Information sheet

Donations disclosure for local government



Donation disclosure requirements for local government elections

Part 8.6 of the <u>Local Government Act 2019</u> (the Act) introduces donation disclosure requirements for candidates at local government general elections and by-elections in the Northern Territory. The requirement for candidates to publicly disclose any donations and loans they receive for campaigning at local government elections, is aimed at building greater transparency of the funding of election campaigns.

The campaign donation disclosure requirements for local government elections are significantly different and less complicated than those required for Legislative Assembly elections in the Territory, for example:

- only candidates are required to submit a campaign donation return
- only one campaign donation return is required (post-election)
- the return only needs to disclose donations/loans received over one disclosure period
- no return is required if donations/loans received do not meet the threshold.

Campaign donation returns

Candidates are required to disclose any donations and loans they receive (over a threshold) by submitting a form to the NT Electoral Commission (NTEC) called a campaign donation return. Campaign donation returns are due to the NTEC within **40 days** after the end of the disclosure period. Return forms are available on the NTEC's website and should be submitted via email to <u>disclosure.ntec@nt.gov.au</u>. The return form guides candidates on providing the required details of the donations and loans including:

- the amount or value of each donation
- the date the donation was made
- the details (name and address) of the donor/s
- the amounts and terms of any loans
- the details (name and address) of the lender/s of the loan

A candidate must not accept a donation or loan from a person or entity during the disclosure period if they do not know the details listed above.

Disclosure period

There is one disclosure period for all candidates, depending on the nature of the local government election they are a candidate in:

- Scheduled general elections the disclosure period begins 1 July in the calendar year immediately preceding the calendar year in which the scheduled general elections are to be held.
- By-elections the disclosure period for a by-election begins on 1 July preceding the day which the election is to be held.

The disclosure period for any local government election always ends 30 days after election day.

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Disclosure thresholds

Candidates are only required to disclose the details of donations and loans they received if the sum of the donations or loans (from a single person or entity) reaches a certain amount, called a threshold. If the sum of the donations and loans do not reach this amount, or no donations or loans are received at all, the candidate does not have to submit a campaign donation return (i.e. no 'nil' returns are required).

The threshold for donations is \$200 or more. If the sum of all donations received by the candidate for use in an election, from a single person or entity during the disclosure period, totals \$200 or more, then a campaign donation return is required.

The threshold for loans is \$1,500 or more. If the sum of all loans received by the candidate for use in an election, from a single person or entity during the disclosure period, totals \$1,500 or more, then a campaign donation return is required.

Donations

Cash and non-cash donations (including goods, assets and services) that total over \$200 made to a candidate during the disclosure period for use in an election must be disclosed to the NTEC and public. Donations can be gifts or 'gifts-in-kind', which are defined further, with examples, in the Donations Disclosure Handbook [link] on the NTEC's website.

Any cash or non-cash donations to a candidate made in a private capacity during the disclosure period for the candidate's personal use (not related to the election or the candidate's election campaign) does not have to be disclosed.

Volunteer labour that is conducted outside the person's normal working hours, or while the person is on leave and is not paid for in any way, is not considered a donation that is required to be disclosed.

Donors (a person who makes a cash or non-cash donation to a candidate) do not have to complete a campaign donations return. **Only candidates** in a local government election have to complete the return.

Loans

A loan can be:

- a) an advance of money
- b) a provision of credit or other financial accommodation
- c) a payment with the expectation of repayment
- d) a transaction, which has the effect of a loan of money.

A loan of \$1,500 or more from a single person or entity (a lender) that a candidate receives for use in an election during the disclosure period, must be disclosed to the NTEC and the public. The details of the loan provided in the return should include any terms and conditions associated with the loan such as the amount, interest rate and repayment terms.

If the candidate has taken out a loan from an ADI or financial institution (either for use in an election or for personal use) this does not have to be disclosed. Nor does any loan that is loaned in a private capacity for the candidate's personal use.

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Incomplete or incorrect returns

If a candidate does have the information to complete a campaign donation return, they must complete the form as much as possible and submit the form to the NTEC as an incomplete return. When submitting an incomplete form, a candidate must:

- Inform the NTEC that the return is incomplete
- List the information that is missing from the return
- Provide a reason why the information is missing from the return
- Provide the name and address of any person who the candidate believes may be able to provide the missing information.

If a candidate makes a mistake on a campaign donation return that has already been submitted to the NTEC, or has new information that needs to be added to the return, it is possible to make changes to a return after it has been submitted. Candidates may request permission from the NTEC to amend a return themselves, or candidates may ask the NTEC to correct an omission or error.

Record keeping

Candidates are required to keep a copy of any campaign donation returns they have submitted, and must keep this record for 4 years from the submission date.

The NTEC is also required to keep any submitted campaign donations returns for 4 years after the date it was due to be submitted.

Offences

Under section 154 of the *Local Government Act 2019* there are penalties related to the non-compliance of donations disclosure requirements for candidates at local government elections:

- If a candidate receives a donation or loan over the legislated thresholds during the disclosure period, and does not submit a campaign donation return by the due date, the penalty is 100 penalty units.
- If a candidate receives a donation or loan over the legislated thresholds during the disclosure period, and submits an incomplete campaign donation return, and does not inform the NTEC that the return is incomplete (with the required details of the incompleteness), the penalty is 100 penalty units.

If a candidate is charged with either of the above 2 offences, the candidate has to be able to prove they submitted a campaign donation return, or that they informed the NTEC of the required details if they submitted an incomplete return. If a candidate is found to have a reasonable excuse for either of the above 2 offences, this is an acceptable defence.

Please refer to the <u>Penalty Units Act 2009</u> for current values of penalty units.