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FAD / **FUNDING AND
DISCLOSURE
REFORM**

Electoral and Administrative Expenditure Guideline



AEC

Australian Electoral Commission

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Purpose

The *Electoral and Administrative Expenditure Guideline* (the guideline) provides information and guidance to support entities to understand the definition of electoral matter and determine whether an expense is electoral expenditure or administrative expenditure under the *Commonwealth Electoral Act 1918* (Electoral Act).

Determining whether an expense is electoral expenditure is important, as electoral expenditure cannot be classified as administrative expenditure. This distinction is also important when reporting electoral expenditure in an annual return.

Important information

The guideline uses text boxes to highlight important information. Each text box is prefaced with a symbol. For example:



WARNING. A warning symbol indicates information about a legal obligation under the Electoral Act.



USEFUL TIP. An information symbol indicates a useful tip



DUE DATE. A clock symbol indicates a due date.

Legislation



These guidelines are for the funding and disclosure scheme that commences on 1 January 2027. For information on the current scheme see the [Financial Disclosure](#) page.

The table below identifies provisions of the Electoral Act that are relevant to this guideline and is not intended as an exhaustive list. To understand your legislative funding and disclosure obligations, you should consider Part XX of the Electoral Act as a whole.

Commonwealth Electoral Act 1918

Part I	
Section 4AA	Meaning of <i>electoral matter</i>
Part XX	
Division 1	Preliminary
Section 287AAA	Definition of <i>administrative expenditure</i>
Section 287AB	Meaning of <i>electoral expenditure</i>
Division 3AB	Requirements relating to electoral expenditure
Division 5	Annual disclosure of donations and electoral expenditure etc.

Disclaimer

The information in this publication is intended to provide general guidance only. It does not constitute legal, financial, or other professional advice. Individuals and entities should seek their own professional advice to find out how the Electoral Act applies to their particular circumstances. The Australian Electoral Commission (AEC) has made every reasonable effort to provide current and accurate information, but it does not make any guarantees regarding the accuracy, currency, or completeness of that information. Individual and entities who wish to re-publish or otherwise use the information in this publication must check this information for currency and accuracy prior to publication.

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Introduction

The Commonwealth funding and disclosure scheme (the funding and disclosure scheme) established under Part XX of the Electoral Act deals with the public funding of federal election campaigns and the disclosure of detailed financial information.

The funding and disclosure scheme was introduced to increase overall transparency and inform the public about the financial dealings of political parties, candidates and others involved in the electoral process.

The Electoral Act provides key definitions of certain terms that relate to the operation of the funding and disclosure obligations under Part XX. This includes the definition of electoral matter, electoral expenditure and administrative expenditure.

Understanding electoral and administrative expenditure

Expenditure may be incurred for both electoral and administrative activities. However, electoral expenditure **cannot** also be administrative expenditure.

Expenditure may be considered electoral expenditure if it is incurred for the dominant purpose of creating or communicating specific electoral matter or is electoral matter generally, or if it meets either of the two other kinds of electoral expenditure (see 'Electoral expenditure' section).

In most circumstances, the two other kinds of electoral expenditure will need to be considered where the dominant purpose of the expenditure may be for administrative, commercial, educative or for other reasons, not related to electoral matter.

Who needs to know this information?

Electoral matter, electoral expenditure and administrative expenditure are important concepts to understand for:

- registered political parties (RPPs)
- State branches of a RPP
- candidates
- members of the House of Representatives
- Senators
- significant third parties
- associated entities
- nominated entities
- third parties.

Using information in this guideline

Information provided in this guideline is set out to help you understand concepts in a particular order.

1. Understand the definitions of electoral matter and dominant purpose.
2. Use this knowledge to consider and determine electoral expenditure and administrative expenditure to meet your obligations under the Electoral Act.
3. Apply this information to assess and apportion expenditure where there is more than one purpose, that is it constitutes electoral expenditure and administrative expenditure.



Section 4AA of the Electoral Act defines electoral matter.

Section 287AB of the Electoral Act defines electoral expenditure.

Section 287AAA of the Electoral Act defines administrative expenditure.

