



Queensland Integrity Commissioner

ANNUAL REPORT 2017-2018

Encouraging confidence in public office & public institutions



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Brisbane QLD 4000
www.integrity.qld.gov.au

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Encouraging confidence in public office & public institutions

The Honourable Curtis Pitt MP
Speaker of the Legislative Assembly
Parliament House
George Street
BRISBANE QLD 4000

Dear Mr Speaker

I am pleased to provide you with the Queensland Integrity Commissioner Annual Report 2017 - 2018. This is the first annual report since my appointment as Integrity Commissioner, and the ninth report under the provisions of section 85 of the *Integrity Act 2009*.

The Annual Report covers a period of unprecedented demand in requests for the services of the Integrity Commissioner including requests for advice, and requests to enliven the public awareness raising function of the Commissioner.

It has been a wonderfully challenging and rewarding year, and I wish to acknowledge the support and dedication of the staff who have supported me to fulfil my statutory obligations, and those in public office and public institutions who have responded to the community's desire for a heightened level of integrity and ethical awareness in the public sector.

I confirm the Annual Report complies with section 85 of the *Integrity Act 2009*. I also confirm the Annual Report is in general terms and does not contain information likely to identify advisees.

Yours sincerely



Dr Nikola Stepanov PhD (Melb.)
Queensland Integrity Commissioner

13 August 2018

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About this report

The Annual Report provides information about the Integrity Commissioner's financial and non-financial performance for 2017-18. It has been prepared in accordance with the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*.

The Annual Report has been prepared for the Speaker and the Economics and Governance Committee for tabling in the Legislative Assembly.

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Welcome and introduction

This Annual Report covers the 2017-2018 financial year, and draws to a close my first year as the Queensland Integrity Commissioner.

My role as the Statutory Office Holder and an Officer of Parliament, is to administer the *Integrity Act 2009*. However, I do not work alone, and I would like to thank my dedicated and wonderful staff at the integrity commission for joining me on what was a challenging and exciting year.

Queensland enjoys a multi-agency integrity model. As the Queensland Integrity Commissioner, I took over from my predecessors as chair and convenor of the Integrity Committee. I would like to thank the other heads of integrity agencies, including the members of the Integrity Committee, for welcoming me so warmly to the role.



Greater expectations from the public, a greater commitment to ethics and integrity by those responsible to the public, and heightened ethical awareness more generally have led to a pronounced rise in demand for services provided by this commission.

During the first half of the financial year, the commission experienced a three-fold increase in the number of requests for advice. Following the nomination of mayors and councillors on 5 February, 2018, requests rates rose to such an extent that in the final month of the financial year, June 2018, the number of requests in that month alone was comparable to the number of advice requests received per annum in most previous years of the commission.

Much of our work involves providing advice on complex matters where time is critical. The significant increase in advice requests has meant that the greatest challenge to the commission has been responding to demand without any negative impacts on advice quality, comprehensiveness, service, and timeliness.

To this end, we introduced new mechanisms to enable us to meet the demand, and then lay the ground work for developing models to predict and meet future demands of the commission.

We are excited about the year ahead, and we look forward to working with colleagues, clients, and the community. It is a great time to be leading an agency committed to the prevention of corruption, and the promotion of good governance and integrity.



Queensland Integrity Commissioner

Who is the Queensland Integrity Commissioner

The role of Queensland Integrity Commissioner was initially established in 1999 under the *Public Sector Ethics Act 1994*. The *Integrity Act 2009* transferred and updated the provisions of the *Public Sector Ethics Act 1994* concerning the Integrity Commissioner, and expanded the Commissioner's responsibilities.

Dr Nikola Stepanov was appointed by the Governor in Council on 1 July 2017 as Queensland's fifth Integrity Commissioner. Her appointment is for a three year term , which expires on 30 June 2020.

Dr Stepanov has spent much of her career in service to the public sector and community. Her background is in professional ethics and governance, research and research regulation, mediation and dispute resolution, and board governance. She has particular expertise in resolving complex and contentious conflicts where there are grave personal or governance risks.

