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Managing conflicts of interest in the Fast-track Approvals process





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Auditor-General's overview

E ngā mana, e ngā reo, e ngā karangarangatanga maha o te motu, tēnā koutou.

Identifying and managing both perceived and actual conflicts of interest is crucial for maintaining the public's trust and confidence in how public resources are used. It is important that public officials and public office holders (for example, Ministers of the Crown) properly identify and manage conflicts of interest. I have previously commented on the need for Ministers to manage conflicts of interest well.¹

In March 2024, the Government introduced the Fast-track Approvals Bill (the Bill). The Bill aimed to make it quicker and simpler for certain projects to get resource consent and other regulatory approvals.

My Office became aware of concerns about the transparency of the decision-making processes about which projects would be included in the Bill.

Concerns about conflicts of interest – such as perceptions of bias, predetermination, and undue influence – can be heightened when a decision-making process gives Ministers a broad margin of discretion and the decisions benefit private businesses. This was the case with the Fast-track Approvals process.

Ministers are among the country's most senior public office holders. They make significant decisions that affect the lives of New Zealanders, and the public has a strong and legitimate interest in being able to see that their conflicts of interest are actively considered and managed well. It is also important that the public can see that Ministers approach decisions with an open mind.

Given the public's significant interest in the Fast-track Approvals process and the importance of managing conflicts of interest in it, I decided to review how conflicts of interest were identified and managed while Ministers made decisions about which projects to include in the Bill.

The Fast-track Approvals process

The Government invited applications for projects to include in Schedule 2 of the Bill. In total, 384 project applications were considered. These included mining, housing, urban development, and infrastructure projects that were described as offering significant national and regional benefits.

From those applications, an advisory group appointed by the Government recommended that 342 projects be considered for inclusion in the Bill.

¹ Controller and Auditor-General (2023), *Letter in response to concerns about funding for the Port Nelson Slipway project* and Controller and Auditor-General (2019), *Request to inquire into decision to grant funds to the Manea Footprints of Kupe Cultural Heritage and Education Centre*, at oag.parliament.nz.

Three Ministers reviewed the projects and recommended to Cabinet which should be included. These Ministers were Hon Chris Bishop, the Minister for Infrastructure; Hon Simeon Brown, the then Minister of Transport; and Hon Shane Jones, the Minister for Regional Development.

The Minister of Transport would review applications for the Minister for Infrastructure if there was a conflict of interest. If the Minister of Transport had a conflict, the Minister for Regional Development would review those applications. Hon Tama Potaka reviewed applications where the Minister for Regional Development had a conflict of interest.

On 6 October 2024, the Government announced that Cabinet had approved 149 projects to be included in Schedule 2 of the Bill. An expert panel would decide which of these would be fast-tracked and, in doing so, avoid the usual regulatory approval processes.

What we looked at

Our inquiry focused on the overall systems and processes used to identify and manage the potential and actual conflicts of interests of the Ministers involved and those participating in the decision-making.

We did not examine the merits of the Bill, the design of the Fast-track Approvals process, or decisions about projects.² We also did not look at how conflicts of interest for the advisory group that prepared the initial recommendations to Ministers were managed.

We found that the system to manage conflicts was sound

Overall, the system for managing Ministerial conflicts in the Fast-track Approvals process was sound. In 2023, changes were made to the Cabinet Manual and the Cabinet Office's systems to help manage Ministers' conflicts of interest. These strengthened the processes for registering interests and documenting conflicts.

This work drew on existing processes, including the Register of Pecuniary and Other Specified Interests of Members of Parliament, Related Party Transactions declarations, and information from the Ministers' routine conflicts of interest declarations. The Cabinet Office actively engaged with Ministers and their advisors and provided prompt advice in response to questions about conflicts of interest.

Ministers and the Cabinet Office considered a broad range of potential conflicts, including those of family members and close associates. Campaign donations (donations to individual Ministers' electoral campaigns) were clearly documented as conflicts of interest and had an associated management plan.

We saw that the risks of predetermination and bias that Ministers' previous strong advocacy for particular projects posed to their decision-making were actively considered.

Overall, there was sound oversight and governance of conflicts of interest. We were told that the Prime Minister set clear expectations about the need for Ministers to register their interests and to document and manage conflicts well.

