



**LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY**  
13<sup>th</sup> Assembly

**ECONOMIC POLICY SCRUTINY COMMITTEE**

**Public Briefing Transcript**

12.30 pm – 2.30 pm, Wednesday, 3 July 2019  
Litchfield Room, Level 3, Parliament House, Darwin

**Members:**

Mr Tony Sievers MLA (Chair), Member for Brennan  
Ms Kate Worden MLA, Member for Sanderson  
Mrs Lia Finocchiaro MLA, Member for Spillett

**Witnesses:**

**Department of the Chief Minister**

Jean Doherty: Executive Director, Intergovernmental and Legal Policy

Genevieve Mogridge: Director, Intergovernmental and Legal Policy

Mandy Olsen: Principal Policy Officer, Intergovernmental and Legal Policy

The committee convened at 12.44 pm.

## **DEPARTMENT OF THE CHIEF MINISTER**

### **Electoral Legislation Further Amendment Bill 2019**

**Mr CHAIR:** Our apologies we are running a bit late, but this is a busy time of the year. Thank you for your patience.

On behalf of the committee, I welcome everyone to this public briefing into the Electoral Legislation Further Amendment Bill 2019.

I welcome to the table to give evidence to the committee Ms Jean Doherty, Executive Director, Intergovernmental and Legal Policy; Ms Genevieve Mogridge, Director, Intergovernmental and Legal Policy; and Ms Mandy Olsen, Principal Policy Officer, Intergovernmental and Legal Policy. Thank you all for coming before the committee. We appreciate you taking the time to speak to the committee and look forward to hearing from you all today.

This is a formal proceeding of the committee and the protection of parliamentary privilege and the obligation not to mislead the committee apply. This is a public briefing which is being webcast through the Assembly's website. A transcript will be made for use of the committee and may be put on the committee's website.

If, at any time during the hearing, you are concerned that what you will say should not be made public, you may ask that the committee go into a closed session and take your evidence in private.

For the record, could you each please state your name and the capacity in which you are appearing here today. Jean, you are then welcome to continue with an opening statement.

**Ms DOHERTY:** I am Jean Doherty, Executive Director of Intergovernmental and Legal Policy in the Department of the Chief Minister.

**Ms MOGRIDGE:** Genevieve Mogridge, Director, Intergovernmental and Legal Policy, Department of the Chief Minister.

**Ms OLSEN:** Mandy Olsen, Principal Policy Officer, Intergovernmental and Legal Policy in the Department of the Chief Minister.

**Mr CHAIR:** Great. Before we start I will introduce our committee. Kate Worden, the Member for Sanderson; and Lia Finocchiaro on the phone, the Member for Spillett.

Jean, if you would like to open with an opening statement that would be great.

**Ms DOHERTY:** Thank you, Chair and members of the committee, for the opportunity to provide this briefing on the Electoral Legislation Further Amendment Bill 2019.

This bill delivers the remaining tranche of electoral reforms which are aimed at improving the openness, accountability and transparency of electoral process in the Northern Territory. It follows legislative reforms already undertaken to the electoral boundaries redistribution process, a return to full preferential voting and refining restrictions on canvassing at voting centres.

The purpose of this current bill is to amend the *Electoral Act 2004* through financial reforms to create more transparency of political donations and funds spent by candidates and parties to run election campaigns. The bill also addresses a number of remaining non-financial reforms in the electoral system which stem from the 2016 Territory Election Report and are aimed at streamlining and contemporising the voting and electoral process in the Northern Territory.

The bill introduces a new scheme to regulate political donations and electoral expenditure in the Northern Territory. Implementation of the scheme is in response to Commissioner Mansfield's June 2018 inquiry into options for the reform of political funding and donations in the Northern Territory. While the scheme does not contain all elements recommended by the inquiry, it remains true to the intent of the recommendations of achieving electoral fairness and transparency in the Northern Territory.

A new objects clause has been included in Part 10 of the bill which sets out the overall objectives of the donations and expenditure scheme which are to:

- (a) establish a transparent electoral and disclosure regime
- (b) increase the transparency of election campaigns
- (c) reduce undue influence in the electoral process
- (d) promote the accountability of, and compliance by, registered parties, elected members, candidates, associated entities, third-party campaigners and donors.

