




Speech By
Hon. Dr Steven Miles
MEMBER FOR MURRUMBA

Record of Proceedings, 18 April 2023

**LOCAL GOVERNMENT ELECTORAL AND OTHER LEGISLATION
(EXPENDITURE CAPS) AMENDMENT BILL**

Second Reading

 **Hon. SJ MILES** (Murrumba—ALP) (Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympic and Paralympic Games Infrastructure) (11.44 am): I move—

That the bill be now read a second time.

The bill before the House today delivers on our election commitment to implement electoral expenditure caps for Queensland local governments. It continues the government's reform agenda for the sector guided by principles of integrity, transparency, diversity and consistency. Across Queensland we have so many great councillors who are dedicated to their local communities. Every Queenslanders deserves the best representation on their council as well as every opportunity to be on that council. These reforms will help ensure the highest quality candidates can contest council elections with a level playing field available to all who wish to participate.

I also inform the House that the government will move amendments to the bill during consideration in detail to give effect to recently announced rental reforms. On 28 March 2023 the Premier announced that the Queensland government would limit rent increase frequency to once a year as an immediate action to stabilise rents in the private rental market. Acting quickly to limit rent increases will give a fairer go to the over 95 per cent of people who get their housing on the private market.

Rent is a significant component of the household budget. For many households it would be the biggest single expense. The majority of landlords do the right thing, but in the case of those who do not, these changes will improve protections for Queenslanders who rent their home. This approach provides stronger consumer protections for renters against the affordability impacts being driven by the supply constrained market. It balances the need for action with the need for investors to still see a return on their investment. These changes are part of a comprehensive package of reforms and investments into the housing market to improve housing supply and affordability.

The amendments to the Residential Tenancies and Rooming Accommodation Act 2008 will limit the frequency of rent increases from every six months to once a year for residential tenancies and rooming accommodation agreements. This annual limit will apply to all new and existing tenancies from 1 July 2023 onwards. The transition arrangements clarify that any terms of a tenancy agreement in place on 1 July 2023 which provide for a rent increase after 1 July 2023 will not be valid unless it has been at least 12 months since the last rent increase. Consequential amendments to other sections of the Residential Tenancies and Rooming Accommodation Act are also necessary to give effect to, and the enforcement of, the limit on frequency.

I now turn to the substantive bill. I want to thank the State Development and Regional Industries Committee for its thorough examination of the bill. The committee tabled its report on 24 February 2023. I also thank stakeholders for their contributions not just to the recent inquiry on the bill but also to the extensive engagement conducted over recent years. I note the committee's comment that several stakeholders reflected positively on the consultation process conducted by the Department of State Development, Infrastructure, Local Government and Planning. The committee's report noted unanimous support amongst inquiry participants for the introduction of an expenditure cap scheme for local government. The committee made four recommendations, the first being that the bill be passed. I table the government's response to that report.

Tabled paper: State Development and Regional Industries Committee: Report No. 37, 57th Parliament—Local Government Electoral and Other Legislation (Expenditure Caps) Amendment Bill 2022, government response [495](#).

The bill implements the government's policy in relation to the recommendations of the previous parliament's Economics and Governance Committee in its inquiry report into the feasibility of introducing expenditure caps for Queensland local government elections, tabled on 15 September 2020. This report stemmed from a recommendation of the Crime and Corruption Commission in its Belcarra report. The government supported the Economics and Governance Committee's seven recommendations in principle. The bill reflects the outcomes of further analysis and consultation as recommended by the committee in the final design of the local government electoral expenditure cap scheme. Importantly, the scheme is similar to the laws that are already in place for Queensland state elections.

The bill ensures and reinforces the equitable conduct of Queensland local government elections, including by minimising the risk of unequal participation in the electoral process and ensuring a fair opportunity to participate. In April 2022 the department consulted stakeholders on a proposed expenditure cap scheme informed by the committee's recommendations and comments and by an analysis of electoral expenditure incurred by participants in the 2020 local government quadrennial elections. Every Queensland councillor and mayor was encouraged to make a submission on the discussion paper. The department received 22 submissions in response to the discussion paper. There was broad support for introducing an expenditure cap scheme. The feedback has informed the preparation of the bill and certain elements of the scheme were modified in response to the feedback. A draft of the bill was provided to key stakeholders in September 2022.

To deliver on its objectives, the bill amends the Local Government Electoral Act 2011, the Local Government Act 2009 and the City of Brisbane Act 2010 to establish an electoral expenditure cap scheme for local government elections. To implement the government's policy in relation to recommendation 1 of the 2020 Economics and Governance Committee report, the bill amends the definition of 'electoral expenditure' to align with the definition for state elections in the Electoral Act 1992. Currently, the definition for state elections is more specific in defining the methods used in broadcasting and publishing material for an election. It also clarifies the expenditure which is excluded. It includes the concept that expenditure is electoral expenditure if incurred for a campaign purpose as defined in the bill. For third parties, expenditure is electoral expenditure if the dominant purpose for which the expenditure is incurred is a campaign purpose.

