

# Transparency, corruption, fraud and bribery –

Latest results of corruption measures – why they matter in New Zealand’s increasingly diverse society and how an authentic reputation can lead to  
Increased prosperity

## Audit New Zealand

Government Department Clients, Tuesday 19 April 2016

Crown Entity Clients: Wednesday, 20 April 2016

Venue: Oceania Room at Te Papa, Wellington, 3pm

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*“I would serve my nation but I have a reverence for humanity.*

*Let this then by my vision of the future –  
my extended family, all creeds, all races, all nations.”*

Dame Mira Szaszy (1921 – 2001)

## NZ's Public Sector Addresses the Roots of Corruption

The publication of the 2015 TI-CPI provides context to address why transparency is a means of preventing corruption and generating prosperity.

1. **Opportunity for public servants to be proud**
2. **Healthy whanau/nation – key features of an integrity base**
3. **Grow economy and tax base, increase prosperity**

### ***INFINITE POSSIBILITY***

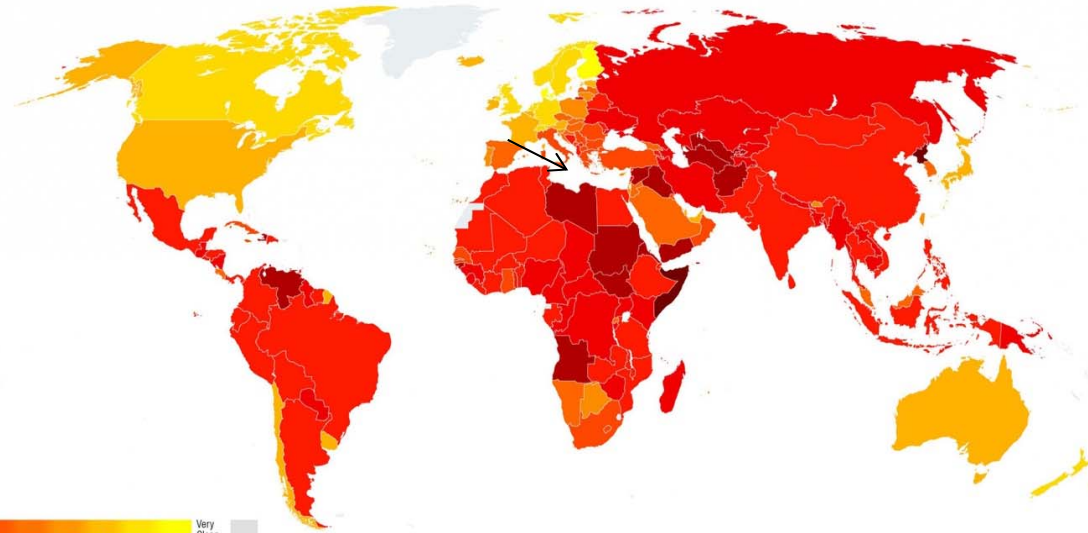
Building on the New Zealand Story, New Zealanders can have greater freedom and opportunity determine their own future

# (1) Opportunity to be Proud

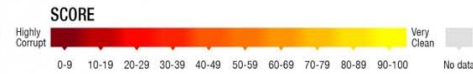
**TRANSPARENCY INTERNATIONAL**  
the global coalition against corruption

## CORRUPTION PERCEPTIONS INDEX 2015

The perceived levels of public sector corruption in 168 countries/territories around the world.



