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Patron, Sir Don McKinnon

2016 Corruption Perceptions Index
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Transparency International New Zealand

New Zealand Public Sector Ranked Number One as the Least Corrupt on the Planet

Transparency International's 2016 Corruption Perception Index (TI CPI) has found that the New Zealand and Denmark public sectors are the least corrupt in the world.

The *Corruption Perceptions Index* is the leading global indicator of public sector corruption. Compiled by Berlin-based Transparency International (TI), it is a yearly snapshot of the relative degree of corruption world-wide, arrived at by scoring and ranking the public sectors in countries from all over the globe. This year's Index encompasses 176 countries.

When the *Corruption Perceptions Index* is produced each year, it reinforces the global importance of transparency in the public sector.

"Our public sector agencies have focused successfully on developing processes that prevent corruption and these contribute to New Zealand's stand-out reputation for a trusted public sector" says Transparency International New Zealand (TINZ) Chair, Suzanne Snively. "New Zealand trades on its low corruption reputation and we are increasingly finding how to transfer these behaviours from our public to our private sector to leverage off this enviable reputation for integrity."

"Our public servants from throughout the country have a right to celebrate this news. The TI-CPI proves that they are working to do a good job preventing corrupt behaviour."

Deloitte Partner, Barry Jordan notes: "It's tremendous to see Transparency International's latest score for New Zealand. In recent years, New Zealand's regulators, law enforcement officers, public sector organisations and professional services firms have all invested considerably more in identifying and preventing bribery and corruption. This helps build public trust and business confidence."

"A larger number of public sector agencies have integrated corruption prevention activities into their regular routine, in line with the northern European countries," adds Snively. "Significantly, they are moving from defensiveness and complacency, increasingly providing training and monitoring of bribery and corruption in order to stop it."

She continues, "Most importantly, we have noticed a growing awareness that public sector leaders can inspire businesses and communities to also build on the value integrity contributes to creating a more prosperous society."

The biggest challenge for New Zealand public servants to maintain a top ranking on the TI-CPI has been a tendency to become complacent. The prevention of corruption can be regarded as a lesser priority, given all the other pressures, including earthquakes, the global financial crisis and the consequent reductions in baseline funding.

Transparency International New Zealand (TINZ) is one of around 100 local chapters of Berlin-based Transparency International. It is one of only 22 Chapters from countries with a reputation as low corruption environments. For many of the other chapters, corruption is such a major part of daily life that they are focused on enforcement and often unable to experience the positive impact of corruption-prevention measures.

TINZ Patron Sir Don notes that: "as a previous Commonwealth Secretary General, I am conscious of the unique features of the New Zealand's trustworthy public service. The TI – CPI score is an independent and objective assessment and is sending a clear message to anyone skeptical about the integrity of our public service. It's time to work harder and harvest the benefits of this authentic brand, to increase sales and profits creating jobs and widening the tax base to invest in essential services like education and healthcare."

Rebecca Smith, Executive Director of the New Zealand Story, commended Transparency International NZ for its clarity and sense of purpose. "With a public sector that works assiduously to build strong integrity systems, it becomes easier for business to gain market access offshore. There are clear material as well as moral benefits associated with transparency and integrity."

Background information for journalists

1. **Media contact:**

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2. **Additional Quotes**

"It is good to see New Zealand back at top spot on the Corruption Perception Index. New Zealand held first place on the CPI for 8 years – from 2006 to 2013 – but had in recent years fallen behind the Scandinavian countries (coming fourth last year, behind Denmark, Finland and Sweden). So this is a welcome return, particularly for New Zealand exporters trading on our reputation for integrity and good governance. It reflects an increasing level of focus and sophistication in New Zealand around bribery and corruption issues." Daniel Kalderimis, Partner, Chapman Tripp

"Governments rely on the positive reputation of their countries for economic success and it's excellent to see NZ, once again, ranked in 1st equal position in the 2016 Corruptions

Perception Index. Our reputation for doing the right things and doing them in the right way is something we can be proud of as a nation and something we must continue to nurture in an ever-changing, global political landscape.” Rebecca Smith, Director of The New Zealand Story Group

“The role of Transparency International-CPI in benchmarking the perception of corruption is critically important. Given that New Zealand is ranked highly means that we are doing well, but this should not make us complacent – we could do better. Corruption delivers a range of unintended consequences such as poverty, inequality and lower tax revenue (due to tax fraud). Once corruption is embedded into the system of government, it creates a ‘new normal’ and that new normal can impact on families and communities over many generations. Building and empowering trust within civil society is one key way New Zealand can combat corruption. This is why civics and quality reporting form part of the Institute’s work programme in 2017. New Zealand is a small, isolated and wealthy country; we should be working harder to be an example to the world.” Wendy McGuinness, CEO of the McGuinness Institute

3. **Transparency International**

Transparency International is a global civil society coalition leading the fight against corruption. It compiles a number of measures of different aspects of corruption including the Corruption Perceptions Index, the Global Corruption Barometer, and the Bribe Payers Index. Information on Transparency International can be found at www.transparency.org and detailed information on the Corruption Perceptions Index can be found at www.transparency.org/cpi.

4. **The Corruption Perceptions Index**

The CPI scores and ranks 176 countries/territories based on how corrupt a country’s public sector is perceived to be. It is a composite index, a combination of surveys and assessments of corruption, collected by a variety of reputable institutions. The CPI is the most widely used indicator of corruption worldwide.

New Zealand, Denmark and Finland have jostled for the #1 position of perceived least corrupt public sector since the index was first published in 1995.