In addition to aligning the definitions of 'electoral expenditure' and 'campaign purpose' in the state and local government systems, the bill also provides for gifted electoral expenditure, which applies under the state system. The bill provides that an amount of electoral expenditure is gifted to an election participant if the expenditure benefits the participant, and a range of other circumstances apply. The State Development and Regional Industries Committee noted in its report that several inquiry participants sought further clarity on certain concepts contained in these definitions. The alignment of definitions across state and local schemes will give certainty and consistency to those who participate in state and local government elections.

While the committee considered how the legislation might apply to a range of specific issues, including council newsletters and campaign offices, matters of interpretation are part of the compliance role held by the Electoral Commission of Queensland. The department will continue to work with the ECQ to support compliance of the scheme through the development of resources and training material. This acknowledges the committee's comment that comprehensive and accessible education and training resources will be vital to ensuring definitions are consistently understood and interpreted by election candidates.

Recommendations 2, 3 and 4 of the 2020 Economics and Governance Committee report covered the introduction of a sliding scale of expenditure caps, further analysis and consultation with stakeholders, and the registration of third parties. The bill provides for registration of third parties and for a sliding scale of electoral expenditure caps for Queensland local government elections, with reference to the number of electors in the relevant division or local government area at a specified point in time. The bill provides for the ECQ to decide elector numbers and publish notice of the numbers and

the relevant caps for each local government area and division. The sliding scale does not apply to Brisbane City Council. The caps for Brisbane are a fixed amount in recognition that Brisbane City Council's election environment differs from other Queensland local government areas.

The bill provides for caps for mayoral candidates over five bands. The bands begin at a \$30,000 cap for areas with 30,000 or fewer electors. The highest band outside Brisbane applies to areas with more than 200,000 electors, allowing a cap of \$175,000 plus an additional 25 cents per elector for each additional elector over 25,000. For Brisbane City Council mayoral candidates, the cap is \$1.3 million. There are four bands for councillor candidates. Outside Brisbane City Council, these bands range from a \$15,000 cap for areas with 20,000 or fewer electors up to a maximum cap of \$30,000 for areas or divisions with 40,000 electors or more. For Brisbane City Council councillor candidates, the cap is \$55,000 per division. The cap levels for mayoral and councillor candidates are underpinned by a comprehensive modelling and consultation process to ensure they are fair.

The bill also provides for a cap for a group of candidates for an election or a registered political party that endorses candidates in an election to pool the caps of the members of the group or endorsed candidates within a local government area. An upper limit applies to the group or registered political party cap based on the number of vacancies to be filled in an election. This means a group or registered political party cap does not increase if the number of candidates who are members of the group or endorsed by the party exceeds the number of vacancies to be filled in the election. This limits the ability of a group or registered political party to access a disproportionately large expenditure cap by fielding more candidates than the number of vacancies in an election.

The State Development and Regional Industries Committee noted that stakeholders were focused on ensuring pooled caps created a level playing field and were not misused by candidates. The committee was satisfied that the group pooling arrangements are appropriate and are underpinned by a comprehensive consultation process. The purpose of these provisions is to ensure groups and registered political parties are subject to expenditure caps while also being able to run coordinated group or political party campaign activities, for example, joint advertising or shared how-to-vote cards.

I note the views expressed in the opposition's statement of reservation. The caps are designed to be practical and were informed by the recommendations and feedback in the Economics and Governance Committee report of September 2020. The level of the caps was calculated after reviewing the expenditure caps model previously proposed by the former department of local government, racing and multicultural affairs in March 2019; the model proposed by the Local Government Association of Queensland in its submission to the 2020 committee inquiry; and the expenditure caps models operating at the local government level in New South Wales, Tasmania and New Zealand.

Unlike the state scheme, the scheme applies scaled caps. This acknowledges that the number of electors varies across Queensland's local governments. A scaled cap can take these varied sizes into consideration rather than applying a one-size-fits-all approach. For example, Diamantina Shire Council had 165 enrolled electors at the 2020 local government elections whereas the Gold Coast City council had nearly 390,000 enrolled electors and Brisbane City Council had nearly 790,000 enrolled electors.

