

Gift caps



What is a gift cap?

A gift cap is a cap on the total amount or value of gifts a person or entity (the recipient) can receive, or a donor can give, for a federal purpose in the calendar year in which the gift is made. Under the Commonwealth Electoral Act 1918 (Electoral Act) gift caps will apply from 1 July 2026. Specific gift caps will also apply during the election period for by-elections and Senate-only elections.

A gift has a federal purpose if it is given with the intention of it being used for the purpose of the recipient incurring electoral expenditure, or for creating or communicating electoral matter.

Electoral matter is defined in the Electoral Act as matter communicated or intended to be communicated for the dominant purpose of influencing how electors vote in a federal election.

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, 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.

All monetary gifts for a federal purpose must be deposited into a **federal account**. Please see “**Fact sheet – Federal accounts**” for further information.

What is a gift?

A gift is defined as any transfer of property, or the provision of service, from a person or entity to another without consideration (monetary or otherwise) or with inadequate consideration.

From 1 July 2026, section 287AAB(3) sets out **what is and is not considered a gift** for the purposes of the Electoral Act. Please see “**Fact sheet – Gifts**” for further information.

Who is affected by gift caps?

Gift caps apply to gifts made for a federal purpose by, or on behalf of, a donor to any of the following recipients:

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



Types of gift caps

From 1 July 2026, there are five types of gift caps under the Electoral Act:

- annual gift cap – total amount or value of all gifts a recipient can receive from a single donor in a calendar year.
- by-election gift cap – total amount or value of all gifts a recipient can receive from a single donor for a by-election during the by-election period.
- Senate-only election gift cap – total amount or value of all gifts a recipient can receive from a single donor for a Senate-only election during the Senate-only election period.
- State and Territory gift cap – gifts made to recipients connected to a particular State or Territory are subject to the State and Territory gift cap. This cap is the aggregate value of all gifts a donor may make in a calendar year in relation to a particular State or Territory and is calculated by reference to the annual gift cap.
- overall gift cap – aggregate value of all gifts a donor may make in a calendar year, calculated by reference to the annual gift cap.

Gift caps amounts are subject to indexation. Please refer to the table below.

Gift cap type	Cap amount (as of 1 July 2026)	Applicable to
Annual gift cap	\$50,000 indexed annually	Recipients and donors
By-election gift cap	\$50,000 indexed annually	Recipients and donors
Senate-only election gift cap	\$50,000 indexed annually	Recipients and donors
State and Territory gift cap	Five times the annual gift cap – \$250,000	Donors only
Overall gift cap	32 times the annual gift cap – \$1,600,000	Donors only

Exceeding the annual gift cap

A donor exceeds a gift cap when the total amount or value of the gifts they have gifted to a recipient (or related entity) exceeds the relevant cap amount in a calendar year. For example, this could occur when a donor gives a recipient (or related entity):

- a single gift, or
- multiple gifts across the calendar year where the cumulative amount or value of all those gifts exceeds the gift cap amount.

A recipient (or related entity) exceeds a gift cap where the total amount or value of one or more gifts they have received from a single donor exceeds the relevant gift cap in a calendar year.

Recipients and donors must monitor gifts to ensure they do not exceed any gift caps, as a person or entity may commit an offence or be liable for a civil penalty.

When recipients or donors become aware they have exceeded a gift cap, they must take acceptable action to avoid a civil penalty within 6 weeks of becoming aware they have exceeded the gift cap.

Individuals and entities should seek their own professional advice as to how the Electoral Act applies to their particular circumstances in making and/or receiving gifts.

Further information

Visit aec.gov.au/FADreform/ or email FADreform@aec.gov.au

Authorised by the Electoral Commissioner, Canberra

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