

Patron, Lyn Provost

29 January 2019

Transparency International New Zealand

NZ among the least corrupt public sectors in the world

New Zealand has again been ranked as having one of the least corrupt public sectors and judiciaries in the World.

The Corruption Perceptions Index (TI-CPI) released today by Berlin based Transparency International has New Zealand dropping its score to come second after Denmark, whose overall score stayed the same.

Since the inception of the TI-CPI in 1995, New Zealand has vied for first place with the Scandinavian countries. For the 2017 TI-CPI, Denmark came second to New Zealand.

New Zealand's drop in ranking is primarily due to poorer results from the survey conducted by one of the 13 sources of the TI-CPI, the World Economic Forum's Executive Opinion Survey.

Because of the closeness of the TI-CPI values amongst the top-ranked group of countries, it is unclear if this change for New Zealand is a one-time deviation or a warning from executives of emerging concerns here.

Corruption Perceptions Index 2018-2013 Top Ranking Countries + US and China

Country	Rank 2018	Rank 2017	Rank 2016	Rank 2015	Rank 2014	Rank 2013
Denmark	1	2	1	1	1	1
New Zealand	2	1	1	1	2	1
Finland	3	3	3	2	3	3
Switzerland	3	3	5	7	5	7
Norway	7	3	6	5	5	5
Singapore	3	6	7	8	7	5
Sweden	3	6	4	3	4	3
Netherlands	8	8	8	5	8	8
Canada	9	8	9	9	10	9
Luxembourg	9	8	10	10	9	11
United Kingdom	11	8	10	10	14	14
Germany	11	12	10	10	12	12
Australia	13	13	13	13	11	9
United States of America	22	16	18	16	17	19
China	87	77	79	83	80	80

The Chair of Transparency International New Zealand (TINZ), Suzanne Snively, said “Our public sector ranks very highly internationally, but we must resist complacency. We have a lot to lose if this fall were to continue, which would reflect a belief that there was a decline in the integrity of public administration in New Zealand. Our public sector, of which we should be very proud, has been ranked in the top five for the whole 25 years of the TI-CPI.”

In contrast, the ranking of two of our major trading partners, China and the United States, has fallen to new lows.

“We know corruption exists in New Zealand, as exemplified by the recent case of bribery at Auckland Transport which saw two senior executives sent to prison last year. The recent NZTA case of bribes for driver’s licences is another example. These cases illustrate the nature of corruption and the need for strong integrity systems to identify and manage the risk of it,” says Snively.

The prevention of corruption is too often a low priority – partly because of the perception that we don’t have a problem. On closer inspection, the lack of prevention has resulted in high costs, particularly in the business sector, with evidence of money laundering and major fraud investigations from the Serious Fraud Office. It reported successful prosecutions for \$188 million of alleged fraud during the 2017/18 year.

To maintain world leadership, New Zealand needs to:

- Take a stronger approach towards corrupt business practices, transparency of corporate and trust ownership, and protection of whistleblowers
- Hold our business and non-profit sectors to the same high standards
- Set the "tone at the top" by extending the Official Information Act, introducing a code of conduct for Parliament and increased transparency around lobbying
- Be open about incidents that involve corruption, immediately when they are discovered.

Lyn Provost, Patron of Transparency International New Zealand, said “the international perception of New Zealand as an open country free from corruption is a key driver of New Zealand’s reputation as a good place to do business and a safe place to travel. This reputation is hugely valuable to NZ Inc. We must be vigilant in maintaining that reputation”.

Rebecca Smith, Director of the New Zealand Story notes that New Zealand ranks fifth in the Reputation Institute’s 2018 Country Reputation study.

Smith says “Being seen as an ethical country with high transparency and low corruption is an important factor in driving favourability and consideration for New Zealand globally. It is encouraging to once again see New Zealand at the top of the Corruption Perceptions Index.”

Compiled annually by Berlin-based Transparency International, the TI-CPI ranks countries worldwide by perceived levels of public sector corruption using 13 international data sources and risk assessments, 8 which are applied to calculate New Zealand's score. It does not measure corruption in the non-profit or business sectors.