There are opportunities to further strengthen conflict management

Although the system for managing conflicts is sound, we saw opportunities to build on existing processes as part of continuous improvement:

- The Ministers could have declared their conflicts of interest earlier in the process. Ideally, this would have been before they received officials' advice on the applications and before they determined the list of projects to put to Cabinet.
- Consideration should be given to whether it is appropriate for Ministers to participate in Cabinet discussions that they have a conflict about (even if they are not the Minister responsible for the final decision).
- We also encourage the Cabinet Office to align the Cabinet Manual to reflect its current practice of, where a transfer of responsibility has taken place, a previously responsible Minister should not receive papers and should leave the room when a matter that they have a conflict about is discussed. This would remove the potential for them to influence the discussion (or to risk being perceived to do so).
- More detailed and regular training and guidance could be provided to personnel nominated to support Ministers to manage their conflicts, especially those who are new to that role. The Cabinet Office has confirmed that it will offer annual training to these people.
- Although the Cabinet Office publishes information every six months about transfers of responsibility and standing arrangements not to receive papers, it could consider whether it can be more transparent about how conflicts are identified and managed in a way that enhances public trust and confidence and that balances any privacy interests, for example by proactively disclosing how all conflicts have been managed.

General observations

We also have more general observations that we encourage the Cabinet Office and others to consider.

It is important that Ministers and their advisors consider whether the transparency, overall frequency, and proportionality of their communications and meetings with sector representatives, businesses, or lobbyists could give rise to an actual or perceived risk of bias. They should document and consider these risks as part of the process of assessing conflicts of interest.

Further thought could be given to the risks associated with making decisions that tangibly benefit a party donor and how these are perceived (as opposed to decisions that just confer a generalised benefit on the donor in common with a sector or group). This could include considering whether the Cabinet Manual should provide more guidance about political donations and conflicts of interest.

These issues are beyond my mandate, but I note that the recent Independent Electoral Review considers that there is a need to protect against the perception that large political donations are a way to obtain undue access and influence.³

Concluding remarks

It is clear that Ministers took managing conflicts of interest in the Fast-track Approvals process seriously. One Minister told us that the process for managing conflicts of interest was the most extensive that they had encountered. It is also clear that the Cabinet Office and staff in their respective offices support the Ministers well. In my view, it was appropriate that this degree of rigour was applied to managing conflicts of interest.

However, conflicts of interest remain one of the most serious risks to how the integrity of decision-making at all levels of government is perceived. Concerns about conflicts of interest continue to be raised by the media and with my Office. I expect to see no less rigour applied to any other significant decisions that stand to benefit specific businesses or individuals.

There are opportunities to continue to refine the processes for managing conflicts of interest and to provide more transparency about how conflicts are managed. This will help enhance the public's trust and confidence that conflicts are managed appropriately.

³ He Arotake Pōtitanga Motuhake Independent Electoral Review (2023), *Final Report: Our recommendations for a fairer, clearer, and more accessible electoral system*, paragraphs 13.20 and 13.48, at justice.govt.nz.

I thank the Cabinet Office, the Department of Internal Affairs, the Ministers involved in the Fast-track Approvals decisions, the Prime Minister, and the staff in their offices for assisting my Office.

Nāku noa, nā

A handwritten signature in black ink, appearing to read 'JMR Ryan', with a stylized flourish at the end.

John Ryan
Controller and Auditor-General | Tumuaki o te Mana Arotake

17 June 2025

Our recommendations

We recommend that:

1. Ministers identify and declare conflicts of interest as soon as they become aware of them so that mitigations can be put in place promptly;
2. there is more specific and regular training, supported by guidance, for advisors who help Ministers to manage conflicts of interest;
3. the Cabinet Office consider the appropriateness of Ministers with a conflict of interest being able to participate in Cabinet discussions on the matter that they have a conflict about; and
4. reporting discloses enough information to assure the public that *all* conflicts have been actively considered and managed well.