The bill introduces an indexed cap on electoral expenditure of \$40 000. The cap applies to individual candidates, political parties and associated entities of the parties. The cap covers the period from 1 January in an election year to 30 days after the election day. The electoral expenditure cap is intended to reduce the ability for donors to influence campaigning in the lead-up to elections and works to level the playing field across all candidates.

The definition of 'electoral expenditure' has also been updated in the bill to include contemporary forms of expenditure on communications such as social media advertising. The definition also importantly and explicitly excludes travel and accommodation costs, so as not to constrain the travel of candidates contesting rural

and remote electorates, which we know is a particularly important feature of the Territory's electoral landscape.

An expenditure return will be required from candidates, parties, associated entities and third-party campaigners. These returns will confirm campaign spending in accordance with the cap and function as a new accountability measure for third-party campaigners.

The amendments in the bill provide for more timely and robust disclosure of donations, particularly in election years and with increasing frequency during the voting period—once the writ is issued. These enhanced disclosure provisions seek to maximise voters' access to information on political donations prior to their vote being cast.

Candidates, parties, associated entities and third-party campaigners will be required to submit regular donation disclosures over the election period. These will be published on the Northern Territory Electoral Commission (NTEC) website and will be available for the public to view prior to casting their vote.

In line with the increased transparency of donations and campaign expenditure, routine reporting obligations have been strengthened to increase transparency across the whole election cycle. This includes reduced time frames to submit the existing requirement for annual returns so that voters have access to more up-to-date and recent information.

A key feature of reforms in the bill is to make clear provisions for third-party campaigners through the new definition which has been inserted and new registration requirements for third-party campaigners. Third-party campaigners will also be required to provide more frequent donation and expenditure reports. Importantly, the bill contains a very targeted definition of 'political expenditure' by third-party campaigners to maintain the ability of a third-party campaigner to lobby on general issues and not stifle communication or political debate on issues in general, which is enshrined as a right in Australia's Constitution. These reforms recognise and appropriately regulate the contemporary and evolving role which third-party campaigners play in modern electoral systems.

Associated entities will also be required to register with NTEC and for their electoral expenditure to be included in the expenditure cap of their affiliated party.

The bill includes new offences and penalties for deliberate breaches of the scheme as well as a new infringement notice scheme for minor offences, which provides a more accessible and timely enforcement tool for NTEC.

The proposed scheme will commence on 1 January 2020 and be in place for the next Northern Territory General Election, which is scheduled for 22 August 2020.

Transitional provisions in the bill have been included to allow for existing disclosure obligations to conclude at the end of this year, with returns due to NTEC within 60 days.

The expenditure and donations reforms implemented through this bill will be reviewed following the 2020 election, with the review to be completed within 12 months. The review will provide a Territory-specific evidence base in this contemporary and evolving area of policy.

The bill also comprises a series of non-financial reforms not related to donations or expenditure. These non-financial reforms have been guided by the recommendations from NTEC's 2016 Territory Election Report. Of the 24 recommendations made in the 2016 Territory Election Report, we have implemented 22 of the 24 recommendations of the report through the electoral reform agenda.

The key non-financial reforms included in the bill are as follows:

1. Extending the election time table by four days by bringing forward the issuing of the writ. This provides improved risk management and quality proofing for NTEC and allows additional time to submit pre-election donation returns.
2. Provisional on-the-day voting has been included to save the votes of unenrolled people who turn up to vote on election day, provided that person is eligible to be enrolled. This will improve the quality of the Electoral Roll and participation, which has been highlighted by NTEC in its draft redistribution report as an issue in the Territory specifically.
3. The bill works to align voting provisions for early, mobile and election-day voting to create consistent processes associated with the casting and the counting of votes. This is especially important as the number of people casting early votes grows.
4. The bill removes requirements for broadcaster and publisher returns to NTEC, the value of which has diminished over time. Again, this was a feature of the 2016 Territory Election Report.
5. The bill also clarifies campaign material requirements so that the funding source responsible for the campaign material, such as the political party or a sponsor, must be clearly identified with all authorising text or logos of a sufficient size.
6. The terminology in the Act has been updated to contemporise the legislation and provide consistency with the previous amendments passed in the Assembly earlier this year.

