



Queensland Integrity Commissioner

HALF YEAR UPDATE: 1 JULY-31 DECEMBER 2018.

Encouraging confidence in public office & public institutions



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About this Report

This Half Year Update provides information about the Queensland Integrity Commissioner's performance for the period of 1 July 2018 to 31 December 2018.

This Update has been prepared for the Economics and Governance Committee public briefing on Monday, 11 February 2019.

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Overview: Half Year Update

This Half Year Update covers the first half of the 2018-19 reporting year.

In the 2017-18 financial year, the Queensland Integrity Commissioner ('QIC') experienced a four-fold increase in the number of requests for advice. Requests for advice rose from an average of 58 requests per year since the inception of the QIC 18 years ago, to 216 requests in the 2017-18 financial year.

This upward trajectory has continued with request numbers again increasing in the first half of this financial year. It is predicted that advice requests will number over 300 for the 2018-19 financial year.

The significant rise in demand for advice requests suggests that users value this unique advisory service. Further, the current pronounced rise may indicate a response to heightened expectations from the public, a greater commitment to ethics and integrity by those responsible to the public and heightened ethical awareness more generally.

The number of meetings held with 'designated persons' by the QIC has decreased slightly in comparison to the first half of last year, with 110 meetings held in total.

The QIC also continued to focus on raising public awareness across the public sector as well as more broadly. The QIC dedicated resources to enhancing its website, including by providing case study examples, fact sheets, guidelines and standards. It has also produced strategic plans to outline and direct future stakeholder engagement.

During the first half of this financial year, the Commissioner also delivered 21 education workshops and training sessions. This represents a slight decrease on the preceding six-month period. The significant rise in advice requests, and the fact that the Integrity Commissioner is unable to delegate the formal advice function, limits the ability to conduct workshops and training.

With ongoing significant increases in advice requests, the greatest challenge to the QIC continues to be in meeting this demand. To assist meeting demand, the QIC has introduced improved administrative processes and systems. This includes systems which enhance the searchability of past advices and use standardised frameworks and precedents.

Frameworks and precedents, such as the *'Personal Interests and Official Responsibilities: A Guide for councillors'* framework are often developed in consultation with our sister integrity agencies. A longer-term goal in developing such resources is to build integrity and ethics capacity across public sector decision-makers, particularly multi-member decision-making bodies such as councils and boards.

The QIC is encouraged by the number of designated persons seeking advice on complex ethical and integrity issues. It indicates a commitment to maintaining public confidence in government decision-making. The QIC remains excited about ongoing work and engagements with collaborative partners.

Advice Requests

More than 5000 persons fall under the ethics and integrity advice jurisdiction of the QIC prescribed by Chapter 3 of the *Integrity Act 2009* (Qld).

As detailed above, in the financial year of 2017-18 the QIC experienced a four-fold increase in the number of requests for advice.

The upward trajectory has continued with requests numbers increasing again in the first half of this financial year, with 172 requests being received in the July-December 2018 period. Of these, 136 were responded to with formal advice (with one special project ongoing). Of the 28 requests not provided with formal advice, in most cases preliminary guidance was provided over the telephone or the matter was referred to an appropriate authority.

In addition to requests from designated persons, the QIC also received 16 written out of jurisdiction requests from members of the public. All public enquiries were responded to in a timely manner.