Electoral matter

Electoral matter is **matter communicated or intended to be communicated** for the **dominant purpose** of *influencing the way electors vote in an election*.

A communication is presumed to have the dominant purpose of being electoral matter if the matter expressly promotes or opposes:

- a RPP, a State branch of a RPP, or a candidate, to the extent that the matter relates to an election, or
- a member of the House of Representatives or a Senator.



Unless the contrary is proved, the dominant purpose of a communication is presumed to be electoral matter, if the matter expressly promotes or opposes:

- a political entity (a RPP, State branch of a RPP, or candidate), to the extent that the matter relates to a federal election, or
- a member of the House of Representatives or a Senator, to the extent that the matter relates to a federal election.

Example – Electoral matter

Wendy is the responsible person for Wombat Incorporated, a registered Nominated Entity. Wendy pays for the production of a television commercial which sets out the perceived failures of Dingo Direct Action (a RPP) and encourages voters to place that party last on ballot papers. This ad is broadcast nationwide in the weeks leading up to an election.

This television commercial is considered electoral matter as it seeks to influence how electors will vote in the upcoming election.

Dominant purpose

The dominant purpose of ‘influencing the way electors vote in an election’ is intended to capture content that seeks to influence:

- the order in which a voter indicates their preferences on the ballot paper, and
- a voter’s choice of whether to cast a formal ballot paper.

Example – Dominant purpose

During an election campaign, a political advocacy group distributes advertisements stating: *“Don’t let your vote go to waste. Vote to stop the Crocodile Party from winning government”*.

These communications’ dominant purpose is to influence how electors will vote in the upcoming election.

There can only be one dominant purpose

There can only be one dominant purpose for any given communication.

A communication that is not electoral matter when first made may become electoral matter if it is later recommunicated for the dominant purpose of influencing how electors vote.

Each communication (including each creation, recreation, communication or recommunication) is assessed separately according to its dominant purpose at the time it is made.

Example – Each creation or communication to be treated separately

A significant third party sends an internal email to its members explaining a new housing policy and its potential impacts (*first act of creation and communication*).

The email is not electoral matter because its dominant purpose is to inform and educate its own members.

Later, the entity pays to promote the same content online, adding the message: “Vote against Candidate X if you care about housing policy.” (*second act of creation and communication*).

The online advertisement is electoral matter because the dominant purpose of that communication is to influence how electors vote and was shared widely publicly.

Even though the original email was not electoral matter, each communication must be assessed separately according to the purpose of the person communicating the matter at the time of the communication.

Communications that may not have a dominant purpose

Communications is **not** considered electoral matter where its dominant purpose is for:

- educating their audience, or
- raising awareness of, or encouraging debate on, a public policy issue.

Example – Communication for the purpose of education or awareness

A homelessness peak body responds to a government homelessness package by:

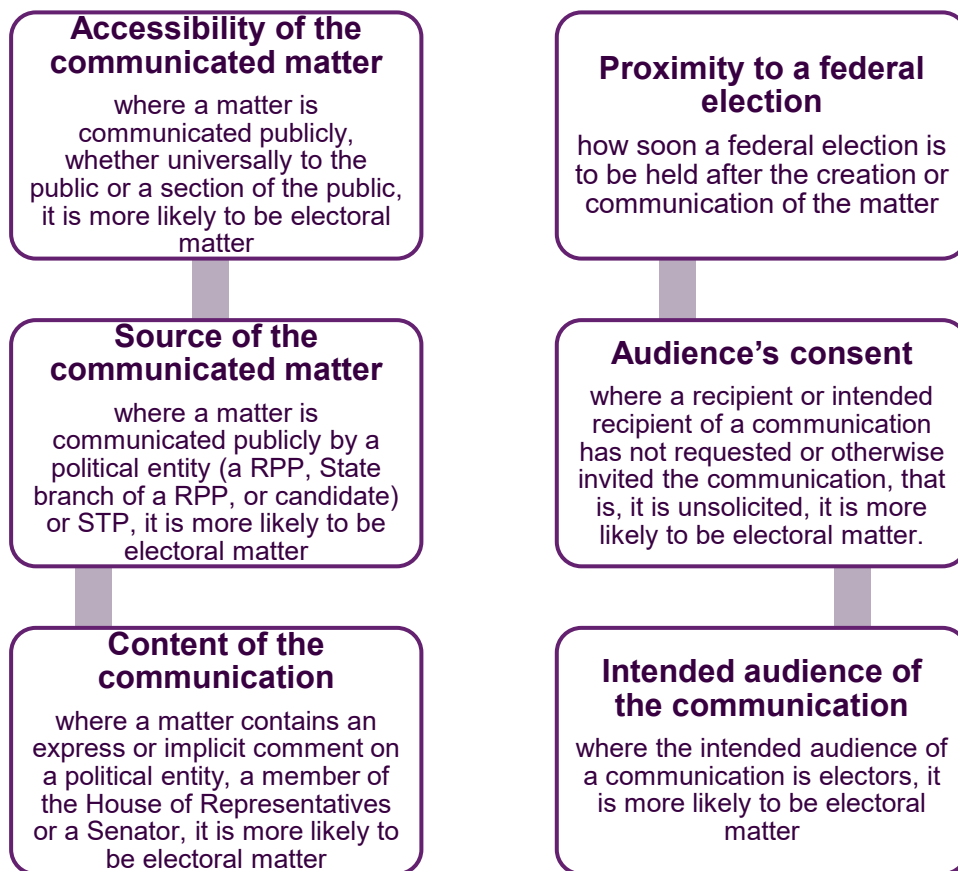
- welcoming some proposals and criticising others
- explaining why it believes more action is needed, and
- advocating for alternative policies.

The peak body shares this message through a media release, video interview, social media and its newsletter.

These communications are unlikely to be electoral matter because its dominant purpose is to promote discussion and awareness of homelessness policy, not to encourage electors to vote for or against a particular party or candidate.

Factors to consider in determining the dominant purpose

You must consider the following factors in determining the dominant purpose of the communication or intended communication.



Example – Assessing the dominant purpose of the electoral matter

Two candidates are contesting a seat in the upcoming election. Candidate A's policy is charging entry fees for users of interstate highways. Candidate B is firmly opposed to this policy proposal, and campaigns against charging entry fees.

An advocacy group supports Candidate A's policy proposal because it would further their mission of ensuring future generations are not subject to public debt. The group runs a public education campaign seeking to educate the public about the role that resource charging can play in fiscal sustainability.

In this scenario when assessing whether the campaign is electoral matter, relevant factors to consider may include whether the:

- advocacy group is a political entity (a RPP, State branch of a RPP, or candidate)) or significant third party
- communication is widely shared
- campaign expressly or implicitly comments on a candidate, party, or election outcome
- materials are distributed near polling places
- campaign is conducted close to polling day, and
- material communicated is unsolicited.

Exceptions to electoral matter

There are six exceptions where a communication is not electoral matter. This section provides information on each exception and an example of where it may or may not be electoral matter.

1. **Exception:** The communication or intended communication's forms part of the reporting of news, the presenting of current affairs or any genuine editorial content in news media.

Example – Editorial content

Scenario A

Reginald is the editor of a regional newspaper. In his weekly editorial, Reginald writes a highly critical piece on Cindy, an independent candidate in an upcoming election, and urges voters to put Cindy last on their ballot paper.

The piece written by Reginald and subsequently published in the newspaper, is genuine editorial content and is therefore not considered to be electoral matter.

Scenario B

The next week, a local business owner pays for an advert in the newspaper recommending voting for Cindy.

The advert written by the business owner may look like editorial content, but is considered electoral matter as it is not genuine editorial content.

2. **Exception:** The communication or intended communication's dominant purpose is satirical, academic, educative or artistic.

Example – Predominately satirical purposes

Scenario A

It has become a tradition at a university for the law students to satirise an issue in contemporary culture. One year, the students choose to create a video satirising a group of Commonwealth Senators.

The students publish the video on a popular online video streaming service. As the law students' dominant purpose in creating and publishing the video is satirical, the video is not considered electoral matter.

Scenario B

A registered political party embeds the students' video on their website. Considering the dominant purpose of other communications of the registered political party, it is reasonable to conclude the party's dominant purpose in communicating the video is more likely to be political than satirical.

