



New South Wales

# Mining and Petroleum Industry Political Donations Legislation Amendment (Corruption Risk Reduction) Bill 2016

## Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

## Overview of Bill

The object of this Bill is to reduce corruption risk, and ensure appropriate decision-making, by removing the ability of those who would benefit from decisions of public authorities or public office-holders to make political donations that could exert influence on, or otherwise affect, the making of those decisions. This is achieved by:

- (a) prohibiting political donations from the mining and petroleum industry, and
- (b) prohibiting the making of environmental planning instruments relating to extractive industries at the request of persons who have made political donations or having regard to submissions made by such persons, and
- (c) prohibiting the granting of certain planning approvals relating to extractive industries to persons who have made political donations or having regard to submissions made by such persons, and
- (d) prohibiting the issue of mining authorisations or petroleum titles to persons who have made political donations.

## Outline of provisions

**Clause 1** sets out the name (also called the short title) of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on the date of assent to the proposed Act.

## **Schedule 1      Amendment of Election Funding, Expenditure and Disclosures Act 1981 No 78**

**Schedule 1 [1]** updates the heading to a Division concerning prohibited donations (Division 4A of Part 6), to reflect its extension to the mining and petroleum industries.

**Schedule 1 [2]** makes mining or petroleum industry business entities, and industry bodies representing those entities, prohibited donors. As a result, the making of political donations by those entities, persons or bodies will be prohibited. (Section 96I of the Act makes it an offence for a person to do any act that is unlawful under Division 4A of Part 6 if the person is, at the time of the act, aware of the facts that result in the act being unlawful. Section 96J of the Act provides for the recovery by the Electoral Commission of unlawful political donations.)

**Schedule 1 [3]** specifies that the objects of the section that makes political donations by prohibited donors unlawful include to reduce corruption risk, and ensure appropriate decision-making, by removing the ability of those who would benefit from decisions of public authorities or public office-holders to make political donations that could exert influence on, or otherwise affect, the making of those decisions.

**Schedule 1 [4]** inserts a definition of *mining or petroleum industry business entity* and **Schedule 1 [5]** inserts other definitions consequential on the insertion of that definition.

## **Schedule 2      Amendment of Environmental Planning and Assessment Act 1979 No 203**

**Schedule 2 [1]** makes a consequential amendment to the object of a provision that requires the disclosure of political donations and gifts in relation to any industry making applications or submissions relating to environmental planning or assessment.

**Schedule 2 [2]** inserts definitions used in other proposed amendments.

**Schedule 2 [3]** provides that:

- (a) corporations that have made political donations, or whose close associates have made political donations, in the previous 4 years are ineligible to make certain planning applications or planning submissions in relation to sites proposed to be used for development for the purposes of an extractive industry, or in relation to such development, and
- (b) the Minister and the Secretary must not consider any relevant planning application or planning submission made by a corporation that is ineligible by virtue of the proposed amendments, and
- (c) any environmental planning instrument made or development control plan, declaration, approval, modification or consent considered or granted in breach of that prohibition on the Minister and Secretary is void.

**Schedule 2 [4]** provides that, for the purposes of determining if a political donation has been made in a 4-year period, only political donations made on or after the commencement of the proposed provision making corporations ineligible to donate are to be counted.

## **Schedule 3      Amendment of mining and petroleum legislation**

**Schedule 3** amends mining and petroleum legislation to prohibit corporations that have made political donations, or whose close associates have made political donations, in the previous 4 years from making applications or tenders for, and from being issued with, authorisations relating to exploration or mining of minerals or petroleum.