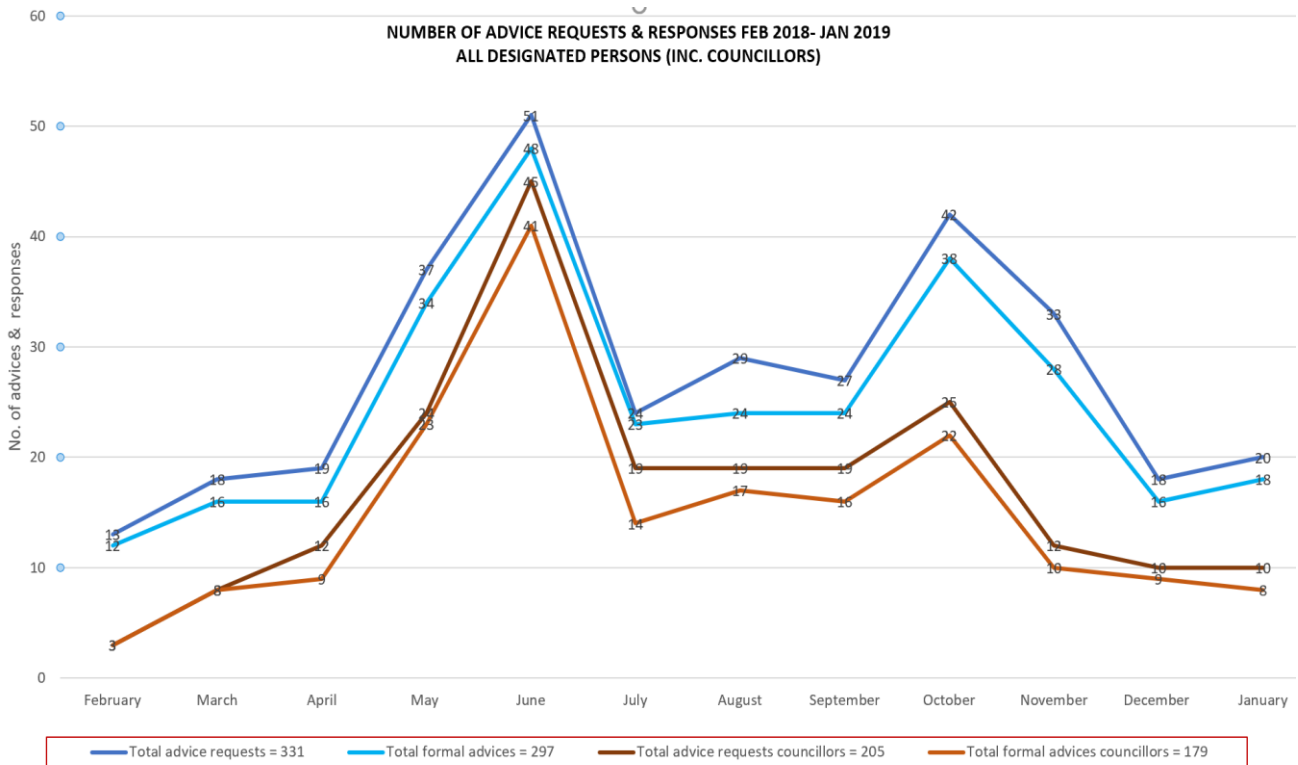
The QIC anticipates that the total advice requests for this financial year will reach in excess of 300.

Further, additional growth may also occur following the introduction of amendments to the *Integrity Act 2009* (Qld), as a result of Part 4 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 authority from their relevant chief executive officer prior to seeking the advice of the Integrity Commissioner, and
- expand the scope of the Integrity Commissioner's advisory services to allow former designated persons to seek advice on post-employment obligations for up to 2 years from the cessation of their employment.

The QIC uses real time tracking of data to anticipate workflow, and to track and monitor trends. However, predictability in terms of anticipating the number of advice requests received from month to month remains an issue.

The following graph (page 5) illustrates the high variation in the overall number of requests for advice each month, and the relatively unpredictable nature of advice requests.



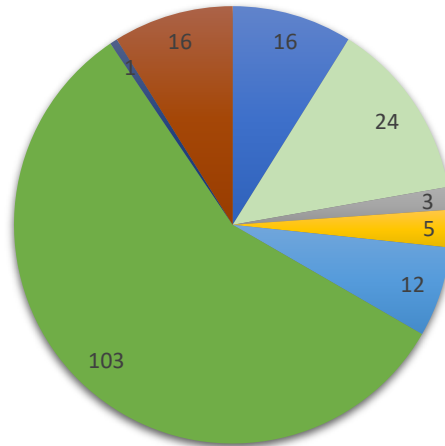
(Excludes out of scope requests and referrals to other agencies.)

While the impact of *Operation Belcarra* legislative amendments can be seen (above) in the data from May to June 2018, the spike in requests for advice in October to November 2018 does not correlate with one single identifiable or anticipatable factor such as a change to legislation. It occurred across all categories of designated persons at the same time but was due to unique issues localised to each category. Therefore, the demand was unable to be predicted or anticipated, by the commission.

Requests by Designation

The following pie chart indicates, in general terms, the source of each request for advice received in the first half of this financial year.