She holds five degrees, including a Juris Doctor (JD) and a Doctor of Philosophy (PhD). She completed her PhD at the University of Melbourne with the School of Global and Population Health and the Melbourne Medical School.

Her professional accreditation and memberships include: as a Fellow of the Governance Institute of Australia (FGIA); accreditation as a Mediator under the National Mediator Accreditation System; accreditation by the Federal Attorney General's Department as a Family Dispute Resolution Practitioner; and registration as a Professional member with the Resolution Institute (PRI). In the mediation space, she has a strong interest in children's rights, elder advocacy, cross-jurisdictional property matters, and cross-border treaty matters involving children with complex health needs.

Dr Stepanov is published in various fields including as a co-author on a book chapter with renowned Canadian physician, Professor Gordan Guyatt OC, founder of the concept of evidence-based medicine. As part of various collaborative partnerships, she has been involved in securing significant funding and grants. She continues to be involved in research and to publish, mainly in the areas of: human genomics law and ethics; corruption prevention and public administration; medical law and ethics; and dispute resolution, as well as supervising PhD students.

Report from the Director

- *Mr Michael Vickers*

I joined the office of the Integrity Commissioner in February, 2018 to help meet increasing demands, and provide guidance in government and government structures.

The range of persons who can seek the Commissioner's advice is very broad, including: Ministers, Members of Parliament, Board Members, Mayors and Councillors, Directors-General, and other senior government employees. During the first 12 months of the Commissioner's appointment, requests for formal advices increased from 50-60 per annum, to 50 per month.

I was particularly able to assist the Commissioner with advice requests and in implementing systems to manage increased demands thanks to my extensive knowledge of government and legal issues, most recently acquired in my role as Director, Appointments and Constitutional Services, Department of the Premier and Cabinet. To meet increasing demand, the commission also welcomed additional staff, including Ms Susan Gray, Ms Rynne Rangiah, Ms Laura Pound, and Ms Chanda George. The commission also relocated to larger premises.

Consistency is an important element of the Commissioner's advice. Years of previous advices are now progressively being catalogued to aid consistency and increase efficiencies. Precedent systems and style guides have been implemented to further increase efficiencies and the quality of advices. Monitoring systems have also been enhanced to ensure that requests are attended to in a timely manner.

The Commissioner's advices must take applicable laws and standards into consideration. A process of regular meetings has been implemented with various departments and offices to ensure the Commissioner's advice is consistent with applicable laws and standards.

Looking ahead, the commission is likely to face increasingly complex requests for advice and will continue processes to enhance public discussion and awareness. This will include by enhancing the commission's website content with case studies, and ensuring ongoing collaboration with complementary agencies to maintain consistency.

Finally, I would also like to thank Mr Craig Hunter for his ongoing work, principally with the lobbyists register, and give special thanks to Ms Lisa Pacia, Public Service Commission, for her advice and assistance.



The role and functions of the Queensland Integrity Commissioner

The Queensland Integrity Commissioner is an independent officer of the Queensland Parliament and reports through the Economics and Governance Committee.

The functions of the Integrity Commissioner are set out in section 7 of the *Integrity Act 2009*. They are:

- to give written advice to a designated person on ethics or integrity issues
- to meet with, and give written or oral advice to, members of the Legislative Assembly
- to keep the lobbyists register and have responsibility for the registration of lobbyists
- to raise public awareness of ethics or integrity issues by contributing to public discussion of these issues relevant to the Integrity Commissioner's functions.

The Premier may also ask the Integrity Commissioner for advice on standard setting for ethics or integrity issues.

Overview of the reporting year

This report covers the 18th year of operation of the office of the Integrity Commissioner, and the first year of Dr Stepanov's tenure. The Integrity Commissioner is a statutory office holder and an officer of Parliament with responsibility for administering the *Integrity Act 2009*.

The year under review saw an unprecedented increased demand for the services provided by the commission, with particular growth in the integrity advices area, and also requests for the provision of educational presentations and seminars aimed at promoting ethics and integrity in public service.

Advice Functions

More than 5000 persons fall under the advice jurisdiction of the *Integrity Act 2009*. By 30 June 2018, the Integrity Commissioner had received 216 requests for advice, a significant increase from an average of 58 requests received per annum over the previous five years.