To assist members of the committee, the Department of the Chief Minister is pleased to table a suite of fact sheets, including an overview of reforms, a list of offences and penalties and individual fact sheets for political parties, candidates, third-party campaigners, associated entities and donors—all the key players in the electoral landscape. These documents summarise the current and proposed obligations as set out in the bill and I hope they will assist you in your reading.

Thank you. I now invite the committee to ask any questions they have.

**Mr CHAIR:** Thanks, Jean. Thank you for those fact sheets. There is a lot of information in there that is helpful for us. I have a few questions to go through and then I will hand it over to colleagues.

Can you tell us about the consultation process that the parliament undertook to get to this point with the bill? Genevieve?

**Ms MOGRIDGE:** There were two separate areas of consultation that were undertaken. First, in relation to the political donations area of the reforms. Commissioner Mansfield, through the independent inquiry, conducted a series of consultations. The details of that are set out in his inquiry report which was tabled in the Assembly in August 2018.

Following the tabling of that report, the government also issued a discussion paper seeking feedback on the key recommendations of the inquiry report. The discussion paper was published on the Have Your Say website, there were emails sent to key stakeholders and advertisements were placed in main NT newspapers and through Facebook seeking responses to the discussion paper. That paper was open for four weeks.

In relation to the non-financial reforms, there was a 10-week consultation period—I need to refresh my memory on the timing of that—from November 2017 to January 2018.

**Mr CHAIR:** Thank you, Genevieve. Can you tell us about the impact the proposed legislation will have on our service providers out there, if any?

**Ms DOHERTY:** Service providers as in ...

**Mr CHAIR:** As in ...

**Ms DOHERTY:** ... the whole of the election process?

**Mr CHAIR:** Yes.

**Ms MOGRIDGE:** Like NTEC, I guess.

**Ms DOHERTY:** Yes. Okay. I can confirm that we have consulted extensively with the Northern Territory Electoral Commissioner and his staff on the suite of electoral reforms. The bulk of the non-financial reforms are aimed at streamlining and bringing up to date the practices and processes of the Northern Territory's electoral system and making it easier for voters to participate, but also streamlining some of those out-of-date practices within the administration of NTEC.

Regarding the political donations and expenditure scheme, we have worked closely with NTEC, which will continue to work on the development of a reporting and compliance arrangements to align with the requirements of the bill.

Regarding the reporting and disclosure arrangements, they will primarily be requiring parties, candidates, associated entities and third parties that are part of the scheme to report more often. However, that reporting will be in the same format as it currently is. We are not expecting a significant increase in the type of information that is required, it is just the frequency with which it is done.

A feature we have included in the bill to support that practice is the establishment of a dedicated Territory campaign account. All parties and their associated entities and candidates will be required to establish what we are referring to as a Territory campaign account, which will provide an easier accounting and audit measure for the Electoral Commission to determine the expenditure going out and the donations coming in for Territory election purposes.

**Mr CHAIR:** Right. It will be a more open and transparent process?

**Ms DOHERTY:** Very much so. The reporting obligations and disclosure requirements will mean that the Northern Territory Electoral Commissioner will publish the additional reports provided by the members associated with the election—the parties, the candidates, the associated entities and third-party campaigners. They will be publicly available on the NTEC website, as soon as practicable to be published by the Electoral Commissioner.

The objective is to maximise information publicly available to voters before and during the voting period so that when people go to cast their votes they are very well-aware of most up-to-date information on donations coming in.

**Mr CHAIR:** Great, thank you.

**Mrs WORDEN:** I am a little confused about time lines. From what I am reading, it is the full four years before, eventually, after the 2020 election? After that, the whole four years is reportable? Is that correct about donations?

**Ms MOGRIDGE:** The amendments outlined in the bill are designed to provide information that covers a four-year period. However, the first return that is provided would cover that period, after which it would then be a matter of doing either annual returns when it is not an election year, or the separate reporting period in the election year.

It is about having the information built over time. In the first instance that a candidate or a party—for example the first time they provide a return—it covers the longer-term period, but then after that it is for the subsequent periods to keep the information up to date.

