LOCAL GOVERNMENT ELECTORAL (IMPLEMENTING STAGE 1 OF BELCARRA) AND OTHER LEGISLATION AMENDMENT BILL

Introduction

Hon. SJ HINCHLIFFE (Sandgate—ALP) (Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs) (11.59 am): I present a bill for an act to amend the City of Brisbane Act 2010, the Electoral Act 1992, the Local Government Act 2009 and the Local Government Electoral Act 2011 for particular purposes. I table the bill and the explanatory notes. I nominate the Economics and Governance Committee to consider the bill.

Tabled paper: Local Government Electoral (Implementing Stage 1 of Belcarra) and Other Legislation Amendment Bill 2018.

Tabled paper: Local Government Electoral (Implementing Stage 1 of Belcarra) and Other Legislation Amendment Bill 2018, explanatory notes.

The Palaszczuk government has a strong record when it comes to transparency and accountability in Queensland. Prior to the 2017 state election, the government was progressing a comprehensive suite of reforms—in essence, the next step in what has been a rolling reform agenda designed to increase transparency, integrity and accountability at both state and local government levels.

Building on earlier reforms, such as real-time donation declaration laws, we had before the parliament two bills aimed at further improving local government's accountability. The Palaszczuk government promised the people of Queensland that these two bills would be reintroduced were we to be returned to government. The first was introduced on the first full sitting day of the 56th Parliament. Its passage will result in a new councillor complaints system for Queensland, the establishment of the Office of the Independent Assessor and a compulsory code of conduct for all Queensland mayors and councillors. Today I seek to introduce the second of the two lapsed bills.

The Local Government Electoral (Implementing Stage 1 of Belcarra) and Other Legislation Amendment Bill 2018 contains provisions for a ban on political donations by property developers, a ban which will be applied at both the state and local levels of government. Following the Queensland local government elections on 19 March 2016, the Crime and Corruption Commission, the CCC, received numerous complaints about the conduct of candidates for the Gold Coast City Council, Moreton Bay Regional Council, Ipswich City Council and Logan City Council.

In response to these allegations, the CCC initiated Operation Belcarra with two main aims: firstly, a determination as to whether candidates had committed offences under the Local Government Electoral Act 2011 that could constitute corrupt conduct; and, secondly, the examination of practices that may give rise to actual or perceived corruption or otherwise undermine public confidence in the integrity of local government with a view to identifying strategies or reforms to help prevent or decrease corruption risks and increase public confidence.

The CCC report *Operation Belcarra: a blueprint for integrity and addressing corruption risk in local government* makes 31 recommendations to improve equity, transparency, integrity and accountability in Queensland local government elections and decision-making. The government supports, or supports in principle, all 31 recommendations, and the bill I introduce today implements the government's response to recommendations 20 and 23 to 26 of the Belcarra report.

To implement the government's response to recommendation 20, the bill bans donations from property developers to candidates, third parties, political parties and councillors. The bill extends the ban to members of state parliament. The provisions are modelled on the New South Wales Election Funding, Expenditure and Disclosures Act 1981. The prohibition addresses the concern identified in the Belcarra report that close connections between councillors and donors can lead to a perception in the community that donors expect to, and do, receive something in return for their support. As the CCC stated, 'These perceptions alone are enough to damage public confidence in the integrity of local government.' Further, the CCC stated, '... continued public concern about the influence of property developer donations on council decision-making demands a stronger response than transparency alone.'

While concluding that the risk of actual or perceived corruption related to developer donations was very real, the CCC came to the view that donors from other sectors do not demonstrate that same risk, and therefore a more encompassing ban is not justified. Queenslanders expect transparency and accountability from their candidates at every level of government and deserve to have confidence in the integrity of their elected representatives. The Premier has stated that she will not make rules for

local government that she is not prepared to follow herself. The Premier's leadership on this issue has meant that we as a government are saying that what we are requiring of other levels of government we will live up to ourselves. I call on those opposite to endorse this level of transparency in political donations.

The extension of the ban to the state level is an important step given the state's significant role in Queensland's planning framework. That role includes mandating the powers that can be exercised by the planning minister, such as approving planning schemes and other local planning instruments, and assessing and advising on applications that trigger a state planning matter.

Further, corruption relating to donations from property developers at both local government and state government levels has been investigated and reported on in New South Wales by the Independent Commission Against Corruption. This bill therefore amends the Electoral Act 1992 and the Local Government Electoral Act 2011 to prohibit political donations from property developers for candidates in local government and state elections, groups of candidates in local government elections, third parties, political parties, councillors and members of state parliament.

The ban applies to 'prohibited donors', defined to include a property developer or any industry representative organisation whose members are mainly property developers. 'Property developers' are defined in the bill to be corporations engaged in a business that regularly involves the making of relevant planning applications by or on behalf of the corporation and close associates—such as related corporations, directors and their spouses—of these corporations. A person will be able to seek a determination from the Queensland Electoral Commissioner that they or another entity are not prohibited donors.