RANK	COUNTRY/TERRITORY	SCORE
1	Denmark	91
2	Finland	90
3	Sweden	89
4	New Zealand	88
5	Netherlands	87
6	Norway	87
7	Switzerland	86
8	Singapore	85
9	Canada	83
10	Germany	81
11	Luxembourg	81
12	United Kingdom	81
13	Australia	79
14	Iceland	79
15	Belgium	77
16	Austria	76
17	United States	76
18	Hong Kong	75
19	Ireland	75
20	Japan	75



RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE
21	Uruguay	74	40	Costa Rica	55	61	Italy	44	99	Djibouti	34
22	Qatar	71	41	Latvia	55	62	Lesotho	44	99	Gabon	34
23	Chile	70	42	Seychelles	55	63	Montenegro	44	99	Niger	34
24	Estonia	70	43	Rwanda	54	64	Senegal	44	103	Dominican Republic	33
25	France	70	44	Jordan	53	65	South Africa	44	103	Ethiopia	33
26	United Arab Emirates	70	45	Mauritius	53	66	Sao Tome and Principe	42	103	Kosovo	33
27	Bhutan	65	46	Namibia	53	67	The FYR of Macedonia	42	103	Moldova	33
28	Botswana	63	47	Georgia	52	68	Turkey	42	107	Argentina	32
29	Portugal	63	48	Saudi Arabia	52	69	Bulgaria	41	107	Belarus	32
30	Poland	62	49	Bahrain	51	70	Jamaica	41	107	Côte d'Ivoire	32
31	Cyprus	61	50	Croatia	51	71	Serbia	40	107	Ecuador	32
32	Israel	61	51	Hungary	51	72	El Salvador	39	107	Togo	32
33	Slovakia	61	52	Mongolia	51	73	Morocco	38	112	Honduras	31
34	Lithuania	61	53	Malaysia	50	74	Panama	39	112	Malawi	31
35	Slovenia	60	54	Kuwait	49	75	Trinidad and Tobago	39	112	Mauritania	31
36	Spain	58	55	Cuba	47	76	Bosnia and Herzegovina	38	112	Mozambique	31
37	Czech Republic	56	56	Ghana	47	77	Brazil	38	112	Vietnam	31
38	Korea (South)	56	57	Greece	46	78	Burkina Faso	38	117	Pakistan	30
39	Malta	56	58	Romania	46	79	India	38	117	Tanzania	30
40	Cape Verde	55	59	Oman	45	80			119	Azerbaijan	29
									119	Guyana	29
									119	Russia	29
									119	Sierra Leone	29
									123	Gambia	28
									123	Guatemala	28
									123	Kazakhstan	28
									123	Kyrgyzstan	28
									123	Lebanon	28
									123	Madagascar	28
									123	Timor-Leste	28
									130	Cameroon	27
									130	Iran	27
									130	Nepal	27
									130	Nicaragua	27
									130	Paraguay	27
									130	Ukraine	27
									136	Comoros	26
									136	Nigeria	26
									136	Tajikistan	26
									139	Guinea	25
									139	Kenya	25
									139	Laos	25
									139	Papua New Guinea	25
									139	Uganda	25
									146	Central African Republic	24
									146	Congo Republic	23
									147	Chad	22
									147	Democratic Republic of the Congo	22
									147	Myanmar	22
									147	Burundi	21
									150	Cambodia	21
									150	Zimbabwe	21
									150	Uzbekistan	19
									154	Eritrea	18
									154	Syria	18
									154	Turkmenistan	18
									154	Yemen	18
									161	Haiti	17
									161	Guinea-Bissau	17
									161	Venezuela	17
									161	Iraq	16
									161	Libya	16
									163	Angola	15
									163	South Sudan	15
									165	Sudan	12
									166	Afghanistan	11
									167	Korea (North)	8
									167	Somalia	8

