

High Trust Provides Global Opportunities for New Zealand



Suzanne Snively, Director
Transparency International, New Zealand Chapter

www.transparency.org.nz

Wellington, Rutherford House 8 November 2011
Auckland, Owen Glen Business School 9 November 2011
suzanne.snively@paradise.net.nz



- **New Zealand is Perceived as a High Trust Society**
- **Transparency International is the Monitor**
- **Transparency International New Zealand (TI-NZ) Looks after New Zealand's Reputation**
- **Reputation is a Driver of Prosperity**

New Zealand is Perceived as a High Trust Society

New Zealand has been among the top five countries in Transparency International's Corruption Perceptions Index since the index's inception, usually in first place or first equal.

Transparency International

Transparency International (TI) is a world-wide non-governmental organization that monitors and publicizes corporate and political corruption in international development.

- New Zealander, Jeremy Pope, was its first CEO
- Its headquarters are located in Berlin, Germany
- TI operates through more than 90 national chapters.

Transparency International

Transparency International publishes:

- The Bribe Payers Index covering 28 countries
- The Global Corruption Barometer of public sector transparency
- Corruption Perceptions Index – a comparative listing of corruption worldwide.

Transparency International

- NZ included in survey of Global Corruption Barometer for first time in 2010.
- In 2010: 91,500 people surveyed by Gallup in 86 countries June-September.
- GCR a *public* survey v Corruption Perceptions Index (CPI), a survey of business/expert opinion
- There was a surprising level of payment of bribes and strong public view that corruption was increasing

Transparency International

Transparency International's Strategic Priorities

1. Increased empowerment of people and partners across the world to take action against corruption
2. Improved implementation of anti-corruption programmes in leading institutions, businesses and the international financial system
3. More effective enforcement of laws and standards around the world and reduced impunity for corrupt acts
4. Higher levels of integrity demonstrated by organizations and people, especially youth and those in leadership positions around the world
5. Strengthened ability to work together
6. Enhanced responsiveness, presence, performance and impact at all levels

Looking After NZ's Reputation

- Transparency International New Zealand (TI-NZ) is the recognized New Zealand representative of Transparency International, the global coalition against corruption.
- TI-NZ is a not-for-profit incorporated society with charitable status. It is a non-political and non-partisan organization.

Looking after NZ's Reputation

- As we said in our 2003 National Integrity Study: “while NZ scores well in terms of the absence of large-scale systemic corruption, this study also assesses NZ against a higher yardstick – namely, the overall effectiveness of the country’s governance systems in achieving the aims of effective and efficient government through democratic means.”
- By maintaining vigilance across the whole range of issues impacting on good governance across the three branches of government – and also in the private sector, NZ’s reputation can be strengthened further.

Looking after NZ's Reputation

TI-NZ strategy for maintaining NZ's good reputation:

- To enhance political and economic outcomes for New Zealand and the South Pacific;
- To promote transparency, good governance and ethical practices in the private and public sectors in New Zealand
- To promote ethical business practices by New Zealand businesses offshore and transparency and good governance and ethical business practices

Looking After NZ's Reputation

TI-NZ Six Key Partners for maintaining New Zealand's good reputation are:

- (1) Government
- (2) Corporate sector including: exporters, professional services firms, state-owned-enterprises, multi-nationals, small and medium-sized businesses
- (3) NGO/ not-for-profit sectors/ community organizations
- (4) Small and medium enterprises (SMEs)
- (5) Individual memberships
- (6) Pacific Island Chapter Partners supported by NZAid/IDG projects.

Reputation is a Driver of Prosperity

Regular fraud awareness training is a way to demonstrate that New Zealand is a trusted place to do business.

- Through regular fraud awareness training, staff are awakened to recognise early warning signs of fraud and to acquire knowledge of the steps required for reporting their suspicions.
- There is a need for fraud awareness training- according the to OAG/PWC survey, only 24% have had it.

Reputation is a Driver of Prosperity

An area for improvement is the management due diligence about suppliers.

According to the OAG/PwC survey, only 47.5% of respondents say they carry out due diligence checks on new suppliers.

.

Reputation is a Driver of Prosperity

Countries with good reputations for high trust attract greater amounts of investment capital.

Companies from countries with good reputations experience greater opportunities for developing customer bases in a range of diverse markets.

Reputation is a Driver of Prosperity

The OAG approach to fraud is positive action. Its contribution to build a strong reputation of public sector trust benefits our exporters and economy .

As a trading nation, the New Zealand government has an ambitious programme to develop trade into high-growth economies such as China and Brazil, who are perceived to have very high levels of corruption .

Our corruption-free image benefits all New Zealanders both through living in a high trust society and because of greater opportunities to work in high trust organisations.

.

New Zealand can remain a shining beacon of transparency and prosper locally and globally.

The OAG's approach to public sector values will assist New Zealand to maintain its good reputation, for both our own good and as an example for others to aspire to.

On behalf of the New Zealand Chapter of Transparency International (TI-NZ), I'd like to congratulate Auditor General Lyn Provost and her team for having the courage to prioritise a programme that supports high trust and integrity in the public sector.

Disclaimer

This presentation has been prepared with all due care. Transparency International accepts no responsibility whatsoever for the use of this presentation by any party in any circumstances.