**Mrs WORDEN:** I have in my mind how these things work. In the notes or your fact sheets, a candidate actually is somebody—basically, once you are elected you are still a candidate. That is what it covers. During the life of someone who is elected, over that

time they might have a number of fundraisers. Each person who purchases or donates to that over \$200 has to make—how does that work?

If somebody makes a donation to a fundraise that is over that \$200 threshold during that four-year period before an election—oh, let us say the three-year period. Let us leave that last year because that is very clear to me. If somebody makes a donation in that time, they then have to make a declaration themselves of that donation? And at which point would they make that declaration?

I am not quarrelling with the rules. What I am asking is some clarity about how that actually works in practice.

**Ms MOGRIDGE:** In relation to the candidates, what you were just referring to there, there are two separate things. One is an obligation for the candidate and the other is an obligation for the donor. I can talk first of all in relation to the candidate. The candidate is required to disclose donations over the \$200 threshold that are received. There are annual returns provided for in the amendments.

The obligations for donors, however, have been changed so that the donation threshold in any given financial year for an individual donor to a candidate, instead of being \$200 is now \$1500, which is the same as the threshold for a donor to a registered political party that is already provided for in the Act.

**Mrs WORDEN:** Per financial year?

**Ms MOGRIDGE:** Per financial year, correct. That change has been made to reduce the administrative burden on donors to candidates, because previously they have been required to declare donations of \$200 across four years. This is now about aligning the candidate donor threshold to the political party donor threshold. Does that ...

**Mrs WORDEN:** Donations are financial as well as volunteer time—all those sorts of things—are they from ...

**Ms MOGRIDGE:** In the definition of 'gift', that is provided for. There have been some amendments to that definition to include section 3A in the Act. It has clarified that volunteer labour is not a donation—I have that here ...

**Ms DOHERTY:** In the definition.

**Ms MOGRIDGE:** The definition.

**Ms DOHERTY:** Volunteer labour is taken to be labour that is outside of a person's normal working hours and is not remunerated by the party or candidate.

**Mrs WORDEN:** So that is not disclosed?

**Ms DOHERTY:** No, volunteer labour is exempt.

**Ms MOGRIDGE:** No.

**Mrs WORDEN:** I have a supplementary question. Can you also advise why the focus continues to be on a candidate rather than a seat? I will explain. My concern is that you could have a candidate for four, five months who could attract up to \$40 000—is my reading of the legislation—in that cap. Then, something happens with that candidate and a new candidate comes on board. They could also attract another \$40 000, which essentially means they are not personal donations, they are towards a seat—I would think, certainly within a party system.

Essentially, then, a seat could have up to \$80 000 because I believe that money would not stick with the person who stood down in that capped time. Can you explain to me if you think there is anything to stop that happening? I am not saying it does, but it can. It does with regularity across Australia.

**Ms MOGRIDGE:** Member for Sanderson, can I confirm the cap is in relation to the electoral expenditure, not in relation to donations. The cap on electoral expenditure has been set based on the recommendations of Commissioner Mansfield, which was based on a per-seat, per-candidate allocation of \$40 000.

**Mrs WORDEN:** It does not say seat, it says candidate right the way through.

**Ms DOHERTY:** I can clarify further on that one, Member for Sanderson. The \$40 000 per candidate is a pooled amount within a party system, so in the event there is ability and flexibility for the party to determine the transfer of that \$40 000 per seat across the various divisions. In the event that a candidate may move on and someone replaces that person during the election campaign, it would be up to the party to determine the pooling of that within the \$1m cap set for all 25 seats. I do not think there is the risk that you can go over and above what is the proportionate amount per seat for a party because there is still that \$1m cap for 25 seats in total, in the event that a party stands 25 seats—in all electorates—for their party.

**Mrs FINOCCHIARO:** It may be that the party chooses in that instance to spend \$80 000 but it means they have to find that \$40 000 from three or four other seats.

**Ms DOHERTY:** Yes, exactly.

**Mrs WORDEN:** That \$1m, \$40 000 times 25.

**Mrs FINOCCHIARO:** But that is expenditure, not—a candidate could raise \$100 000 but all that could be spent is \$40 000.