#cpi2015

www.transparency.org/cpi

## (1) Opportunity to be Proud

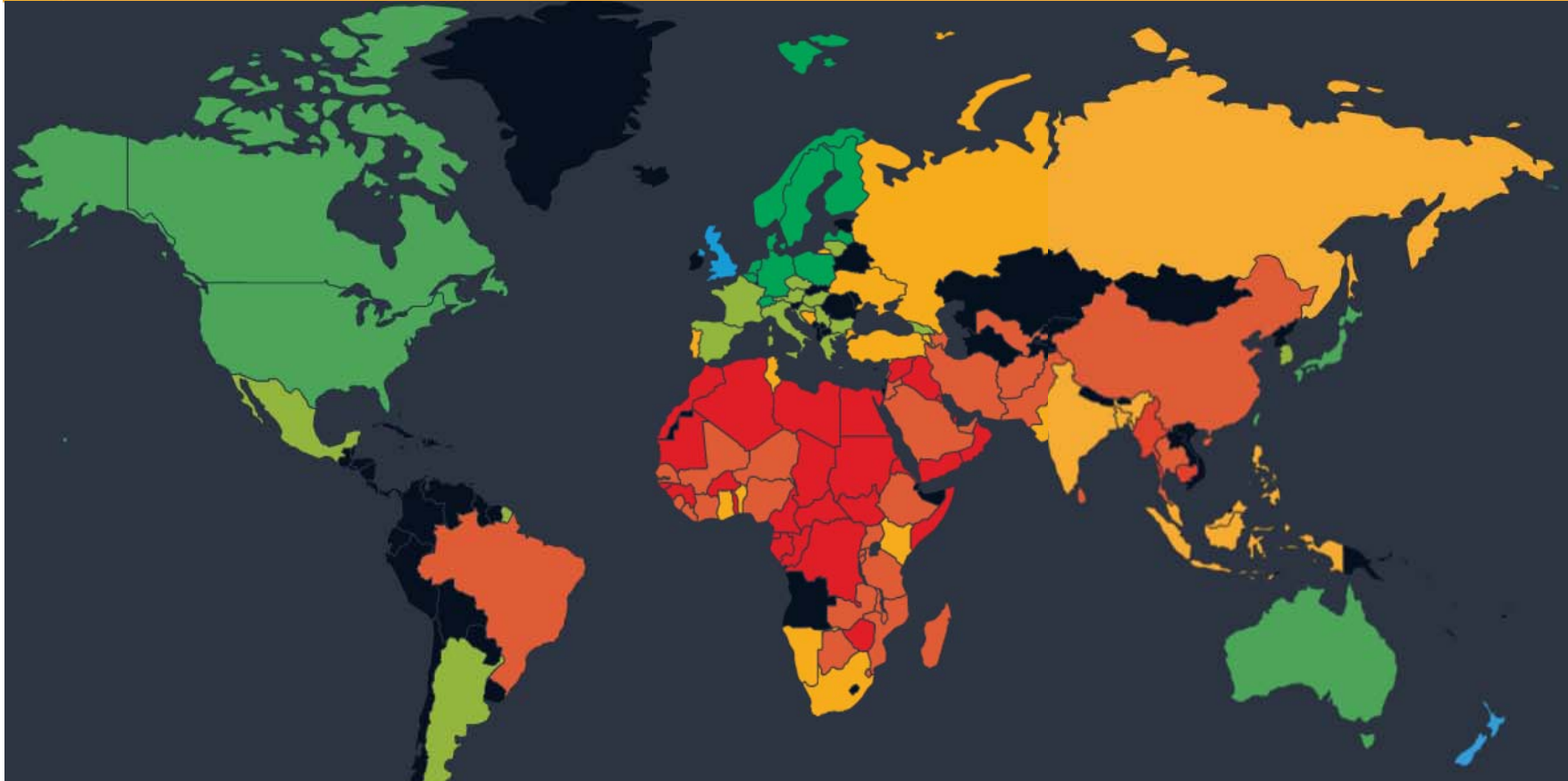
New Zealand's public sector has remained in the group of countries with the least corruption during history of the TI CPI.

In 2015, New Zealand dropped to #4 on the Corruption Perception Index, scoring 88

Denmark is #1 – scoring 91 which was New Zealand's score in 2014 (France is #23 with a score of 70)

**This drop in the TI-CPI is a wake-up call!**

Recent **Good News** though is (1) the New Zealand Defence Force is the least corrupt in the world (2) sporting codes such as NetballNZ are world leaders in good governance.



