

Corruption has many faces

We should not kid ourselves New Zealand is above serious political scandal.

“Our failure to ratify the United Nations Convention against Corruption is an embarrassment.”
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Anthony Hubbard, Sunday Star-Times. 25 March 2012 Page A16. © Sunday Star-Times reproduced here by permission.

THERE IS corruption in New Zealand, of course.

Nick Smith's was of the soft and dorky sort, "writing a letter to help a mate". Ministers must not help a mate who wants something from their department. The dorky bit was putting the help in writing. There it was, a note for anyone to see: "I, Nick Smith, hereby put my foot in it." Auckland University law expert Bill Hodge calls this "aggravated stupidity" rather than straight-out corruption. It would have been far more serious if Smith had pulled strings secretly to help his old flame: no notes, no pack drill. This, after all, would have been much harder to pin on the politician. It's tempting to see the Smith affair as a typically Kiwi type of scandal: extreme gormlessness.

The Urewera Four, says Hodge, was another case of aggravated stupidity, and you can see what he means. The jury had every right to be confused about what was going on in the bush. Perhaps the blogger got it right: not terrorists, not criminals, just dickheads.

Some of the government's semi-scandals can be seen the same way: sleazy in a sense, but done in broad daylight. John Key has put his outrageous offer to SkyCity on the table and told the world. If the casino builds a huge new conference centre, it can have a lot more pokies. If this was done in the dark, it would be a scandal pure and simple.

Or take Key's decision to appoint his electorate chairman to the board of New Zealand on Air. This is out-and-out croneyism, a job for a boy, a reward for a National Party mate. It makes no difference that the man is a former TV producer. The conflict of interest is obvious: will he meddle in broadcasting to serve his party's interests or not? But, once again, we can't say the appointment was a secret.

And of course we have an official stamp of approval as the least corrupt country on Earth. Each year Transparency International issues its report card on corruption. Each year we come first or near the top of the class. Clean, clean New Zealand.

So, our scandals are a kind of semi-joke and there's nothing to worry about? Not at all. Left-wingers claim the Urewera Four were simple victims of establishment persecution and shouldn't have even been brought to court. Rubbish. Of course the huge police raid on the region was indefensible and hamfisted, causing needless alarm to innocent people. But the police were right to stake out the folks romping through the forest with pistols, rifles and Molotov cocktails. The prosecution was right to bring them to court. The behaviour was sinister on the face of it and possibly a serious crime. These people had to be called to account.

There is also serious political corruption in New Zealand and more needs to be done about it. Mangere MP Taito Phillip Field went to jail for what he did. The sums were trivial but the principle was not. He used his office for personal gain. That is a crime pure and simple but it is also a crime against democracy. There have also been a number of cases of corruption among government officials. Perhaps the most serious was Jeff Chapman, the ACC boss and auditor-general who lived the high life on other people's money. And the Transparency International index is only about perceptions rather than facts. Jeremy Pope, the New Zealander who was one of the founders of TI, says the index is "a bit of a muesli". It is based on the work of international companies who advise businesses on the risk of investing in various countries. They share their information with TI, which forms it into the corruption perceptions index, a job which is only a few days' work. The media "kept leaning on us for a league table", Pope explains.

This doesn't mean the index is meaningless. New Zealand is a far, far less corrupt country than most. But nor does it mean there is no corruption here. And because the index is based on perception, a case like Smith's is of some importance. It helps damage our reputation.

There is an important piece of anti-corruption legislation now before parliament but it has been languishing in a select committee for years. It would put the United Nations Convention against Corruption into our domestic law.

The convention has been ratified by most countries in the world. New Zealand is one of only 15 that have not. They include Germany and Japan, and a dozen far less respectable nations, tyrannies and failed and corrupt states such as North Korea, Saudi Arabia, Sudan, Syria and Somalia. Our failure to ratify the convention is an embarrassment.

Legislation to put it into law which would then allow us to ratify the treaty has been in front of the Foreign Affairs and Defence select committee since 2009, and seems to have been almost forgotten. Prompted by a phone call from the Sunday Star-Times, committee chairman John Hayes has asked the Ministry of Justice for a list of other legislation that would have to be changed before the convention could become part of our law. Last week he was still waiting to hear.

Other sources indicate that the changes needed are only to the Crimes Act. History suggests that we shouldn't hold our breath.

There remains the perception, after all, that we don't really need this in New Zealand. Our officials and politicians are clean. One judge was outraged upon hearing that the legislation would enable banks to take a special look at judges' bank accounts. This, the judge claimed, was an interference by the executive in the judiciary. It's hard to see how. Judges would be under scrutiny just like all other "politically exposed persons", (PEPs) which is the jargon for public officials and politicians.

In 2009 the committee decided New Zealand PEPs would be excluded from a related piece of legislation, the Anti Money Laundering and Countering Financing of Terrorism Bill. Foreign PEPs the offshore dictators who wanted to stash their loot in New Zealand banks would still have their accounts open to scrutiny. But the committee decided that New Zealand PEPs were "already required to conform to robust accounting, audit, company and trust legislation, practice, and procedures". The government accepted this argument and the bill went through.

Something similar might happen with the legislation on the UN Convention. We will have to see what the committee recommends to parliament.

But Hayes told the Star-Times he still believed New Zealand PEPs were adequately covered. This is an important argument that the public hasn't even heard of. It needs to know more about the UN Convention against Corruption. Our failure to ratify hardly helps our reputation as the land that corruption forgot.