**Mrs WORDEN:** (inaudible).

**Mrs FINOCCHIARO:** Or whatever the party wants, anyway, but added to a maximum of \$40 000. Yes.

**Mr CHAIR:** Lia, do you have any ...

**Mrs FINOCCHIARO:** Yes, I want to ask about associated entities and then third-party campaigners. I think you said—sorry, I have lost my page—third-party, associated entities—maybe I read it—the definition remains the same? Yes, the definition of ‘associated entity’ in section 176 of the *Electoral Act 2004* remains the same. So, what is changing? For associated entities it is just the reporting? Is that right?

**Ms MOGRIDGE:** Member for Spillett, the proposed amendments—you are correct, there is no change proposed to the definition. There are a number of other changes that are proposed in the bill. The first is a requirement for associated entities to register with NTEC ...

**Mrs FINOCCHIARO:** Okay.

**Ms MOGRIDGE:** There are those provisions there. In addition, in relation to the electoral expenditure cap, the cap that a political party has is shared with its associated entities. So, essentially, if a political party has candidates in all 25 seats and they have the pool cap of \$1m, that cap is shared with its associated entities and the associated entity does not have an additional allocation, as it were, in relation to electoral expenditure. The registration requirement is important in making sure there is transparency in relation to that.

Then, there are also the reporting obligations. The bill provides that the electoral expenditure report and the election year reporting that applies to political parties and candidates are also required from associated entities. There are also amendments that provide for the associated entities to have an annual return and an annual return in relation to gifts.

**Mrs FINOCCHIARO:** Okay. Will it be very obvious who associated entities are? I am thinking about the educational component that will have to come with a major reform to any system. It does not matter whether it is electoral or otherwise. Would an associated entity necessarily know who they are in order to be able to ensure they have complied? Or is that something the NTEC will be doing?

**Ms DOHERTY:** The existing definition under the Act is very clear. Section 176 of the Act says an associated entity is one that is controlled by one or more registered parties, or operates or wholly or to a significant extent for the benefit of one or more registered parties. That is an existing requirement under the legislation and the Electoral Commissioner will look to develop guidelines, training material, communications and engagement material, not just for associated entities but also third-party campaigners, which will be ...

**Mrs FINOCCHIARO:** Because that is much broader.

**Ms DOHERTY:** ... ensure requirements existing for the existing third-party campaigners. We have discussed those requirements with the Electoral Commissioner.

**Mrs FINOCCHIARO:** Okay. For registration, if the bill is passed, an associated entity would need to register under Part 9. Is that just for the election period, or is that ongoing? You deem yourself an associated entity, so you register that as a one-off thing, or is it a constant requirement?

**Ms MOGRIDGE:** The registration requirement for associated entities would be ongoing in the sense that once registered, until such time as the association ends ...

**Mrs FINOCCHIARO:** It is not.

**Ms MOGRIDGE:** Yes, they would continue to be registered with NTEC, with that register published on the NTEC website. However, the distinction with third-party campaigners is that they would be required to register on an election-by-election basis because they are not an ongoing feature of the electoral landscape in the same way that associated entities and parties, for example, are.

**Mrs FINOCCHIARO:** Okay. So, if the definition has not changed, I assume then that there must be some existing guidelines on what defines 'significant extent'? If an associated entity is not controlled by a registered party and only operates to a significant extent to benefit a registered party, who determines that at the end of the day?

**Ms DOHERTY:** That one is probably a question for the Electoral Commissioner, but I anticipate there would be some guidelines about the current interpretation of that legislation because ...

**Mrs FINOCCHIARO:** Because if it is the same definition, how you determine it now will carry over, I suppose.

**Ms DOHERTY:** Yes.

**Mrs FINOCCHIARO:** Okay. With third-party campaigners, who is that envisaged to capture?

**Ms MOGRIDGE:** At the moment in the legislation there is a reference to a term 'person incurring political expenditure'. The amendments in the bill provide a clearer and more contemporary definition. It will define a third-party campaigner as a person who, or an entity that, incurs or expects to incur more than \$1000 of political expenditure during the capped expenditure period—that being 1 January in an election year to 30 days after the election day.

Political expenditure within the bill is also defined as expenditure that is incurred in promoting or opposing a candidate or a registered party.

