




Speech By
Hon. Stirling Hinchliffe

MEMBER FOR SANDGATE

Record of Proceedings, 1 May 2019

LOCAL GOVERNMENT ELECTORAL (IMPLEMENTING STAGE 2 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) (11.34 am): I present a bill for an act to amend the City of Brisbane Act 2010, the Local Government Act 2009, the Local Government Electoral Act 2011, the Referendums Act 1997 and the Right to Information Act 2009 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 2 of Belcarra) and Other Legislation Amendment Bill 2019 [\[670\]](#).

Tabled paper: Local Government Electoral (Implementing Stage 2 of Belcarra) and Other Legislation Amendment Bill 2019, explanatory notes [\[671\]](#).

As the Minister for Local Government, I am pleased to introduce the Local Government Electoral (Implementing Stage 2 of Belcarra) and Other Legislation Amendment Bill 2019 into the House. This bill continues the government's rolling reform agenda in the local government sector and delivers on the government's commitment to improving transparency, integrity and accountability for the benefit of each and every community across Queensland. Recent developments at Logan City Council and previous issues with Ipswich City Council have reconfirmed the Palaszczuk government's commitment to the rolling reform agenda right across the state.

This bill represents 12 months of significant consultation with the community and stakeholders. Personally, I have spoken to the majority of Queensland's mayors and many of the 564 councillors across our state about the local government reform process. Since April last year, officers of the Department of Local Government, Racing and Multicultural Affairs have conducted in excess of 60 stakeholder engagements to discuss proposed reforms. These stakeholders have included the Local Government Association of Queensland, the Local Government Managers association, the Electoral Commission of Queensland, mayors, councillors, chief executive officers and various community and ratepayer groups.

The bill builds on the reforms already implemented by the Palaszczuk government. Last year the House passed the Local Government Electoral (Implementing Stage 1 of Belcarra) and Other Legislation Amendment Act. The Belcarra stage 1 act implemented the government's response to five of the 31 recommendations of the Crime and Corruption Commission's Belcarra report, including the prohibition of election donations from property developers and measures to improve the way a councillor must deal with a real or perceived conflict of interest or a material personal interest. The Belcarra stage 1 act also provided for the automatic suspension of a councillor charged with a disqualifying offence and provided for the dissolution of a local government or the suspension or dismissal of a councillor where the Minister for Local Government reasonably believes it is in the public interest.

The government supports, or supports in principle, each of the recommendations of the CCC's Operation Belcarra report. The bill I introduce today implements the Palaszczuk government's policy and commitment to improve transparency, integrity and accountability in Queensland local government elections and decision-making by continuing to implement further recommendations of Operation Belcarra. Further, this bill will implement the government's response to a number of recommendations of the independent panel's *Inquiry report: a review of the conduct of the 2016 local government elections, the referendum and the Toowoomba South by-election*. As members know, this is widely known as the Soorley report. This bill will also see other significant reforms guided by the four key principles of integrity, transparency, recognition of diversity and consistency.

This bill is the second stage of the Operation Belcarra reforms. However, it is not the last. It is my intention to bring forward a further bill prior to the March 2020 local government election to address key issues such as expenditure caps for candidates, councillors, mayors and third parties at local government elections and public funding of candidates. The intent is to have these measures in place prior to the March 2020 local government election so that they will be in effect the day after the election, enabling councillors and candidates to plan for an entire term.

Stage 3 of the Belcarra reforms will also address the introduction of partial proportional representation voting methodology for undivided councils to be effective for the 2024 local government election. Partial proportional representation in undivided councils means voters can vote the same way that they do now, only having to number the boxes for the number of councillors to be elected. However, the way the voting is counted is more democratic than the current first-past-the-post system.

In relation to this bill, in response to recommendation 2 of the Belcarra report, this bill amends the Local Government Electoral Act to implement real-time electoral expenditure disclosure requirements. Real-time expenditure disclosure enhances transparency, not only in relation to the resources applied by candidates and third parties to election campaigns but also in relation to election donations, including gifts in kind to candidates, parties and groups as well as electoral expenditure.

In response to recommendations 3 and 4 of the Belcarra report, this bill amends the Local Government Electoral Act to require candidates to disclose particular interests as part of their nomination as a candidate. These interests include if a candidate is currently or has previously been a member of a political party or a trade or professional organisation. Again, this increased transparency allows voters to be better informed about candidates when they go to the polls.