Therefore, the recommunication of the video is considered electoral matter. In this scenario the students' dominant purpose in creating and communicating the video is not relevant in the party determining the dominant purpose of communicating the video by embedding it on its website.

Example – Predominately academic purposes

A university professor publishes a journal article on negative campaign techniques employed by a registered political party in the previous election.

As this is an easily recognisable form of academic work by a member of an academic profession, it is reasonable to conclude the dominant purpose in communicating the article is academic, rather than political.

The journal article is therefore not considered to be electoral matter.

Example – Predominately educative purposes

In the lead up to an election, a high school economics teacher designs and delivers lesson plans requiring students to evaluate the economic policies of major political parties contesting the election.

Considering the dominant purpose of the teacher's other communications and the context in which the lessons are delivered (that is, the classroom), it is reasonable to conclude the dominant purpose is educative, rather than political. The lessons are therefore not considered to be electoral matter.

Example – Predominately artistic purposes

An artist exhibits a series of paintings depicting political events and public figures. Although the artworks may prompt discussion about political issues, their predominant purpose is artistic expression rather than influencing how electors vote. The exhibition is therefore not considered to be electoral matter.

- 3. Exception:** The communication or intended communication is a private communication by a person to another person who is known to the first person.

Example – Private communications

Scenario A

A candidate in an upcoming election hosts a 'meet the candidate' dinner party with around 50 friends from work, sport, and university.

Any communications at the dinner party are not considered electoral matter because they are private communications between people that the candidate knows.

Scenario B

The same candidate hosts a 'meet the candidate' street party for all the neighbours on their street to attend. The candidate makes a speech at the party promoting their campaign and encouraging attendees to vote for them in the upcoming election. The purpose of the event is to encourage attendees to vote for the candidate. Of the neighbours that attend, the candidate only knew five of them beforehand but gets to know the rest at the event.

The speech at the street party is considered electoral matter because it is not a private communication with people that the candidate knows.

- 4. Exception:** The communication or intended communication is, or would be, a private communication to a political entity (a RPP, State branch of a RPP, or candidate) who is not a Commonwealth public official, in relation to public policy or public administration.

Example – Communications by or to a Commonwealth public official

Scenario A

An industry association meets with a Commonwealth Minister to advocate for changes to regulatory requirements affecting its members. The communication is directed to a Commonwealth public official in their official capacity and is intended to inform government decision-making, not to influence electors.

Accordingly, the communication is not electoral matter.

Scenario B

The AEC publishes information on its website and social media channels explaining how to enrol to vote, key election dates, how to cast a valid ballot, and where electors can find further election information. The communication is made by Commonwealth public officials acting in their official capacity and provides administrative electoral information rather than seeking to influence voting choices.

Accordingly, the communication is not electoral matter.

- 5. Exception:** The communication or intended communication is, or would be, a private communication to a political entity (a RPP, State branch of a RPP, or candidate) who is not a Commonwealth public official, in relation to public policy or public administration.

Example – Private communication to a political entity on public policy

A business association meets privately with a Commonwealth Senator to discuss the impact of proposed workplace regulations on its members and to suggest alternative policy approaches. The communication concerns public policy and is directed privately to the Senator.

As it is not a public communication seeking to influence voters, it is not electoral matter.

- 6. Exception:** The communication or intended communication occurs or would occur in the House of Representatives or the Senate, or is, or would be, to a parliamentary committee.

Example – Participation in a parliamentary process

An environmental organisation makes a submission to a Senate committee inquiry into proposed environmental legislation. The submission expresses views on public policy and recommends legislative amendments. As the communication is made to a parliamentary committee, it is not electoral matter.

Electoral expenditure

What is electoral expenditure?

There are three kinds of electoral expenditure that should be considered.

1. Expenditure for the dominant purpose of communicating electoral matter

Electoral expenditure is expenditure incurred for the dominant purpose of creating or communicating electoral matter.

As explored earlier, determining the dominant purpose of expenditure will depend on the specific circumstances of the expenditure. Put simply, the dominant purpose of expenditure is the main objective or outcome that the expenditure is directed toward achieving.