Background information for journalists

1. Media Contacts

Julie Haggie
Chief Executive Officer
Transparency International New Zealand
02 74 989 126
Julie.haggie@tinz.org.nz

Suzanne Snively
Chair
Transparency International New Zealand
64 21 925 689
suzanne.snively@tinz.org.nz

2. A report by Transparency International New Zealand with Questions and Answers and analysis relevant to New Zealand is available on our website at: transparency.org.nz/corruption-perceptions-index-2018-new-zealand-information-pack.

Detailed information about the Corruption Perceptions Index is also available from Transparency International at <http://www.transparency.org/cpi>

3. Benefit of strong integrity systems

TINZ has identified seven important benefits for the New Zealand economy based on having strong integrity systems. These include:

- a positive reputation and brand
- greater customer loyalty
- committed and engaged staff
- easier market access
- lower cost of business
- increased returns on investments
- improved access to capital.

4. About Transparency International

Transparency International is a global civil society coalition based in Berlin, 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.

5. About the Corruption Perceptions Index (TI-CPI)

The TI-CPI scored and ranked 180 countries/territories in 2017 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 TI-CPI is the most widely used indicator of corruption worldwide.

TI-CPI key 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
- Varieties of Democracy Project - V-Dem

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, independent from other parts of government.

6. About the New Zealand chapter of Transparency International

The local chapter of Transparency International 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 (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 activities leading to the implementation of its recommendations. [A second edition is due out this year.](#)

7. About the World Economic Forum - Executive Opinion Survey / Global Competitiveness Report.

The World Economic Forum has conducted its Executive Opinion Survey for over 30 years and produces [The Global Competitiveness Report](#).

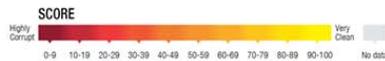
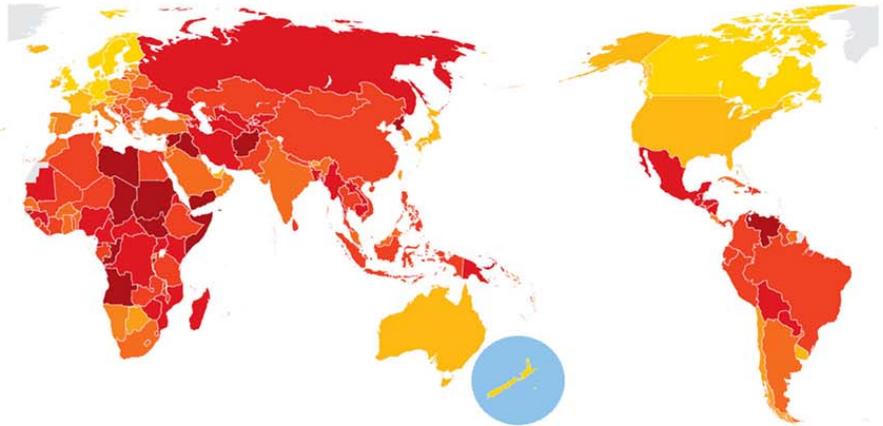
For the TI-CPI calculations Transparency International uses disaggregated micro level data from the EOS provided to them by the Forum. The 2018 WEF survey results were based on surveys of 66 business executives surveyed between January and April 2018.

The survey questions that are the basis for the TI-CPI calculations are “In your country, how common is it for firms to make undocumented extra payments or bribes connected with the following: a) Imports and exports, b) Public utilities, c) Annual tax payments, d) Awarding of public contracts and licenses, and e) Obtaining favourable judicial decisions” and “In your country, how common is diversion of public funds to companies, individuals or groups due to corruption?”

For 2018, New Zealand was ranked 11th in the WEF survey after being in the top three for the previous four years.

CORRUPTION PERCEPTIONS INDEX 2018

The perceived levels of public sector corruption in 180 countries/territories around the world.