The Commissioner also attended more than 151 individual meetings with Ministers, Assistant Ministers, Statutory Office Holders, Directors-General and others, to discuss the role, compliance with standards and codes, and integrity more generally.

Overview of the reporting year

Lobbyists Regulation

The lobbyists register is maintained by the integrity commission. This year saw an ongoing decline in lobbying activity as it is defined in the *Integrity Act 2009*.

Contribution to public awareness and understanding of ethics or integrity issues

The Integrity Commissioner is statutorily obliged to raise public awareness of ethics or integrity issues by contributing to public discussion about the Integrity Commissioner's functions, and integrity in public office.

During the past year the commission has responded to a heightened focus on integrity in the public sector by adapting a dynamic staffing and resource model, and delivering a renewed focus on the statutory function of raising public awareness of ethics and integrity issues.

The commitment to raising public awareness has led to a ten-fold increase in the number of seminars and presentations delivered across a broad array of stakeholders and sectors, statewide. All members of the commission have been, and will continue to be, involved.

The commission is also engaged in research and education to prevent corruption and misconduct at a state, national, and international level.

Highlights this year included events hosted with key partners such as: the 'Health Information and the Digital Age' seminar held in Mackay with the Information Commissioner and Privacy Commissioner; hosting a delegation of public officials from Kenya together with Professor Charles Sampford of the Institute for Ethics, Governance and Law at Griffith University; and co-facilitating a successful series of roundtable sessions on integrity in business dealings with Ms Kimberley Swords, Assistant Director-General and Chief Advisor, Queensland Government Procurement.

The Integrity Committee

In August 2001, the inaugural Integrity Commissioner, the Honourable Alan Demack AO (2000-2004) convened the first meeting of the Integrity Committee. Since then the Integrity Committee has met quarterly to discuss shared issues. Members include the Chair of the Crime and Corruption Commission, the Auditor-General, the Queensland Ombudsman, the Information Commissioner, and the Commission Chief Executive of the Public Service Commission, the Queensland Racing Integrity Commissioner and Queensland Electoral Commissioner.

Notes of the Integrity Committee meetings are made by the integrity commission secretariat, and are available via the integrity commission's website.

Information about advice functions

The Integrity Commissioner is an advisor to more than 5000 people who fall within the meaning of 'designated person' under the *Integrity Act 2009*. This includes Ministers, Members of Parliament, statutory office holders, chief executives of government agencies, senior executive officers and senior officers, and ministerial staff.

It is also at the discretion of Ministers to nominate other persons or classes of persons to be included within the definition of a 'designated person'.

Requests for advice, and the advice provided, are confidential, and are not subject to disclosure under the *Right to Information Act 2009*. It is at the discretion of the advisee to choose to disclose the advice. The Integrity Commissioner has regard to legislation, standards and codes but does not provide legal advice.

Under the *Integrity Act 2009*, the Premier may ask for the Integrity Commissioner's advice about any person who is or has been a designated person, other than non-government Members of Parliament. Others in leadership positions – the Leader of the Opposition, Ministers, Assistant Ministers and chief executives of government agencies – may ask for the Integrity Commissioner's advice on ethics or integrity issues involving a designated person for whom they have responsibility.

