



Electoral expenditure caps

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 provides information about expenditure caps for registered political parties and their endorsed candidates participating in local elections and by-elections, as well as the agents and associated entities of the party or candidate.

COMPLIANCE WARNING

Failure to comply with electoral expenditure caps is an offence that carries substantial penalties. It is a serious integrity offence under the *Local Government Act 2009* and a criminal offence under the *Local Government Electoral Act 2011*.

What are expenditure caps?

Expenditure caps are limitations on the amount of electoral expenditure that can be incurred during the capped expenditure period for a local election.

It is unlawful for a registered political party and their endorsed candidates to exceed their expenditure cap during the capped expenditure period.

The caps only apply to electoral expenditure, which has a specific meaning for local elections and by-elections. See <u>Fact sheet 12 – Definition of electoral expenditure</u> to understand more about what is and what is not electoral expenditure.

Who do expenditure caps apply to?

Expenditure caps apply to registered political parties and endorsed candidates, amongst others.

If a party or candidate has an associated entity, that entity is also subject to the same expenditure cap. For further information about associated entities, refer to <u>Fact sheet 37 –</u> <u>Funding and disclosure overview for associated entities</u>.

When do expenditure caps apply?

Expenditure caps apply to electoral expenditure that is incurred during the capped expenditure period for an election.

For future elections, the capped expenditure period will start on:

- for a by-election the day the notice for the election is issued
- for the 2028 local government elections 30 August 2027 (subject to change).

The capped expenditure period ends at 6pm on election day.



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More information

If you need more information relating to Funding, Disclosure and Compliance, please contact ECQ on 1300 881 665 or by emailing fad@ecq.gld.gov.au.

The date electoral expenditure is paid for or invoiced is not necessarily when it is *incurred*. For further information about when expenditure is incurred, see <u>Fact sheet 12 – Definition of electoral expenditure</u>.

What is the expenditure cap amount?

The expenditure cap varies across each local government area on a sliding scale with reference to the number of electors. The cap also varies depending on whether the candidate/party is contesting a mayoral or councillor position.

Registered political parties do not have their own cap amounts for local elections. Instead, **parties and their endorsed candidates will share the same cap amount** in each local government area.

The shared expenditure cap is the sum of the individual cap amounts for each of the party's endorsed candidates, up to the maximum amount.

The ECQ will publish a notice of the expenditure cap amounts for candidates on its website. This will be available:

- for the 2024 local government elections before 14 August 2023
- for a by-election at the same time the notice for the election is issued.

Parties and endorsed candidates will need to refer to this notice to calculate their shared expenditure cap.

An expenditure cap applies, and is calculated, separately for each local government area. The expenditure cap for one local government area cannot be aggregated with the cap of another.

For further details about how expenditure cap amounts are calculated, see <u>Fact sheet 13 –</u> <u>Expenditure cap calculations</u>.

🦐 EXAMPLES OF CALCULATING EXPENDITURE CAPS

Example A

Registered Political Party A endorses 3 councillor candidates in Local Government Area W, plus a mayoral candidate. In Local Government Area W, there are 5 councillor positions and one mayor to be elected.

The expenditure cap for a councillor candidate in Local Government Area W is \$17,760, while the cap for a mayoral candidate is \$35,520. The maximum amount able to be spent on the election is \$124,320.

The sum of the capped amounts for each of the party's endorsed candidates is \$88,800, which is less than the maximum amount of \$124,320.

Therefore, the 4 endorsed candidates plus the registered political party can collectively spend up to \$88,800 for the election.

More information

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EXAMPLES – CONTINUED

Example B

Registered Political Party B endorses 6 councillor candidates in Local Government Area X. Registered Political Party B also endorses another 3 councillor candidates in Local Government Area Y.

The expenditure cap for a councillor candidate in Local Government Area X is \$20,000. The cap for a councillor candidate in Local Government Area Y is also \$20,000.

Registered Political Party B and its 6 candidates in Local Government Area X may collectively spend up to \$120,000 communicating with electors in Local Government Area X.

Registered Political Party B and its 3 candidates in Local Government Area Y may spend up to \$60,000 communicating with electors in Local Government Area Y.

These 2 amounts cannot be combined. All electoral expenditure must be disclosed according to the LGEA.

Changes to endorsement

If a registered political party changes the number of candidates it has endorsed in a local government area, the expenditure cap for the new and/or former endorsed candidates will need to be recalculated, in accordance with sections 123G and 123H of the LGEA.

Compliance and penalties

Incurring electoral expenditure which exceeds a registered political party's or candidate's electoral expenditure cap is a criminal offence under section 123N(2) of the LGEA. Participating in a scheme to circumvent the electoral expenditure caps is also a criminal offence under section 194B of the LGEA. Both are serious integrity offences under schedule 1 of the *Local Government Act 2009*.

Penalties include imprisonment, fines, and disqualification from being a councillor. Twice the amount of the excess expenditure may also be recovered by the ECQ as a debt to the State.

For further information

This fact sheet mainly refers to part 6, division 4 (Caps on electoral expenditure) of the LGEA. The LGEA is available in full at <u>legislation.qld.gov.au</u>. Participants in the electoral process should ensure they understand their obligations under the LGEA.

More information

If you need more information relating to Funding, Disclosure and Compliance, please contact ECQ on 1300 881 665 or by emailing <u>fad@ecq.gld.gov.au</u>.

RELATED FACT SHEETS

Fact sheet 6 – Offences and penalties for candidates Fact sheet 12 – Definition of electoral expenditure Fact sheet 13 – Expenditure cap calculations Fact sheet 18 – Real-time disclosure of electoral expenditure by registered political parties Fact sheet 37 – Funding and disclosure overview for associated entities

Fact sheets are available on the ECQ website.

More information

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