Why we looked at the Fast-track Approvals Bill

- 1.1 In March 2024, the Government introduced the Fast-track Approvals Bill (the Bill). The Bill aimed to make it quicker and simpler to get resource consent and other regulatory approvals for mining, housing, urban development, and infrastructure projects that the Government described as offering significant national and regional benefits.
- 1.2 On 3 April, the Government invited applications for projects to be included in Schedule 2 of the Bill.⁴ In total, 392 applications were made.
- 1.3 A Fast-Track Projects Advisory Group (the advisory group) was appointed by Cabinet and assessed 384 of these project applications. It recommended that 342 projects be considered for inclusion in the Bill. Three Ministers reviewed these projects and recommended to Cabinet which should be included.
- 1.4 The three Ministers were Hon Chris Bishop, the Minister for Infrastructure; Hon Simeon Brown, the then Minister of Transport; and Hon Shane Jones, the Minister for Regional Development. We refer to these Ministers collectively as the Fast-track Approvals Ministers. We also sometimes refer to the Ministers individually by their surnames as well as by their portfolios.
- 1.5 The Minister of Transport would review applications for the Minister for Infrastructure if there was a conflict of interest. If the Minister of Transport had a conflict, the Minister for Regional Development would review those applications. Hon Tama Potaka reviewed applications where the Minister for Regional Development had a conflict of interest.
- 1.6 On 6 October, the Government announced that Cabinet had approved 149 projects to be included in Schedule 2 of the Bill.⁵ These projects would be referred to an expert panel to decide which would be fast-tracked and avoid the usual regulatory approval processes.
- 1.7 By streamlining these regulatory approval processes, having a project fast-tracked significantly benefits the applicant. Strong management of Ministers' perceived or actual conflicts of interest was therefore essential to ensure public trust and confidence in the overall integrity of the process.

4 Ministry for the Environment (2024), *Fast-Track Projects Advisory Group: Report to Ministers*, at environment.govt.nz.

5 The paper from the Fast-track Approvals Ministers to the Economic Policy Committee (ECO) recommended that 141 applications be included in the Schedule to the Bill. The ECO added nine further projects, resulting in 150 projects being proposed to Cabinet for listing. One applicant subsequently withdrew their application, resulting in a final proposal of 149 projects.

Public concern about aspects of the Fast-track Approvals process

- 1.8 The media reported on concerns about the transparency of the decision-making processes and the perceived influence of businesses. In part, these concerns appear to have been a reaction to the original design of the Fast-track Approvals process.
- 1.9 Originally, Ministers were invited to propose projects to be considered, private businesses could nominate their projects, and Ministers would make final decisions about which projects to include in the Bill.
- 1.10 Media reported that Minister Jones did not initially disclose a meeting with representatives from three mining companies in his official diary (the Minister said this omission was an administrative error).⁶ Two of these mining companies had projects that were subsequently included in the Bill.⁷ Commentators expressed concern about influence and lobbying.⁸
- 1.11 The Fast-track Approvals process was changed to reduce Ministers' ability to select which applications to fast-track. However, concerns about how conflicts of interest had been managed remained.

Why we were interested in this matter

- 1.12 New Zealand has a highly trusted public sector.⁹ To maintain our reputation for transparency, accountability, and integrity, it is important that public officials properly identify and manage conflicts of interest.
- 1.13 A conflict of interest can occur when an individual's responsibilities as an employee or office-holder in the public sector (which includes Ministers of the Crown) are affected by another interest in their private life. Conflicts of interest are common, and they do not present a problem when they are identified and managed well.

6 Williams, D (15 May 2024), "Jones' undeclared dinner had two more mining industry attendees", at newsroom.co.nz. The meeting was subsequently noted in the official diary in May 2024.

7 These were the Buller Plateau Continuation Project and Drury Quarry Expansion Sutton Block.

8 Williams, D (15 May 2024), "Jones' undeclared dinner had two more mining industry attendees", at newsroom.co.nz.

9 Transparency International New Zealand (2025), "Analysis relevant to New Zealand from the Corruption Perceptions Index 2024", at transparency.org.nz. In the most recent Transparency International Report, New Zealand slipped from third to fourth place. In the 2024 OECD report on trust in the public sector, New Zealand scored high to moderately high for trust in public institutions. This is above the OECD's average score. See Organisation for Economic Co-operation and Development (2024), "OECD Survey on Drivers of Trust in Public Institutions 2024 Results – Country Notes: New Zealand", at oecd.org.

- 1.14 It is crucial that appropriate systems and processes support decision-makers to identify any relevant interests that they might have and help them manage any conflicts that might arise. This is especially so when decisions are made at the highest level of government (that is, by Ministers) or are about significant public resources.
- 1.15 Given the public's significant interest in the Fast-track Approvals process, the need for public confidence in it, and the importance of managing conflicts of interest, we decided to review how conflicts of interest in the Fast-track Approvals process were identified and managed.

