Electoral expenditure' differs from 'Political expenditure'. Refer to the definition of **Political expenditure** for details.

# **Electronic Disclosure System (EDS)**

The online portal through which electoral participants with disclosure obligations should lodge their real-time, periodic and post-election summary disclosure returns. The EDS can be accessed via the ECQ website or at <u>disclosures.ecq.qld.gov.au</u>.

#### Endorsed candidate

A candidate for a local government election who is endorsed by a registered political party.

# Expenditure return

Candidates, groups of candidates, registered political parties and associated entities who incur electoral expenditure of \$500 or more must provide a return to the ECQ. The return must be in the approved form and given to the ECQ by the disclosure due date for the return, and state:

- the name and business address of the person who supplied the goods or service to which the expenditure relates;
- a description of the goods or service;
- the amount of the electoral expenditure;
- when the expenditure was incurred; and
- the purpose for incurring the expenditure.

A summary expenditure return states the total amount of electoral expenditure the electoral participant incurred during the disclosure period for the election together with a copy of a bank statement with their summary return.

# Fundraising contribution

A fundraising contribution is an amount paid by a person as a contribution, entry fee or other payment to entitle the person or another person to participate in, or otherwise obtain a benefit from a fundraising venture or function.

A fundraising contribution includes:

- an amount paid for a raffle ticket; and
- an amount paid for an item at a fundraising auction.

#### Gift

A gift, also known as a donation, is made to or for the benefit of a political party, a councillor, a candidate or group of candidates in an election, or made to another person or entity in order to enable them to support a political party, a councillor, a candidate or group of candidates.

A gift is any transfer of property from one entity to another with no or inadequate consideration of its reasonable value. A gift can be:

- monetary or non-monetary;
- services at no or below cost;
- uncharged interest on a loan; or
- any part of a fundraising contribution that exceeds \$200.

Where the gift is property, the gift is to be valued at the current market value.

Where the gift is a provision of a service, the value of the gift is the amount that would be reasonably charged for the service if it was provided on a commercial basis.

Where the gift is uncharged interest on a loan, the value of the gift is the amount of interest that would have been charged at the prevailing interest rate for a loan of that kind.

A fundraising contribution is the amount paid as a contribution, entry fee or other payment, which entitles someone to participate in or benefit from a fundraising venture or function.

A gift does not include:

- volunteer labour, such as friends and family members helping a candidate in a voluntary capacity (for example, handing out flyers on election day);
- the incidental use of a volunteer's vehicle or equipment;
- a fundraising contribution of \$200 or less;
- membership fees paid to a political party; or
- property transferred under a will.

A gift does not include the transfer of property, the provision of a service or uncharged interest on a loan made in a private capacity for the candidate's personal use if the candidate does not intend to use it for their election campaign. However, any part of this property, service or loan that the candidate uses in support of their electoral campaign, will be considered a gift and must be disclosed.

# Gift-in-kind

A gift of any good or service other than money.

# Gift threshold amount

The amount at which gifts must be disclosed in real-time, that is \$500. This may be one gift or loan (other than from a financial institution) or the sum of multiple gifts or loans.

# Group campaign activity

A group campaign activity is any of the following activities carried out by two or more candidates in an intentionally coordinated way:

- using a common platform to promote the election of the candidate, including for example, the same political policies;
- candidates using the same advertisements, including: pamphlets, billboards and any other media; the same campaign slogans, the same brands or images, the same how-to-vote cards; and other election material that promotes the election of the candidates
- participating in the same fundraising activities or events;
- sharing the same resources for election campaigns, including human resources (other than volunteers) between the candidates; or
- giving or sharing gifts or loans between the candidates.

Only candidates who are members of a group of candidates and candidates who are endorsed by the same political party may engage in group campaign activities.

#### Group of candidates

A registered group of two or more candidates who plan to contest an election in the same local government area and engage in group campaigning activities in an intentional and coordinated way. A political party cannot be considered a group, nor are they are required to be.

