



STRATEGIC & EXTERNAL ENVIRONMENT

Political Donations: The Compliance Regime Lobbying Exemptions Don't Cover

Advocating with government and campaigning on how people vote are legally distinct activities with separate obligations

The lobbying exemption discussed earlier in this series covers an association's own staff advocating directly with government representatives on behalf of members. It does not cover a separate activity many associations engage in without realising it carries its own distinct compliance regime: spending money to influence how people vote, or donating directly to a political party or candidate.

Which rules apply to your association?

The law depends on how your association is set up. A **company limited by guarantee** follows the Corporations Act 2001 (Cth) and its constitution. An **incorporated association** follows its state or territory associations Act and its rules. A **registered charity** also follows the ACNC Act and the ACNC Governance Standards, and some Corporations Act rules are replaced for charities that are companies. Check your own governing documents, and get advice before decisions with legal consequences.

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A Distinct Disclosure Obligation From Lobbying

Under the Commonwealth Electoral Act, an organisation, including a registered charity, that incurs electoral expenditure to influence voters above the disclosure threshold in a financial year becomes a third party and must lodge a third party return with the Australian Electoral Commission. Higher spending, such as at least \$250,000 in the year or any of the previous three years, or electoral expenditure above the threshold equal to at least one-third of revenue, can make it a significant third party that must register and lodge annual returns. These obligations are entirely separate from the lobbyist registration and exemption discussed earlier in this series. An association running an election-period campaign urging members or the public to vote a particular way on an issue, rather than simply advocating directly with government representatives, is operating in this different regulatory space.

The Current, Specific Threshold Worth Knowing

The disclosure threshold is more than \$17,300 until 31 December 2026. From 1 January 2027 it falls to \$5,000, and new donation caps, expenditure caps, faster disclosure rules and changes to the third party definition apply. Check the AEC's current guidance before any campaign rather than relying on a remembered number, and check with the AEC how gifts that were not used for electoral expenditure are treated in your return. An association that has never donated to a political party and never run an explicit voting campaign is very unlikely to trigger this regime. An association running even a modest advocacy campaign specifically timed around an election, urging a particular voting outcome rather than simply lobbying government directly, should check this threshold carefully.

The Foreign Donation Restrictions Electoral Activity Triggers

Any third party must not use a foreign donation of \$100 or more for electoral expenditure. A significant third party faces additional restrictions, including that it cannot receive foreign donations of \$1,000 or more, and must obtain donor affirmations. An association with international membership or funding relationships should understand these restrictions precisely before engaging in any electoral activity.

- Distinguish clearly between the lobbying exemption discussed earlier in this series, covering direct advocacy with government representatives, and electoral expenditure specifically aimed at influencing how people vote, since these carry entirely separate compliance regimes.
- Confirm the current federal disclosure threshold directly with the AEC before any election-period campaign, given it falls to \$5,000 from 1 January 2027. If your association is a registered charity, also check ACNC guidance on elections, since a charity must not promote or oppose a political party or candidate.
- Understand that state-level election funding and disclosure rules carry their own, often different, thresholds and requirements, meaning a national campaign must be checked against each relevant jurisdiction separately.
- Apply particular caution around foreign donations if your association has international membership or funding relationships and is engaging in any electoral activity.
- Lodge your association's own annual disclosure return with the AEC if it makes donations to a political party above the relevant threshold, since the reporting duty falls on the donor, not only the recipient.

Advocacy on behalf of members and electoral campaigning are related but legally distinct activities, and an association moving from the first into the second without realising it has crossed that line risks a compliance gap considerably more consequential than the activity itself. Understanding where that line sits protects an association's advocacy work rather than constraining it. This is one of the practical governance topics built into our Association CEO course, alongside the papers, tools and frameworks that turn the principle into your board's actual practice. [Explore the course](#)

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BOARDROOM ACTION WORKSHEET

Political Donations: The Compliance Regime Lobbying Exemptions Don't Cover

Turn the resource into evidence, a decision and an accountable next step. Keep the completed record in your association's approved board records system.

1 What is the issue or decision?

State the governance question in one clear sentence.

2 What evidence do we already have?

Record the facts, source documents and stakeholder evidence available now.

3 What evidence is still needed?

Identify the legal, regulatory, financial, member or operational information still required.

4 What is the agreed next action?

Capture the owner, timeframe and how the matter will return to the board.

Action owner	Review date	Board decision or resolution

General education, not legal, financial, tax, clinical or governance advice. Confirm specifics at the relevant primary source or with your own qualified adviser. Nexus Leadership is operated by Lipstick Consulting Pty Ltd · ABN 15 619 120 482.

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