The proposed caps are the result of a comprehensive consultation process with the public and with Queensland councillors and mayors. They were tested against the reported electoral expenditure from participants from the 2020 local government election. The final electoral expenditure caps in the bill were further revised by feedback received. The bill proposes a capped expenditure period of approximately seven months to align with the state capped expenditure period under the state scheme. The bill provides for the registration of third parties if the electoral expenditure incurred by or with the authority of the third party during the capped expenditure period exceeds \$6,000. The system of third-party registration is modelled on the existing provisions in the Electoral Act 1992 for the state expenditure caps scheme.

The bill provides that the electoral expenditure cap of an unregistered third party is \$6,000. For registered third parties in the quadrennial election, the cap is equal to a mayoral candidate's cap. For registered third parties in a by-election, the cap is equal to the candidates cap according to whether the candidate is a mayoral or councillor candidate. The cap for registered third parties cannot be applied across local government areas. The bill requires the ECQ to keep a register of third parties who are registered for an election. The register will provide clarity and transparency regarding the entities which are registered third parties for an election. The committee was satisfied that the third-party registration process and cap amounts are appropriate. It emphasised the importance of training and awareness resources and encouraged the department to continue working with the ECQ to ensure third parties understand their compliance obligations under the scheme.

To implement the government's policy in relation to recommendation 5 of the Economics and Governance Committee report, the bill provides that electoral expenditure incurred by an associated entity of an election participant is treated as though it were incurred by the election participant. The bill amends the definition of 'associated entity' to align with the Electoral Act 1992, meaning that associated entities of candidates, groups of candidates and political parties will be captured and will be subject to the expenditure cap of the relevant election participant. Consistent with the state scheme, the bill also provides for an associated entity to use the campaign account of the election participant with which it is associated.

To implement the government's policy in relation to recommendation 6 of the Economics and Governance Committee report, the bill aligns the new scheme penalties and recovery provisions with those applying under the state scheme. It prescribes certain offences as integrity and serious integrity offences under the local government legislation, meaning that noncompliance results in automatic suspension if charged and disqualification for certain periods if convicted. I note the comment from the State Development and Regional Industries Committee that several stakeholders supported the penalties, stating they must be firm enough to deter noncompliance. The committee concluded that the offence provisions are relevant and appropriate and provide a necessary deterrent to those who may seek to undermine the integrity of local government elections in Queensland. I note the issue raised by the opposition members in the statement of reservations about the timing of prosecutions after an election rather than during it. It is important for swift investigations to reduce disruption and prevent by-elections. The department will continue working with the ECQ to prepare training and capacity-building resources to support compliance.

I turn now to further highlight these important issues of training and capacity building in addition to a proposed review of the scheme. Recommendation 7 of the 2020 Economics and Governance Committee report was for the department to coordinate with the ECQ to ensure election participants have access to a suite of information or resources and training to support their compliance with the established scheme. The government supported this recommendation in principle. Recommendation 2 of the recent State Development and Regional Industries Committee report on the bill was for the minister to include training on electoral expenditure caps in the training and professional development requirements for councillors and local government candidates. The committee canvassed a range of stakeholder views about the importance of adequate training. The committee expressed its firm view that the development of a comprehensive and accessible training program is vital to ensure that councillors and candidates are able to meet their obligations under the new scheme. The government supports the committee's recommendation 2.

To implement the government's response to both recommendation 7 of the 2020 report and recommendation 2 of the recent committee report on the bill, the department will continue working with the ECQ to prepare training and capacity-building resources for the range of election participants to be affected by the new scheme. Further, recommendation 3 of the State Development and Regional Industries Committee report was for the department to consider conducting a review of the electoral expenditure cap scheme within 12 months of the 2024 local government elections and that the key findings of the review be published. The committee considered that the review would be best carried out by the department as the policy lead in conjunction with the ECQ as regulator of the scheme. The government supports this recommendation. Terms of reference for a review would be subject to consultation with stakeholders, and feedback from stakeholders will be vital and form an important component of a review.

Finally, I want to address an issue raised in recommendation 4 of the report from the State Development and Regional Industries Committee. The committee's recommendation was for the government to consider future legislative amendments to ensure that Independent candidates in local government elections are not lawfully prevented from holding fundraising activities. This issue arises from the provisions of the Charitable and Non-Profit Gaming Act 1999 and is outside the scope of the bill. As the relevant legislation falls within the portfolio of the Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence, I have referred recommendation 4 to her for her consideration.

The committee chair rightly noted that an expenditure cap scheme for Queensland councils and councillors is an important step to ensuring the equitable conduct of local government elections. He highlighted that broad support for the scheme had been made clear through a widespread and rigorous consultation process with regular engagement with key stakeholders throughout the development of the bill. The committee commented that Queenslanders rightly expect local government elections to be democratic and fair. Every Queensland community deserves the best council it can elect. This bill delivers the level playing field which is fundamental to that right. Comprehensive engagement has delivered a strong scheme that will serve Queenslanders well. I commend the bill to the House.