#### How-to-vote card

A how-to-vote card is a card, handbill or pamphlet that:

- contains a representation or intended representation of a ballot paper, or part of a ballot paper;
- lists the names of some or all candidates with numbers indicating an order of voting preference; or
- directs or encourages the casting of preference votes, other than a first-preference vote.

Printed material that does not meet one of these criteria may be election material, but not a how-to-vote card. It is important to note the differences, as the rules for how-to-vote cards differ from other election material. How-to-vote cards distributed during an election period must carry an authorisation and how-to-vote cards authorised for a candidate, group or political party must have been accepted for distribution by the ECQ.

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Refers to the Local Government Electoral Act 2011.

### Nomination

The process of formally applying to become a candidate for local government election. The nomination period is a period of approximately two weeks which takes places approximately one month prior to election day. Instructions on how to nominate are published in the Notice of Election.

#### Notice of Election

A Notice of Election is issued to formally notify the community that a local government election will occur on a specific date. It is published on the ECQ website and contains details such as of the nomination process, the timeline for the election and contact details for Returning Officers in each local government area.

# Penalty unit

The amount for an offence under Queensland State legislation and the laws of local governments is identified as a penalty unit. Queensland's *Penalties and Sentences Regulation 2015* defines the dollar value of a penalty unit and is subject to a yearly review. The penalty unit value in Queensland is \$133.45 (current from 1 July 2019).

#### Political advertisement

An advertisement that advocates a vote for or against a candidate, group of candidates or registered political party. Refer to the definition of **Electoral advertising**.

#### Political donation

Refer to the definition of Gift.

#### **Political expenditure**

Political expenditure is:

- electoral expenditure\*; or
- a gift made to or for the benefit of:
  - a political party;
  - a candidate for an election; or
  - a group of candidates for an election, a member of the group or a person acting on behalf of the group; or
- a gift made to another person on the understanding that the person, or another person, uses the gift (directly or indirectly) to incur expenditure in support of an election campaign.

<u>Note:</u> 'Political expenditure' differs from 'Electoral expenditure'. Refer to the definition of **Electoral expenditure** for details.

#### **Prohibited donor**

A prohibited donor is:

- a property developer or their close associate; or
- an industry representative organisation, a majority of whose members are property developers.

A property developer is a corporation engaged in a business that regularly involves the making of relevant planning applications by or on behalf of the corporation:

- in connection with the residential or commercial development of land; and
- with the ultimate purpose of the sale or lease of the land for profit.

A close associate of a corporation means:

- a related body corporate of the property developer;
- a director or other officer of the property developer;
- a person with more than 20% of the voting power of the property developer or a related body corporate;
- a spouse of a person described above;
- if the corporation or a related body corporation of the corporation is a stapled entity in relation to a stapled security the other stapled entity in relation to the stapled security;
- if the corporation is a trustee, manager or responsible entity in relation to a unit trust a person who holds more than 20% of the units in the trust; or
- if the corporation is a trustee, manager, or responsible entity in relation to a discretionary trust a beneficiary of the trust.

# **Real-time disclosure**

Real-time disclosure is the legislated requirement for the disclosure of gifts, loans and expenditure to the ECQ within 7 business days of the gift or loan being received or the expenditure incurred. In the last week of an election period, the 'real-time' requirement is reduced to within 24 hours of the gift or loan being received or the expenditure being incurred.

# Relevant details of a gift of loan

'Relevant details' of the gift or loan (other than from a financial institution) refer to the detailed supporting information about a gift or loan that should be included in a disclosure return. The relevant details that are required to be disclosed depend on the type of entity that made the gift or loan. For all types of entities, the following relevant details are required to be disclosed:

- the value of the gift or loan
- the date on which the gift or loan was made
- for a loan, the terms of the loan and if the person making the gift has an interest in a local government matter that is greater than that of other persons in the local government area and the nature of the person's interest; and
- if the gift or loan is made by an entity that is not the source of the gift or loan, the relevant details for the entity that is the source of the gift or loan.