Our inquiry

- 1.16 We carried out our inquiry under section 18(1) of the Public Audit Act 2001. Our work focused on the overall systems and processes for managing conflicts of interest, not on any individual Minister's interests.
- 1.17 We examined how the systems and processes to support Ministers to identify and manage conflicts of interest worked when Ministers made decisions about which projects to include in the Bill. This included:
- how well those systems and processes operated when Ministers selected projects to include in the Bill; and
 - whether the existing systems and processes could be improved and what those improvements might be.
- 1.18 We did not examine and do not comment on policy decisions underpinning the Fast-track process, the merits of individual projects, or decisions about any individual project included in the Bill.
- 1.19 We met with the Cabinet Office officials and staff in Ministers' offices who were responsible for supporting Ministers in managing any conflicts of interest. We reviewed process documents, guidance materials provided to Ministers and their staff, the declarations made by Ministers, the conflict management plans agreed with the Prime Minister, and correspondence between Ministers' offices and the Cabinet Office.
- 1.20 We checked entries in the register of interests held by the Cabinet Office against Electoral Commission returns of campaign donations made to Ministers.¹⁰ We also cross-checked company and donor details against the Companies Register to assess how comprehensive the disclosures were.

¹⁰ **Campaign donations** are made to an individual candidate and **political donations** are made to a political party.

Part 1

Why we looked at the Fast-track Approvals Bill

- 1.21 We focused on the four Ministers most involved with the Fast-track Approvals project applications (see paragraphs 1.4-1.5). We also looked at how conflicts were managed for the final Cabinet decision about which projects to include in Schedule 2 of the Bill.
- 1.22 We also sought information from the Ministry for the Environment, which co-ordinated the Fast-track Approvals application process and managed input from other government departments.
- 1.23 We gave the Fast-track Approvals Ministers and the Prime Minister an opportunity to comment on how the process for managing conflicts of interest in the Fast-track Approvals process was carried out.

Processes for managing Ministers' interests

- 2.1 Everybody has interests that could give rise to a conflict. These can come in many forms, including owning assets (such as property or shares), holding positions, being a member of an organisation, family or social connections, and receiving gifts or benefits from individuals and organisations.
- 2.2 Conflicts occur when interests overlap – when the person's other interests have something to do with a matter that is being considered, decided, or done. The main question is whether having another interest or duty could affect, or could be perceived to affect, a person's duties or responsibilities to a public organisation. Being transparent about interests and conflicts of interests builds public trust and confidence.
- 2.3 Appendix 1 sets out more information about our expectations and comments about good practice.

There are standard processes for managing Ministers' conflicts of interest

- 2.4 The Cabinet Manual sets out expectations and processes for how Ministers should manage conflicts of interest. The Cabinet Manual is updated periodically and was last updated in early 2023.
- 2.5 Similarly, conflict of interest management processes are reviewed periodically and were updated in mid-2023 after a series of events where a Cabinet Minister failed to identify, disclose, and appropriately manage his conflicts of interest. In response to this, the then Prime Minister changed the system for managing conflicts of interest. The changes included:
 - quarterly reviews with the Cabinet Office to discuss interests and conflicts of interest;
 - creating an escalation pathway to the Prime Minister if a Minister does not engage with the process or any plan to manage their conflicts;
 - in-person annual reviews with each Minister to discuss their conflicts;
 - requiring each Minister's office to nominate a person who is specifically responsible for helping the Minister to manage their conflicts of interest; and
 - making conflicts of interest a standing item at the beginning of each Cabinet or Cabinet Committee meeting.