In response to the Belcarra report recommendation 5, this bill amends the Local Government Electoral Act to further define a group of candidates by the behaviours of the group or its members rather than the purpose for which it was formed. This will provide greater transparency to the public as to which councillors are operating in a group noting that, if elected, they may operate as a collective.

To implement the government's support of recommendations 6, 18 and 19 of the Belcarra report, this bill amends the Local Government Electoral Act to require additional information about donors of gifts, loans and third-party expenditure and whether expenditure is used to support particular candidates, groups, parties and issues for greater transparency about the relationship between donors and candidates and other recipients of a donation. In response to the Belcarra report recommendations 7 and 21, this bill amends the Local Government Electoral Act and the Local Government Act to deem that candidates and councillors have knowledge of the original source of a gift or loan.

In response to the Belcarra report recommendation 8, this bill amends the Local Government Electoral Act to place the onus on candidates, groups of candidates and third parties after receiving a gift to notify a donor of their disclosure obligations. Similarly, in response to the Belcarra report recommendation 10, this bill amends the Local Government Electoral Act to place the onus on candidates, groups of candidates and third parties to notify prospective donors and loan providers that their donation will be publicly disclosed should a return be required. The government's response to recommendation 10 will require a candidate, an agent for a group of candidates, and a third party to take reasonable steps to notify the public about a requirement for the candidate, agent and third party to state in a return the relevant details for a gift or loan.

In response to the Belcarra report recommendation 12, this bill amends the Local Government Electoral Act to require all candidates, including sitting councillors, to undertake mandatory training prior to, and as a condition of, nomination as a candidate at a local government election. This was brought about because the CCC stated in the report, 'Even some experienced councillors in the 2016 elections were unaware of or uncertain about their obligations.' Further, the CCC stated that mandatory training as a requirement for nomination would 'help to place a greater onus on candidates to understand their obligations, and prevent ignorance from being used as an explanation for noncompliance'.

In response to the Belcarra report recommendations 14 and 15, this bill amends the Local Government Electoral Act to prohibit candidates and groups of candidates from using credit cards to pay for campaign expenses as well as a requirement for candidates and groups of candidates to give details of their dedicated campaign account when nominating. In response to the Belcarra report recommendations 29 and 30, this bill amends the Local Government Electoral Act, the Local Government Act and the City of Brisbane Act to align prosecutions for offences relating to dedicated accounts with the current limitation period for offences about disclosure returns as well as increasing the penalties for funding and disclosure offences in order to provide a greater deterrent to noncompliance.

This bill also implements the government's response to five of the Soorley report recommendations; namely, recommendations 41, 43, 44, 61 and 74. To implement the government's response to recommendation 41 of the Soorley report, the bill amends the Local Government Electoral Act to provide that a request for a postal vote must be received by the returning officer no later than 12 days before the polling day for the election. In relation to recommendation 43, the requirements that the returning officer give the ballot paper and declaration envelope to the elector 'as soon as practicable' after receiving the application applies. To implement the government's response to recommendation 44 of the Soorley report, the bill amends the Local Government Electoral Act to provide that, if a local government applies to the minister for a postal ballot, the minister must refer the application to the Electoral Commissioner for recommendation. In deciding the application, the minister must have regard to the commissioner's recommendation.

To implement the government's response to recommendation 61 of the Soorley report, the bill amends the Local Government Electoral Act to provide for preliminary processing of declaration votes to commence before polling day. No changes are proposed to the time for commencing preliminary counting or official counting. To implement the government's response to recommendation 74 of the Soorley report, the bill amends the Local Government Electoral Act to address proposals by the Electoral Commission Queensland to increase consistency between state and local government elections and assist the ECQ to streamline the operations and overall conduct of elections.

As I said earlier, this bill is more than just a response to the recommendations put forward in the Belcarra report and the Soorley report. This bill is about a continuation of the government's rolling local government reform agenda to further improve accountability, transparency, integrity and consistency in the local government system, decision-making and local government elections.

We have listened to councils and the LGAQ and a key part of this bill is to further clarify and strengthen how councillors' conflicts of interest are managed. This bill will amend the Local Government Act and the City of Brisbane Act to provide more certainty and clarity to councillors by refining the processes to manage a conflict of interest. Importantly, the bill introduces the concept of a prescribed conflict of interest. If a councillor has a prescribed conflict of interest, they must not participate in making a decision on such a matter. I have listened to the feedback from councillors and the bill proposes a number of clarifying amendments to address the questions that have been received from councillors by particularly my department and a range of other integrity agencies over the past 12 months. Further, in relation to the local government system and decision-making, this bill will strengthen the existing state intervention powers under the Local Government Act and apply the full suite of those powers to the Brisbane City Council.