Where expenditure is incurred to create or communicate electoral matter, in addition to other reasons, the dominant purpose of the expenditure will need to be identified to determine whether it is electoral expenditure.

For instance, the dominant purpose of the expenditure may be for administrative, commercial, educative or for other reasons not related to electoral matter. In such cases, the expenditure will in most circumstances not constitute electoral expenditure.

Expenses that may be associated with electoral expenditure may include, but are not limited to:

- Advertising and promotional material:
 - costs for TV, radio, print, and digital advertisements intended to influence voting behaviour
- Direct mail and leaflets:
 - printing and distributing brochures, flyers, or letters to electors
- Market research and polling:
 - surveys or focus groups conducted to shape electoral messaging
- Social media campaigns:
 - paid content or boosted posts on platforms like Facebook, Instagram, or X (Twitter) promoting or opposing candidates or parties
- Campaign staff and office accommodation:
 - employing campaign staff and providing office accommodation for campaign staff or candidates
- Campaign travel and accommodation:
 - travel and accommodation for candidates and campaign staff engaged in an election campaign
- Website and digital content:
 - development and hosting of websites or online platforms used for electoral communication.

2. Expenditure in relation to an election

Electoral expenditure is also expenditure incurred by, or with the authority of, any of the following individuals or entities in relation to an election:

- a RPP, State branch of a RPP, candidate
- a Senator or Member of the House of Representatives
- an entity that is, or is required to be, registered as a significant third party, associated entity or a nominated entity.

3. Specific electoral expenditure

Expenditure incurred is also considered electoral expenditure if it:

- was incurred by, or with the authority of, any of the following individuals or entities:
 - a RPP, State branch of a RPP, and a candidate
 - a Senator or Member of the House of Representatives
 - a third party
 - an entity that is (or is required to be) registered as a significant third party, an associated entity or nominated entity.
- relates to an election, and is any of the following:
 - electoral matter in the form of advertisements in radio, television, the internet, cinemas, newspapers, billboards, posters, brochures, how-to-vote cards or any other form
 - the production and distribution of electoral matter
 - internet, telecommunications, stationery or postage for the purposes of communicating electoral matter
 - employing staff engaged in an election campaign
 - office accommodation for any such staff and candidates
 - travel and travel accommodation for candidates and staff engaged in an election campaign
 - research associated with an election campaign (other than in-house research)
 - in raising funds for an election, and
 - a kind of expenditure prescribed by the regulations.

Example – Election advertisements

Cane is the party agent for Dingo Direct Action. In response to recent advertisements which criticised the party in the lead up to an election, Cane has two advertisements prepared. The first addresses the criticism against the party (advertisement one). The second highlights the failures of the main opposition party, Wombats United (advertisement two).

Both advertisements are tested with a focus group:

- advertisement one receives favourable feedback from the focus group and is broadcast on national television.
- advertisement two does not receive positive feedback, and it is not taken any further.

Both advertisements were for the dominant purpose of:

- promoting Dingo Direct Action (advertisement one), and
- opposing Wombats United (advertisement two) in the eyes of the voting public.

Both constitute electoral matter under the Electoral Act. It does not matter that advertisement two was not broadcast, because it was created with the intention of communicating it to influence electors.

It follows that expenses incurred in the development, testing and ultimate broadcasting of advertisement one is electoral expenditure. Additionally, the expenditure incurred in the development and testing of advertisement two is also electoral expenditure.

Example – Temporary staff costs in election campaign

Coral YIMBY is a community organisation dedicated to the preservation and regeneration of the Great Barrier Reef. Coral YIMBY decide to support a candidate who they consider will act in the best interest of the Great Barrier Reef in an upcoming by-election for the electorate of Cairns.

Coral YIMBY contracts a temporary employment agency to provide 20 people to doorknock in the electorate. The total cost of this is \$25,000.

- Coral YIMBY do not carry out any other activities related to the by-election, or another election, during that calendar year.

The temporary employees are given a script to assist them in talking to residents. The dominant purpose of the communication is to communicate electoral matter. Most of the script refers positively to the policies of the candidate and encourages its audience to vote for the candidate. This aspect of the script is electoral matter and, as it is most of the script, can be understood to be the primary purpose of the communication.

