

## Jeremy Pope; Champion of Human Rights

Last month, New Zealand lost one of its world-class leaders, Jeremy Pope, and TI-NZ lost a good friend, mentor and National Integrity Systems (NIS) assessment advisor.

A lawyer, Jeremy had a deep understanding of the laws, demography and geography of his own country. This was reflected in the Mobil Guides to the North and South Island he wrote with his wife Diana after a return from traveling with her around Europe. Seeking further overseas experience, he took on the role as Director of the Commonwealth Secretariat's legal and constitutional affairs division and its Legal Counsel, working closely with the Secretary General, Sonny Ramphal. I got to know him better through his early morning calls to my husband in 1980 about the 1981 Springbok Rugby Tour (while I was feeding our first daughter). We all supported his insistence that the Commonwealth take the lead in ending apartheid in South Africa.

Jeremy became Berlin-based Transparency International's first Managing Director in 1993 and he was the co-founder of TIRI (now Integrity Action) in 2003. The other co-founder of TIRI, Fredrik Galtung, travelled for the first time to Wellington especially to provide the eulogy at Jeremy's funeral at Old St Paul's. Fredrik tied up many loose ends about the integrity systems that both disseminate information to citizens about their democratic rights and identify the attributes and processes for maintaining open and high trust governments and governance.

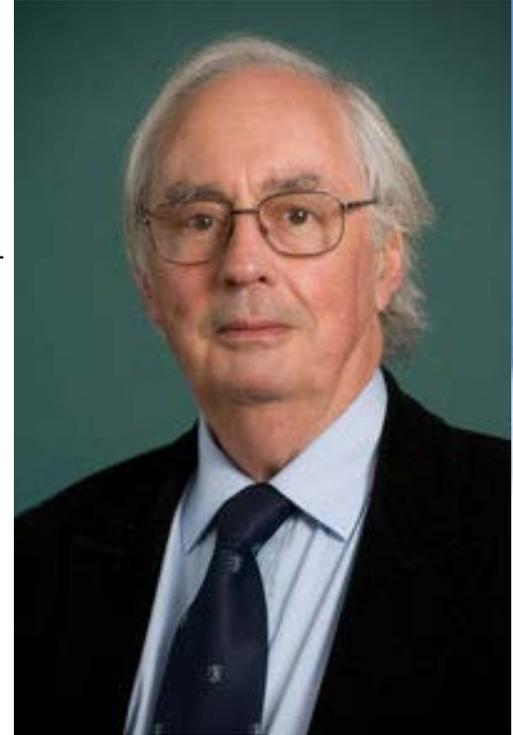
This past year, TI-NZ has had the good fortune of working closely with Jeremy as he linked his role as the Human Rights Commission's expert in criminal justice, freedom of expression and parliamentary democracy to support a second NIS to be conducted this year by TI-NZ.

Jeremy Pope's untimely death came less than a month after he attended the Wellington TI-NZ seminar by Sir Kenneth Keith in early August. During the networking following the seminar, Jeremy expounded to attendees the opportunities open to New Zealand from ratifying UNCAC and the benefits to be gained from undertaking a second National Integrity System assessment. He was in good spirits, with several people being fortunate to experience his dry wit and his wry sense of humour.

He had brought along copies of his landmark publication, *Confronting Corruption: The Elements of a National Integrity System*, which he was handing out with an explanation that this was THE bible for the NIS. This publication, which has been published in 20 languages, identifies the 13 pillars of good governance across government, including the legislature, the executive, the judiciary, law enforcement agencies, electoral policy as well as across civil society, business, the media and other areas.

An irony of grief is the great sense of loss that co-exists with wonderful experiences of collegiality and friendship. TI-NZ will honour Jeremy's immense contribution by acknowledging him in the NIS publication due out next year. TI-NZ's objective is to carry out the best assessment possible over the next year and follow it up with actions to implement key recommendations.

Suzanne Snively  
Executive Chair,  
Transparency International New Zealand



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## Coming Events

### Phil O'Reilly

Monday 1 October at 5:30pm Phil O'Reilly, Chief Executive of Business New Zealand will be speaking about good governance.

### Exporters' Experience

Monday 29 October, 2012 at 5:30pm Trade Minister, the Right Honourable Tim Groser will be speaking about our latest qualitative survey commissioned by TI-NZ on NZ exporters' experiences when trading in markets where there is corruption.