**Mrs FINOCCHIARO:** How will that be enforceable? In my mind, this is quite broad.

**Ms MOGRIDGE:** The definition of ‘political expenditure’ is narrower than electoral expenditure. That is so that it does not capture communications or advertisements that are just on election issues. As was outlined in the opening statement, that has been done to ensure that it does not stifle debate or discussion on issues. If issues are intended to raise awareness, education or encourage public debate, they will not be caught up in the definition of ‘political expenditure’.

**Mrs FINOCCHIARO:** So, that would be—I am trying to think of an example—potentially, NGOs or unions even. If they are campaigning on an issue which could be cuts of some form—that is always a classic feature of an election, as long as they stuck to the issue. Even if they had 20 people at a polling booth, as long as they are sticking to the issue that they are focused on rather than the candidate per se, they would not be considered a third-party campaigner?

**Ms DOHERTY:** Thank you, Member for Spillett. Yes, that is generally correct. The two key requirements to be passed as a third-party campaigner is a person or entity that expects to, or does, incur more than \$1000 of political expenditure during the capped electoral period, and the entity or person who promotes or opposes a candidate in their communication or expenditure incurred.

They need to specifically refer to a party or candidate, not just an issue. That is a targeted definition. We received legal advice in relation to the shaping of that definition and made sure we did not infringe on any constitutional aspects of free rights to communication or political speech, because that is a very current area in the election policy landscape.

It has been very carefully worded so that it is clear, easy to enforce and taking compliance with. You will know if you are doing it, so you need to specifically name the party or candidate and you need to be promoting or opposing it.

**Mrs FINOCCHIARO:** Yes, okay. What other jurisdictions—has that been adopted from another jurisdiction, or ...

**Ms MOGRIDGE:** Member for Spillett, there is a range of definitions that are used in interstate legislation with respect to how third-party campaigners are defined. One of the key things we also took into consideration was recent decisions of the High Court in relation to the role of third-party campaigners.

I also note that the definition of ‘political expenditure’ is also consistent with the Commonwealth *Charities Act*. That declares a disqualifying purpose of a charity is the purpose of promoting or opposing a political party or candidate for political office. That

Act also clarifies that the Act does not apply to the purpose of distributing information or advancing debate about the policies of political parties or candidates for political office, such as by assessing, critiquing, comparing or ranking those policies. The definition in the bill is consistent with that definition as well.

**Mrs FINOCCHIARO:** So, they will be required to register themselves as well? Is that right?

**Ms MOGRIDGE:** That is correct—on an election-by-election basis.

**Mrs FINOCCHIARO:** So, in that period 1 January? At some point in that period?

**Ms MOGRIDGE:** The definition captures expenditure of \$1000 or more in that period. That does not preclude a third-party campaigner from registering before that. However, the amendments in the bill require third-party campaigners to register at least five days before election day. That is to ensure that NTEC has sufficient time to process and publish the registration on its website.

**Mrs FINOCCHIARO:** What if the third-party campaigner was incurring, or expecting to incur, more than \$1000 of political expenditure in advance of that period? Say 18 months out from an election rather than in the election year? That is then not able to be disclosed?

**Ms MOGRIDGE:** The reporting obligations that are set out in the legislation would require a third-party campaigner to provide details of any donations that they have received for the period from 31 days after the last election through until the first report they provide. That actually covers that period.

**Mrs FINOCCHIARO:** They are for the full four-year period?

**Ms MOGRIDGE:** That is correct. That is because they would not be required to provide annual returns as the candidates, parties and associated entities would be.

**Mrs FINOCCHIARO:** What if they are not registered, though? That makes sense to me if, for example, they were registered in say, 2016—pretending this all happened. Obviously, then, for the upcoming election that four-year period all makes sense, but what happens if they were not registered in 2016 and they only register, say, five days out from 2020, but had been incurring or expecting to incur this year, last year? Would that then be reportable?

**Ms MOGRIDGE:** Yes, it would. The first return that the third-party campaigner submits would need to cover that period.

**Mrs FINOCCHIARO:** Right, okay. It does not matter when you register, it is for the period right up to the 30 days after the last election, whenever that was?

