

Political Expenditure Guide

1. What is political expenditure?

- 1.1 **Political expenditure** is defined in section 130A(1) of the *Electoral Act 1985* ('the Act') as expenditure incurred:
- for the purposes of the public expression of views on a political party, a candidate in an election, or a Member of Parliament by any means; or
 - for the purposes of the public expression of views on an issue in an election by any means; or
 - for the purposes of the production of any political material (not being material referred to in paragraph a) or b)) that is required under sections 112, 115A or 116 of the Act to include the name and address of the author of the material or of the person who takes responsibility for the publication or authorisation of the material (as the case requires); or
 - for the purposes of the carrying out of an opinion poll, or other research, relating to an election or the voting intentions of electors; or
 - for any other prescribed purpose; or
 - of a prescribed kind.

In addition to the four general 'purpose' categories set out in the definition in section 130A(1), expenditure for a particular purpose or of a certain kind can also be prescribed by regulations.

- 1.2 The definition in section 130A(1) also states that **political expenditure** does not include:
- GST payments.
 - Expenditure of an allowance, expense or benefit (as determined by the Remuneration Tribunal) under section 4(1)(c), or under section 6A(1) of the *Parliamentary Remuneration Act 1990*.
 - Administrative expenditure**.
 - Expenditure of a prescribed kind.

1.3 **Administrative expenditure** is defined as expenditure relating to the administration and operation of a registered political party (section 130A(1) of the Act).

1.4 Regulation 18A of the *Electoral Regulations 2009* prescribes expenditure which is included and excluded from the definition of **political expenditure**. The tables below summarise the categories of expenditure that fall within and outside the definition.

Prescribed political expenditure	Examples
For the purposes of production, display and distribution of electoral matter .	A-frames, cable ties for coreflutes. Caps and t-shirts displaying electoral matter .
Stationery for use in the production of electoral matter .	Ink cartridges, paper used to print electoral matter .
For the purposes of postage of electoral matter .	Stamps, envelopes.
Mobile telephones used by a candidate or prescribed staff primarily for election campaign purposes.	Cost of mobile handset, service charges.
For the purpose of employing or engaging a person as prescribed staff under a contract, agreement or other arrangement entered into during the capped expenditure period .	Additional administrative staff employed by a registered political party to assist with election workload. Campaign staff. Recruitment costs.
Office accommodation and associated expenditure for a candidate in an election or for prescribed staff , other than office accommodation and associated expenditure in relation to an office that is the headquarters of a registered political party.	Rent, lease of equipment, furniture for a campaign office.

Prescribed expenditure <u>excluded</u> from definition of political expenditure
For the purpose of employing or engaging a replacement for prescribed staff employed or engaged before the capped expenditure period .
Remuneration for additional hours of work performed during the capped expenditure period by prescribed staff that were employed or engaged before the capped expenditure period .
Expenditure incurred in employing or engaging an auditor or any other person for the purposes of ensuring compliance with the Act.
Expenditure incurred on holding a meeting or advertising for the purposes of electing or nominating a candidate in an election.
Expenditure incurred by a registered political party or organisation for the purpose of holding a meeting relating to the general administration of that party or organisation (including the expenditure incurred in advertising such a meeting).
Motor vehicles and motor vehicle accessories.

Prescribed expenditure <u>excluded</u> from definition of political expenditure
Maintaining or running a motor vehicle.
Insuring or registering a motor vehicle.
Televisions and television equipment.
Radios and radio equipment.
Electronic devices or equipment for recording sound or visual images.
Photographic equipment.
Purchasing computer software, hardware and accessories.
Purchasing office furniture and equipment.
Food and drink.
Travel undertaken by a candidate in an election or prescribed staff , and associated accommodation.

1.5 **Associated expenditure** in relation to office accommodation includes expenditure on the following:

- a) rental payments (including on property and office equipment);
- b) mortgage and related interest payments;
- c) utilities such as gas, water and electricity, telephone and Internet.

1.6 **Prescribed staff** means a person employed or engaged under a contract agreement or other arrangement –

- a) as election campaign staff; or
- b) to promote, or assist in the promotion of, a registered political party, candidate or group in an election; or
- c) to undertake research relating to a matter in an election.

1.7 A campaign committee appointed or formed to assist the campaign of an endorsed candidate or group (where all the members are endorsed by the party) are to be treated as part of the party (section 130A(7) of the Act). Therefore, the campaign committee's expenditure is taken to be expenditure incurred by the party.

2. Determining when the expenditure is taken to be incurred

2.1 **Political expenditure** is taken to be incurred when the services are actually provided or when the goods are actually delivered (section 130A(6) of the Act).

- 2.2 However, there is an exception to this rule. Political expenditure on **electoral matter** in relation to a candidate or group that is incurred:
- after polling day for the last preceding election and before the **capped expenditure period** for the election; and
 - for the primary purpose of publication, use or display of that **electoral matter** during the **capped expenditure period**,

will be taken to have been incurred during the **capped expenditure period** (section 130A(6a) of the Act). This provision was only recently inserted into the Act in June 2017 and only applies from 1 May 2017 onwards.

- 2.3 **Electoral matter** means matter calculated to affect the result of an election (section 4 of the Act).

- 2.4 The **capped expenditure period** for a general election commences at the start of the financial year in which polling day is to occur and ends 30 days after polling day. The **capped expenditure period** for the 2018 State election will commence on 1 July 2017 and end on 16 April 2018.

3. Steps for identifying political expenditure

- 3.1 Is the expenditure **administrative expenditure**?
- 3.2 Is the expenditure a GST payment or expenditure of a type of allowance or benefit under sections 4(1)(c) or 6A(1) of the *Parliamentary Remuneration Act 1990*?
- 3.3 Does the expenditure fall within any of the four purpose categories set out in the definition of **political expenditure** in section 130A(1)?
- 3.4 Look to the regulations. Does the expenditure fall within any of the categories prescribed by regulations (as being included or excluded from the definition)?
- 3.5 If you are still unsure, contact the Funding, Disclosure & Registration Branch for guidance.

Disclaimer: this information is intended as a general guide only and should not be substituted for the legislation. You are advised to refer to the legislation and seek your own independent advice if necessary.

Enquiries to:

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