### National Integrity System Assessment Launch

Early November. Please watch your email, our [website](#) or our [Facebook](#) page for details.

### Annual General Meeting

22 November, 2012 TI-NZ Annual General Meeting. Members meeting at 5:00pm. Guest speaker open to non-members at 6:00pm. Our speaker will be John Allen Chief Executive and Secretary of the Ministry of Foreign Affairs and Trade.

### 2012 Corruption Perception Index

Early December Berlin Release

# National Integrity System Assessment

Transparency International is undertaking New Zealand's second National Integrity System Assessment. This study to be completed late next year is designed to be more comprehensive, more consultative and more effective than its first NIS published 10 years ago. It will proceed beyond a strict assessment into an active implementation phase. This project is a substantial commitment on the part of TI-NZ and its partners to create a definitive roadmap for a corruption intolerant New Zealand.

The concept of the National Integrity System (NIS) is led and promoted by the Transparency International Secretariat as part of its holistic approach to countering corruption. The 2003 National Integrity System Assessment of New Zealand was part of a multi-country project lead by the TI Secretariat.

A National Integrity System Assessment evaluates key 'pillars' in a country's governance system, both in terms of their internal corruption risks and in terms of their contribution to fighting corruption in society at large.

When all the pillars in a National Integrity System are functioning well, corruption remains in check. If some or all of the pillars wobble, these weaknesses can allow corruption to thrive and damage a society. For an example, see the recently completed [UK NIS Assessment](#).

While based on Transparency International's NIS assessment template (which reflects early work by New Zealander, Jeremy Pope), the NZ NIS methodology is to be further developed via a consultative approach, involving the key anti-corruption agents in government, civil society, the business community and other sectors. The conclusions will be drawn into a comprehensive national report to build momentum, political will and civic pressure for relevant change initiatives.

TI-NZ's study will test New Zealand's perception of itself as a country with high standards of transparency and accountability and free of and at low risk of corruption. It will identify areas where action is needed to strengthen transparency and accountability; to break down complacency about the processes required to maintain high standards and to kick-start the necessary changes through consultation and recommendations to relevant actors in the national integrity system. The approach will enhance the scope of the NIS framework with more detailed and inclusive assessment of the business and NGO sectors.

The New Zealand Chapter's approach carries out the assessment of the integrity system through the lens of good governance. Our project scope extends beyond assessment with an active implementation phase to be progressed from 1 July 2013.

The Right Honourable Sir Anand Satyanand chairs the Advisory Group with Ann Webster and Kathrine Rice of the OAG acting as secretariat. Organisations that contribute to the NIS are eligible to appoint representativea to the Advisory Group.

TI-NZ Directors, Murray Petrie and Suzanne Snively, will be co-chairing the Steering Group or what the NIS refers to as the Research Advisory Group. Members of the Steering Group will include the assessors for each of the 13 pillars and other topics.

Liz Brown, former Banking Ombudsman, will be the project manager. Liz, along with Dr Bryce Edwards will attend a training session led by the TI Secretariat in Berlin this October.

The Office of the Auditor General is a key partner and source of project funding. A number of other organizations have confirmed their participation as investors making them eligible to join the Advisory Group. These include the Gamma Foundation, Victoria University of Wellington School of Government, the State Services Commission, the Ministry of Social Development, the Ombudsman, Statistics New Zealand, the SFO, the Human Rights Commission, the Ministry of Transport, and the Department of the Prime Minister and Cabinet, Bell Gully, Deloitte and PwC. Discussions are underway with several other potential Advisory Group members. Watch this space.

Diary 13 November at 10:30am for the NIS Launch at the Victoria University of Wellington's Rutherford Lecture Theatre. There will be a range of speakers with former Governor General Sir Anand Satayanand, TI-NZ's hard-working Patron, and the Auditor General, Lyn Provost confirmed to date. Please check your inbox, our website, or Facebook page for updates.

April 2013 will mark 100 years since implementation of the Public Service Act 1912—passed on 7 November 1912 and effective on 1 April 1913—which established New Zealand's modern and independent public sector. It will be 20 years since Jeremy Pope developed the National Integrity System concept, and 10 years since the first NZ NIS study was completed, .

Show your support by becoming an [individual or student member of TI-NZ](#) and bringing your organisations on board as Gold, Silver and Bronze members.