**Ms MOGRIDGE:** Correct.

**Mrs FINOCCHIARO:** Okay, I see.

**Ms DOHERTY:** Just to clarify that the Act will not commence, if it is passed by the Assembly, until 1 January. The reporting obligations ...

**Mrs FINOCCHIARO:** Would just start from there.

**Ms DOHERTY:** ... the reporting obligations will not commence until 1 January.

**Mrs FINOCCHIARO:** But then going forward, like in 2024, it would cover the whole four-year period. Okay.

I have one more question. Presumably, that \$1000 would include staffing expenses, production of materials—all those types of things? Sorry, on third-party campaigners—that \$1000?

**Ms MOGRIDGE:** If the third-party campaigner is producing material and paying staff in order to distribute their material, then those costs would need to be captured in their reporting.

**Mrs FINOCCHIARO:** Right.

**Mr CHAIR:** Even fuel if they are using fuel and so forth? It is an expense.

**Ms MOGRIDGE:** Travel and accommodation expenses have been excluded from the definition of 'electoral expenditure'. That is to ensure that the travel and accommodation costs of candidates and parties contesting ...

**Mr CHAIR:** Oh, that is right, yes.

**Ms MOGRIDGE:** ... particularly our rural and remote seats are not affected.

**Mr CHAIR:** Yes, thank you.

**Mrs FINOCCHIARO:** Sorry. Travel and accommodation costs are not reportable—is that in any situation or just specifically to the third-party campaigner?

**Ms MOGRIDGE:** That is correct, Member for Spillett. The travel and accommodation expenses, in the new definition of 'electoral expenditure' at section 176A has explicitly excluded expenditure on travel or accommodation.

**Mrs FINOCCHIARO:** Then travel or accommodation costs or expenditure is then not part of the \$1m overall cap for parties?

**Ms MOGRIDGE:** That is correct.

**Mrs FINOCCHIARO:** Okay. It is also then not disclosable for associated or third-party entities? For example, if the associated entity was paying travel and accommodation—to use the definition—that would not be reportable as it would be if they were printing fliers or posters?

**Ms MOGRIDGE:** That is correct.

**Mrs FINOCCHIARO:** What was the reason behind it?

**Ms DOHERTY:** There was some discussion in Commissioner Mansfield's report on the political donations landscape in the Northern Territory, where he noted the particular difficulties and features of the Northern Territory electoral system. He had suggested that a general exclusion on travel and accommodation would be one way of dealing with that issue in a fairly straightforward manner, so we have adopted that approach.

**Mrs WORDEN:** Just on that, let us say there was a group of people going down to Katherine, let us say hypothetically, and somebody donated all the accommodation, that is disclosable by the donor?

**Ms MOGRIDGE:** If a donation is provided then that is reportable as a donation, so it is included. However, in the expenditure aspect, it is not included in the cap.

**Mrs WORDEN:** Yes. The donor would have to declare that as a donation.

**Ms DOHERTY:** That is correct. Travel and accommodation is a disclosable item for donations or gifts. It is not a disclosable item as an expenditure item.

**Mrs FINOCCHIARO:** In a practical sense, what is the difference? The scenario is, organisation X pays for candidate Y to travel from here to wherever. That is an expenditure. How is that different to, 'I am gifting that to that candidate'?

**Ms MOGRIDGE:** In relation to the reporting of donations, that is related to transparency and being able to identify the source of funds or services that are provided to a candidate or a party. But in order to avoid any potential impact on candidates and parties—as I said particularly those contesting rural and remote electorates—expenditure costs associate with travel and accommodation are not included in the definition, and therefore, not included in the cap.

**Mrs FINOCCHIARO:** Okay, so it is only for the cap. It is still reportable and disclosable. Your organisation X flying in 20 people to help wave signs on the side of the road—you have to disclose that cost of travel and whatever else might have been involved, but that cost is not then minus from the \$1m?

**Ms MOGRIDGE:** That is correct.

**Mrs FINOCCHIARO:** Okay. Thank you.

What is the overall intention? Obviously, we all want greater transparency, accountability and those types of things. How does this achieve that?

**Ms MOGRIDGE:** The proposed amendments are designed to enhance the transparency through the provision of information on a more frequent basis, particularly in election years.

