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Stopping the Violence Through Transparency New Zealand Can Lead the World Through Just Business, Increasing Productivity AND Addressing Family Violence

*Otago University
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Tēnā koutou, tēnā koutou, tēnā koutou katoa. Warm Pacific Greetings.

I am especially honoured that you invited me to speak to you today. Thanks to Professor Mark Henaghan and Lauren Julian for organising this event. I'd like to acknowledge my dear friends, Dame Pat Harrison and Barbara Payton for the excellent job they do with Mark at the Otago Youth Wellness Trust. Fellow TINZ Director, Dr Bryce Edwards, is also here with me today.

Like Martin Luther King, I have a dream!

It's actually better because it's a 'plan' more than a dream.

Mine is an especially ambitious plan too because it is built on a vision of integrity and kaitiaki that joints you together with the New Zealand Chapter of Transparency International Inc, TINZ. Working together, we can address corruption, improve the wellbeing of women and children, sustain New Zealand prosperity and help bring peace on earth.

As the National Council of Women (NCW) said in undertaking its whitepaper on gender equality and diversity:

"There is a better way of life for New Zealanders, one in which we are all happier, healthier and economically stronger." NCW, September 2015

It's a vision that can be achieved through support for families and whanau – applying trusted practices that generate the resources our small nation needs to meet the expressed needs of all our people, including the availability of the jobs that enable all our citizens to reach their potential. I will show you why this also goes a long way to addressing family violence and generating peace on earth.

By having pride in strengthening the integrity of the public sector, building family integrity systems and ensuring that these are also incorporated into the processes of the organisations we work with, the wicked issues of gender equality and diversity can be addressed. Otago University's own Mission Statement is focussed too on values that properly observed, have the potential to address these issues.

Transparency International New Zealand Inc, TINZ, provides context to address the wicked problems of corruption, gender inequality, diversity and family violence

- Take pride in protecting the integrity of the NZ Public Sector
- Build healthy family/whanau based on integrity
- Generating more resources for public services and NGOs

Infinite Possibility

All New Zealanders can have the freedom and opportunity determine their own future

As Chair of Transparency International New Zealand Inc (TINZ), I am continually surprised to find how few New Zealanders know the reasons why New Zealand is perceived to have among the top 5% of the least corrupt public sectors in the world.

The basis for this ranking of public sector corruption is the Corruption Perception Index compiled annually by the Berlin-based Transparency International parent organization. TINZ calls this index the TI CPI to distinguish it from our local consumer's price index. Evidence of public sector integrity systems is captured by monitoring statistical trends combined with surveys of perceptions, from 12 esteemed international research bureaus including, for example, the Economist's Intelligence Unit and the World Justice Project.

Corruption Perception Index

For a country that likes to stay ahead of the pack, New Zealand had some disappointing news last year, dropping in the Transparency International rankings of the least corrupt public sectors. Of course, we New Zealanders delight in the fact that even at number 2 (having been pipped at the post by Denmark scoring 92 to our 91), we're still very highly ranked compared to Australia's number 11!

But are we on a slippery slope with other international rankings also falling? This includes falls in GDP per capita where NZ is now 25th, falls in the proportion of women in management, which has slipped to 17 out of 36 OECD countries. Maternal and baby mortality rates have worsened to such an extent that New Zealand's reputation in this area is forgotten.

It doesn't have to be this way.

I want to talk to you about the pathways you can follow to become part of the growing movement of people and trusted business, led by yellow zone countries, to get New Zealand back to being #1 at things other than sport. These pathways also increase the potential for all peoples of the world have rewarding lives.

So, let me tell you how this can be – and why it's so critically important.

First of all, what's so special about New Zealand's public sector being assessed as being the 2nd least corrupt in the world??

Well, for a start, it means that whatever you do in New Zealand, you are treated with respect and there are systems in place to demand redress if you are not able to exercise your human rights. Our country is unique because we have the integrity systems that operate as antidotes to corruption, meaning that to date, we've been able to keep investment in anti-enforcement policies and agencies at a minimum.

I realise this is a very different picture from the one you might get from the media, who are quick to follow up stories of corruption. If you were an alien reading the newspapers, you might think our country is full of corruption. That's ok for aliens – we don't expect them to be fully briefed.

