

New Zealand

2015 Country Summary

Recommendations

New Zealand's GI ranking in Band A places it in the very low risk of corruption category. New Zealand scored A across every risk area assessed by the GI: Personnel, Procurement, Operations, Political, and Finance. Its defence and security apparatus is highly transparent, with mechanisms to ensure effective oversight across all defence and security risk areas. In particular, New Zealand's approach to military operations is an exceptional example of global best practice. The New Zealand Government completed a government review of the GI 2015 research, which shows a willingness to open dialogue with an international NGO on defence corruption issues. TI suggests the following reforms of the security sector to build integrity.

Implement international anti-corruption instruments

New Zealand is one of only two major economies in the world not to have ratified the UNCAC (which New Zealand signed in 2003). This gives the appearance of complacency despite an otherwise strong set of anti-corruption controls across defence. The legislative amendments required to bring New Zealand into compliance with the mandatory provisions are not significant and most are covered by a current bill before its Parliament.

In 2013, the OECD expressed serious concerns about New Zealand's ongoing failure to fully comply with the legal requirements of the OECD Anti-Bribery Convention, to which it became a party in 2001. The primary concern raised in the OECD's report stems from failures to prosecute cases of foreign bribery. The Government Reviewer for the GI stated "It is expected by the Government that many of these concerns will be deemed implemented by the Group when the two-year follow-up report is presented in December 2015...Most 'partial shortcomings' in complying with specific parts of the relevant Conventions, will be addressed through the Organised Crime and Anti-corruption Legislation Bill, which is going through Parliamentary process." We recommend that these deficiencies be remedied as soon as possible to maintain New Zealand's leading global reputation.

Improve Procurement Practices

The MOD's Rules of Procurement and Acquisition Division's Request for Tender templates include detailed provisions for oversight. However, bidding companies are not required to have compliance programmes in place in order to bid for work. The MOD has indicated that the adoption of such practice will be considered after a review update its procurement functions. These standards are essential ingredients for a successful corruption prevention strategy in procurement.

Building Integrity training for personnel

The strong ethics culture of the NZ Defence Force (NZDF) could still benefit from routine and specific integrity training in order to cement its leadership in this area. While there is some ad hoc training provided to personnel on ethics and values, we recommend regular anti-corruption training for all personnel that is repeated on at least an annual basis and includes a detailed understanding of what corruption issues personnel may face during deployment. According to interviewees, the New Zealand MoD has strong financial compliance and corruption mitigation policies for contracting whilst on deployed operations or peacekeeping missions and both the NZDF and the Ministry of Foreign Affairs and Trade (MFAT) appeared to have taken a particularly strong stance against local corruption in Afghanistan. The MoD should consider publishing its guidelines and policies, as well as partnering with and providing training to other countries to share its experiences across this and all risk areas: Personnel, Operations, Procurement, Finance and Political.

Scorecard

Political	Defence & Security Policy	Legislative Scrutiny	3
		Defence Committee	3
		Defence Policy Debated	4
		CSO Engagement	3
		International AC Instruments	2
		Public Debate	4
		AC Policy	4
		AC Institutions	3
		Public Trust	4
		Risk Assessments	3
	Defence budgets	Acquisition Planning	3
		Budget Transparency & Detail	4
		Budget Scrutiny	4
		Budget Publicly Available	3
		Defence Income	4
		Internal Audit	3
		External Audit	4
	Other Political Areas	Natural Resources	4
		Organised Crime Links	4
		Organised Crime Policing	4
		Intelligence Services Oversight	3
Intelligence Services Recruitment		4	
Export Controls		3	

Finance	Asset Disposals	Asset Disposal Controls	4
		Asset Disposal Scrutiny	4
	Secret Budgets	Percentage Secret Spending	4
		Legislative Access to Information	3
		Secret Program Auditing	3
		Off-budget Spending in Law	4
		Off-budget Spending in Practice	
		Information Classification	3
	Links to Business	Mil. Owned Businesses Exist	4
		Mil. Owned Business Scrutiny	
Unauthorised Private Enterprise		3	
Personnel	Leadership	Public Commitment	4
		Measures for Corrupt Personnel	4
		Whistleblowing	4
		Special Attention to Sensitive Personnel	4
	Payroll and Recruitment	Numbers of Personnel Known	4
		Pay Rates Openly Published	4
		Well-established Payment System	4
		Objective Appointments	4
		Objective Promotions	4
	Conscription	Bribery to Avoid Compulsory Conscription	
		Bribery for Preferred Postings	
	Salary Chain	Ghost Soldiers	4
		Chains of Command and Payment	4
	Values, Standards, Other	Code of Conduct Coverage	4
		Code of Conduct Breaches Addressed	4
		AC Training	2
Prosecution Outcomes Transparent		4	
Facilitation Payments		4	
Operations	Controls in the Field	Military Doctrine	4
		Operational Training	3
		AC Monitoring	3
		Controls on Contracting	4
		Private Military Contractors	4
Procurement	Government Policy	Legislation	4
		Transparent Procurement Cycle	3
		Oversight Mechanisms	4
		Purchases Disclosed	4
		Standards Expected of Companies	2

	Capability Gap	Strategy Drives Requirements	4
		Requirements Quantified	4
	Tendering	Open Competition v. Single-Sourcing	4
		Tender Board Controls	3
		Anti-Collusion Controls	4
	Contract Delivery / Support	Procurement Staff Training	4
		Complaint Mechanisms for Firms	4
		Sanctions for Corruption	4
	Offsets	Due Diligence	
		Transparency	
		Competition Regulation	
	Other	Controls of Agents	3
		Transparency of Financing Packages	2
		Subsidiaries / Sub-Contractors	2
Political Influence		4	