

## INFORMATION FOR ASSOCIATED ENTITIES

This fact sheet relates to associated entities in State elections who are controlled by, operated wholly, or, for the benefit of, or, to a significant extent for the benefit of, or for the dominant purpose of supporting a political party or a candidate.

Under Queensland's *Electoral Act 1992*, an associated entity is taken to be part of the election participant, whether a registered political party, a group of endorsed candidates or a candidate, where there is the relevant relationship of control exercised by the party or candidate over the associated entity.

As a result, there are limitations (caps) on the amount of electoral expenditure that associated entities of election participants can incur towards a State election.

Associated entities of election participants should familiarise themselves with the electoral expenditure caps that apply to the election participant they are associated with as the funds they receive or give will impact their election participant. Different caps apply to different election participants and, in an election, significant penalties apply for failure to comply with these laws.

### What is an associated entity?

Under section 204(2) of the *Electoral Act 1992*, an **associated entity of a registered political party**, is an entity which is controlled by, or operates wholly or to a significant extent for the benefit of, or for the dominant purpose of promoting:

- a registered political party; or
- a group of endorsed candidates (i.e. two or more) of the political party.

An associated entity of registered political party is NOT:

- a candidate endorsed by the political party for an election; or

- another party that is a related political party of the party; or
- if the party is part of another entity, a federal or interstate branch or division of the other entity.

An **associated entity of a candidate** is an entity that is controlled by the candidate in relation to the election; or operates wholly, or to a significant extent, for the benefit of the candidate in relation to the election; or operates for the dominant purpose of promoting the candidate in the election (section 204A(2)).

An associated entity of a candidate does NOT include an entity if:

- the entity is an associated entity of a registered political party because it is controlled by a group of endorsed candidates of the party; or operates wholly or to a significant extent for the benefit of a group of endorsed candidates of the party; or operates for the dominant purpose of promoting a group of endorsed candidates of the party; and
- the candidate is one of the candidates in the group of endorsed candidates of the party (i.e. such an associated entity is the associated entity of the relevant registered political party, not the candidate.

An associated entity of a candidate does not include an *electoral committee* for a registered political party for an electoral district, which is a committee established by the party to help elect a candidate in the electoral district.

## When is an associated entity considered part of a registered political party?

For the purposes of incurring electoral expenditure and expenditure caps, and the operation of dedicated State campaign bank accounts, an associated entity is taken to be a part of the registered political party or the candidate it supports (section 204(1)).

## What are the responsibilities of agents to associated entities?

If a registered political party or candidate in an election has an associated entity, the agent of the party or candidate must take all reasonable steps to inform the associated entity, and each person the associated entity authorises to act for it about the obligations that apply to the associated entity and person regarding donations, expenditure, reporting and disclosure. The agent must establish and maintain appropriate systems to support the associated entity and person to comply with the obligations.

## Associated entities and State campaign bank accounts

An associated entity of a registered political party must use the dedicated State campaign bank account of the political party for all electoral expenditure incurred. An associated entity is considered part of the registered political party or candidate and, therefore, any reference to the State campaign bank account of the associated entity is a reference to the State campaign account of the election participant.

## Electoral expenditure incurred by the associated entity

Electoral expenditure incurred by, or for, the associated entity is taken to be incurred by, or for, the registered political party or the candidate with which it is associated. As such, the expenditure made by the entity will be counted as part

of the political party's, or the candidate's, expenditure - and thereby will be limited under their expenditure cap.

Election participants who incur (or receive as a gift) electoral expenditure will be required to keep **detailed records about their electoral expenditure** to ensure that they can demonstrate to the ECQ when electoral expenditure is incurred. Records should include dates relating to the ordering, delivery, invoicing, payment, publication, broadcast, distribution or first use of item.

## Expenditure caps

Electoral expenditure towards a State election is subject to **caps** (or limits) during a period leading up to the election or by-election. This is called the **capped expenditure period**.

For a general election, the capped expenditure period starts on the first business day after the last Saturday in March that year\*; and ends at 6 pm on the polling day for the election.

For a by-election or an extraordinary general election, the expenditure cap period starts the day the writ for the election is issued; and ends at 6pm on the polling day for the election.

**\*For the 2020 State general election, the expenditure cap period runs from 1 August 2020 and ends at 6pm on election day - 31 October 2020.**

For more information on expenditure caps, refer to the relevant fact sheet:

- [Fact sheet 7 - Expenditure caps for registered political parties and endorsed candidates](#), or
- [Fact sheet 8 - Expenditure caps for independent candidates](#).

## Disclosure obligations of associated entities

### *Gifts and loans received*

Under section 294, the financial controller of an associated entity must disclose to the ECQ gifts and loans of **\$1,000** value or more (cumulative) received during a reporting period.

The disclosure return must be lodged in the Electronic Disclosure System (EDS) **in real time** (that is, within 7 days of when the gift was received, or if within 7 days of polling day for an election, within 24 hours of when the gift was received).

The disclosure return must include:

- the value of the gift;
- the relevant particulars of the entity that made the gift; and
- if the entity is not the source of the gift - the relevant particulars of the entity that is the original source of the gift or loan.

If an entity was an associated entity of a registered political party or candidate in an election at any time during a reporting period, the financial controller of the entity must also, (under section 294(4)), **within 8 weeks after the end of a reporting period**, give the ECQ a disclosure return that states:

- the total amount received by or for the associated entity from all other entities during the reporting period; and
- the total amount paid by or for the associated entity to all other entities during the reporting period; and
- if the entity is an associated entity of a registered political party or candidate in an election at the end of the reporting, the total amount outstanding at the end of the reporting period of all debts incurred by or for the entity to all other entities.

**Reporting periods** for associated entities are 6-monthly periods, running January-June and July-December each year.

### *Electoral expenditure*

The agent of an associated entity of a registered political party or candidate in an election must lodge an **election summary return** for all electoral expenditure incurred for the election **within 15 weeks** after election day (under section 283).

The return must state the following details about each item of electoral expenditure incurred for the election:

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