The Cabinet Office supports conflict of interest management

- 2.6 The Cabinet Office is central to the systems for managing Ministers' conflicts of interest. It supports the Prime Minister and works with Ministers to manage conflicts of interests appropriately.
- 2.7 When a new Government is appointed, the Cabinet Office provides Ministers with training about conflicts of interest. The Deputy-Secretary of the Cabinet (Constitutional and Honours) runs a session that covers how Ministers should identify and manage conflicts of interest.
- 2.8 The Cabinet Office meets with newly appointed Ministers to compile a register of interests to help them identify and manage both financial and non-financial conflicts of interest as soon as possible.
- 2.9 Each year, all members of Parliament, including Ministers, are required to complete a declaration for the Register of Pecuniary and Other Specified Interests of Members of Parliament. This is published each year.
- 2.10 After the register is published, the Cabinet Office writes to all Ministers to remind them to consider whether they have any interests that could conflict with their Cabinet portfolio or Ministerial responsibilities. It asks them to identify whether any new matters have arisen and/or whether they need to make any changes. This review process usually takes place in July and August each year.
- 2.11 Ministers review their existing declarations of interests. They then advise the Cabinet Office whether any changes or additions are needed or confirm that they have not identified any new conflicts.
- 2.12 The Cabinet Office has formal meetings with Ministers to review and discuss their interests. Previously, these meetings were held each year after the Register of Pecuniary and Other Specified Interests of Members of Parliament had been published. The Prime Minister has now asked Ministers to carry out this review every six months.
- 2.13 The Cabinet Office gives Ministers a worksheet with questions to prompt them to think about conflicts of interest. Accompanying guidance encourages them to consider a broad range of interests (both financial and non-financial) that might give rise to a conflict (see Appendix 2 for examples).
- 2.14 The Cabinet Office meets with Ministers to review their declarations of interests. It then creates a formal register that documents each Minister's interests and any management plan that has been recommended. It provides the register to the Prime Minister, who formally agrees the management plan for each Minister's interests.

- 2.15 This review might result in the Prime Minister agreeing to transfer a Minister's responsibilities for a portfolio or specific area within a portfolio to another Minister.
- 2.16 As well as this periodic formal review of interests, the Cabinet Office provides ongoing support and guidance to Ministers about conflicts of interest. It offers guidance and support when a Minister seeks its advice and when an issue comes to its attention.
- 2.17 Depending on the issue, the Cabinet Office might seek more detailed information and advice from officials in government departments. This helps them to better understand the nature of a potential conflict and how it might need to be managed.

Advisors help Ministers to identify and manage conflicts of interest

- 2.18 Each Minister also has a designated person in their office who is specifically responsible for supporting them to manage conflict of interest processes.
- 2.19 Typically, this is the Senior Private Secretary,¹¹ but Ministers might choose to delegate the role to a Senior Ministerial Advisor or their press secretary. In this report, we refer to the people responsible for helping Ministers manage their conflicts of interest as "advisors".
- 2.20 Advisors work closely with their Ministers on a day-to-day basis and talk with them about any interests that they might have. They help their Minister to document their interests in the Cabinet Office's worksheet, attend meetings with the Cabinet Office to discuss any conflicts of interest and how these need to be managed, and seek advice from the Cabinet Office when conflicts arise.
- 2.21 All of the advisors we spoke with told us that their role is to support their Minister by helping them to manage conflicts well.
- 2.22 We were told that advisors needed to have a good working relationship with their Minister to support them to manage their conflicts well. Advisors need to be comfortable talking to their Minister about their interests and pointing out possible or actual interests.
- 2.23 The advisors we spoke with referred to the events during the last term of government when a Minister did not appropriately manage his conflicts of interest.
- 2.24 During our meetings with advisors, it was apparent to us that the consequences of failing to declare interests is their primary concern when they help Ministers to manage conflicts of interest. Advisors said that they and their Ministers are acutely aware that not managing conflicts well can erode trust.

11 The Department of Internal Affairs employs Senior Private Secretaries, but they work directly for the Minister and are located in the Minister's office.

- 2.25 Advisors said that systems had improved now that conflict of interests were considered on a more regular basis and were “front of mind”.
- 2.26 Advisors are the Minister’s “eyes and ears”, and all information coming into the Minister’s office goes through them. They told us that they screen out information that the Minister should not receive if they have a conflict of interest about that matter. They also remind the Minister to make sure that they declare any potential conflicts at upcoming Cabinet meetings.
- 2.27 We heard that managing conflicts of interest is not a twice-a-year “tick-box exercise” – advisors and Ministers have to be constantly aware of it. We were told that both the former and current Prime Ministers have sent a clear message to all Ministers that they need to check and re-check their conflicts of interest.
- 2.28 Each advisor took a slightly different approach, depending on their experience in the role and relationship with their Minister. One advisor told us that they started having conversations about conflicts of interest before the Minister was appointed to Cabinet.
- 2.29 This included providing advice about proactively divesting shares. It also involved prompting the Minister to consider what statements about issues they might have made publicly that could later raise questions about perceptions of bias.
- 2.30 Each Minister’s office keeps secure information about the Minister’s conflicts of interest. The information is usually in a physical folder that a limited number of people have access to.
- 2.31 One advisor decided that a slightly bigger group of people needed to be aware of interests to best support their Minister, so they included the Minister’s press team. In their view, the more people who were alert to interests and the risk that conflicts posed, the better protected the Minister would be.