New Zealand "being full of corruption" needs to be seen in the context of most countries in the world where corruption is normalised and very harmful. Having said this, there are some recent events

where the perception of corruption is damaging New Zealand's reputation, such as the Saudi sheep deal and the Sky City Casino.

The complexity of preventing corrupt practice has been illustrated on the one hand by the clarity of our local response to FIFA and on the other hand, the lack of transparency over the Saudi deal related to the live sheep industry.

It's true too, though, that New Zealand's public sector isn't perfect. Our score is less than 100% - so, there's still work to do to get our scores up.

It is important to realise that the pursuit of a perfect score is a hard road; even so, this should not be a reason for failing to get started on the road.

Though New Zealand may not be perfect, we're doing ourselves proud in the non-corruption stakes. That's something we could and should be much more assertive about.

You always hear about how good our country is at sport (even when we lose sometimes) – The reason we're reluctant to take pride in our corruption-free public sector and in the trusted way we do business is that we know more needs to be done to prevent corruption in both cases.

Most countries in the world are in the red zone where they have received very low scores on the Transparency International Corruption Perceptions Index (the TI-CPI).

National Integrity Systems Assessment

There are many who think that the New Zealand public sector is really corrupt and we just haven't been found out. Some people think that since the Corruption Perceptions Index says it is a perceptions indicator (it is in fact increasingly evidence based), the international agencies who do the scoring don't know about how things really are.

To look more closely to see whether we are corrupt, in 2013 TINZ carried out the most thorough National Integrity System assessment carried out anywhere in the world.

The framework for this was designed by New Zealander, Jeremy Pope, and as well as examining the public sector, it's an assessment tool for examining all the main institutions that make up the whole integrity system, including civil society organisations and business.

There are 12 key pillars that frame the architecture of the National Integrity System. They include the executive, the legislature, the public sector, the judiciary, the Ombudsman, the electoral commission, the law enforcement agencies, the auditor general, the media, the political parties, civil society and business.

The assessment also covered the Treaty of Waitangi and the political, social, cultural, economic, and environmental foundations.

After extensive analysis by a team of over 35 expert researchers and reviewers, there was evidence to describe the strengths and weaknesses of the pillars. It turns out that New Zealand's Ombudsman, the office of the Auditor General, the judiciary and the Electoral Commission score really well. The other pillars need work – with the weakest link being the political parties, who need to be more open about conflicts and the sources of their funding, especially now that their party memberships are falling.

Alongside the political parties, the other weak link is the media. The media are noisy and tenacious at identifying corruption but they're under resourced to carry out the investigative journalism that might lead to finding solutions.

Having low corruption is vital. Having low corruption means that you can get up every morning and go about what you need to do without paying a bribe or facilitation payment to any public servant. Yet for at least 85% of countries, corruption is a routine part of life and for over half, corruption incurs costs for many significant day-to-day activities carried out by their citizens.

Studies of one African nation, for example, found that over 40% of a household's income goes to the payment of bribes and facilitation payments. One study showed that businesses in Malaysia experience corruption equal to 35% of their expenditure.

New Zealanders' complacency about taking steps to address corruption is breath taking when you think about how important keeping costs low is to the way we manage household and government budgets.

Only 5% of New Zealanders knew anything at all about TINZ in 2012. And that's why my TINZ team is working so hard to be noticed, speaking at events like this, not for itself but to draw the attention of audiences like this one to the actions required for building strong integrity systems.

Further, action is required to ensure that steps are taken to realise the benefits of New Zealand's reputation for integrity. This goes to the heart of how productively our economy runs.

It's also important to stop our government and the average citizen from taking our successful national institutions for granted. That's the complacency bit.

About a year ago, I was given a ride home by former Police Commissioner Howard Broad, who put the lack of corruption in New Zealand in context. Not once in his entire career, which spans across years and across locations in the South and North Islands, has he been offered a bribe.

Reflect on this statement. This is quite unlike the experience that most of the world's people have of the police. And so it is too with everything else we do in New Zealand where public services are provided. We Kiwis are in the position of being able to go about the things we do every day without needing to pay back handers or facilitation payments.