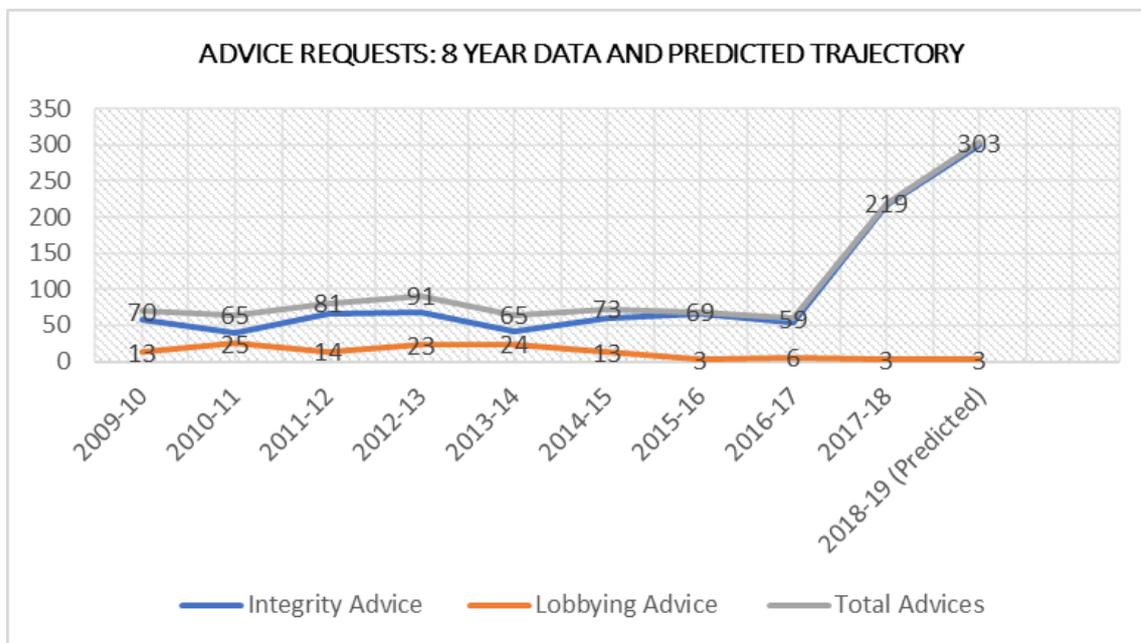
Number of requests for advice

This financial year, the Integrity Commissioner received 216 requests for advice, of which 202 were responded to with formal advice. Of those 14 not provided with written advice, in most cases preliminary guidance was provided over the telephone.

This substantial increase can be attributed to the following main factors:

- changes in approach and service provisioning in response to demands and needs
- extension of the Integrity Commissioner's advisory role to include local government mayors and councillors as part of the Government's response to the *Operation Belcarra: Reforming local government in Queensland* (Belcarra Report), and
- renewed focus on the function of raising public awareness of ethics and integrity issues and general heightened attention.

Information about advice functions



Future growth predicted

The Integrity Commissioner views the heightened demand in services as being a very positive reflection of the current ethical climate and expects that the number of advice requests per annum will grow again in the next financial year. The commission currently expects that between 300-500 advices will be provided annually, with a more narrow prediction of approximately 360-400 advice requests expected in the 2018-2019 financial year.

Primarily this growth will be due to the likely further nominations of classes of designated persons, and amendments to the *Integrity Act 2009* as a result of the *Guardianship and Administration and Other Legislation Amendment Bill 2018* currently before Parliament. These amendments would:

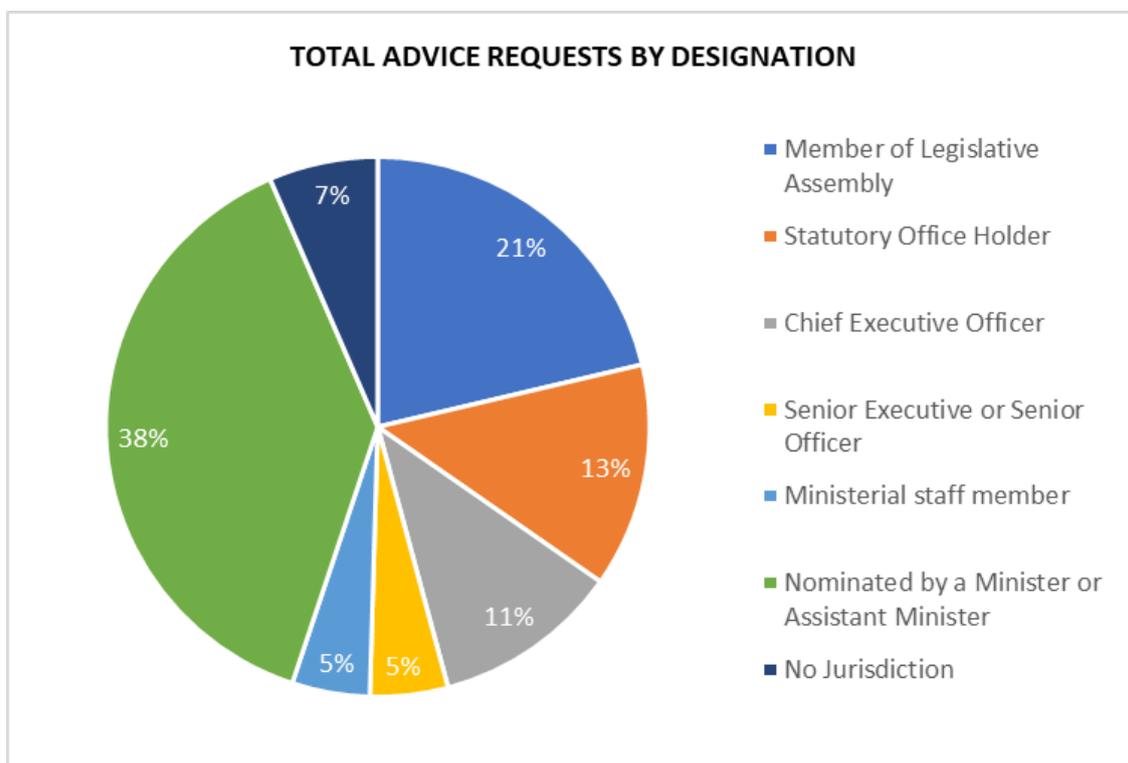
- remove the requirement for senior executives, senior officers or senior officer equivalents to obtain the authority of the relevant chief executive officer prior to seeking the advice of the Integrity Commissioner
- expand the scope of the Integrity Commissioner's advisory services under section 7 of the *Integrity Act 2009* to include former designated persons, and
- allow former designated persons to seek the advice of the Integrity Commissioner on an ethics or integrity issue involving them that arises from a post separation employment obligation, for a period of up to two years after ceasing to be a designated person.

Information about advice functions

Sources of requests

In the first three quarters of the financial year the main sources of requests for advice were Members of the Legislative Assembly, followed by statutory office holders. Following the nomination of mayors and councillors, the final quarter of the financial year saw this category of designated person overtake all other categories and fully comprise 75% of all requests for advice received in the fourth quarter.

The following table indicates in general terms the source of each request for advice received in 2017-2018:



Integrity Commissioner response times

In 2017-18, approximately 23% of responses to advice requests were provided by the close of the next business day following receipt of the request, and a further 39% were responded to within two to three business days.

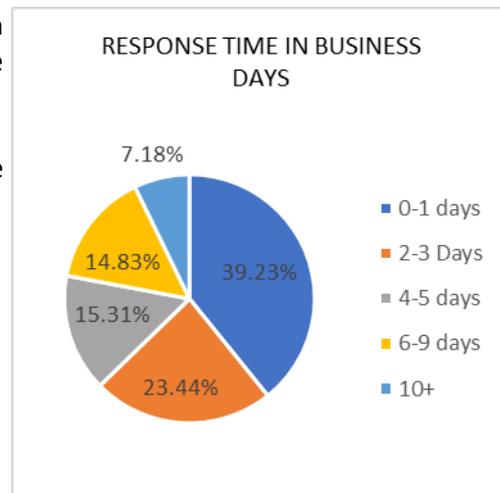
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Information about advice functions

The four-fold increase in advice requests had minimal impact on response times as efficiency measures were introduced by the integrity commission.

The two principal reasons for responses taking more than three business days were:

- the request involved complex issues requiring detailed research or consultation, and
- further information being sought by the Integrity Commissioner from the advisee.



Topics of advice requests

Most requests for advice concerned potential conflict of interest issues while a small proportion related to general integrity and probity matters. The main subject matters were:

- shareholdings, property ownership, and proposed developments
- managing the consequences of accepting donations
- competing statutory obligations
- acceptance of hospitality, gifts, and other benefits
- potential conflicts arising due to employment or business interests, and
- post-separation issues arising from new or future employment.