Transfers of responsibility are disclosed every six months

- 2.32 Every six months, the Cabinet Office proactively releases information about how Ministers' interests are being managed when a conflict has meant that a Minister's responsibility for dealing with a particular matter has been transferred to another Minister.
- 2.33 This release does not include all information about the interests or conflicts. Information is redacted for several reasons, including Cabinet confidentiality, the confidentiality of discussions between the Cabinet Office and Prime Minister, and the privacy interests of Ministers and their family members. The release only includes information about conflicts that have resulted in a transfer of responsibility.
- 2.34 The Cabinet Office used to release this information annually but decided, in the interests of transparency, to release this information every six months.

3

How conflicts of interest in Fast-track projects were managed

- 3.1 The processes set out in the Cabinet Manual applied to the Fast-track Approvals process. Ministers were also provided with specific advice and questions to prompt them to think about conflicts of interest.
- 3.2 The Cabinet Office asked all Ministers to carry out the same review – that is, to assess their conflicts of interest and seek advice on them where appropriate. Ministers were given explicit instructions not to comment on any project that they had a conflict of interest with.
- 3.3 More specific guidance was provided to the three Ministers considering the list of Fast-track Approvals applications and to Minister Potaka (who sometimes stood in when one of those Ministers had a conflict).
- 3.4 Figure 1 sets out a timeline of key dates and communications from the Cabinet Office about conflicts of interest.

Figure 1
Key dates from August to September 2024

2 August	The Fast-track Approvals Ministers are given the advisory group's report on the projects that had applied to be included in the Bill.
16 August	The Cabinet Office emails advisors, asking all Ministers (inside and outside of Cabinet) and Parliamentary Under-Secretaries to consider the list of projects and to identify any conflicts of interest.
26 August	The Fast-track Approvals Ministers meet to discuss the process for evaluating and prioritising projects.
1 September	The Prime Minister agrees to the Cabinet Office's proposal to transfer responsibility from Ministers Bishop, Brown, and Jones to one another or to Minister Potaka if one of them has a conflict of interest.
9 September	The Fast-track Approvals Ministers meet to discuss the projects and prioritise them by sector to produce a list for Cabinet to consider.
17 September	Ministers' offices inform relevant departments about the arrangements to transfer responsibility.
19 September	The Cabinet Office asks all Cabinet Ministers and all Cabinet Economic Policy Committee members to declare relevant conflicts of interest by 10am on 21 September, before the Cabinet and Committee meetings on 23 and 24 September. The Cabinet Office sends all Cabinet Ministers the report of projects submitted for inclusion in the Bill. Ministers are asked to respond to a series of questions to identify conflicts and, if they answer yes to any question, to return this to the Cabinet Office. Ministers are instructed to comply with insider trading restrictions.
24 and 25 September	The Cabinet Economic Policy Committee decides which projects to include in the Bill.
30 September	Cabinet confirms (without discussion) the Cabinet Economic Policy Committee's decision about which projects to include in the Bill.

What Ministers were asked to consider and declare

- 3.5 When project applications first opened in April 2024, the Cabinet Office advised Ministers about the importance of identifying any interests that might conflict with applications.
- 3.6 After the advisory group reported back with its recommendations, the Cabinet Office provided further advice to Ministers about identifying conflicts of interest. It emailed this advice on 16 August to the Fast-track Approvals Ministers and other Cabinet members who attended Cabinet Committee and Cabinet meetings to make decisions about project applications.
- 3.7 The Cabinet Office also advised the staff in Ministers' offices responsible for helping manage Ministers' conflicts of interest on how to consider conflicts with the projects to be included in the Bill.
- 3.8 The Cabinet Office's guidance asked advisors to identify any factors that could give rise to a conflict of interest for their Minister. Examples of these factors are included in Figure 2.
- 3.9 Ministers were given the list of projects the advisory group had recommended. They were asked to identify any potential conflicts with applicants or proposals.