## Annual General Meeting

The 2012 TI-NZ Annual General Meeting will be on Thursday, 22 November, 2012 starting at 5:00pm.

We are excited to confirm that the venue for the AGM will be the Wellington Institute of Technology and Le Cordon Bleu's new campus, 48-54 Cuba Street, New Zealand Centre for Culinary and Hospitality Excellence - Te Pataka Kai o Aotearoa ki Te Ao.

### AGM Agenda

5:00pm Members' Meeting

5:30pm Networking

6:00pm Speaker - John Allen

### Director Appointments

2013 Directors will be confirmed at the AGM. Please email TI-NZ if you are a member and would like to be nominated to become a Director.

### Speaker - John Allen

AGM keynote speaker John Allen will describe the benefits to trade and diplomacy of New Zealand's leading ranking for a trustworthy public sector in a talk entitled "The Gains to Trade and Diplomacy of New Zealand's Top Ranking on the Corruption Perception Index".

John is the CEO and Secretary of Foreign Affairs and Trade. Prior to joining the Ministry of Foreign Affairs and Trade, John was Chief Executive of New Zealand Post, where he led a range of initiatives to drive innovation in postal services within the context of changing communication technologies. A former Partner of Rudd Watts & Stone, specialising in commercial and public policy issues, John has also been a visiting Lecturer in Law at Victoria University of Wellington.

As the Government's chief adviser on foreign and trade policy, official development assistance, international law, and diplomatic and consular issues, John has a privileged view of New Zealand's perceived transparency in its commercial and political relations with other countries. This experience provides John with the background and authority to speak compellingly about the benefits to trade and diplomacy that open up as a result of New Zealand's top ranking on the Corruption Perception Index.

This talk is open to the public.

## Still not Enough NZ Action Against Overseas Bribery

On 6 September, the Transparency International Secretariat in Berlin released its eighth annual report assessing enforcement of the OECD Anti-Bribery Convention. The report, entitled "Exporting Corruption?" tracks OECD countries' efforts to investigate and punish corrupt companies who are using foreign bribes to get ahead.

While the report shows that some countries are increasingly taking bribery seriously and enforcing legislation enabling them to prosecute their citizens - and sometimes others - for committing bribery overseas, New Zealand was ranked this year as having "No Enforcement" of the Convention. This was due to New Zealand having had no foreign bribery court cases or investigations underway in 2011.

By contrast, Australia improved its position to be considered a "Moderate Enforcer", having had two cases and eight investigations underway last year.

The report noted that "in principle a country might have such a small volume of foreign bribery that little or no enforcement is needed. But this is not known to apply for any signatory country currently". Given that New Zealand companies operate in countries which have endemic corruption issues, TI-NZ agrees that it is naive to think that New Zealand companies are never involved in bribery overseas. TI-NZ endorses the recommendation in the report that New Zealand needs to improve general public awareness of the risks associated with bribery, and hopes to work with the Serious Fraud Office this year to make anti-bribery education and training materials available to New Zealand companies and individuals.

TI-NZ also considers that the report further underlines the need for the government to act to show its commitment to the increasing global movement against corruption. As well as raising public awareness, this should include the long-overdue ratification of the UN Convention against Corruption and strengthening New Zealand's penalties for those convicted of private sector bribery.

The report is available on the [Transparency International Website \(ABC Progress 2012\)](http://www.transparency.org). See [TI-NZ's press release](#) on the report. The New Zealand contributors to the report were TI-NZ Director Fiona Tregonning and TI-NZ member Aaron Lloyd, partner at Minter Ellison.

## Deloitte Bribery and Corruption Survey 2012 A storm on the horizon?

On September 13 Deloitte released its inaugural [Bribery and Corruption Survey](#). As noted in their [press release](#): "The survey confirms our experiences that Australian and New Zealand organisations are encountering bribery and corruption incidents and challenges which many are ill-equipped to identify, manage and, most importantly, prevent"

The report's introduction notes that "Historically, bribery and corruption has not been high on the risk agenda for Australian and New Zealand organisations. Other risks have seemed both more important and more immediate.

*For some organisations, entering the murky world of paying bribes in relation to offshore operations has been seen as a necessary cultural evil, and the price of doing business in offshore locations where corrupt behaviour is considered the 'norm'.*

Commenting for the survey Suzanne Snively, ONZM - Executive Chair, TI-NZ says, "In 1970, nearly all of New Zealand's export trade was with countries such as the UK, US and Australia, all of which have low levels of corruption. In 2011, less than 50% of our trade went to these countries, with the majority moving to countries with high levels of corruption in both business and government. Exports to China, for example, have increased by 160% since our Free Trade Agreement came into force in 2008.