During the debate of the Belcarra stage 1 legislation, I made a commitment to review the urgent amendments that gave me the power to dismiss or suspend councillors or councils in consultation with the Local Government Association of Queensland. That commitment stands and the measures contained in this bill reflect that.

This bill will make amendments to the Local Government Act councillor complaints framework, including to streamline investigations where alleged corrupt conduct of a local government employee is linked to alleged corrupt conduct of a councillor or where alleged inappropriate conduct and misconduct of a councillor are linked. This bill will apply the Local Government Act councillor complaints framework to the Brisbane City Council. This is a significant change and reflects the need for consistency, where appropriate, amongst our councils. This amendment will mean that the independent assessor will assess all complaints made in relation to Brisbane City Council councillors.

This bill will amend the powers of mayors, other than in the Brisbane City Council, in relation to budgets, the appointment of senior executive employees and directions to the chief executive officer and senior executive employees and provide for a record of directions from the mayor to the chief executive officer. This bill will improve access to information for all Brisbane City Council councillors and provide greater transparency regarding Brisbane City Council decision-making. Currently, the

Brisbane City Council's Establishment and Coordination Committee documentation is exempt information under the Right to Information Act and does not need to be released. No more. The time has come to ensure that, like all other local governments, committee documents will be subject to the RTI Act. In the same vein, the bill will require councils to keep committee minutes. This bill will prescribe additional decisions that councils are prohibited from making without the minister's approval during a caretaker period, clarify the existing local government prohibitions on publishing or distributing election material during a caretaker period, and extend these prohibitions to local government controlled entities.

This bill will introduce new requirements relating to councillors' registers of interests to align with the requirements applying to state MPs for statements of interests. The bill also mandates compulsory preferential voting—or CPV—for mayoral and single councillor elections and will be effective for the March 2020 local government elections. CPV will align local government voting methodology with state and federal elections and will help avoid voter confusion. CPV also ensures that every vote counts. It elects the candidate preferred by a majority of voters and is thus an inherently more democratic method.

The deadline for submitting how-to-vote cards to the ECQ will also be adjusted under this bill to reflect the availability of prepolling and other means of voting and will also enable the ECQ to defer a nomination day, or a polling day, in exceptional circumstances and the returning officer to adjourn the poll at a polling booth in the case of a serious threat, or a riot, or open violence, or risk to health and safety. This bill will prohibit entry to a polling place for electoral purposes prior to polling day.

Finally, this bill will also amend the Local Government Electoral Act definition of 'candidate' for an election, to include sitting councillors. In effect, this will mean that a sitting councillor will be required to disclose gifts and loans regardless of when the gift or loan is received during the disclosure period, including the period prior to their nomination for the next election being certified. Other amendments to the definition of 'candidate' will mean that a person who has announced or publicly indicated an intention to be a candidate will be included. Similarly, a person who has otherwise indicated their intention to be a candidate by, for example, accepting a gift, will also be included.

I again acknowledge the critical work of Alan MacSporran and the CCC whose recommendations underpin key features of this bill and whose continual work and investigation in this space resulted in the recent developments at Logan and formerly at Ipswich. These developments highlight the importance of these reforms and have hardened the Palaszczuk government's commitment to delivering them.

As I have made clear in the past, it saddens me that the reputation of local government has suffered in recent times. Suspicion, loss of trust and loss of confidence have impacted the entire sector. I want to make it very clear that the recent allegations in the public spotlight relate to a very tiny minority. The vast majority of councillors and council staff are hardworking, honest individuals who are dedicated to the wellbeing of their communities.

Transparency and accountability are the foundation stones on which we build governments, whether state or local, and with this bill the Palaszczuk government is building on the important reforms we have already initiated to restore the faith in and the good name of local government, continue the excellent relationship we have with councils across the state and return certainty, confidence and trust to the sector. I know that these measures in that context are welcomed across the sector.

As I said earlier, the bill is the result of significant consultation over the past 12 months. I wish to thank those who took the time to talk to me or officers from the department. We have listened closely to this feedback and it has strongly shaped the bill being introduced today. 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) (11.50 am): 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

Mr DEPUTY SPEAKER (Mr Kelly): In accordance with standing order 131, the bill is now referred to the Economics and Governance Committee.