New Nominations

This year saw the Honourable Stirling Hinchliffe MP, Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs nominate all Queensland mayors and councillors under section 12 (1)(h) of the *Integrity Act 2009* allowing them access to the Integrity Commissioner for advice on ethical and integrity issues.

The nomination of all Queensland mayors and councillors incorporated 77 councils, including 579 mayors and councillors. Seven of the 10 largest councils are outside of South East Queensland.

Information about advice functions

Following the nomination, many mayors and councillors have sought advice on a range of issues including conflicts of interest and material personal interests. Also, several councils have invited the Commissioner and her staff to speak with councillors and the community about how to identify and manage ethical issues.

The Integrity Commissioner and staff, including Senior Legal Officer and the commission's local government liaison, Ms Susan Gray (pictured), enjoy working with mayors and councillors to raise awareness and provide advice about the varied and complex issues that confront councils.



The integrity commission views the provision of ethics advice to councillors as an important service to assist local government manage difficult issues and maintain public confidence.

The Honourable Steven Miles MP, Minister for Health and Minister for Ambulance Services also nominated extra classes of persons working within the health and ambulance sectors.

Other nominations for the financial year included various individuals on a case by case basis by other Ministers.

Information about lobbyists regulation

The Integrity Commissioner has been responsible for administering the regulation of lobbying activities under the *Integrity Act 2009* since 2010. This involves the maintenance of the lobbyists register. The regulatory system is based on the requirement, under section 71 of the *Integrity Act 2009*, that 'government representatives' must not knowingly permit an entity that is not a registered lobbyist to carry out a lobbying activity for a third party client with the government representative.

Lobbyists are required to comply with a Lobbyists Code of Conduct which imposes a set of ethical obligations and responsibilities on professional lobbyists seeking to influence government policy and decision making, while representing the interests of another person or body for a fee or other reward.

Over the past year the Integrity Commissioner received and responded to three requests for advice about lobbying.

Contributions to raising public awareness - *about integrity and ethics*

Ethics integrity issues are entwined in a broad range of matters concerning government structure, practices, and policies.

The *Integrity Act 2009* provides that the Integrity Commissioner must raise public awareness of ethics and integrity issues by contributing to public discussion relevant to the Integrity Commissioner's functions.

Enhanced recognition of the importance of integrity in public office and public administration has led to a ten-fold increase in the number of seminars and presentations delivered by the commission statewide, for a diverse range of stake-holders, and across a broad array of sectors.

In discharging this area of responsibility, the Commissioner and staff of the integrity commission conducted the following activities:

- participated in the induction program for the new Members of the Legislative Assembly
- participated in the induction program for new and returning Ministerial staff
- met personally with newly appointed Ministers, Members of Parliament, Directors-General and other Chief Executive Officers to discuss the roles and functions of the integrity commission
- presented at the Australian Institute of Administrative Law – *Integrity Advice and Administrative Law*
- attended and presented at the Local Government Association of Queensland Civic Leaders Summit
- co-hosted and presented multiple round table discussions – *Integrity in Business Dealings*;
- travelled to 18 councils to raise awareness of the Integrity Commissioner services and functions
- participated in the Member Steering Committee, Corruption Prevention Network Queensland
- media interviews, and
- supporting and sponsoring a number of integrity events.

For the Commissioner and staff, one particular highlight of the year was attending the Queensland Fire and Emergency Services Live Fire Training Site.

Staffing of the commission

Prior to the commencement of the *Integrity Act 2009* on 1 January 2010, the position of Integrity Commissioner was filled on a part-time basis, two days per week. This was increased to a full-time position when the commission first became responsible for the lobbying function. On 1 January 2010, the position was reduced to the equivalent of four days per week.

However, the dramatic increase in commission activity this year has again led to an increase in the conditions of appointment of the current Commissioner from four days per week to full-time, commencing 5 July 2018. The Commissioner did not take leave during the financial year.

To meet increasing demand, in addition to the two existing full-time equivalent staff, a further 3.8 equivalent fulltime staff were allocated to the commission, and this included the establishment of a significant supporting role, the Director, Legal and Operations, performed by Mr Michael Vickers (pictured). The commission also relocated to larger premises.



