New Zealand proudly stands as one of the least corrupt countries in the world. Independent corruption watchdog Transparency International ranked New Zealand, in their Corruption Perceptions Index, as the fourth least corrupt country last year (a slight drop of two positions from 2015 - when New Zealand was second placed with a rating of 91, Denmark having achieved a score of 92). We were placed first equal in 2014, again alongside Denmark. But despite being rated as the least corrupt Commonwealth country for a number of years, there still remains work to be done.

Showing leadership
Leadership from the top levels is required to ensure corruption is rooted out. In our local context, Transparency International’s New Zealand branch boasts former Kiwi Parliamentarian, Minister of Foreign Affairs, Deputy Prime Minister and Commonwealth Secretary-General Sir Don McKinnon as its patron. Our former Governor-General, Sir Anand Satyanand, sits on the board of the international body. We are also currently looking to re-start a Global Organisation of Parliamentarians Against Corruption (GOPAC) branch in New Zealand to ensure we retain focus on these important issues. And the Government has taken a number of steps to reduce the possibility of corruption infiltrating our systems.

A notable recent success was the passing of anti-match fixing legislation. Our sporting culture of fair play has stood New Zealand teams in good stead. The world champion All Blacks in rugby union and the Black Caps, our national cricketing team, are both regarded as being honourable and decent, as well as highly successful in their respective codes.

In the wake of the FIFA corruption scandal, and allegations of cricket match-fixing levelled in courts in London, it is positive that we are now one of only three countries to have passed legislation to bring in penalties specifically designed to target corruption in sports at all levels. This helps cement the positive perception of our teams and their players.

Similarly, New Zealand has been recognised as having the least corrupt defence force in the Asia-Pacific Region. A 76-question government defence anti-corruption index in late 2015 showed the New Zealand Defence Force (NZDF) leading our region. This index gave the NZDF very high marks for strong integrity systems across every risk area: personnel, procurement, operations, political and finance. The NZDF received an ‘A’ rating for being non-corrupt, with the only other defence force to achieve this high rating being that of the United Kingdom. Given defence forms a much larger proportion of government spending for many Commonwealth states than it does for New Zealand, this area could present particular opportunities for reduction in corruption for those willing to address bribery in military procurement in particular.

Another area where New Zealand perhaps lagged behind, but has recently caught up, was the ratification of the United Nations Convention Against Corruption, after twelve years of consideration. Finally joining 177 other signatories to the agreement, New Zealand has now made a legally binding global commitment to address corruption in both private business and the public sphere.

Omnibus legislation comprising 15 separate bills related to organised crime, money laundering and anti-corruption were passed by the New Zealand Parliament in November 2015, with cross-party support. This legislation
strengthened the law to combat organised crime and corruption, both domestically and with New Zealand firms operating overseas. Earlier in the year, New Zealand significantly improved its ranking in the Organisation for Economic Co-operation and Development (OECD) Exporting Corruption review. This is largely attributable to building systems allowing greater evidence of detection, investigation and enforcement of anti-corruption measures by our Serious Fraud Office and the New Zealand Police.

It is fair to say we have been very active in recent years in addressing the full gamut of financial corruption issues. Legislation passed by parliaments does much to set the framework for eliminating corruption, especially the laws governing our public sector agencies. The way we, as Parliamentarians, make these laws to maintain the transparency, probity and accountability in the public sector is a key determinant in our countries’ successes, or failures, at combating corruption.

A trusted public sector
According to successive Transparency International indices over the past two decades, New Zealand has long boasted one of the world’s most politically neutral, publically trusted and incorrupt public services. The bases of this strong track record are legislative, and over a century old. But this has not happened by accident – rather, through generations of progressive legislative reform and consistent politically-driven change.

Throughout the 1890s, our longest-serving premier Richard Seddon shamelessly awarded public sector positions to supporters, even making illiterate men ‘temporary clerks’. In 1912, William Massey’s conservative Reform Government, which had just been elected to office, lived up to its name and introduced the Public Service Act as one of its very first reforms. This law ended political patronage in public sector appointments, introduced promotion based on merit, brought greater accountability for the efficient use of public money, strictly separated administrative and political functions and appointed an independent Public Service Commissioner.

Over the decades since there have been further advances. In 1982, Sir Robert Muldoon’s National Government – not otherwise known for its liberalism – introduced the Official Information Act. This predates the equivalent UK legislation – the Freedom of Information Act 2000 – by eighteen years and achieves similar outcomes. To be fair to our Australian cousins, their freedom of information regime was introduced in the same year as ours.

The net effect of this ongoing legislative change has been movement towards a state which spends taxpayers’ money more efficiently; is staffed by upstanding citizens who have the public good at heart; officials who behave more as the neutral servants of the government of the day; government which is more transparent in the way it acts (within the constraints imposed by the need for personal privacy, commercial confidentiality and national security); and is largely free of corrupt practices. It is therefore more trusted by the public it serves.
Free elections
In the 50th Parliament, I served as Deputy Chair of the Justice and Electoral Select Committee. A significant set of responsibilities that Committee is charged with after each general election is to review the electoral law and processes, identify flaws and suggest improvements.

