

TINZ Media Release

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Transparency International New Zealand

Wellington New Zealand

New Zealand Business at Risk From Bribery and Corruption

Deloitte's 2015 Bribery and Corruption survey is a wake up call for NZ businesses operating here and overseas as they are at risk of being caught up with bribery and corruption scandals.

A significant number of New Zealand's businesses don't have systems in place to prevent or detect bribery and corruption according to the just released Deloitte's survey of nearly 270 New Zealand/Australian businesses and government agencies.

New Zealand's Business Growth Agenda calls for a substantial increase in the value of our exports. Increasingly our exporters will be trading in countries where bribery and corruption are common. "These businesses need to use risk assessment tools to detect and prevent corruption and have the absolute backing of their leadership team and board who must have zero tolerance for any form of corruption" says Daniel King, Director of Transparency International New Zealand. "Corruption is bad for business and communities" he said.

Transparency International New Zealand (TINZ) calls upon the Government to legislate to make all forms of corruption illegal and enforce the legislation through resourcing its agencies including the Serious Fraud Office, Financial Market Authority and Police.

TINZ is pleased the Government is strengthening the legislation around corruption through the Organised Crimes and Anti Corruption Legislation Bill which is currently before the Select Committee. TINZ has advocated the proposed legislation recognises facilitation payments- small payments to government officials to expedite routine actions- as bribes. "Passing this legislation will enable New Zealand to finally ratify the United Nations Convention Against Corruption which it signed back in 2003," said Daniel King.

"Business can't ignore the risks around corrupt practises on their reputation and future business. They must identify these and stamp out corruption" he said.

To read the full report, go to www.deloitte.com/nz/corruption.

1. **Background on the Deloitte Bribery and Corruption Survey 2015 Australia & New Zealand, Released March 27 2015.**

Nearly 270 respondents, including NZX50 & ASX200 companies, participated in the survey late last year. This was a follow up survey from that conducted in 2012. Deloitte's report that while there have been some improvements in terms of the management of bribery risk by New Zealand and Australian organisations since 2012, "a real disconnect remains between risk and reality."

The survey found:

- 23% of organisations have experienced one or more known instances of **domestic corruption** in the past five years – and with just over half of these occurring in the past year, domestic bribery and corruption is very much a clear and present danger
- Of the 40% of respondents who reported **offshore operations** in high risk jurisdictions:
 - Just over a third have experienced a bribery and corruption incident in the past year 1 in 5 don't discuss corruption risk at management or board level;
 - 40% don't have formal anti-bribery and corruption policies and programmes in place;

2. **About Transparency International New Zealand:**

Transparency International New Zealand (TINZ) is the local chapter of the global organisation - <http://www.transparency.org.nz/>. TINZ works to actively promote the highest levels of transparency, accountability, integrity and public participation in government and civil society in New Zealand and the Pacific Islands.

Transparency International New Zealand provides a free [Anti-Corruption Training Tool](#) designed by leading experts in the field, and enables organisations to provide training for their personnel. This was developed in partnership with the Serious Fraud Office and BusinessNZ

Transparency International New Zealand published the [Integrity Plus 2013 New Zealand National Integrity System Assessment](#) and is actively engaged in the implementation of its recommendations.

3. **About Transparency International**

Transparency International is the global civil society coalition leading the fight against corruption - <http://www.transparency.org/>.

4. **About Deloitte in New Zealand**

Deloitte New Zealand brings together more than 1000 specialist professionals providing audit, tax, technology and systems, strategy and performance improvement, risk management, corporate finance, business recovery, forensic and accounting services. For more information about Deloitte in New Zealand, go to www.deloitte.co.nz.

5. **About Deloitte**

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms. Please see www.deloitte.com/nz/about for a detailed description.

6. **Background on Daniel King**

Daniel King is a Director of Transparency International New Zealand and has been assisting companies address potential business ethics risks in global operations since 2004. He was responsible for implementing an ethics code of conduct for a large multinational and developing training for over 7000 employees - based on ethical dilemmas common in regions of operation. He has a business background and an MSc in Responsibility and Business Practice from the University of Bath, UK. Daniel is a partner in a consultancy, The Nature of Business, and has worked internationally across a variety of industry sectors.

7. **For further enquiries please contact:**

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