

ALL ELECTION PARTICIPANTS

Definition of electoral expenditure

Unless otherwise stated, all references to legislation are to the *Electoral Act 1992* (EA). The information in this fact sheet does not replace legislation. If you are concerned about your circumstances, you should seek independent legal advice.

The term 'electoral expenditure' has a specific meaning for State elections and by-elections. It affects disclosure obligations, election funding claims, electoral expenditure caps and sometimes political donation caps.

Not all campaign expenses are electoral expenditure. It is important to consider whether a particular campaign expense is electoral expenditure. If an expense is electoral expenditure, participants must determine who has incurred the expenditure.

Election participants must ensure they do not exceed the caps on electoral expenditure.

See [Fact sheet 8](#) for information about disclosure of electoral expenditure.

See [Fact sheets 14, 18 and 24](#) for information about electoral expenditure caps.

What is electoral expenditure?

Under section 199 of the EA, electoral expenditure is incurred for a campaign purpose and includes GST. It includes:

- costs of designing, producing, printing, broadcasting, or publishing any kind of material for an election including (but not limited to):
 - advertisements broadcast at a cinema, on radio or television or on the internet
 - direct marketing through the post office or email
 - flyers, billboards, brochures, signs, or how-to-vote cards
- distribution costs for election material such as the cost of postage, couriers or sending SMS messages
- costs of opinion polling or research
- fees for contracted services related to an activity mentioned above (e.g., payments for experts or consultants, the provision of data, etc.).

Expenditure is incurred for a campaign purpose if it does any of the following:

- promotes or opposes a political party in relation to an election
- promotes or opposes the election of a candidate
- otherwise influences voting at an election.

For example, expenditure is incurred for one of the above purposes if, in relation to an election, the material produced:

- expressly promotes or opposes:
 - political parties or candidates who advocate, or do not advocate, a particular policy or issue

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- political parties or candidates who have, or do not have, a particular position on a policy or issue
- candidates who express a particular opinion
- expressly or implicitly comments about a political party, elected member or candidate or in relation to an electoral district
- expresses a particular position on a policy, issue, or opinion, if the position is publicly associated with a political party or candidate (even if the party or candidate is not mentioned).

Expressly urging electors to vote for or against a candidate or party is not the sole defining feature of electoral expenditure. Election material using images, branding, slogans or identifying a person as a candidate can serve a campaign purpose and therefore represent electoral expenditure.

The purpose of the election material is the primary concern: does the material promote a candidate or registered political party in relation to a state election? If the answer is yes, the election material is electoral expenditure.

Incidental expenses for minor consumables such as screws/nails, zip ties, washers, etc. are not considered electoral expenditure. Larger items, such as stakes (for displaying signs on roads, etc.) are considered electoral expenditure and must be disclosed under the election participant's disclosure requirements.

What is not electoral expenditure?

Electoral expenditure does not include:

- employing staff for a campaign purpose (excluding consultants depending upon their role)
- campaign materials for the election of members of a Parliament outside Queensland or the election of councillors (which is regulated by the *Local Government Electoral Act 2011*)
- factual advertising that relates mainly to the administration of a registered political party—for organisational purposes or to select candidates for endorsement
- expenses for which an elected member receives (or is entitled to receive) an allowance or entitlement.

How is electoral expenditure determined?

Sometimes the ECQ may need to determine if a particular piece of election material is the product of electoral expenditure. In addition to the criteria laid out above, the following factors may be considered in these situations:

- organiser's intent when producing the materials
- words and images used
- timing and placement of the material
- colours, slogans, logos, etc. used in the material
- whether the material was required to be authorised under the EA

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- any external information which may provide additional context (such as correspondence or contracts between the supplier of the goods and the election participant)
- any other relevant factors.

Electoral expenditure incurred by third parties

Monies spent by a third party are electoral expenditure if the dominant purpose for that spending is a campaign purpose.

Third party expenditure is not considered electoral expenditure if the dominant purpose of the expenditure is another purpose, such as educating or raising awareness about a public policy issue. This is true even if the expenditure also (and incidentally) achieves a campaign purpose.

Third parties that incur, or are planning to incur, more than \$6,000 in electoral expenditure have additional obligations and must register with the ECQ.

See [Fact sheet 19 and 20](#) for more information about third parties and electoral expenditure.

When is electoral expenditure incurred?

Under section 281 of the EA, electoral expenditure is incurred when the relevant goods or services are supplied or provided. **It does not matter when the expenditure is invoiced or paid.**

For example:

- The costs of broadcasting or publishing an advertisement are incurred when the advertisement is transmitted.
- Expenditure on the production and distribution of election material, such as flyers, is incurred when the material is first distributed.

