



Australia news

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Explainer

Labor and Liberals could each get \$19m more from the public under electoral law reform. What else would it do?

The government's plan also affects campaign spending, donation disclosures and truth in advertising - and has upset Clive Palmer and teal independents

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The Albanese government's [suite of electoral law reforms](#) would result in about \$50m more public funding relative to the 2022 election, with Labor and Liberal parties each set to scoop about an extra \$19m if the vote share of the last election were replicated.

That is the result of increasing public funding of elections to \$5 a vote from July 2026, one of the central planks of Labor's bill to introduce electoral spending and donation caps.

Just how much will parties and independents be able to receive and spend - and why has it annoyed [Clive Palmer](#) and the teal independents?

How will it change public funding?

The bill proposes to increase public funding of elections from the current \$3.35 a vote to \$5.

Parties and independents will also receive \$30,000 per MP and \$15,000 per senator each in administrative funding, to comply with the more onerous disclosure requirements.

At the last election, when \$2.91 was paid per vote, some \$73.9m [was paid](#) to political parties and \$1.9m to independent candidates. If the public funding rates had been \$5, this would have been \$126.9m for parties and \$3.2m for independents.

If the results of the 2022 election were replicated in the election after next, Labor's \$27m of public funding would grow to \$46.5m. The Liberals' \$26.55m would increase to \$45.6m.

MP Zali Steggall, the highest publicly funded independent, received \$122,000 after the 2022 election; under the new system, her vote share would translate to \$209,000 of public funding.

What about political spending?

The centrepiece of the bill is spending caps of \$90m for a federal political campaign, \$800,000 for an individual electorate, and separate caps for each state and territory based on their size.

Caps of that size will prevent campaigns on the scale of the [more than \\$120m spent by Clive Palmer's United Australia party](#) in 2022 and those of six successful teal independents at the same election, who [each raised more than \\$1m](#).

But it will also cut the amount major parties will need to raise to fund their campaigns, which [cost the Coalition \\$132m and Labor \\$116m in 2022](#).

Groups not running in elections - associated entities like some unions or third parties such as [GetUp](#) and [Adventures Australia](#) - will be limited to spending \$44m on

parties such as GetUp and Advance Australia - will be limited to spending \$11m on a federal campaign.

What are the rules around donations?

Receipt of donations or gifts from an individual donor will be capped at \$20,000 a candidate for independents or per state division for political parties.

Corporations or individuals could give \$20,000 to each state division of a political party, but the division of the party cannot receive more than \$20,000 from that donor.

For example, the special minister of state, Don Farrell, and Labor's leader in the Senate, Penny Wong, could not both accept a \$20,000 gift from the same donor, as this would amount to \$40,000 to members of the South Australian Labor party.

As an anti-avoidance measure, donors will be prevented from giving an aggregate of 30 times the gift cap (initially \$600,000), with separate limits in each state and territory.

Affiliation fees to a political party - such as affiliated unions' fees to Labor - will not count as donations, but money to attend functions including business forums will.

When will this happen?

The government wants the legislation passed in the final parliamentary sitting fortnight, for the caps to apply from 1 July 2026. Penalties will apply from 2027.

The spending and donation caps operate on a calendar year basis, with totals reset in the new year or after a federal election, and the level of caps will be indexed once per cycle after the election.

What about disclosures?

The bill implements Labor's promise to lower the donation disclosure threshold from \$16,300 to \$1,000.

It introduces a real-time disclosure regime whereby parties must declare donations every month during the term, down to every week during an election campaign and every day in the week before and after election day.

What's going on with truth in advertising?

A separate bill contains the proposed truth-in-political-advertising regime, modelled on South Australia's laws.

The Australian Electoral Commission would assemble a panel that deliberates on truth complaints referred to it and can issue injunctions.

In inquiries of the electoral matters committee, the AEC has said it does not want this role. This bill may struggle because it lacks Coalition support.

What are the objections to the caps?

The Climate 200 funding aggregator, which helped raise \$13m from 11,200 donors in the 2022 election contest, [has long argued](#) that parties and independents already in parliament have incumbency advantages and political outsiders may need to spend more to raise their profile.

The impact on Climate 200 is unclear, with suggestions that genuine pass-through of smaller individual donations may still be allowed.

Independent MP Kate Chaney has warned that a new independent would have to comply with an \$800,000 spending cap in their electorate, while “it appears that each political party can spend \$90m, shifting that money around to support any member who is being threatened by a newcomer”.

Chaney’s comments suggest that spending on national campaigns may not count towards local electorate caps. For example, a political party could spend on TV and digital ads spruiking its leader and policies, but this may not count towards a local \$800,000 division cap unless a local candidate is named.

However, it won’t be possible to verify this until the legislation is introduced to parliament next week.

After [foreshadowing a high court case in March](#), Palmer confirmed on Friday he “will challenge these unconstitutional acts which will suppress freedom”.

“The only hope for Australian people is if the high court looks at the constitution and the implied rights of freedom of speech,” he said.

The high court has struck down more [restrictive caps legislated in New South Wales by the Coalition government](#), while teal independents in Victoria have also [threatened to challenge](#) its campaign finance laws.

\$0 of \$800,000 goal

A message from Lenore Taylor, editor of Guardian Australia

I hope you appreciated this article. Before you move on, I’d like to take a moment to talk about why independent journalism matters - and why, more than ever, we need your help to sustain it.

This is a moment of extraordinary global upheaval: when Australia’s most important ally is sliding towards authoritarianism, when press freedom is under increasing attack, and when rampant misinformation is eroding trust in

institutions, science and democracy itself.

It is a time when trustworthy, original journalism is indispensable - helping people to understand what's really happening, to see beyond propaganda and distortion, and hold the powerful to account.

And yet, at the very moment independent journalism matters most, we face a huge new threat to our sustainability - perhaps the biggest we've ever encountered.

The rapid spread of AI is transforming how people find and consume news. Readers seeking to understand their world are increasingly served machine-written summaries - sometimes inaccurate, often devoid of context. These summaries might not reference all their sources, nor always include a link back to the original reporting.

This is not only a challenge for truth and transparency, but for the sustainability of journalism itself. If tech platforms keep more of the audience, they also keep more of the revenue - even as they draw on our reporting to generate their content. That makes it harder for readers to find work they can trust, and harder for newsrooms like ours to continue doing our job.

That's why, more than ever, we turn to you, our readers. We're currently running our annual end-of-year appeal, aiming to raise an additional \$800,000 to help us meet this moment and power our work into 2026.

The Guardian has no billionaire owner or shareholders demanding profit. We are fiercely independent, and every dollar we receive is reinvested directly into our journalism - helping us pursue the stories that matter and ensuring our reporting remains open and accessible to everyone.

If you agree that truth matters, if you value rigorously researched reporting and investigations, if you want to know who wrote your news, please consider supporting our end-of-year appeal. Thank you.

Lenore Taylor
Editor, Guardian Australia



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