New Zealand\$	A\$	Argentina\$	C\$	Benin\$	D\$	Azerbaijan\$	E\$	Pakistan\$	E\$	Cambodia\$	F\$	Myanmar\$	F\$
United Kingdom\$	A\$	Austria\$	C\$	Bosnia & Herzegovina\$	D\$	Botswana\$	E\$	Republic of Cote d'Ivoire\$	E\$	Cameroon\$	F\$	Oman\$	F\$
Australia\$	B\$	Bulgaria\$	C\$	Cape Verde\$	D\$	Brazil\$	E\$	Rwanda\$	E\$	Central African Republic\$	F\$	Qatar\$	F\$
Belgium\$	B\$	Croatia\$	C\$	Ghana\$	D\$	Burundi\$	E\$	Saudi Arabia\$	E\$	Chad\$	F\$	Somalia\$	F\$
Canada\$	B\$	Czech Republic\$	C\$	India\$	D\$	China\$	E\$	Senegal\$	E\$	Congo, Rep.\$	F\$	South Sudan\$	F\$
Denmark\$	B\$	France\$	C\$	Indonesia\$	D\$	Comoros\$	E\$	Sierra Leone\$	E\$	Democratic Rep. of the Congo\$	F\$	Sudan\$	F\$
Finland\$	B\$	Georgia\$	C\$	Kenya\$	D\$	Ethiopia\$	E\$	Sri Lanka\$	E\$	Egypt, Arab Rep.\$	F\$	Syrian Arab Rep\$	F\$
Germany\$	B\$	Greece\$	C\$	Malaysia\$	D\$	Gambia, The\$	E\$	Swaziland\$	E\$	Equatorial Guinea\$	F\$	Togo\$	F\$
Japan\$	B\$	Hungary\$	C\$	Namibia\$	D\$	Iran, Islamic Rep.\$	E\$	Tanzania\$	E\$	Eritrea\$	F\$	Yemen, Rep.\$	F\$
Latvia\$	B\$	Italy\$	C\$	Philippines\$	D\$	Jordan\$	E\$	Thailand\$	E\$	Gabon\$	F\$	Zimbabwe\$	F\$
Netherlands\$	B\$	Lithuania\$	C\$	Portugal\$	D\$	Lebanon\$	E\$	Uganda\$	E\$	Guinea-Bissau\$	F\$	\$	\$
Norway\$	B\$	Mexico\$	C\$	Russian Federation\$	D\$	Liberia\$	E\$	United Arab Emirates\$	E\$	Guinea\$	F\$	\$	\$
Poland\$	B\$	Serbia\$	C\$	South Africa\$	D\$	Madagascar\$	E\$	Uzbekistan\$	E\$	Iraq\$	F\$	\$	\$
Singapore\$	B\$	South Korea\$	C\$	Tunisia\$	D\$	Malawi\$	E\$	Zambia\$	E\$	Kuwait\$	F\$	\$	\$
Sweden\$	B\$	Spain\$	C\$	Turkey\$	D\$	Mali\$	E\$	Algeria\$	F\$	Libya\$	F\$	\$	\$
Taiwan\$	B\$	Armenia\$	D\$	Ukraine\$	D\$	Mozambique\$	E\$	Bahrain\$	F\$	Mauritania\$	F\$	\$	\$
United States\$	B\$	Bangladesh\$	D\$	Afghanistan\$	E\$	Niger\$	E\$	Burkina Faso\$	F\$	Morocco\$	F\$	\$	\$

## (1) Opportunity to Be Proud

### The 2013 New Zealand National Integrity System Assessment (NIS) looked *across society:*

*Since the 2003 NIS Reports, there has been a welcoming strengthening of transparency and accountability in all areas, however...*

***“stronger action to promote and protect integrity in NZ is overdue”***

***Through the State Services Commission, the NZ government officials have taken a leadership role in addressing the NIS recommendations***

*Integrity Plus 2013*



[www.transparency.org.nz](http://www.transparency.org.nz)