The following relevant details are also required to be disclosed, depending on the type of entity that made the gift or loan:

Type of entity that made the gift or loan	Relevant details
Individual	<ul> <li>the individual's name;</li> <li>the individual's residential or business address;</li> <li>the individual's occupation; and</li> <li>if the individual is employed, carries on a business, or is otherwise engaged in an industry - the industry in which the individual is employed, carries on a business, or is otherwise engaged</li> </ul>
Corporation	the corporation's name;

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	<ul> <li>the names and residential or business addresses of the directors or members of the executive committee of the corporation;</li> <li>if the corporation has a holding company - the names and residential or business addresses of the directors or members of the executive committee of the holding company; and</li> <li>a description of the type of business the corporation carries on</li> </ul>
Unincorporated	the association's name; and
association	• the names and residential or business addresses of the
(excluding registered	members of the executive committee of the
industrial organisations)	association.
Registered industrial	<ul> <li>the organisation's name; and</li> </ul>
organisation	<ul> <li>the organisation's address.</li> </ul>
Trust fund / foundation	<ul> <li>the names and residential or business addresses of the trustees of the fund or other persons responsible for the funds of the foundation;</li> <li>the name or other description of the trust fund or foundation, and if the gift is given, or loan is made, out of a trust account of a lawyer or accountant under the instructions of a person who is in substance the giver of the gift or lender - the name and residential or business address of the person who gave the instruction.</li> </ul>
If none of the above	• the name and residential or business address of the person.

A candidate, the agent for a group of candidates or a third party that incurs political expenditure for the election may be required to disclose the relevant details of a gift or loan received in support of a local government election campaign. Candidates and third parties must ensure they collect the information at the time of receiving the gift. Registered political parties must continue to adhere to their obligations under the *Electoral Act 1992*.

The relevant details must be disclosed in a return if, during their disclosure period for a local government election, an election participant receives:

- one or more gifts from a particular entity, the sum of which is equal to, or exceeds, \$500; or
- one or more loans from a particular entity (other than a financial institution), the sum of which is equal to, or exceeds, \$500.

Once the \$500 threshold has been reached, the election participant must disclose the relevant details for each additional gift or loan received from the same entity during the reporting period, regardless of the amount or value of the gift or loan.

# Source of a gift or loan

A candidate, group of candidates or third party is required to disclose the name and address of the source of a gift or loan when lodging the disclosure return in the ECQ's Electronic Disclosure System.

An entity is the source of a gift or loan (ultimate gift or loan) made to another entity (the ultimate recipient) if:

- the entity makes a gift or loan (the first gift or loan) to another entity (the first recipient);
- the entity's main purpose in making the first gift or loan is to enable (directly or indirectly) the first recipient, or another person, to make the ultimate gift or loan to the ultimate recipient;
- the first recipient, or another person, makes the ultimate gift or loan to the ultimate recipient; and
- the first gift or loan enabled (directly or indirectly) the first recipient, or another person, to make the ultimate gift or loan.

#### Summary disclosure

Refer to the definition of **Election Summary Return**.

#### Third party

A third party is an individual or an entity who is a political donor or campaigner and makes a gift to an electoral participant or conducts campaigning activities, but is not:

- a political party, an associated entity or a candidate;
- a person who is a member of a committee for the election of a candidate endorsed for by a registered political party, if the committee is part of the political party; or
- a person who is a member of a committee for the election of a candidate in the election or members of a group of candidates for the election.

#### Transitional disclosure returns

**New disclosure obligations commence on 20 January 2020** under the amendments to the LGEA. As part of this transition, all announced candidates and sitting councillors must lodge **two transitional disclosure returns within 14 days of the new laws commencing**. The due date will be **3 February 2020**.