#cpi2018

www.transparency.org/cpi

This work from Transparency International (2018) is licensed under CC BY-ND 4.0 ©

SCORE COUNTRY/TERRITORY RANK

88	Denmark	1	58	Latvia	41	41	Trinidad and Tobago	78	31	Djibouti	124
87	New Zealand	2	58	Saint Vincent and the Grenadines	41	41	Turkey	78	31	Gabon	124
85	Finland	3	58	Spain	41	40	Argentina	85	31	Kazakhstan	124
85	Singapore	3	57	Cabo Verde	45	40	Benin	85	31	Maldives	124
85	Sweden	3	57	Dominica	45	39	China	87	31	Nepal	124
85	Switzerland	3	57	Korea, South	45	39	Serbia	87	30	Dominican Republic	129
84	Norway	7	56	Costa Rica	48	38	Bosnia and Herzegovina	89	30	Sierra Leone	129
82	Netherlands	8	56	Rwanda	48	38	Indonesia	89	30	Togo	129
81	Canada	9	56	Rwanda	48	38	Indonesia	89	29	Bolivia	132
81	Luxembourg	9	55	Saint Lucia	50	38	Sri Lanka	89	29	Honduras	132
80	Germany	11	54	Malta	51	38	Swaziland	89	29	Kyrgyzstan	132
80	United Kingdom	11	53	Namibia	52	38	Swaziland	89	29	Kyrgyzstan	132
77	Australia	13	52	Grenada	53	37	Gambia	93	29	Laos	132
76	Austria	14	52	Italy	53	37	Guyana	93	29	Myanmar	132
76	Hong Kong	14	52	Oman	53	37	Kosovo	93	29	Paraguay	132
76	Iceland	14	51	Mauritius	56	37	Macedonia	93	28	Guinea	138
75	Belgium	17	50	Slovakia	57	37	Mongolia	93	28	Iran	138
73	Estonia	18	49	Jordan	58	37	Panama	93	28	Lebanon	138
73	Ireland	18	49	Saudi Arabia	58	36	Albania	99	28	Mexico	138
73	Japan	18	48	Croatia	60	36	Bahrain	99	28	Papua New Guinea	138
72	France	21	47	Cuba	61	36	Colombia	99	28	Russia	138
71	United States	22	47	Malaysia	61	36	Philippines	99	28	Russia	138
70	United Arab Emirates	23	47	Romania	61	36	Tanzania	99	27	Comoros	144
70	Uruguay	23	46	Hungary	64	36	Thailand	99	27	Guatemala	144
68	Barbados	25	46	Sao Tome and Principe	64	35	Algeria	105	27	Kenya	144
68	Bhutan	25	46	Vanuatu	64	35	Armenia	105	27	Mauritania	144
67	Chile	27	45	Greece	67	35	Brazil	105	27	Nigeria	144
66	Seychelles	28	45	Montenegro	67	35	Côte d'Ivoire	105	26	Bangladesh	149
65	Bahamas	29	45	Senegal	67	35	Egypt	105	26	Central African Republic	149
64	Portugal	30	44	Belarus	70	35	El Salvador	105	26	Uganda	149
63	Brunei Darussalam	31	44	Jamaica	70	35	Peru	105	25	Azerbaijan	152
63	Taiwan	31	44	Solomon Islands	70	35	Timor-Leste	105	25	Cameroon	152
62	Qatar	33	43	Morocco	73	35	Zambia	105	25	Madagascar	152
61	Botswana	34	43	South Africa	73	34	Ecuador	114	25	Nicaragua	152
61	Israel	34	43	Suriname	73	34	Ethiopia	114	25	Tajikistan	152
61	Israel	34	43	Tunisia	73	34	Niger	114	24	Eritrea	157
60	Poland	36	42	Bulgaria	77	33	Moldova	117	23	Mozambique	158
60	Slovenia	36	41	Burkina Faso	78	33	Pakistan	117	23	Uzbekistan	158
59	Cyprus	38	41	Ghana	78	33	Vietnam	117	22	Zimbabwe	160
59	Czech Republic	38	41	India	78	32	Liberia	120	20	Cambodia	161
59	Lithuania	38	41	Kuwait	78	32	Malawi	120	20	Democratic Republic of the Congo	161
58	Georgia	41	41	Lesotho	78	32	Mali	120			
			41	Lesotho	78	32	Ukraine	120			