

OGP NAP 4 Workshop 4 Information to Support Financial Accountability of the Government

Anti-corruption and beneficial ownership

Theme	Idea	Purpose	Unique ID
Implement specific anti-corruption measures	Promote fiscal transparency through implementing the recommendations in the OECD report Exporting Corruption 2020 (foreign bribery); and from GOPAC (Global Organisation of Parliamentarians Against Corruption)	New Zealand is rated as having only “limited enforcement” of foreign bribery in a 47 country assessment by TI - Exporting Corruption 2020 - Projects - Transparency.org . Exporting Corruption is an independent assessment of the enforcement of the OECD Anti-Bribery Convention (short for OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions), which requires parties to criminalise bribery of foreign public officials and introduce related measures. This commitment will cover fiscal transparency of elected Parliamentary and local body representatives and include anti-corruption clauses in New Zealand’s Free Trade Deals.	ISFAG 1
Make beneficial ownership transparent	Legislate and implement a register of beneficial interests in companies and trusts, where the 'beneficial' interest denotes the person(s) ultimately controlling or owning the organisation and that addresses transparency issues. The register(s) would incorporate the Open Beneficial Ownership Principles, that define what 'good' looks like for beneficial ownership transparency and that will make company ownership data accessible and traceable globally.	New Zealand has previously committed, in various forums, to pursue a register of beneficial interest but made insufficient progress. It is important that a register of beneficial interests is created and includes the beneficial interests of companies and trusts, where the 'beneficial' interest denotes the person(s) ultimately controlling or owning the entity in question and address transparency issues. New Zealand lags behind countries like the UK in having important anti-corruption mechanisms, including having a register of beneficial interests for companies and trusts. NZ has minimal company regulation, and an exceptionally large number of trusts, which currently are subject to very minimal scrutiny. Weaknesses have already been exposed, as revealed in the Panama Papers. With New Zealand businesses become increasingly integrated with the global economy (coronavirus notwithstanding), the likelihood of corrupt practices being imported increases. The lack of transparency in the ultimate ownership of companies, trusts, and other entities makes it hard to determine, for instance: who is benefiting when public funds go to private entities, whether entities are paying the correct amount of tax, involved in money-laundering or other forms of corruption. With beneficial ownership public, it ought to be clear who, ultimately, controls and benefits from a company when eg one company is a subsidiary of another, or shares are owned by another company, and other mechanisms used to disguise beneficial ownership.	ISFAG 2

An independent fiscal institution, a Citizen’s budget, a whole of govt budget and transparency of tax spending

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Create an independent fiscal institution	Complete work underway to create an independent fiscal institution. The proposal was to improve New Zealand’s fiscal policy framework through establishing an Independent Fiscal Institution. This would: provide for independent evaluation and commentary on New Zealand’s fiscal policy performance; improve parliamentary scrutiny of public finances and fiscal policy, and provide for independent costings of political party policies to better inform public debate.	Treasury consulted on: Establishing an Independent Fiscal Institution (treasury.govt.nz) in 2019. It had party support at one stage but then wasn’t advanced. See also New Zealand’s Fiscal Policy Framework: Establishing an Independent Fiscal Institution - Summary of Submissions on the September 2018 Discussion Document (treasury.govt.nz) - However, the proposal did not garner sufficient political support at that time and would require cross-party support to proceed. See also: Independent Fiscal Institution Information Release (treasury.govt.nz) and Submissions and Advice - New Zealand Parliament (www.parliament.nz)	ISFAG 3
Make allocation of government money easy to understand	Create a Citizens Budget to explain the government’s budget proposals and public finances in one simple, plain language document – often referred to as a “citizens’ guide to the budget”.	Good budgeting obliges the state to provide a clear, accessible and transparent account of the revenue it raises through taxes and what it proposes to spend this money on. Current budget information lacks accessibility, it is often too complex for citizens to understand; the formats are consistently changing and the general estimate process is really bad. Budget at a Glance attempts to make the information user-friendly but is too generic and lacks personal relevance. Currently, NZ publishes less, clear, budget information, rather than more and we may drop from our traditionally high international ranking eg the 2019 Open Budget Survey ranked New Zealand first equal with South Africa, as NZ’s performance has since declined in terms of transparency and participation. In 2020 Treasury stopped publishing a number of the Budget at a Glance publications. Further, none of the documents Treasury had published along with the major fiscal documents for the 2017 Budget were published prior to the 2020 election, and nothing was provided in their place.	ISFAG 4