This applies to all announced candidates for the 2020 local government quadrennial election, whether they officially nominate for the election or not; and all sitting councillors, whether they plan to contest the 2020 local government election or not. These returns must include:

- **all gifts and loans** received between the start of their disclosure period and 19 January 2020; and
- **all expenditure** incurred in support of their campaign between 1 May 2019 and 19 January 2020.

# Appendix A: Sample Notice from Donors to Recipients Important Notice to Gift/Loan Recipients

Thank you for the opportunity to support you in your election campaign. As a donor, I am required to notify you of the below relevant details about the gift/loan I have given you. I am aware that you will need to disclose this information to the Electoral Commission of Queensland (ECQ), and that this will be publicly available.

Please note that I have retained a copy of this document as evidence that I have fulfilled my obligation to notify you of the relevant details of the gift/loan I have given you.

#### Section 1: Reporting type

You will be required to report (donor to tick the relevant boxes):

Type of gift	□ Gift (money)	Fundraising contribution
	□ Gift-in-kind	Another type of gift
	🗆 Loan	
Type of donor	🗆 Individual	Corporation (company)
	Unincorporated association	Trust Fund/Foundation
	Registered Industrial Org.	Another type of entity
Name of donor		
Address of donor		

#### Section 2: Information about gift/loan

Date gift / loan made	
Value of gift / loan	
Description of gift (if applicable)	
<i>Terms of loan</i> (if applicable)	

#### Section 3A: Donor Information – Individual (if applicable)

Interest in local government matters	<ul> <li>I do have an interest in a local government matter that is greater than other persons in the local government area</li> <li>I do not have an interest in a local government matter that is greater than other persons in the local government area</li> </ul>
Nature of interest	
(if applicable)	
Source of gift / loan	I am the source of the gift/loan
	I am not the source of the gift/loan (must complete Section 4)
Individual's	
occupation	
Industry of	
individual's	
employer, business,	
or other engagement	

#### Section 3B: Donor Information - Corporation (if applicable)

Interest in local government matters	<ul> <li>This corporation <b>does</b> have an interest in a local government matter that is greater than other persons in the local government area</li> <li>This corporation <b>does not</b> have an interest in a local government matter that is greater than other persons in the local government area</li> </ul>
Nature of interest (if applicable)	
Source of gift / loan	<ul> <li>This corporation is the source of the gift/loan</li> <li>This corporation is not the source of the gift/loan (must complete Section 4)</li> </ul>
Description of type of business of corporation	
Names and addresses of directors / members of executive committee	
If the corporation has a holding the company - names and addresses of directors / members of executive committee of the holding company	

# Section 3C: Donor Information – Unincorporated association (if applicable)

Interest in local	This association does have an interest in a local government
government matters	matter that is greater than other persons in the local government
	area
	This association does not have an interest in a local
	government matter that is greater than other persons in the local
	government area
Nature of interest	
(if applicable)	
Source of gift / loan	This association is the source of the gift/loan
, , , , , , , , , , , , , , , , , , ,	□ This association <b>is not</b> the source of the gift/loan (must complete Section 4)

Names and addresses of directors / members of executive committee	

# Section 3D: Donor Information – Trust fund / foundation (if applicable)

Interest in local government matters	<ul> <li>This trust fund <b>does</b> have an interest in a local government matter that is greater than other persons in the local government area</li> <li>This trust fund <b>does not</b> have an interest in a local government matter that is greater than other persons in the local government area</li> </ul>
Nature of interest (if applicable)	
Source of gift / loan	<ul> <li>This trust fund is the source of the gift/loan</li> <li>This trust fund is not the source of the gift/loan (must complete Section 4)</li> </ul>
Names and addresses of trustees or responsible persons	
If the gift/loan was from a trust account of a lawyer / accountant – the name and address of the instructor.	

