

Gifts for a Federal Purpose

Financial disclosure factsheet – Legislative Assembly

Disclaimer: This factsheet is a general overview provided by the Northern Territory Electoral Commission (NTEC) and should not substitute legal advice. Unless specified otherwise, all references are to the Electoral Act 2004 (NT), effective from 1 July 2021. Please consult the legislation and seek independent legal advice as necessary.

What is a federal purpose?

To ensure transparency in Legislative Assembly elections in the Northern Territory, parties and associated entities must disclose details of all gifts received. A provision has been added to the *Commonwealth Electoral Act 1918 (Cth)* that removes the requirement for gifts received and used for federal purposes to be reported in the Northern Territory, the exemption was created because gifts for federal purposes are not relevant for Legislative Assembly elections in the Northern Territory.¹

A federal purpose is defined as incurring electoral expenditure or creating or communicating electoral matters for a federal election or federal referendum.

Who does the exemption apply to?

The exemption applies to:

- parties registered in the Northern Territory and at the federal level (with the Australian Electoral Commission), and any associated entities of those parties.

The exemption does not apply to:

- candidates contesting a Legislative Assembly election in the Northern Territory
- parties registered in the Northern Territory but not at the federal level, and any of their associated entities.

When does the exemption apply?

Gifts are not disclosable if they:

- go into a designated federal account as soon as practicable and
- are donated for a federal purpose, and
- are spent for a federal purpose.²

If funds are intended for a federal purpose but are not spent on a federal purpose, they must be disclosed under Northern Territory disclosure laws.

If a gift is excluded because of this provision, it is not disclosable for election gift returns and annual gift returns.

^{1,2,3} See *Commonwealth Electoral Act 1918 (Cth)* section 314B

Examples

- A Northern Territory (NT) party (also registered federally) received a \$3,000 gift for a federal referendum, which was transferred into a federal account and spent on the federal referendum. This gift is not disclosable under NT disclosure laws.
- An NT party (which is also registered federally) received a \$5,000 gift for a federal referendum, which was transferred into a federal account. \$1,000 was spent on the federal referendum, with the remaining \$4,000 available for general party use. The remaining \$4,000 is disclosable under NT disclosure laws.
- An NT party (which is also registered federally) received a \$20,000 gift for mixed purposes. \$15,000 was deposited into a federal account and spent on a federal election, \$3000 was deposited into a Territory Campaign Account, and \$2000 was deposited into a party administrative account. Only \$5,000 (the sums of the amount deposited into the Territory Campaign Account and administrative account) are disclosable NT disclosure laws.

Version	Date	Author	Changes made
2.0	19 April 2024	Chris Brack, Financial Disclosure and Compliance Manager	Updated for 2024 Territory Election