Preventing Corruption is Straightforward

Preventing corruption is a piece of cake. TINZ has comprehensive tools for building integrity.

It's not hard. It comes down to 7 key actions to prevent bribery and corruption. If all New Zealand organisations did these, its reputation would be earned as well as perceived.

Trevor Treharne's article on fair play and delusion in the June issue of ACUITY brought valuable insights into the discussion, based on the Deloitte Bribery and Corruption Survey 2015 by reporting findings that around 23% of Australian and New Zealand organizations experienced one or more instances of corruption in the past five years in their home countries.

Treharne's key theme is that the perception of Australia and New Zealand being low-corruption bastions of ethical conduct has supported corporate self-denial.

Indeed, it appears that for the last twenty years that TI's public sector corruption perception index has been published, many of us have been relying on having a good reputation by association with the public sector. Instead of ensuring that our own practices are safe, there has been a "she'll be right" complacency around making our own organizations robust through implementation of anti-corruption best practice.

This leaves us all very exposed to the changing dynamics of the global market-place. It also means that we are missing the opportunity to harvest the returns that following international best practice would provide. These include the increased returns that come to high trust organizations through

reputation, lower cost of doing business, lower cost of debt, higher shareholder returns, easier market access, greater staff and customer loyalty.

TINZ is delighted to see the 10 calls for action in the recent CAANZ paper "Are Australia and New Zealand corrupt".

A thought leadership paper by Deloitte and Chapman Tripp on the CAANZ website sets out a checklist with the key 7 actions. These include (1) having a policy; (2) a communication plan that ensures the anti-corruption policy is accessible and easily understood; (3) oversight including a Board of Directors committed to integrity and a compliance officer; (4) awareness of relevant legislation; (5) regular risk assessments; (6) due diligence applied to all third parties and a commitment from them to adhere to your organisation's ethical standards; and, (7) avenues that anyone can use to safely report any breaches of your ethical standards, the law and or professional standards set in good faith, without fear of retaliation.

We note that the same time New Zealand's State Services Commission is facilitating a process to address the NZ public sector's integrity systems so the public sector can continue to be as good as it is perceived.

A challenge to private sector organizations, businesses and civil society, is for them to demonstrate their capability to keep pace with the public sector. Based on evidence to date, they are way behind.

At the base of all strong public sector integrity systems is a commitment to maintaining high ethical standards and permitting public scrutiny (transparency) to ensure the maintenance of these standards.

Family Lives Contribute to Increased Integrity

Integrity of purpose and kaitiaki start and are developed within our families.

Texas-based Neuroscientist Dr Bruce Perry found stark contrasts in the lives of babies who had been surrounded with positive one-on-one interactions for their first 18 months of life and those who were not. **If babies are regularly talked to and cared for, there will be a positive impact on their resilience and the improvement in education and health outcomes are massive.**

Babies' brains thrive on caring attention and engagement. As the brain is a muscle, it grows more in functional families where there is always caring attention being given to an engaged child when she is awake.

In the absence of this constant loving engagement with babies, as much as 25% of families are characterised as high-risk. This is an area where we can assist by ensuring there is loving care of our own families

The 2014 People's Report found, based on comments from 500 people hurt by family violence:

"New Zealand needs to change its approach, so children and their safety come first..."

- Child abuse and family violence is nearly twice as costly per head of population in New Zealand as it is in Australia
- One in three women experience physical and/or sexual abuse from intimate partners in their lifetime.

NZ needs to adopt a zero tolerance to violence and a culture shift that puts children first and makes clear that violence and binge drinking should not be considered a normal part of family life.

Public spending on the symptoms, of family violence through the provision of police services, justice, health (physical and mental), costs the tax payer billions of dollars annually.

To put a stop child abuse and family violence requires preventative programmes and longer-term support. Essential actions are:

- Commitment to reducing child abuse and family violence
- Knowledge is gathered to inform and provide policy evidence.
- Resourcing effective services, checking they actually work
- Coordination of operations and information about at-risk families
- Actions ... taken to reduce family violence.
- Workplace protections, such as up to 10 days paid leave to structure a life without violence, can break the cycle of violence while increasing workforce productivity.