SOURCE OF ADVICE REQUESTS



- Minister, Assistant Minister, Other MPs - s12(1)(a)
- Chief Executive Officer - s12(1)(c)
- Ministerial Staff - s 12(1)(f)
- Other Nominated Persons - s12(1)(h)
- Statutory Office Holder - s12(1)(b)
- SES, SO or SO Equivalent - s12(1)(d)
- Mayors and Councillors - s12(1)(h)
- No Jurisdiction

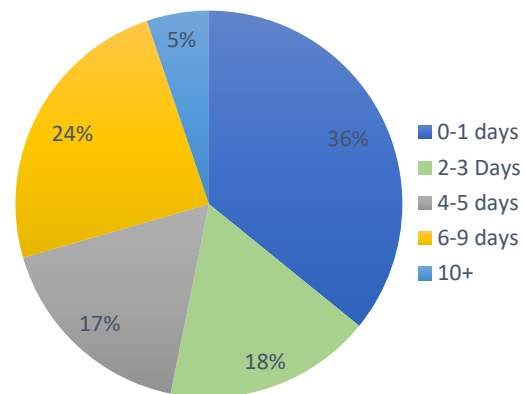
Response Times

The increase in advice requests has impacted slightly on response times.¹

Analysis of the data reveal that 36% of advice requests were responded to on the same day or on the next working day, down from 39% in the last financial year.

A further 18% were responded to within two to three working days (down from 23%); 17% in four to five working days (up from 15%); and 24% in six to nine working days (which is an increase from 15%).

RESPONSE TIME IN BUSINESS DAYS



Lobbying Functions

The QIC is also responsible for administering the regulation of lobbying activities in Queensland under Chapter 4 of the *Integrity Act 2009* (Qld). This includes maintaining the lobbyists register.

¹ Note: This paragraph and pie chart do not include special project timeframes.

There has been an increase in requests for advice about lobbying activities and various lobbying obligations under the *Integrity Act 2009* (Qld). In the first half of this financial year there have been 8 formal requests, an increase from 3 requests in the last financial year.

In addition to advice regarding lobbying, the QIC also regularly responds to administrative requests from lobbyists, including general queries about the register and individual lobbyist accounts.

The QIC has commenced an extensive audit and service evaluation of the lobbyists register and its useability to ensure our interface is user friendly. The audit focus is on the functionality and accuracy of data and the need to develop any other relevant resources. It is anticipated that the audit will be completed by 30 June 2019.

Public Awareness Functions

Education & Training

The QIC has a statutory obligation to raise public awareness of ethics and integrity issues by contributing to public discussion about the QIC's functions, and integrity in public office. In performing this function, the QIC runs education sessions, and is also engaged in research and education to prevent corruption and misconduct. This includes developing resources and aids.

The Commissioner delivered or presented at 21 education sessions during the first half of this financial year. Other QIC staff have also been involved in the delivery of training and education around the State.

Highlights for the first half of this financial year included:

- hosting events with key partners, such as the 'Health Information and the Digital Age' seminar held at the Gold Coast with the Privacy Commissioner, the Health Ombudsman and Queensland Health, and
- presenting to the Department of Education at Fraud Awareness Week 2018 on the subject of 'Integrity in Public Office'.

The QIC also publishes a regular quarterly segment, called the '*Commissioner's Corner*', in the Local Government Association of Queensland's '*Council Leader*' newsletter.

Resource Development

The QIC has developed plans, including a Strategic Plan and a Stakeholder Engagement Plan to guide ongoing and effective outreach and engagement with designated persons, and other relevant stakeholders extending beyond the current financial year.

Further, QIC has developed resource guides targeting recurring issues. In the local government sector, the QIC, in conjunction with the Office of the Independent Assessor ('OIA'), commenced production of a research paper and guide to provide practical assistance to mayors and councillors in identifying and managing potential conflicts of interest. These materials are in the process of being published on the QIC's website and are currently available on the OIA's website together with a media release.²

The QIC is currently working on similar guidelines to be provided for other multi-member decision-making bodies, such as government boards.

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 on a quarterly basis to discuss shared issues.

Meetings are convened and chaired by the Integrity Commissioner. Members include: the Chair of the Crime and Corruption Commission, the Auditor-General, the Queensland Ombudsman, the Information Commissioner, the Public Service Commissioner, the Queensland Racing Integrity Commissioner, and the Queensland Electoral Commissioner.

In November 2018, the Integrity Committee also warmly welcomed the Independent Assessor to its membership.

Notes of Integrity Committee meetings kept by the QIC and are available on its website.