- The script also contains some minor sections that seek to promote the work of, and fundraise for, Coral YIMBY. These aspects of the script are not electoral matter.

The script has a dominant purpose of communicating electoral matter, even though it contains some content relevant to the usual business of Coral YIMBY.

As Coral YIMBY's dominant purpose in signing the contract to engage the temporary staff is to communicate electoral matter, the \$25,000 incurred by the organisation is electoral expenditure.

Example – Commercial leases

Haziq owns an office block and leases the space to a range of corporate clients. One of Haziq's tenants is Dingo Direct Action (a RPP), who uses the office space for a call centre that routinely communicates electoral matter. Haziq has no connection to Dingo Direct Action, political or otherwise, and is not a person regulated by the Electoral Act (for example as an STP).

During the tenancy, Haziq incurs expenditure related to maintaining the property and updating the internet connection for the floor that Dingo Direct Action occupy. This work is carried out to maintain Haziq's investment and due to obligations held as a commercial landlord.

The expenditure Haziq incurs in relation to Dingo Direct Action is not electoral expenditure. This is because the dominant purpose in incurring the expenditure is commercial in nature, being the maintenance of Haziq's investment in the office block.

As Haziq is not a person regulated by the Electoral Act, it is not necessary to consider whether the expenditure is electoral expenditure to the extent it is in relation to an election.

Example – RPP expenditure which, in part, relates to an election

Dingo Direct Action NSW is a State branch of Dingo Direct Action. Dingo Direct Action NSW incurs expenditure to hire a bus to transport delegates to the party's annual national conference. The conference spans 5 days. The total cost of the bus hire is \$10,000. This equates to \$2,000 per day.

At the national conference, Dingo Direct Action NSW attendees spend 3 days developing their national policy platform, one day creating electoral advertising for the upcoming election, and the final day developing a policy platform for the upcoming state election.

The expenditure incurred on the bus hire therefore has multiple purposes. The day spent creating electoral advertising for the upcoming election is clearly related to an election and is considered electoral expenditure.



Section 287AB of the Electoral Act defines electoral expenditure.

What is not electoral expenditure?

Expenditure to the extent that it is, or is to be, paid or reimbursed by the Commonwealth

Expenditure is not electoral expenditure to the extent that it is, or is to be, paid or reimbursed by the Commonwealth (except as related to election funding under Division 3) to, or in relation to a person who is or was, a member of the House of Representatives, a Senator or a Minister, because that person is or was such a member, Senator or Minister.

This includes costs payable under the parliamentary expenses framework.

Expenditure by service providers

Expenditure incurred by a service provider is not electoral expenditure to the extent that the expenditure is incurred in providing a:

- communication service or platform that is used to create or communicate electoral matter, or
- service for another person or entity, on a commercial basis, to create or communicate electoral matter.

Note: A commercial basis can be understood to mean services provided at a reasonable market rate or retail rate.

The types of service providers and expenditure may include but are not limited to:

- printers printing electoral matter as paid work for clients
- internet service providers whose networks are used to communicate electoral matter
- social media companies whose platforms are used to communicate electoral matter
- polling companies undertaking research on public opinion for paying clients
- self-employed professionals managing candidate campaigns on a fee-for-service basis, and
- marketing agencies developing advertising campaigns containing electoral matter for paying clients.

Example – Service provider expenditure not electoral expenditure

A registered significant third party (STP) hires an advertising agency, at normal commercial rates, to create advertising that contains electoral matter. To deliver the campaign, the advertising agency engages several subcontractors, such as graphic designers, videographers and printers.

The amounts paid by the advertising agency to its subcontractors is not electoral expenditure. This is because the agency is acting as a commercial service provider that has been paid to produce the electoral matter on behalf of its client, the STP.

However, the amount paid by the STP to engage the advertising agency is electoral expenditure. This is because the STP is the entity hiring the advertising agency and paying for the creation of the electoral matter.