Trusted Reputation Results in a Larger Tax and Investment Base

What's having a trusted reputation got to do with your well-being? For starters, integrity is beneficial in its own right, bringing legitimacy, fairness, good systems, good outcomes, good branding, efficiency, effectiveness, resilience and hope.

In addition, there are gains from having this strong reputation that you can harvest through your clubs and the other organisations, networks and relationships. These gains come from the good perceptions about New Zealand's public sectors.

There are 7 key potential benefits to New Zealand organisations that follow the precepts of good governance. These benefits provide the basis for growing and sustaining higher revenue levels for business, for having the additional resources required to invest in environmental sustainability and for attracting additional investment.

I'll tell you what these 7 benefits are:

1. most importantly, a strong reputation and brand by adopting non-corrupt business practices – this is fundamental to what makes any trading company achieve quality revenues;
2. second, lower cost to doing business – research shows corrupt practices add an average of 35% to the cost of doing business in Malaysia, for example;
3. lower cost of capital
4. easier market access
5. higher rate of return on investment
6. staff prefer to work for ethical organisations
7. people prefer to support ethical organisations as consumers, members, donors.

These are 7 things that enhance competitiveness, profitability and productivity. This generates increased returns, a higher tax base and good, sustainable work for everyone.

Taken together, these 7 benefits enable an organisation to be able to invest in environmentally sustainable innovation and ultimately to increase the number of quality jobs. They provide a way to prime the economy through the activities of all enterprises. Yet, at the moment, these benefits are largely unrealised.

To realise the additional returns that can be earned:

- Be proud of the integrity of the NZ Public Sector
- Be confident in your role and the time you take to build a healthy family/whanau life based on integrity
- Be aware of the gains that can be realised from the 7 attributes of strong reputation, generating more jobs and a higher tax base to resource public services and NGOs

Infinite Possibility

The special good news about this is that every single organisation can benefit – be it a public sector organisation, civil society, community or business. And there are other gains, as our businesses become more profitable, they contribute to the tax base, they contribute more to civil society AND they can invest in ways that create more quality jobs.

Quality jobs bring higher pay, higher living standards and more rewarding life styles.

I've been talking a lot about economic issues – the dollars. But there's more to a good life than just the dollars and cents – and all of us make an effort, consciously and unconsciously, to have a good life.

New Zealand already has the unique attribute of a quality of life unsurpassed elsewhere.

We need a robust core business sector that can support our families and their families to bring up our children. An ideal is 18 months parental leave, some taken by both parents, give them time to engage and care for their babies themselves. This will enable babies to receive the care needed to reach their full potential.

An attribute that allows us to make the most of an increasingly global society is to have strong networks of trusted family members, friends and colleagues.

By supporting strong integrity systems, you can all become members of the Trusted Team New Zealand.

You Can Make A difference

So, how can you make a difference? It is by doing well what you are really good at, put your values to work for you...

By working together with TINZ, we can jointly work on the plan to address corruption and build strong integrity systems. Instead of the red zone of corruption coming down to get us, working together as Trusted Team New Zealand, we can provide an example for other countries to improve their integrity systems and join the yellow zone.

Everyone can do something. Parents and grandparents can celebrate each new birth by devoting 18 months to day-to-day caring for our babies, taking pride in carrying out the most important role on the planet. Advisers and mentors can integrate the 7 potential benefits from strong integrity systems into the strategic direction of the organisations they advise. Homemakers can remind their families, friends and communities to get out and vote. Those under 40 can form non-partisan groups to raise funds for political candidates who take the time to understand the aspirations and preferences of younger voters.

We don't need to wait until the United Nations timeline of 2035 – there can be gender equality and we can break the cycle of family violence much sooner with a will for it to be so. Every time you hear a new born baby cry or see the sky, then it'll be clear why you can shape our country's future by being human.

This can inspire the addition of new yellow zone countries who work to prevent corruption because they see it brings strong benefits to New Zealand. This means that there is a stronger likelihood of enduring world peace. That way we can turn a fashionable cliché into a reality, achieving peace on earth in our lifetime. Martin Luther King would be proud, even if the demonstration of such a world comes from even further South than the world he knew.