



<b>Report Title:</b>	<b>Launch of Transparency International's 2024 National Integrity System Report</b>		
<b>Report No:</b>	<b>2024-0257</b>		
<b>Date:</b>	<b>26 August 2024</b>		
<b>To:</b>	<b>Hon Nicola Willis, Minister for the Public Service</b>		
<b>Action Sought:</b>	Note	<b>Due Date</b>	30 August 2024
<b>Cc:</b>	<b>Hon Paul Goldsmith, Minister of Justice</b>		
<b>Action Sought:</b>	Note	<b>Due Date</b>	30 August 2024
<b>Contact Person:</b>	<b>Dean Rosson, Manager, Strategy Policy and Integrity</b>		
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<b>Encl:</b>	No	<b>Priority:</b>	Low
<b>Security Level:</b>	<b>SENSITIVE</b>		

## **Executive Summary**

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1. Transparency International (TI) will release its 2024 National Integrity System (NIS) Report (2024 NIS Report) for New Zealand (NZ) at a public event on 30 August 2024. We have been provided with an embargoed copy discussed below.
2. The 2024 NIS Report's content may attract media attention. The report observes that corruption can be difficult to measure, but there is consensus that corruption risks are increasing in NZ and globally. It suggests that NZ is exposed to increasing corruption risks and vulnerabilities but has been complacent and not taken sufficient steps to combat corruption.
3. The 2024 NIS Report notes that key recommendations of TI's 2013 NIS Report haven't progressed (to establish a national anti-corruption strategy and beneficial ownership register) and that other concerns identified (transparency and accountability of lobbying, a weak media, and concerns about political neutrality and free and frank advice in the Public Service) either remain or have worsened.
4. The report recommends that NZ develop a national anti-corruption strategy, to provide focus and momentum, and to coordinate the many agencies that play a role. It recommends that one agency be given primary responsibility for leading the strategy.
5. Other recommendations include increasing the transparency of lobbying and strengthening public service integrity.

## **Purpose of Report**

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6. The purpose of this briefing is to alert you to the public launch of the Transparency International 2024 National Integrity System report on 30 August 2024 and to note that the report may attract media attention.

## Analysis

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7. The 2024 NIS Report was commissioned by Transparency International (TI), an independent international Not-For-Profit entity. TI produces international comparator measures, including the Corruption Perceptions Index (“CPI”) and National Integrity System Assessments (NIS). The NIS is a country integrity risk assessment which considers the effectiveness of a country’s anti-corruption institutions.
8. The 2024 NIS Report, titled “*An assessment of the effectiveness of anti-corruption institutions in New Zealand in deterring, detecting and exposing corruption*”, considers NZ’s corruption risks and vulnerabilities and how NZ might strengthen its anti-corruption capability. It recognises the complex causal factors involved in corruption, the lack of definitive global corruption measures, and inherent evidential challenges of measuring corruption.

### 2024 NIS Report approach

9. The report is more narrowly focused than the 2013 NIS Report, concentrating on changes in the drivers of corruption in NZ. The author acknowledges key limitations: reliance on the 2013 NIS Report work, and on the use of interviews and expert opinion (which they note are considered the lowest quality in terms of hierarchy of evidence).

### 2024 NIS Report observations

10. Corruption is difficult to measure. Measures are largely perception-based, but the CPI offers a consistent benchmark. The report notes that CPI scores have been declining globally. We note NZ’s declining CPI ranking (from first place (95/100) in 2011 to third place (85/100) in 2023) is consistent with declining scores globally, including in Australia, Canada, the United Kingdom and the United States of America.
11. The report suggests NZ has been complacent and has relied on its comparatively high CPI scores and not taken sufficient steps to reduce corruption risk.
12. The report considers that key findings and recommendations of TI’s 2013 NIS Report remain unaddressed, including: a national anti-corruption strategy, a beneficial ownership register, transparency and accountability of lobbying, a weak media, and concerns about political neutrality and free and frank advice in the Public Service.
13. Specific risks noted for NZ include greater political polarization; increasing immigration from, and international trade with, countries with perceived higher levels of corruption; returning criminals from Australia; and increasing foreign state interference.
14. The 2024 NIS Report also raises ongoing concerns about the quality of public service policy advice and programme evaluation, free and frank advice and political neutrality.<sup>1</sup>

### 2024 NIS Report recommendations

15. The report argues that increasing corruption warrants a significant increase in government resourcing. It suggests that focusing on areas that can be easily measured such as violent crime may draw resources away from other anti-corruption work, particularly in a fiscally-restrained environment.

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<sup>1</sup> As to free and frank advice, the report relies on (1) a 2022 IPANZ survey (*of public servants where 32% thought public servants are less likely to provide a Minister with free and frank advice than in the past*); and (2) A 2023 Business Desk interview with the then Public Service Commissioner in which the Commissioner refers to a more-fast paced environment, with advice being “much more real-time, much more oral these days.” This comment is interpreted by the report’s author to mean that the Commissioner’s position was that “*we’re not transparent about it but trust us, we’re doing it*”. The observed decline in political neutrality references the unusually high number of leaks following the general election.

16. The report suggests that the government focus more on corruption prevention and reduction, especially in areas where there is extensive discretion and limited transparency. This could include a lobbying code of practice and increased transparency around lobbying, and strengthening Government-owned media to provide trustworthy, reliable and politically neutral reporting.
17. A national anti-corruption strategy, preferably led by one agency, is recommended to provide focus, momentum and coordination of the many agencies involved in anti-corruption work, and to strengthen the system's performance and accountability.
18. The report also recommends the Public Service Commission further strengthen public service integrity leadership.

## **Risks**

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19. The main risks of the 2024 NIS Report launch relate to potential adverse media comment.
20. This may be amplified due the following key observations in the report:
  - a. NZ's decline in CPI score and ranking, from 1<sup>st</sup> in 2011 to 3<sup>rd</sup> in 2023, coupled with a perception of complacency, lack of central leadership and an overarching strategy,
  - b. The recent decision to pause work on a register for beneficial ownership,
  - c. Perceptions of a decline in the quality of policy, free and frank advice and the political neutrality of officials, and
  - d. the release, earlier this month, of a Helen Clark Foundation report titled "*Shining A Light: Improving Transparency*", which echoes the observations and recommendations of the 2024 NIS Report.

## **Next Steps**

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21. We can support your office with reactive communications should this be necessary.

## **Recommended Action**

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We recommend that you:

- a **note** the launch of Transparency International's 2024 National Integrity System Report on 30 August 2024, which is likely to attract media attention

*Agree/disagree*

- b **agree** that Te Kawa Mataaho Public Service Commission release this briefing in full once it has been considered by you.

*Agree/disagree*

Hon Nicola Willis  
**Minister for the Public Service**