*Yet information suggests that even our largest listed companies are complacent about corruption risks and lack the published principles confirming their business integrity, the tools to carry out business in an ethical manner and the staff training essential to remaining vigilant.*

*This is surprising given the benefits to the business bottom line of ethical practice. Our research shows that corrupt practices cost companies as much as 35% of the cost of doing business in Asia. Yet, if companies are demonstrably trustworthy, they not only save these costs but also have more productive staff, can access capital at a lower cost and can earn more revenue through easier market access and higher share market returns."*

## ‘Bringing the lamp of scrutiny to dark places’

### Sir Kenneth Keith Calls for Greater Transparency and Openness

Reflecting on progress over the last century with regard to freedom of information, the Right Honourable Sir Kenneth Keith, Order of New Zealand, discussed how law, policy and practice have led to government information being regarded as the property of the people rather than of those governing them. At two sessions on Monday 6 and Wednesday 8 August, Sir Kenneth treated TI-NZ's audience to an address that traced the historical and international landmarks that have led to increased governmental openness. On this home visit from the International Court of Justice, Sir Ken was well-received by audiences hosted at Bell Gully's Wellington and Auckland offices. The healthy number of attendees was, undoubtedly, a reflection of the calibre and reputation of the guest speaker.

Sir Ken noted the positive reception of the Official Information Act by the public sector at the time of its introduction, with civil servants embracing the concept of openness rather than seeking out exclusions to it. Sir Ken commented on the Law Commission's recent OI Act proposals and other welcome developments toward ever more open government. In a well-received seminar which traced the historical and international background to increased governmental openness in New Zealand, Sir Ken also called for New Zealand to join with the international community in another context and immediately ratify the UN Convention Against Corruption.

Sir Ken's address was punctuated with anecdotal recollections from an impressive career in the public service, academia and the judiciary. He began with the historical position of official information being presumed to have the status of state secret. The UK Official Secrets Act applied to New Zealand by virtue of New Zealand being part of the Commonwealth. Uncannily but befitting the Act's title, the UK Official Secrets Act snuck through all three readings in our Parliament, with little discussion on its passing. Civil servants were required to



sign a statement stipulating that they agreed to abide by the restrictions of the Act. Sir Ken joked that the Official Secrets Act was the only piece of legislation, to his knowledge, that people other than the Governor General could sign.

Sir Ken's recollections of his involvement in the Danks Committee were a particularly interesting insight into the opening up of governmental information. The Committee, formally known as the Committee on Official Information, was set up by the Government in 1978. Its task was "to contribute to the larger aim of freedom of information by considering the extent to which official information can be readily available to the public". The Committee's findings paved the way for the creation of the current Official Information Act 1982. More importantly, those findings shifted the presumption of secrecy such that government information became regarded as the property of the people rather than of those governing them.

Sir Ken spoke with admiration of the groundswell of support from civil servants who embraced the openness championed by the Official Information Act. An audience member noted that such support might have been something of a surprise given the ideology of and the personalities within the Government of the time.

Sir Ken asserted that good law is necessary for good administration, and this reinforces the necessity for legislation such as the Official Information Act. Sir Ken commented on the Law Commission's recent Official Information Act proposals and other welcome developments toward ever more open government. Those included international developments that have created state obligations to report on various matters.

Despite his positive remarks on New Zealand's progress towards greater openness, he warned that work remains to be done. This includes greater transparency in the financial sector.

Sir Ken's address was particularly timely given TI-NZ's current activities. On 5 March, TI-NZ hosted a seminar on 'Open Government', where Keitha Booth (Programme Leader, NZ Open Government Data and Information Programme) delivered a presentation entitled "Opening up New Zealand Government Public Held Data". TI-NZ is also currently conducting a new [National Integrity Survey 2012/2013](#). Another forthcoming event of relevance to concepts of open government is the International Ombudsmen's November Conference in Wellington, hosted by Dame Beverley Wakem, New Zealand's Chief Ombudsman.

Sir Ken concluded his address with the message that we should be sceptical of state claims to secrecy. He left the audience with the well-known, and fitting, biblical quote "you shall know the truth, and the truth shall set you free".