Compliance disclosures

Ministerial Code of Conduct

Under the Ministerial Code of Conduct, Ministers and Assistant Ministers are obliged to meet with the Integrity Commissioner at least once each year. The first year of the 56th Parliament has a number of months to run, however, the Commissioner has had meetings with or provided advice to each Minister and Assistant Minister.

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Compliance disclosures

Declarations of Interest

The *Integrity Act 2009* provides in section 72C that various statutory office holders must provide a copy of their Declarations of Interest to the Integrity Commissioner. Chief executives are also required by section 101 of the *Public Service Act 2008* to similarly provide copies of their Declarations of Interest to the Integrity Commissioner.

Section 85(2) of the *Integrity Act 2009* requires the Commissioner to provide details of compliance by statutory office holders and chief executives of departments with the respective requirements of section 72C of the *Integrity Act 2009* and section 101 of the *Public Service Act 2008* to give the Integrity Commissioner statements and written advice.

As at 30 June 2018, all statutory office holders and chief executives had complied with these requirements.

The Declarations made by Directors-General are now published on the Public Service Commission website. The *Public Records Act 2002* only requires Declarations made by statutory officer holders and other chief executives to be retained by the Integrity Commissioner.

In accordance with the *Integrity Act 2009*, the Commissioner has provided the Speaker with her own Declaration of Interests, and amended Declarations as necessary.

Other compliance matters

A copy of the Records Retention and Disposal Schedule (QDAN 629 v.3) developed for the Queensland Integrity Commissioner and approved by the Queensland State Archivist on 22 November 2013 is available on the Queensland State Archives website, www.archives.qld.gov.au.

No public interest disclosures under the *Public Interest Disclosure Act 2010* were received by the commission.

No applications were received under the *Right to Information Act 2009*. Further, no information may be provided about the Integrity Commissioner's activities under Chapter 3 of the *Integrity Act 2009*.

This Annual Report and previous reports from the Integrity Commissioner are available on the website, www.integrity.qld.gov.au.

Financial statement

Queensland Integrity Commissioner Statement of Comprehensive Income

Year ended 30 June 2018

	2018	2017	2018 Original	Budget	Note
	Actual	Actual	Budget	Variances	Budget
	\$'000	\$'000	\$'000	\$'000	Variance
OPERATING RESULT					
Income from Continuing Operations					
Appropriation revenue	722	537	677	-	i
Grants and other contributions	68	-	-	68	ii
Total Income from Continuing Operations	790	537	677	68	
Expenses from Continuing Operations					
Employee expenses	559	349	406	153	ii, iii
Supplies and services	225	183	264	(39)	iv
Grants and subsidies	5	5	5	-	
Depreciation and amortisation	1	-	2	(1)	
Total Expenses from Continuing Operations	790	537	677	113	
Operating Result for the Year	<hr/>	<hr/>	<hr/>	<hr/>	
OTHER COMPREHENSIVE INCOME	<hr/>	<hr/>	<hr/>	<hr/>	
TOTAL COMPREHENSIVE INCOME	<hr/>	<hr/>	<hr/>	<hr/>	
	<hr/>	<hr/>	<hr/>	<hr/>	

The following notes form part of this statements.

Financial statements

(i) Additional funding was reallocated from the Public Service Commission to support the Integrity Commissioner's operating requirements as a result of additional requests and advices supporting the government's commitment to integrity.

(ii) An increase in grants and other contributions for the provision of goods and services received below fair value. The Department of the Premier and Cabinet provided a Senior Officer for the period 7 February to 30 June 2018, to support the Integrity Commissioner's operating requirements.

(iii) An increase in employee expenses for:

- the provision of goods and services received below fair value. The Department of the Premier and Cabinet provided a Senior Officer for the period 7 February to 30 June 2018, and
- change in work arrangements for the Integrity Commissioner role increasing to 0.8 of a full time equivalent (FTE) and other additional resources to support the Integrity Commissioner's operating requirements.

(iv) A decrease in supplies and services for legal, travel expenses and information technology costs which was reallocated to support the additional employee expenses required to meet the Integrity Commissioner's operating requirements.



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