Top performers share key characteristics: high levels of press freedom; access to budget information so the public knows where money comes from and how it is spent; high levels of integrity among people in power; and judiciaries that don’t differentiate between rich and poor, and that are truly independent from other parts of government.

For more information visit <http://www.transparency.org/research/cpi/overview>.

5. **About TINZ**

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](https://transparency.org.nz/Anti-Corruption-Training) (transparency.org.nz/Anti-Corruption-Training) 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.

6. **New Zealand's recent rankings:**

2012 Rank No 1 Score 90
2013 Rank No 1 Score 91
2014 Rank No 2 Score 91
2015 Rank No 4 Score 88
2016 Rank No 1 Score 90

7. **CPI Documents from Transparency International**

Contact Suzanne Snively for comment and embargoed background documents (see TINZ website, www.transparency.org.nz, for published material)

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8. Areas of assessment where New Zealand can monitor its scores and improve include:

- Access to Information
- Order and Security
- Fundamental Rights and Civil Justice
- Lack of Constraints on Government Powers and Criminal Justice
- Absence of Corruption
- Regulatory Enforcement
- Open Government

9. **Australia**

Australia's score and ranking of 79 and 13 are unchanged from last year. The bottom three rankings in the 2016 CPI were North Korea, South Sudan and Somalia.

10. **CPI Global Heat Map with rankings**

The following image contains the global heat map and country scores.

TI Corruption Perceptions Index sources

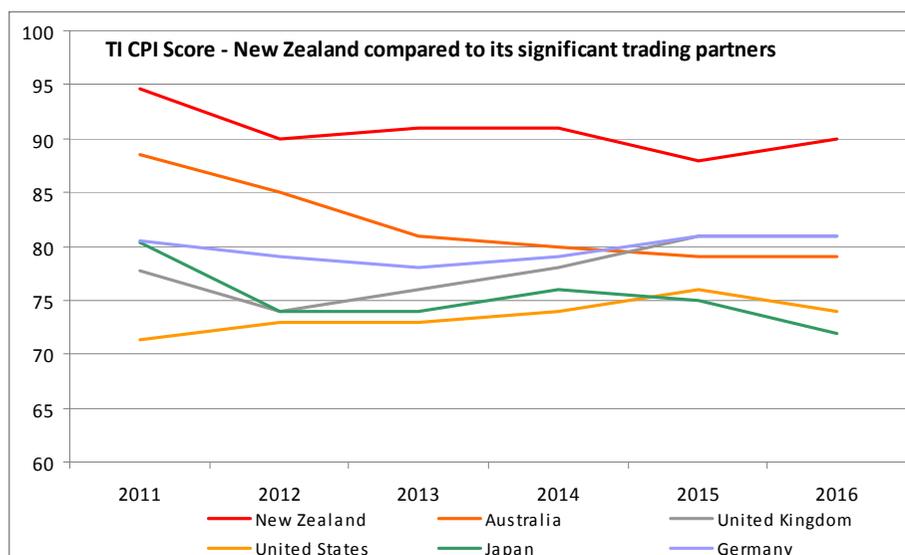
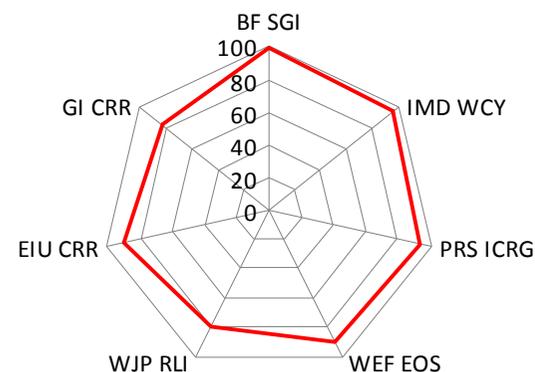
TI CPI measures used for New Zealand (and abbreviations)

- Bertelsmann Foundation Sustainable Governance Indicators - **BF SGI**
- Economist Intelligence Unit Country Risk Ratings - **EIU CRR**
- Global Insight Country Risk Ratings - **GI CRR**
- IMD World Competitiveness Yearbook 2016 - **IMD WCY**
- Political Risk Services International Country Risk Guide – **PRS ICRG**
- World Economic Forum Executive Opinion Survey – **WEF EOS**
- World Justice Project Rule of Law Index - **WJP RLI**

Other CPI TI measures used

- African Development Bank Governance Ratings
- Bertelsmann Foundation Transformation Index
- Freedom House Nations in Transit
- Political and Economic Risk Consultancy Asian Intelligence
- World Bank - Country Policy and Institutional Assessment
- Varieties of Democracy (VDEM) Project

TI Corruption Perceptions Index - New Zealand Scores by Source



Key Learnings

- NZ gets a 10 on the BF SGI as there are “legal, political and public integrity mechanisms [that] effectively prevent public office holders from abusing their positions”
- NZ’s EIU CRR score is less than 10, possibly relating to the lax law around facilitation payments
- The IMD WCY measure is less than 10 because survey respondents were asked: “Bribing and corruption: Exist or do not exist”.
- NZ gets its lowest score from the WJP RLI – over the measurement period there was evidence of a government official in the executive branch who (may have) used public office for private gain
- The WEF EOS gave NZ less than 10 based on a question about whether firms make undocumented extra payments ...connected with imports and exports,..tax payments...licenses
- PRS ICRG – scores NZ highly as it regards NZ as having less nepotism, patronage, secret political party funding than elsewhere
- IMD World Competitiveness Yearbook gave NZ a high score to its question: “Bribery and corruption: Exist or do not exist.”