The bill will provide that it is unlawful for a prohibited donor to make a political donation, for a person to make a political donation on behalf of a prohibited donor, for a person to accept a political donation that was made wholly or in part by or on behalf of a prohibited donor, for a prohibited donor to solicit a person to make a political donation and for a person to solicit on behalf of a prohibited donor another person to make a political donation. The maximum penalty for doing an act or making an omission that is unlawful if the person knows or ought reasonably to know of the facts that result in the act or omission being unlawful is 400 penalty units or two years imprisonment. The bill also provides that it is an offence for a person to knowingly participate directly or indirectly in a scheme to circumvent a prohibition about political donations. The maximum penalty that may be imposed for this offence is 1,500 penalty units or 10 years imprisonment.

Under transitional provisions, the prohibition will apply from the date the Local Government Electoral (Implementing Belcarra) and Other Legislation Amendment Bill 2017 was introduced—that is, 12 October 2017. Under these provisions, any political donations that are unlawful under the developer donations prohibition which are made on or after 12 October 2017 will, on commencement, need to be repaid to the donor within 30 days of commencement. There will be no offence committed in respect of political donations made or received between 12 October 2017 and the commencement of the bill. However, failure to repay the amount equal to the amount or the value of the donation within 30 days from commencement will be an offence punishable by a maximum penalty of 400 penalty units or two years imprisonment.

The bill also amends the City of Brisbane Act 2010 and the Local Government Act 2009 to implement the government's response to recommendations 23 to 26 of the Belcarra report relating to the management of councillor conflicts of interest and, where appropriate, also applies to material personal interests. To implement recommendation 23, the bill requires that, when a councillor declares a real or perceived conflict of interest in a matter to be discussed at a council meeting and fails to absent themselves, the other councillors present must decide whether the councillor has a conflict of interest and whether the councillor must leave the meeting or may stay and participate in the meeting.

Failure to declare a conflict of interest is currently dealt with as misconduct. However, the bill provides that this is an offence with a maximum penalty of 100 penalty units or one year's imprisonment. The same maximum penalty will apply if a councillor does not comply with a decision of the other councillors that the councillor must leave and stay away from the meeting.

Recommendation 24 of the Belcarra report applies if a councillor does not declare a conflict of interest or material personal interest in a matter to be discussed at a local government meeting. To implement the government's response to this recommendation, the bill requires other councillors at the meeting who have a reasonable suspicion or belief of the councillor's personal interest to inform the person presiding at the meeting. Failure to do so will be dealt with as misconduct, which may result in disciplinary action being taken against the councillor.

017 The bill makes it an offence to take a reprisal against a councillor or another person because the councillor complied with this duty and will attract a maximum penalty of 167 penalty units or two years imprisonment. Recommendation 25 of the Belcarra report recommends that suitable penalties should apply for councillors who fail to comply with their obligations regarding conflicts of interest including possible removal from office.

As I have outlined, the bill introduces a number of new offences relating to conflicts of interest and material personal interests. There will be significant penalties. Further, the bill will prescribe these new offences as 'integrity offences'. This means that a person who is convicted of an integrity offence cannot be a councillor for four years from the conviction.

The bill will see additional new offences inserted by the bill to implement recommendation 26 of the Belcarra report. It will be an offence if a councillor with a conflict of interest or a material personal interest in a matter influences or attempts to influence another councillor to vote on a matter in a particular way. It will also be an offence if the councillor influences, or attempts to influence, a council employee or contractor who is authorised to deal with the matter, to do so in a particular way. The maximum penalties that will apply for these offences is 200 penalty units or two years imprisonment. The bill also introduces requirements for additional information to be included when a councillor declares a conflict of interest or a material personal interest in a matter.

The Queensland Ombudsman's report *The Cairns Regional Council councillor conflicts of interest report* recommended that the Local Government Act 2009 should be amended to clearly set out what is required to be disclosed by councillors to achieve transparency and accountability in relation to the declaration of conflicts of interest. The bill amends both the Local Government Act 2009 and the City of Brisbane Act 2010 to specify particular information that must be provided in relation to conflicts of interest or material personal interests including the value and date of receipt of any gift that gives rise to a conflict of interest. This amendment will ensure that other councillors and the community are better able to understand the nature of the conflict when it is declared.

As indicated by the words 'stage 1' in the short title, the bill represents the first stage of the Palaszczuk government's reform agenda, not only in implementing the remaining recommendations of Operation Belcarra but also in further reforms aimed at reinforcing integrity, minimising the risk of corruption and providing for increased transparency and accountability at both state and local government levels. Queenslanders deserve to have confidence in the integrity of their elected representatives and in the effectiveness of the electoral system and local government. I commend the bill to the House.

First Reading

Hon. SJ HINCHLIFFE (Sandgate—ALP) (Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs) (12.12 pm): I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.

Bill read a first time.

Referral to Economics and Governance Committee

Madam DEPUTY SPEAKER (Ms Pugh): Order! In accordance with standing order 131, the bill is now referred to the Economics and Governance Committee.

~~EDUCATION (OVERSEAS STUDENTS) BILL~~

~~Resumed from 15 February (see p. 82).~~

~~Second Reading~~

~~**Hon. G GRACE** (McConnel—ALP) (Minister for Education and Minister for Industrial Relations) (12.13 pm): I move—~~

~~That the bill be now read a second time.~~

~~I rise to speak on the resumption of the debate on the Education (Overseas Students) Bill 2018. The bill was introduced into the Legislative Assembly on 15 February 2018 and referred to the~~