	Revamp the treasury's citizens budget formal breakout sectoral level data – source of funding, uses of funding by sector. Commit to create a genuine 'Citizens Budget' in which Budget information is explained (using text/visuals/audio) in a way that any citizen can understand.	A genuine Citizen's Budget, in the sense of a multimedia Budget communication, will allow ordinary citizens, including those with low financial literacy, to understand how the government is spending money. This communication could take the form of a cartoon/graphic novel, an animated video, a series of easy-to-decipher infographics, or some other form. The communication would explain the importance of the Budget and highlight key spending areas/amounts, making an effort to relate items of spending to people's everyday lives and concepts they can readily understand.	ISFAG 5
	Improve transparency of govt tax spending by creating a mechanism to provide sufficient, easily understandable information about how government money is spent/allocated	Distribution of tax money could be more transparent and accessible in a searchable form so people can access and understand this information. See, for example, the Australian Tax Office (ATO), which recently added a new feature to your tax return which breaks down where an individual's taxes go in a handy graph, showing exactly how many of their dollars support different facets of federal public spending: economic aid, housing, education including breaking down welfare payments.	ISFAG 6
Information on the third parties that deliver government functions	Introduce a whole of government budget, that explains the contribution made by volunteers in achieving government priorities	Introduce a whole of government budget and Improve recognition of and transparency of the contribution made by volunteers in achieving government priorities,	ISFAG 7

Transparency of all of government procurement, government grants, COVID spending and review of the procurement model for social spending

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Information about who and what the government spends money on	Increase procurement transparency and accountability Adopt and embed the Open Contracting Data Standard and Open Contracting Principles across all public sector procurement, Update the mandatory rules to remove all transparency exemptions, and engage in the Open Contracting Partnership.	Publish procurement data regardless of whether the procurement is done via GETS, an all-of-government panel of approved suppliers, or direct procurement by an agency. Current commissioning and procurement models are not adequately transparent and accountable for the public services that contractors and third parties perform. NZ needs to open up procurement data, not just from GETS, remove the exemptions to reporting on GETS and enable the public to access all government's contracting data. Making more contract details transparent eg in a central register, may help prevent workers exploitation and enable labour and materials to be traceable and audited.	ISFAG 8
	Increase transparency and accountability around COVID-related payments. Publish details of all COVID-19 procurements, including supplier and contract value, for all contracts awarded	Public needs information about where the large amounts of money for COVID went and whether the payments achieved their purpose. Publish details of all COVID-19 procurements including the supplier and contract value, publish the supplier and contract value for all contract award data, update the mandatory rules to remove all exemptions, and engage in the Open Contracting Partnership.	ISFAG 9
	Review the government's model for contracting services in the social sector to ensure it is fit for purpose and meets its objectives in the context	Facilitate the sustainability of NGOs and volunteer groups by: making it easier to access funding through contracts and grants, and increasing transparency of the award of contract and grants at the central and local government level; giving due weight to the quality of service provided by incumbent providers and the benefits of continuity for the client base rather than simply cost, when comparing tenders for contracts	ISFAG 10
	Require transparency in relation to government grants, grant decision-making, and where the grants are going	Transparency around where the grants are going will enable all organisations that make grants to identify which entities are/are not receiving grant funds so there is public information about whether grants are going to which organisations, which area(s), addressing which type of needs.	ISFAG 11