**TI-NZ is pleased to acknowledge the support of Bell Gully who generously hosted the recent Sir Kenneth Keith Seminars in Wellington and Auckland.**

## News Watch

### Jeremy Pope

TI-NZ: [TI-NZ mourns the passing of Jeremy Pope](#)

Human Rights Commission: [Commission mourns passing of Commissioner Jeremy Pope](#)

TI-UK: [Jeremy Pope – In Memoriam](#),

Tiri-Integrity Action: <http://www.tiri.org/joy/jeremy-pope-%E2%80%93-memoriam>

### Deloitte Bribery and Corruption Survey 2012 Australia & New Zealand

Radio New Zealand - 13 September 2012: [New Zealand firms are being urged to take bribery and corruption seriously](#), amid a greater crackdown by regulators worldwide.

New Zealand Herald - 13 September 2012: [Australasian companies at risk of bribery and corruption](#)

Scoop Business - 13 September 2012: [Corruption and bribery in New Zealand organisations](#)

### Commentary

*pwc.co.nz* - 14 August, 2012: [Lifting the Rock](#) - Business Transparency by Stephen Drain

*Indian Weekender* - 12 July 2012: [EXCLUSIVE: Interview with Sir Anand Satyanand](#)

### Affinity Fraud

*Serious Fraud Office* - 31 August, 2012: [SFO warns 'affinity fraud' on the rise](#)

### Companies and Limited Partnerships Bill

*Stuff.co.nz* - 26 August 2012: [Draft bill does little to stop corruption](#)

### Ports

*Otago Daily - Times* 20 August, 2012: [Bill seeks to make ports transparent](#)

*Maritime Union* - 16 August, 2012: [New ports bill a positive move](#)

### Export Markets

*Ministry of Business, Innovation and Employment (MBIE)* - 14 August, 2102: [Official press release](#) Building Export Markets

*4 Trader* - 14 August, 2102: [New Zealand Government : Govt releases first progress report on Export Markets.](#) [Source MOBI.](#)

### Lobbying

*stuff.co.nz* - 26 July 2012: [Lobbyists with free access to Parliament](#)

### Official Information Act

*The Information Daily* - 25 July 2012: [New Zealand Government: Minister welcomes report on OIA law](#)

### Gambling and Corruption

*Maori Party, Fuseworks on Yahoo.com* - 30 June, 2012: [Allegations of corruption in gambling industry 'must be scrutinised'](#)

### NZ Shell Companies

*stuff.co.nz* - 02 July, 2012: [NZ shell companies in Kyrgyz corruption](#)

*stuff.co.nz* - 09 July, 2012: [Irish seek missing millions in NZ](#)

*The Organized Crime and Corruption Reporting Project (OCCRP)* - 15 July 2012: [Taylor Network Back in Business](#)

## International

TI-Secretariat Blog - 3 September 2012: [Why investors should care about transparency](#)

*Transparency International* - 10 July 2012: [Shining a light on the world's biggest companies](#), [Transparency in corporate reporting: Assessing the world's largest companies](#) *Wall Street Journal*: [Transparency International Says Companies Need to be More Open](#)

*Bloomberg* - 5 Sept, 2012: [Russian Graft Goes Legit in London](#). Judge in London court endorses Russian concept of "krysha" where powerful person, often government or law enforcement official, defends interests of businesspeople in exchange for a "piece of the action."

## Partners & Sponsors

### Cornerstone Partner

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## New Members

### Welcome New Members:

Office of the Ombudsmen

Dr. Bryce Edwards

Gordon Beattie

Dianny Wahyudhi

Robert Gregory

Rachel Kenealy

Amie Parker

Erroll Gibson

## Become Involved

TI-NZ is aggressively promoting the **good governance, zero-tolerance corruption agenda. Several major initiatives are underway and others in the pipeline. Our members are encouraged to get involved.**

### Initiatives where you can help:

- **National Integrity System Assessment**
- **Promoting UNCAC passage**
- **Attending seminars and bringing along potential new members**
- **Identifying, specifying and resourcing studies of the benefits and costs of transparency**

**Be part of the conversation about why transparency matters, how New Zealand can remain as good as it's perceived and the demonstration of the benefits to prosperity of a trusted and trustworthy society.**

## TI-NZ Board of Directors

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