# Section 4: Source information (if applicable)

Source name	
Source address	
Type of source	<ul> <li>Individual (must complete Section 4A)</li> <li>Corporation (must complete Section 4B)</li> </ul>

	<ul> <li>Unincorporated Association (must complete Section 4C)</li> <li>Trust Fund / Foundation (must complete Section 4D)</li> <li>Registered Industrial Organisation</li> <li>Other</li> </ul>
Interest in local government matters	<ul> <li>The source does have an interest in a local government matter that is greater than other persons in the local government area</li> <li>The source does not have an interest in a local government matter that is greater than other persons in the local government area</li> </ul>
Nature of interest (if applicable)	

# Section 4A: Source information – Individual (if applicable)

Individual's occupation	
Industry of	
individual's	
employer, business,	
or other engagement	

# Section 4B: Source information - Corporation (if applicable)

Description of type of business of corporation	
Names and addresses of directors / members of executive committee	
If the corporation has a holding the company - names and addresses of directors / members of executive committee of the holding company	

Names and	
addresses of	
directors / members	
of executive	
committee	

# Section 4D: Source information – Trust fund / foundation (if applicable)

Names and addresses of trustees or responsible persons	
If the gift/loan was from a trust account of a lawyer / accountant – the name and address of the instructor.	

# Appendix B: Sample Notice from Recipients to Donors Important Notice from Recipient to Donors

Thank you for your gift.

This notice is to inform you that you may be required to give a return about your gift to the Electoral Commission of Queensland (ECQ), as per s125A of the *Local Government Electoral Act 2011* (the LGEA).

Under the LGEA, any person or entity who makes a gift of \$500 or more for the purposes of a local government election is required to disclose the details of that expenditure in a return to the ECQ. You are required to give this return within 7 business days of the gift being made. You can lodge your return online by visiting disclosures.ecq.qld.gov.au.

For your convenience, I have outlined the information that you will be required to disclose in your return, if you are required to give one.

#### Section 1: Reporting type (Recipient to complete this section)

You will be required to report:

Type of gift	□ Gift (money) □ Gift-in-kind	<ul> <li>Fundraising contribution</li> <li>Another type of gift</li> </ul>
Type of recipient	<ul> <li>Candidate</li> <li>Group of candidates</li> </ul>	Third party
Name of candidate, group, or third party		

#### Section 2: Particulars of the gift

You will also need to disclose the following information:

- A description of the gift you made (e.g. monetary, free printing services, tickets to an event);
- The purpose of the gift you gave (i.e. why did you make a gift to this candidate, group of candidates or third party?);
- The value of the gift received;
- The date the gift was made; and
- Whether the gift was made because you support or oppose a particular issue (and if so, what that issue is).

#### Contact me

Please note I have retained a copy of this document, as evidence that I have met my obligations under the LGEA to give you this notice. As a donor, you are required to give me a notice outlining the relevant details of the gift you have given me. Please provide me with this notice as soon as possible (if you haven't already), as I may have to forfeit the gift (or an equal amount) to the ECQ if I don't collect the information.

Please visit the ECQ's website at <u>www.ecq.qld.gov.au</u> if you require any further information about your obligations.

Gift recipients should read the above notice carefully before providing it to donors. Recipients may need to amend their notice depending on their circumstances.

This notice is a sample developed by the Electoral Commission of Queensland (ECQ) to assist gift recipients in meeting their obligations to give a notice to a donor. While it is compulsory for the recipient to give a notice, it does not have to be in this form. No adverse inferences should be made about whether a person chooses to use this sample notice, or another notice of their choosing.

# Appendix C: Sample Public Notice

As a participant in a Queensland local government election, I am required to give a disclosure return to the Electoral Commission of Queensland (ECQ) if I receive a gift or loan valued at \$500 or more. I am required to give these returns within 7 business days of receipt, or within 24 hours if I receive the gift/loan within 7 business days before election day. These returns are available for public viewing on the ECQ's website, and will include all relevant details about the gift, including (but not limited to) your name and address. This is required by the *Local Government Electoral Act 2011*. Please visit www.ecq.qld.gov.au if you require further information about my obligations as an electoral participant.