There are some fundamental conditions for free and fair elections. Elections should ideally be incapable of being rigged. Campaign financing and spending rules should provide a level playing field for a contest of ideas rather than of bank balances. Policy outcomes must not be able to be bought by companies or lobby groups. And the integrity of the vote counting and voter registration administrative systems is paramount. The ability to elect, or remove, a government is a key factor in being perceived as an incorrupt country: and it is right and proper that the rules are regularly checked to ensure they are up to the job.

Striking the right balance with our proposals for amendments to electoral law was not always easy. For instance, we have long enjoyed a high-trust system where it is very easy for voters to cast their ballot. There has never been a requirement in New Zealand for voters to carry passports or other such identity documents to voting booths. At the same time, concerns existed as to the possibility of (admittedly very low-level) voter fraud by impersonation beginning to undermine trust in the electoral system. So, we achieved cross-party agreement that, unless they suffered a disability or a language issue which precluded it, voters presenting without an EasyVote registration card would at least have to point to their names in the electoral roll and verbally identify themselves as being that person to the returning officer.

Those casting ‘special votes’ outside their home constituencies have to sign statutory declarations swearing they are who they say they are. And electronic voting systems, which have proved easily rigged in other jurisdictions and do nothing to promote turn-out, have been avoided. The resulting amendments, in the Electoral Amendment Act 2014, were largely uncontroversial – and incorporated such updates as including loans to political parties (and any interest write-offs that may be given on such loans) as donations within the campaign finance regime.

An impartial and non-conflicted judiciary
Another significant issue which was dealt with by the Justice and Electoral Committee was a complete rewrite of the Judicature Act 1908, which puts in place the fundamental underpinnings of New Zealand’s court system. There was far too much content in the over 1,200 pages of legislation which the Committee extensively re-drafted to cover at length here, but a key point around corruption should be noted. The Committee felt it important to avoid any perception of political interference in judicial decisions, so the rules that govern the appointment, terms of service, remuneration, retirement and removal of judges on any court bench were very carefully considered.

We also focused on the judicial disclosure of pecuniary interests regime. There was no clear cut answer here: on one hand, it is important to keep the
home addresses and business ownerships of judges confidential given they could be the targets of threats from the criminals they convict. On the other hand, it was important that a disclosure regime was put in place to prevent conflicts of interest – e.g. judges ruling in cases where they might have a commercial interest.

Ultimately, we settled on a regime where the interests are disclosed to the chief judge of each bench to then decide where recusal is necessary, rather than creating a public register of interests of the kind we have for Members of Parliament. This still leaves open the question of to whom the Chief Justice herself should disclose interests. This is an area which I have no doubts the New Zealand Parliament will re-open in the future as requiring further fine-tuning.

Whilst the revision of judicature legislation may seem arcane, it was certainly a factor that contributed positively to New Zealand’s overall score on the Corruption Perceptions Index. The message that I have taken from the overall index rating, where New Zealand’s score fell by three points last year, is the importance of Parliamentarians keeping up the good work to ensure transparency and public accountability remain strong across the entire system of government.

More than just a moral value

Academic research has demonstrated that high levels of corruption are damaging to economic growth irrespective of the type of government – be it an authoritarian one-party state, or a liberal democracy. We in Commonwealth countries are fortunate to have inherited a tradition of more democratic and more transparent government than many of the alternative systems which can be seen around the world.

Corruption – the abuse of public office for private gain – can form as much of a brake on the economic motors of developing economies as state subsidies to inefficient industries, unsustainable environmental practices or trade protectionism. Obsolete legislation requires updating, and attitudes have to shift in a concerted effort to oppose corruption, not simply because it is morally wrong. Reduced corruption levels pay material economic dividends.

Gains come in the form of better credit ratings from international agencies, therefore lower debt servicing costs for governments and better mortgage rates for the citizens. Aid donors are more likely to support projects in a country which they perceive as less corrupt. Foreign direct investment, which creates jobs and valuable tax revenues for public infrastructure and social services, seeks out financially sound environments free of corrupt practices. And businesses generally operate more effectively in an environment where they can invest a greater proportion of their revenues into capital equipment, research and development, and higher salaries for skilled staff rather than paying bribes and back-handers.

It is paramount that we all work hard across the Commonwealth to place the public good ahead of individual greed and stamp out corrupt practices. Parliamentarians have a major part to play in this work.

The Commonwealth Parliamentary Association (CPA) produces a number of toolkits and booklets for Parliamentarians and Parliamentary staff including the Recommended Benchmarks for Codes of Conduct for Members of Parliament.

Please contact hq.sec@cpahq.org for further information or visit www.cpahq.org to download a copy.