*New Zealand  
National Integrity System  
Assessment*

## (2) Key features of the integrity base

### Preventing Corruption Comes Down to 7 Key Actions

- (1) having a policy
- (2) a communication plan that ensures the anti-corruption policy is accessible and easily understood
- (3) oversight including a Board of Directors committed to integrity and a compliance officer
- (4) awareness of relevant legislation
- (5) regular risk assessments
- (6) due diligence applied to all third parties; and
- (7) avenues that anyone can use to safely report corruption

## (2) Key Feature of the Integrity Base

These are actions:

- Can do across all organisations – public, private, NGOs
- That can be ingrained in successful living standard policy, approaches and outcomes

**When preventative measures are in place, New Zealand's reputation of integrity is backed up by its actions**

- This provides assurance against corruption
- It reinforces New Zealand's international reputation for integrity
- This is a base for improving prosperity through the *New Zealand Story*



## (2) Key Features of the Integrity Base



### (3) Grow Economy and Tax Base, Increase Prosperity

As well as a social and constitutional benefit, trust brings business and returns. There are 7 benefits of New Zealand's international reputation for strong integrity systems that enhance our competitiveness, profitability and productivity

- 1) ...**Reputation and brand** – international perceptions about a country are powerful galvanisers, potentially drawing more global interest in New Zealand
- 2) ...**Absence** of corruption means a **lower cost of doing business** every day of the year in New Zealand

## (3) Grow Economy and Tax Base, Increase Prosperity

The other 5 of these 7 key areas that enhance competitiveness, profitability and productivity are:

- 3) lower cost of capital
- 4) easier market access
- 5) higher rate of return on investment
- 6) staff prefer to work for ethical organisations
- 7) people prefer to support ethical organisations as consumers, members, donors

Adopting strategies to maximise the above 7 factors will generate increased returns for business, a higher tax base for public service provision, more good, sustainable jobs.

## (3) Grow Economy and Tax Base, Increase Prosperity

So you see, a reputation for low corruption provides infinite possibility. Building a trusted society provides a context for supporting the effort put into living standards, building jobs, even fighting poverty and addressing national security.

1. Opportunity to be proud
2. Healthy whanau/nation – Key features of the integrity base
3. Grow economy and tax base

### ***INFINITE POSSIBILITY***

Through working to prevent corruption, all New Zealand organisations can benefit

***(Instead of constraint and finite resources)***

## (3) Grow Economy and Tax Base, Increase Prosperity

**The TI CPI provides information about the activities that improve transparency, accountability and governance.**

12 data sources were used to construct the Corruption Perceptions Index 2015 (those in blue were used in the compilation of New Zealand's score):

1. African Development Bank Governance Ratings 2014
2. Bertelsmann Foundation Sustainable Governance Indicators 2015
3. Bertelsmann Foundation Transformation Index 2016
4. Economist Intelligence Unit Country Risk Ratings 2015
5. Freedom House Nations in Transit 2015
6. Global Insight Country Risk Ratings 2014
7. IMD World Competitiveness Yearbook 2015
8. Political and Economic Risk Consultancy Asian Intelligence 2015
9. Political Risk Services International Country Risk Guide 2015
10. World Bank - Country Policy and Institutional Assessment 2014
11. World Economic Forum Executive Opinion Survey (EOS) 2015
12. World Justice Project Rule of Law Index 2015

Bertelsmann Foundation Sustainable Governance Indicators 2015 and World Justice Project Rule of Law Index 2015 are excellent on-line sites, available to the public.

**Other countries have the information to become more yellow – in many cases, though, they need to understand why this is more than a nice thing to do – it is the right thing to do.**

Every New Zealander and organisation can become more productive and begin to move our economy into a permanent positive spiral. As a public sector leader, you can adopt increasingly effective ways to strengthen internal integrity systems. This has the possibility of improving your productivity, providing a platform for a genuinely sustainable economy, growing the “yellow zone” countries and through this, demonstrating the potential for a peaceful world.



## Thank You

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Comment, including reference to others' knowledge, is actively sought and will be considered in future discussion.