### Fact Sheet 20 - State elections



### POLITICAL DONATION CAPS

This fact sheet relates to registered political parties, State election candidates, associated entities and donors who make political donations from 1 July 2022. All references to legislation are to the *Electoral Act 1992*. The information in this fact sheet does not replace legislation. If you are concerned about your obligations, you should seek independent legal advice.

Queensland's electoral laws impose limitations (caps) on the amount or value of political donations which can be made to, or accepted by, registered political parties and State election candidates.

Please read this Fact Sheet carefully. Not all gifts or loans made to political parties or candidates are political donations. Caps only apply to political donations.

#### What is a political donation?

A political donation is any gift or loan given to a registered political party or State election candidate, that, within 14 days, is accompanied by a **Donor Statement**.

Gifted electoral expenditure is a political donation, even if there is no donor statement.

Refer to <u>Fact Sheet 4</u> for further information about the definition of gifts and loans.

#### What is a Donor Statement?

A **Donor Statement** is a written statement which must:<sup>1</sup>

- be completed by the donor of the gift or loan,
- name the election participant (i.e. the registered political party or State election candidate) to whom the gift or loan is made,
- state that the gift or loan is made with the intention that it is used for a State electoral purpose,
- state the relevant particulars of the donor of the gift or loan, and

 be given to the recipient with the gift or loan, or within 14 days after the gift or loan is made.

For the definition of relevant particulars, refer to:

- <u>Fact Sheet 5 Disclosure of gifts and loans by registered political parties.</u>
- <u>Fact Sheet 6 Disclosure of gifts and loans by candidates.</u>

For the definition of gifted electoral expenditure, refer to <u>Fact Sheet 8</u>.

### How do the political donation cap laws work?

Donors <u>must not make political</u> <u>donations</u> of more than the donation cap amount to the same registered political party, independent election candidate, or State election candidates endorsed by the same registered political party, during the donation cap period.

Similarly, registered political parties and State election candidates <u>must not accept</u> <u>political donations</u> of more than the donation cap amount from any one donor during the donation cap period.

#### What is the donation cap period?

The donation cap period commenced on 1 July 2022 and will reset on 25 November 2024. A new donation cap period will commence on 26 November 2024.

### What are the political donation caps?

Between the period 1 July 2022 and 25 November 2024, the political donation caps are:

• for a registered political party – \$4,000,

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More information

<sup>&</sup>lt;sup>1</sup> See section 251

- for an independent candidate \$6,000, and
- for endorsed candidates \$6,000 collectively for candidates endorsed by the same party.

A political donation must not exceed the cap either by itself, or when added to other political donations made by the same donor during the same period.

### Receipts for political donations

Registered political parties, candidates, or associated entities which receive political donations must issue a receipt to the donor.<sup>2</sup>

The receipt must:

- state the name of the recipient party (including the electoral committee, if applicable), candidate or associated entity,
- state the name of the donor.
- acknowledge the receipt of the donation from the donor,
- include an ECQ-approved statement about how to comply with the donation cap laws, and
- if the political donation was made to or for the benefit of an associated entity – the name of the associated registered political party or candidate.

The ECQ-approved statements can be found in <u>Fact Sheet 25</u>.

The ECQ encourages all political donation recipients to retain a copy of any receipts issued, as these may assist in demonstrating compliance with political donation cap regulations.

## Are there caps for gifts/loans that are not political donations?

There are no caps for gifts and loans that are <u>not</u> political donations (i.e. those gifts/loans that are not accompanied by a donor statement, and those that do not constitute gifted electoral expenditure).

However, gifts and loans which are not political donations must <u>not</u> be placed into the State campaign account of the registered political party or candidate, and

must <u>not</u> be used to incur electoral expenditure for a State election.

As such, registered political parties and State election candidates can continue to accept any amount in gifts and loans that are not political donations.

Only political donations (and other allowable amounts) can be deposited into a State campaign account and used to incur electoral expenditure for a State election.