**Mrs FINOCCHIARO:** Okay. So, all of this is a heap more information. Obviously, everyone involved, has a lot more work to do, more often. There is a lot greater emphasis on compliance and things like that. We will now have all of this information available to us. We will know if someone went to more than \$200 worth of fundraisers and all of these things. Where does that then go? That is all being uploaded to the NTEC website?

**Ms DOHERTY:** Yes, Member for Spillett that is correct. The intention is for the reports to be uploaded as soon as practicable. They are some specific time frames within the reporting schedule, particularly immediately prior to the election. The objective we had was to maximise the level of publicly available information for voters before they cast their votes. We have worked the reporting schedule, the submission requirements to NTEC and the turnaround by NTEC to upload that on to the website in accordance with that direction from government.

**Mrs FINOCCHIARO:** Will NTEC need extra resources to be able to manage all of this?

**Ms DOHERTY:** That would be a matter for the NTEC to provide that advice. However, I can confirm that the department has been working closely with NTEC in relation to the development of materials and for them to understand the proposed obligations. Subject to the passage of the bill in parliament, we will continue to support them in that goal as well.

**Mrs FINOCCHIARO:** Obviously, to have that level of compliance there needs to be massive amounts of education going out there. There are lots of moving pieces to this, so you would not want people not to understand their obligations and how they can meet them.

**Mr CHAIR:** Great. All right. Any voter would be happy to see more transparency and openness on this and what donations and expenditure is being made, come their vote, which is a great thing about the bill.

**Mrs FINOCCHIARO:** Is the cap on each candidate \$40 000 irrespective of their—for example, is it just urban seats or is that also bush seats? It is \$40 000 no matter what?

**Ms DOHERTY:** It is a nominal \$40 000 allocation where you are within a party structure. It is a pooled amount of \$1m up to the 25 seats. The party has the discretion—and it is up to the party to determine how that will be allocated ...

**Mrs FINOCCHIARO:** But not over \$40 000?

**Ms DOHERTY:** That would be a matter for the party to determine ...

**Mrs FINOCCHIARO:** Oh, they can?

**Mrs WORDEN:** You could spend \$70 000 on one and \$10 000 on another.

**Mrs FINOCCHIARO:** So, where does the \$40 000 ...

**Ms MOGRIDGE:** The \$40 000 is for endorsed and unendorsed candidates not within a party structure.

**Mrs FINOCCHIARO:** Oh, okay, right.

**Ms MOGRIDGE:** It is a nominal \$40 000 for seats within a party structure.

**Mrs FINOCCHIARO:** Right. So, within a party structure they can spend \$1m on one seat if they really wanted to. Okay, right, gotcha. But if you were an Independent, it is \$40 000. And that is no matter which—if you are an Independent running in—what is a big electorate?—Barkly, Stuart, Namatjira, it is \$40 000, but if you are in a party, the party could be pouring \$100 000 into that seat?

**Mrs WORDEN:** But your accommodation and travel does not come in that expenditure.

**Mrs FINOCCHIARO:** Yes, and neither does it for the party.

**Ms DOHERTY:** That is correct. The way in which that has been determined has been a Commissioner Mansfield recommendation again. It is also in line with the way in which the ACT government models its expenditure cap. In relation to the \$40 000 in general as well, that was also a recommendation from the NT Electoral Commissioner.

It is always a difficult space in that pooling aspect. However, that has, in practice, been the way in which it has been handled by other jurisdictions.

**Mrs FINOCCHIARO:** It is fair to say the ACT is a very small jurisdiction. How many ACTs can you fit in the Territory? We probably have electorates bigger than that entire territory.

**Ms DOHERTY:** That is correct. That is why we have come up with the definition excluding remote and regional travel and accommodation to provide that additional assistance.

**Mrs FINOCCHIARO:** Is it just remote and regional travel?

**Ms MOGRIDGE:** It is all travel.

**Ms DOHERTY:** It is all travel and accommodation.

**Mr CHAIR:** On behalf of the committee, Jean, Genevieve and Mandy, thanks for coming in today.

**Mrs FINOCCHIARO:** Thank you.

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The committee concluded.

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