Future Focus

This year, the QIC celebrates the 10-year anniversary of the commencement of the *Integrity Act 2009* (Qld). The QIC proposes to use this platform to bring awareness to the Integrity Commissioner's role, and ethics and integrity issues generally.

Last year the QIC's theme was '*Integrity in the Digital Age*'. The theme for this year is, '*Decision-makers, Personal Interests, and Requisite Levels of Disclosure*'. This theme will guide the focus of the QIC's education and public awareness functions, and planned stakeholder engagement.

Another focus of the Integrity Committee is in providing written resources, education, and workshops to multi-member decision-making bodies, such as councils and government boards.

² <https://oia.qld.gov.au/office-of-the-independent-assessor/about-us/media-releases/councillors-not-prosecuted-if-they-follow-conflict-of-interest-meeting-aid.html>.

Education sessions and workshops will also be aimed at building capacity in multi-member decision-making bodies to recognise, assess and manage conflicts of interest. They will include joint presentations by members of the Integrity Committee.

Financial statement: Half Year

In the 2017-18 financial year, the QIC's operating expenses increased to approximately \$790,000. This coincided with a four-fold increase in the total requests for advice, which numbered 216 for the period.

Staff and funding were also reallocated by other agencies to support the Integrity Commissioner's increased requirements.

Explanation of budget variances for the first half of this financial year

In the current financial year, total funding of \$1.418 million was approved to assist the Integrity Commissioner's expanded role in responding to government's commitment to integrity in public office and institutions.

An underspend in employee expenses occurred primarily due to timing of recruitment for the new positions secured, resulting in savings due to the vacancies at the beginning of the financial year. This was also due to current staff utilising part-time work arrangements.

An underspend in supplies and services resulted from:

- no requirement year-to-date for legal and consultancy services. This requirement may arise prior to yearend to assist in the completion of the lobbyist register audit, and
- a delay in rolling over departmental electronic devices, postponed to 2019-2020 to allow scoping of ongoing business requirements.

There was an underspend in grants and subsidies due to a delay in a funding.

Finally, there was an underspend in depreciation and amortisation as a result of previous assets being fully depreciated.

The figures for this financial year to date, are set out in the following.

Queensland Integrity Commissioner
Statement of Comprehensive Income - 6 Month Interim Report
1 July to 31 December 2018

	2019 Actual \$'000	2019 Original Budget \$'000	Budget Variances \$'000	Note Budget Variance
OPERATING RESULT				
Income from Continuing Operations				
Appropriation revenue	716	716	-	1
Total Income from Continuing Operations	716	716	-	
Expenses from Continuing Operations				
Employee expenses	480	530	51	2
Supplies and services	148	179	31	3
Grants and subsidies	-	5	5	4
Depreciation and amortisation	-	1	1	5
Total Expenses from Continuing Operations	628	716	88	
Operating Result at 31 December 2018			88	

The accompanying notes form part of these statements.

**Office of the Integrity Commissioner
Revenue and Expenditure 6 Month Interim Report
1 July to 31 December 2018**

	2018-19 Actuals	2018-19 Budget	Variance
Revenue from ordinary activities			
Appropriation revenue	715,568	715,568	-
Total revenue from ordinary activities	715,568	715,568	-
Expenses from ordinary activities			
Employee expenses			
Salaries and wages and related costs	413,947	457,768	43,821
Salary-related taxes	2,001	-	(2,001)
Superannuation	49,439	55,769	6,330
Other employee expenses	14,306	16,933	2,627
Total employee expenses	479,694	530,470	50,776
Supplies and services			
Building services	78,394	64,500	(13,894)
Information Technology	-	7,500	7,500
Consultancies	-	10,000	10,000
Corporate technical services SSP	43,998	43,998	-
Parking	4,647	4,500	(147)
Telecommunications costs	1,456	2,100	644
Travel costs	9,703	10,300	597
Legal costs	-	20,000	20,000
Minor plant and equipment	3,155	15,000	11,845
Other supplies and services	6,587	1,200	(5,387)
Total supplies and services	147,940	179,098	31,158
Grants and subsidies			
Grants and contributions	-	5,000	5,000
Total Grants and subsidies	-	5,000	5,000
Depreciation and amortisation			
Depreciation and amortisation	-	1,000	1,000
Total Depreciation and amortisation	-	1,000	1,000
Total expenses from ordinary activities	627,634	715,568	87,934
Net Operating Result	87,934	-	87,934

*Comments not included

