

# Electoral Expenditure

## 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 electoral expenditure?

Electoral expenditure, for an election, means expenditure incurred during the capped expenditure period on any of the following:<sup>1</sup>

- (a) publishing, broadcasting, posting or displaying an electoral advertisement during that period in any form and on any platform or at any venue or place during that period;
- (b) producing an electoral advertisement that is published, broadcast, posted or displayed as mentioned in paragraph (a);
- (c) designing or producing any printed electoral matter to which *Part 13, Division 1, Subdivision 2* of the Act applies that is published, communicated or distributed during that period;
- (d) producing or distributing electoral matter that is addressed to particular persons or organisations and is distributed during that period;
- (e) carrying out an opinion poll or other research about the election during that period.

Electoral expenditure:<sup>2</sup>

- includes receiving a relevant item or service as a gift
- must remain within the electoral expenditure cap
- must be reported as GST inclusive, even if the entity is eligible for tax credits.

### Examples of electoral expenditure

Examples of electoral expenditure include the costs of:

- advertising, including production and distribution
- election staff wages
- engaging consultants to run opinion polls or develop a policy platform
- running campaign events

Electoral expenditure does not include the costs of:

- travel and accommodation<sup>3</sup>
- holding any pre-selection or party meetings/conferences
- food and drink costs
- the candidate nomination fee

<sup>1</sup> See section 176A

<sup>2</sup> See section 176A

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<sup>3</sup> See section 176A(4)

- running an election office
- ongoing staff
- volunteer costs (see below for clarification)
- accounting and legal fees

The *Gifts and Electoral Expenditure Guidelines* provide further guidance.

## When is expenditure incurred?

Election expenditure is deemed to incur when the services are provided or when the goods are delivered.<sup>4</sup> For example:

- an order of banners was made in February 2023 and received in April 2023. The banners were displayed on 1 August 2024, the printing expense is deemed to incur on 1 August 2024.
- an advertisement is produced in November 2023 but first broadcast on 3 August 2024. The production expense is deemed to incur on 3 August 2024.

## When is volunteer labour electoral expenditure?

To be considered as a volunteer, a person must work outside their usual business hours or while on leave.<sup>5</sup> If a person is paid by their regular employer while helping an electoral participant, their work is a gift-in-kind valued at their salary.

It is also a gift-in-kind if a person performs labour as part of their profession or trade or would otherwise be paid in the ordinary course of their work.

**Example:** A professional graphic designer completes 10 hours of design work for an electoral participant for free. Their usual charge-out rate is \$200 per hour; this is disclosable as a gift-in-kind and electoral expenditure of \$2,000.

## How is expenditure valued?

Expenditure is generally valued at the amount paid with discounts from suppliers viewed as gifts. However, if the supplier's standard practice is that all bulk purchases receive a discount, the discount is not considered a gift.

The value of gifts in kind can be calculated by considering the following:

- recommended retail price for the good/service
- price of comparative goods or services
- fair market value if both sides have reasonable knowledge of the gift and there is no pressure to complete the transaction.

## What is included in electoral expenditure returns?

The approved forms for expenditure returns are on the NTEC website. See factsheets 13 and 14 for further information on returns.

To submit a return, complete the relevant form and send it to [disclosure.ntec@nt.gov.au](mailto:disclosure.ntec@nt.gov.au).

<sup>4</sup> See section 176A(3)

<sup>5</sup> See section 3A

## When is the capped electoral expenditure period?

There is an electoral expenditure cap for parties, associated entities and candidates.

The capped period is defined as:<sup>6</sup>

- For a general election: starting on 1 January in the year in which the election is to be held and ending 30 days after election day.
- For any other election (including an extraordinary general election): starting on the day of the writ and ending 30 days after election day.

It is an offence to breach the cap or for any person to take actions to circumvent the cap.<sup>7</sup>

## How is the cap calculated?

The NTEC will publish the cap for each election based on the following formula:<sup>8</sup>

- The cap for **parties** is 40,000 monetary units multiplied by the number of divisions a candidate is endorsed. Expenditure by parties and **associated entities** is aggregated for the purposes of the cap.
- For an **independent candidate**, the cap is 40,000 monetary units.
- There is no expenditure cap for **third party campaigners**.

The value of a monetary unit is calculated according to changes to Darwin's Consumer Price Index, as set out in the *Monetary Units Act 2018* (NT). The Department of the Attorney General publishes the value of monetary units each year.<sup>9</sup>

Version	Date	Author	Changes made
2.1	24 June 2024	Chris Brack, Financial Disclosure and Compliance Manager	Reclassification of food and drink costs and election office costs

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<sup>6</sup> See section 203A

<sup>7</sup> See sections 203C - 203D

<sup>8</sup> See section 203B

<sup>9</sup> See <https://justice.nt.gov.au/attorney-general-and-justice/units-and-amounts/monetary-units>