For further information about State campaign accounts, refer to <u>Fact Sheets 1</u> <u>- 3</u>.

#### **Examples**

#### <u>Example 1 – Registered political parties</u> <u>accepting gifts</u>

On 1 July 2022, a registered political party accepts a political donation of \$2,000 from a donor. On 1 July 2024, the party accepts another political donation of \$2,000 from the same donor. The political party would be unable to accept any further political donations from that particular donor until after 25 November 2024.

The party would be able to accept gifts and loans that are <u>not</u> political donations up to any amount, though these must not be placed into the party's State campaign account or used to incur electoral expenditure for a State election.

### <u>Example 2 – Independent candidates</u> accepting gifts

On 1 October 2024, an independent candidate accepts a political donation of \$1,000 from a donor. On 10 October 2024, the candidate accepts \$5,000 worth of election material (i.e. gifted electoral expenditure) from the same donor.

The candidate would not be able to accept any further political donations from that particular donor until after 25 November 2024.

The candidate would still be able to accept political donations from other donors up to the donation cap amount.

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<sup>&</sup>lt;sup>2</sup> See section 258

#### <u>Example 3 – Donors making gifts to</u> <u>endorsed candidates</u>

On 1 December 2023, a donor makes a political donation of \$6,000 to a State election candidate who has been endorsed by a registered political party. The donor would be unable to make any political donations to any other candidate endorsed by that party until after 25 November 2024.

The donor would still be able to make political donations to the party itself (up to \$4,000), or to other candidates not endorsed by that party (up to the relevant donation cap amounts).

The donor would also be able to make gifts and loans that are <u>not</u> political donations up to any amount, but the recipient would not be able to use those amounts to incur electoral expenditure for a State election.

#### <u>Example 4 – Donors making gifts to</u> <u>multiple election participants</u>

On 1 October 2024, a donor makes a political donation to a registered political party of \$4,000, and splits \$6,000 in political donations between all State election candidates endorsed by the same registered political party. The donor would be unable to make any additional political donations to that party or its endorsed candidates until after 25 November 2024.

However, the donor would still be able to make political donations to other candidates not endorsed by the party, and to other registered political parties, up to the relevant donation cap amount.

The donor would also be able to make gifts and loans that are <u>not</u> political donations up to any amount, but the recipient would not be able to use those amounts to incur electoral expenditure.

#### Payments exceeding the cap

If a political donation is received, and it is identified that the payment is in excess of the political donation cap, the party or candidate has **six weeks** to return the political donation.

Similarly, if a political donation is given, and it is identified that the payment is in excess of the political donation cap, the donor has **six weeks** to ask, in writing, for the amount to be refunded.

## Recovery of amounts over the political donation cap

Non-compliance with the political donation caps is an offence that carries substantial penalties.<sup>3</sup>

In addition to potential prosecution, the ECQ can recover the amount by which the political donation exceeds the cap as a debt to the State.<sup>4</sup>

# Requirement to notify donors about political donation caps

Registered political parties, State election candidates, or their associated entities, must give donors a receipt **within 14 days** after receiving a political donation.<sup>5</sup>

The receipt must:

- state the names of the party, candidate or associated entity, and the donor,
- acknowledge receipt of the donation, and
- include a statement, in a form approved by the ECQ, that summarises the political donation cap laws.

For a political donation made to an associated entity, the receipt must also state the name of the party or candidate with which it is associated and include a statement summarising how the associated entity is taken to be part of the party or candidate.

# Disclosure of gifts, loans and political donations

All gifts and loans (whether they are political donations or not) must be disclosed if they exceed the disclosure threshold.

For further information about disclosure requirements, refer to:

- <u>Fact Sheet 5 Disclosure of gifts and loans by registered political parties.</u>
- <u>Fact Sheet 6 Disclosure of gifts and loans by candidates.</u>

<sup>&</sup>lt;sup>3</sup> See section 259

<sup>&</sup>lt;sup>4</sup> See section 259A