If electoral expenditure is used to obtain goods for the dominant purpose of being used for a campaign purpose in 1 or more elections, the electoral expenditure is taken to have been incurred when the goods are first used for a campaign purpose during a capped expenditure period.

This provision only applies to goods (e.g. physical campaign materials) and not to services (such as producing or designing a television or radio advertisement).

Electoral expenditure is incurred when the relevant goods are first used for a campaign purpose during a capped expenditure period for an election.

The date the expenditure is invoiced or paid does not matter.

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If election material is used in the capped expenditure periods for 2 or more elections (e.g., the 2020 and 2024 state general elections), they will only count as incurred expenditure during the **first** capped expenditure period.

When election material is procured but never used or distributed (e.g., due to withdrawal from the election or errors in printing), electoral expenditure is not incurred.

EXAMPLES

Example A

A prospective candidate orders and pays for the design and production of 50 corflutes in February 2024. The corflutes are supplied in July 2024, and the candidate's team puts them up around the electoral district starting on 19 September 2024. The electoral expenditure is incurred on 19 September 2024.

Example B

The Silver Party arranges to publish an election advertisement on social media on 1 September 2024. The Silver Party receives an invoice for the advertisement on 4 September 2024, which is paid on 5 September 2024. The electoral expenditure is incurred when the advertisement is published on 1 September 2024.

Example C

In April 2024, a potential candidate commissions the design of flyers to hand out while going door-to-door. The flyers are delivered and paid for in September 2024, but by then, the potential candidate has decided not to contest the election and destroys the flyers. No electoral expenditure has been incurred.

Example D

In early 2024, Janice approves the design of new corflutes and orders 25 of them for her upcoming campaign. The corflutes are delivered and paid for in June 2024.

On 13 September 2024, Janice and her volunteers put up 12 corflutes around her electoral district. The electoral expenditure is incurred on 13 September 2024 when the corflutes are first used for a campaign purpose during the capped expenditure period for the election.

However, because only 12 corflutes were used for a campaign purpose, the amount of electoral expenditure incurred is the value of 12 corflutes.

More information

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 **EXAMPLES CONTINUED****Example E**

On 13 September 2024, Janice and her volunteers put up 12 corflutes around her electoral district. The electoral expenditure is incurred on 13 September 2024 when the corflutes are first used for a campaign purpose during the capped expenditure period for the election.

However, because only 12 corflutes were used for a campaign purpose, the amount of electoral expenditure incurred is the value of 12 corflutes.

Incurring electoral expenditure for another participant

If an election participant (the first participant) incurs electoral expenditure that benefits a second election participant (the recipient), the electoral expenditure is incurred by the first participant.

However, the recipient incurs the electoral expenditure if both the following are satisfied:

- The expenditure is made with the recipient's authority or consent, or if the material produced by the expenditure is accepted by the recipient

and

- The first participant invoices the recipient for payment of the expenditure.

'Gifted' electoral expenditure

When a person gifts goods or services produced by electoral expenditure to an election participant, the expenditure is considered to have been incurred by the recipient of the gift.

Please see [Fact sheet 34 – Gifted electoral expenditure](#) for further details.

Record keeping

All election participants must keep records for 5 years. This is required to demonstrate compliance in relation to all electoral expenditure, disclosure, and reporting requirements. Refer to [Fact sheet 4 – Record keeping requirements](#) for more information.

Compliance

The ECQ is responsible for administering and enforcing the EA, which includes penalties for election participants who breach their disclosure obligations. The compliance framework is available on the ECQ's website.

More information

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For further information

This fact sheet mainly refers to part 11, division 9 of the EA. The Act is available in full at legislation.qld.gov.au. Participants in the electoral process should ensure they understand their obligations under the EA.



RELATED FACT SHEETS

- Fact sheet 4 – Record keeping requirements
- Fact sheet 5 – Definition of gifts, loans and political donations
- Fact sheet 8 – Disclosure of electoral expenditure and election summary returns
- Fact sheet 14 – Expenditure caps for registered political parties and endorsed candidates
- Fact sheet 18 – Expenditure caps for independent candidates
- Fact sheet 19 – Funding and disclosure overview for third parties
- Fact sheet 20 – Third party registration process
- Fact sheet 24 – Expenditure caps for third parties
- Fact sheet 25 – Election funding claims
- Fact sheet 34 – Gifted electoral expenditure

Fact sheets can be found on the [ECQ website](#).

More information

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