Other forms of expenditure that are not electoral expenditure

The Electoral Act also sets out a variety of other types of expenditure which are not to be considered electoral expenditure. These include:

- a gift to which a gift cap applies (per subdivision AA, Division 3A, Part XX of the Electoral Act)
- a disposition of property between of a RPP's expenditure group to another member of the expenditure group (see section 302ALF of the Electoral Act for meaning of expenditure group)
- a disposition of property between two political parties of which one related to the other (within the meaning of subsection 123(2), Part XI of the Electoral Act)
- expenditure which is administrative expenditure (per section 287AAA of Electoral Act)
- expenditure that would be administrative expenditure where the references to a 'registered political party' in subsection 287AAA(1) also mean any of the following individuals or entities:
 - a RPP, State branch of a RPP, and a candidate
 - a Senator or Member of the House of Representatives
 - a third party
 - an entity that is (or is required to be) registered as a significant third party, an associated entity or nominated entity.
- expenditure related to an election other than an election for a federal member of the House of Representatives or a federal Senator for a state or territory, and
- a kind of expenditure prescribed by the regulations.

Example – Transfer of property between members of same RPP expenditure group

Dingo Direct Action NSW Branch purchase 25 printers to be used by its endorsed candidates to print election materials for distribution in their respective Divisions.

The initial purchase of the printers by the State branch of the party is subject to the ordinary test of whether the purchase amount is 'electoral expenditure' within the meaning of electoral expenditure.

However, the sharing of the printers with the candidates is not electoral expenditure. This is because it is a disposition of property between members of the same expenditure group.

Example – Administrative expenditure

Dingo Direct Action NSW engages a forensic accountant to audit its financial accounts and disclosure arrangements to ensure they are in accordance with the Electoral Act in the lead up to an election.

Despite this expenditure being in relation to an election it is not electoral expenditure. This is because it is categorised as administrative expenditure under the Electoral Act.

Administrative expenditure

Administrative expenditure by a registered political party or independent member means expenditure within the following categories, to the extent that it relates directly or indirectly to a matter under the Electoral Act, and is not an exception as listed below:

- a) administration or management activities
- b) conferences, seminars, meetings (or similar functions) at which federal electoral policies are discussed or formulated
- c) auditing:
 - i. of financial accounts, or
 - ii. in connection with claims or disclosures under Part XX of the Electoral Act
- d) remunerating staff engaged in one or more matters described at (a) to (c) above (to the extent that the expenditure relates to the time the staff are engaged in those matters)
- e) staff training in relation to one or more matters described at (a) to (c) above
- f) equipment (including IT) or vehicles used by staff whilst engaged in one or more matters described at (a) to (c) above (to the extent that the expenditure relates to the use of the equipment or vehicles by the staff engaged in those matters)
- g) office accommodation for staff and equipment described at (d) and (f) above
- h) expenditure on interest payment on loans – to the extent that the loans are in connection with one or more of the matters described at (a) to (g) above, and
- i) complying with obligations under the Electoral Act.

Exceptions to administrative expenditure

Administrative expenditure does not include expenditure:

- incurred for the dominant purpose of creating or communicating federal electoral matter
- that is payable or reimbursable by the Commonwealth to, or in relation to, a person, due to their status as an MP, a Senator or a Minister
- incurred for a state or territory electoral purpose, or
- a kind of expenditure prescribed by the regulations.

Examples of administrative expenditure

Administrative expenditure includes, but is not limited to:

- office rent and utilities
- professional services
- administrative staff salaries
- compliance and audit activities
- software and IT equipment
- policy workshops
- office equipment
- operational management activities.

Example – Acquiring professional services

Dingo Direct Action NSW engages a forensic accountant to audit its financial accounts and disclosure arrangements to ensure they are in accordance with the Electoral Act in the lead up to an election.

Despite this expenditure being in relation to an election it is not electoral expenditure. This is because it is categorised as administrative expenditure under the Electoral Act.

Example – Software and ICT equipment purchases

The Wombat Party purchases 10 MacBook Pro laptops for each of its administrative staff, along with a Microsoft 365 Premium Business annual subscription package, an Amazon Web Services annual cloud storage service subscription, and an annual cybersecurity professional services subscription to support its administrative activities.

The costs for the software and IT equipment are administrative expenditure.

What happens where expenditure has mixed purposes?

