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# REGISTERED POLITICAL PARTIES

## Dedicated campaign bank accounts

Unless otherwise stated, all references to legislation are to the *Local Government Electoral Act 2011* (LGEA). The information in this fact sheet does not replace legislation. If you are concerned about your obligations, you should seek independent legal advice.

This fact sheet relates to registered political parties that endorse a candidate in a local government election or by-election, as well as the party's agent and associated entities.

Any registered political party that endorses a candidate in a local government election must:

- establish a dedicated campaign bank account with a financial institution
- use the account to pay for all electoral expenditure.

The account **must not** be used for any other purposes.

Credit cards **must not** be used to pay for electoral expenditure. Debit cards linked to the dedicated campaign bank account are acceptable.

Any funds remaining in the account at the end of the election can only be dealt with in certain ways (see below for further information).

If a registered political party has an associated entity, the entity must use the party's dedicated campaign bank account to pay for all electoral expenditure. See <u>Fact sheet 37 – Funding and disclosure overview for associated entities</u> for further information about associated entity obligations.

## When to open a dedicated campaign bank account

Registered political parties must open a dedicated campaign bank account **before** paying for any electoral expenditure. The party's account is in addition to the dedicated campaign bank accounts that each of its candidates must also establish.

Registered political parties that regularly endorse candidates in local government elections may keep the same dedicated campaign bank account for successive local elections. A new account does not have to be opened each time. However, all disclosure, reporting and audit requirements must be met in full for each election.

Registered political parties **must not** use the same bank account for local and state elections. A party's dedicated campaign bank account for local elections must be separate from its state campaign account.

# When to notify the ECQ of bank account details

The agent of a registered political party must notify the ECQ of the party's dedicated campaign bank account details within **5 business days** of endorsing a candidate.

If any account details change, the agent must notify the ECQ within 5 business days.

Bank account details can be provided and updated through the ECQ's <u>Political Party Self Service Portal</u>.



#### What can go into the dedicated campaign bank account?

Registered political parties may transfer their own funds into their dedicated campaign bank account, except any amount that is required to be kept in their state campaign account.

Gifts or loans from prohibited donors must never be accepted nor placed in a party's dedicated campaign bank account, directly or indirectly. For further information about prohibited donors, refer to the <a href="ECQ's website">ECQ's website</a>.

## What can be paid from the account?

The dedicated campaign bank account **must only** be used to pay for electoral expenditure relating to a local government election.

All electoral expenditure **must be paid** from the dedicated bank account, and **only** in the following ways:

- via an electronic funds transfer
- using a debit card that withdraws the payment directly from the account
- using cash withdrawn from the account (provided the amount withdrawn does not exceed the amount to be paid, rounded up to the nearest amount an ATM can dispense, if applicable).

The use of a credit card to pay for electoral expenditure is **strictly prohibited**, as is using funds in a dedicated campaign bank account to pay a charge incurred using a credit card. See <u>Fact Sheet 15</u> for further information about the ban on credit card use.

Electoral expenditure has a specific definition under legislation. Not all campaign expenses are electoral expenditure. See <u>Fact sheet 12 – Definition of electoral expenditure</u> for further information about what is and is not electoral expenditure.

#### What does the party do with the account after the election?

Any amounts remaining in the dedicated campaign bank account at the end of the election may **only** be dealt with in the following ways:

- be kept in the account for a future local election
- be paid to a charity
- be paid to the party.

Excess amounts cannot be transferred, paid or withdrawn for any other purpose.

Parties that intend to endorse a candidate in future local elections should keep the account open so that it can be used to pay for any electoral expenditure for subsequent elections.

Records relating to the dedicated campaign bank account must be kept and made available to the ECQ for at least 5 years after the election. For further information about record keeping requirements, refer to <u>Fact sheet 8 – Record keeping requirements</u>.

#### **Compliance and penalties**

There are significant financial penalties for not complying with the dedicated campaign bank account requirements and for using a credit card for electoral expenditure.

Failure to comply with either requirement carries a maximum penalty of 100 penalty units (valued at \$15,480 as of 1 July 2023).

#### For further information

This fact sheet mainly refers to part 6, sections 126–127C of the LGEA. The Act is available in full at <u>legislation.gld.gov.au</u>. Participants in the electoral process should ensure they understand their obligations under the LGEA.

# RELATED FACT SHEETS

Fact sheet 37 – Funding and disclosure overview for associated entities

All fact sheets can be found on the **ECQ's website**.