Expenditure may sometimes be incurred for **both** electoral and administrative activities.

In such cases, the expenditure must be apportioned to determine the amounts that constitute electoral expenditure and administrative expenditure.

Individuals and entities are responsible for determining how they apportion expenditure with mixed purposes. This can be done using a reasonable approximation following a consideration of the nature of the expenditure.

Adequate records that validate the procedure and methodology of apportionment must be maintained and provided to the AEC when requested.

Example – Apportionment of independent Senator/candidate expenditure to the extent it relates to an election

William, an independent Senator and candidate running for re-election, hires a full-time assistant. The assistant spends two-thirds of their time organising William's federal election campaign and one-third of their time undertaking administrative tasks.

How should the remuneration for the full-time assistant be apportioned?

Based on the assistant's split of allocated work, William apportions one-third of the assistant's remuneration as administrative expenditure, and two-thirds of their remuneration as electoral expenditure.

To pay this correctly, William transfers the federal campaign-related portion of the assistant's remuneration from his federal account into a payroll account, where it is temporarily held and from which the transfer of combined (mixed purpose) funds is made.

Example – Training and development courses

John, an independent Senator, pays for two of his staff to attend a Microsoft Excel advanced training course, a cybersecurity awareness training, and a work health and safety training course to help improve their administration skills in running his office.

The cost of these courses is administrative expenditure.

Example – Apportionment of RPP expenditure to the extent it relates to an election

The Kangaroo Party, a RPP, incurs expenditure to charter a private plane to transport delegates from across its branches to the Party's 5-day annual national conference. The total cost to charter the private plane is \$100,000.

At the national conference, the Kangaroo Party delegates spend 3 days developing their federal policy platform, one day creating electoral advertising for the upcoming federal election, and the final day developing the policy platform for the upcoming State election.

How should the charter plane costs be apportioned?

The Kangaroo Party apportions the cost of chartering the private plane as follows:

- \$60,000 for developing their federal policy platform - administrative expenditure
- \$20,000 for creating electoral advertising for the upcoming federal election - electoral expenditure
- \$20,000 for developing the policy platform for the upcoming State election - not regulated by the Electoral Act.

Example – Administrative expenditure related to management of an office

Marge is an independent sitting member. Marge employs Tom, a full-time administrative assistant, to support the operations and management of her office. As part of managing Marge's funds and accounts, Tom seeks advice from an accountant. The accountant also conducts an audit of Marge's federal administrative accounts, a requirement for persons in receipt of administrative assistance funding during a calendar year under the Electoral Act.

What expenditure is this?

The expenses incurred in managing Marge's funds and accounts are administrative expenditure. Similarly, the remuneration paid to Tom for his role as a full-time administrative assistant is also administrative expenditure.

Example – Associated entity apportionment of mixed purpose expenditure

Platypus Incorporated (an associated entity) employs Polly to assist in its work supporting the Puggle Party (a RPP) in its upcoming election campaign and for general duties which are unrelated to a political entity.

As part of Polly's administrative support role, she purchases \$1,000 worth of postage stamps for use in campaign mail outs and general work. Polly calculates that approximately 75 per cent of post sent relates to the upcoming election campaign.

How should the expenditure be apportioned?

Accordingly, \$750 of the \$1,000 spent on postage stamps is electoral expenditure, with the remaining \$250 being unrelated to the operation of the Electoral Act.

Example – Apportionment of independent MP mixed purpose expenditure

Clifford, an independent MP, enters into a lease with Hound House to secure office space to accommodate his office staff. Clifford agrees to pay rent calculated at a market value of \$4,000 per month.

Half of the staff are responsible for campaign work, and the other half undertake administrative duties in managing his office.

How should the rent be apportioned?

Clifford needs to apportion the monthly rent by determining how much of Hound House's office space is used to accommodate his administrative staff (administrative expenditure) and his campaign staff (electoral expenditure).

Clifford determines that 50 per cent of the monthly rent should be attributed to administrative expenditure and 50 per cent to electoral expenditure. Clifford needs to keep appropriate records to evidence how the expenses have been apportioned.

Should the staffing mix change, Clifford will need to reassess the apportionment.