Figure 2
Cabinet Office guidance about what factors could create conflicts of interest

The guidance provided examples of these factors, which included:

- *your Minister has advocated for a project **as an MP**.*
- *your Minister has a **financial interest** in a project, e.g. because of a shareholding or as a beneficiary of a trust.*
- *your Minister has received a recent **donation to their election campaign** (not a donation to their political party) from the entities or people involved with the project.*
- *your Minister has recently (less than 7 years ago) been employed by, held a governance role, or otherwise been **closely involved**, with any entity/person involved in a project.*
- *your Minister has recently (in the last year) received any **gift or hospitality over \$500** from any entity involved in a project.*
- *a **family member** is involved in a project (e.g. is employed by, consults to, is on the governance board or has a financial interest in it) – Ministers need to specifically ask their partners about any possible involvement, but they don't need to specifically ask any other family member.*
- *a **close associate** is involved in a project (whether someone is a “close associate” will involve questions of judgement and degree – simply being acquainted with someone, having worked with them, or having had official dealings with them will not usually create a conflict of interest, but a longstanding, close, or very recent association or dealing might). Again, Ministers need not ask all of their close associates about their involvement in projects, but they do need to raise it with us if they are aware of their close associate being involved.*
- *your Minister considers they might have a conflict of interest for any other reason.*
- *if your Minister has supported a project **as a Minister**, that is less likely to require conflict management, unless there are additional factors in play which mean there might be a perception that the Minister couldn't decide about that project with an open mind.*

Ministers sought advice and identified conflicts of interest at different stages

- 3.10 Ministers considered the Cabinet Office's guidance when assessing potential conflicts and declared their interests at different times.
- 3.11 As soon as the advisory group provided its initial list of projects, the advisor for the Minister for Regional Development consulted with the Cabinet Office, noting the Minister had a conflict with at least three projects and would likely identify more. On 4 September 2024, the advisor notified the Cabinet Office and the other Fast-track Approvals Ministers' offices that the Minister had a conflict with eight projects.
- 3.12 Departmental officials were expected to provide briefings on projects on 5 September. The advisor for the Minister for Regional Development told us they had informed officials verbally before this that the Minister would likely have some conflicts and to prepare advice but not provide it until the Minister's conflicts had been notified to the Cabinet Office. The advisor emailed officials on 4 September to confirm that they were not to send advice on these applications to the Minister. Instead, in keeping with the transfer of responsibility, they were to send the advice to Minister Potaka.
- 3.13 We were told that the Minister for Regional Development did not look at the advisory group's report until after the transfer processes had been implemented. The Minister subsequently identified and declared two further conflicts of interest in relation to projects that had been considered by the Minister for Infrastructure.
- 3.14 On 17 September, the Cabinet Office assisted the Minister for Regional Development with the declaration of interests that he would make at the Cabinet Committee meeting about which applications to include in the Bill.
- 3.15 On 22 September, Minister Potaka's office confirmed that he had no conflicts with the projects that had been transferred.
- 3.16 When the Minister for Infrastructure had been in Opposition, he had commented on the previous government's decision not to use its powers under the Urban Development Act to progress a development. The developer had donated to the National Party in the last election but was not a campaign donor (which would have automatically triggered a declaration of interest).
- 3.17 The Minister for Infrastructure told us that he sought advice about transferring decision-making responsibility for an application out of "abundance of caution". On 18 September, the Minister's advisor sought advice from the Cabinet Office about whether the Minister was conflicted about an application he had already

reviewed.¹² The Cabinet Office advised that there was a risk of a perception of bias, at which point responsibility for decisions about this application was transferred to the Minister of Transport in accordance with the Prime Minister's earlier agreement.

- 3.18 On 18 September, the Minister of Transport was asked to confirm that he had no interests that conflicted with the transferred application. He was asked to consider the application afresh and to disregard the Minister for Infrastructure's earlier decision. At the same time, officials were instructed not to let the Minister of Transport know what the initial decision had been.
- 3.19 On 19 September, the Minister of Transport's office sought advice from the Cabinet Office about whether statements he had previously made about transport projects could constitute a conflict of interest.
- 3.20 The Cabinet Office advised that a statement of intention that had become government policy and that did not advantage private companies did not constitute a conflict. On 22 September, the Minister of Transport declared that he had no conflicts of interest with any of the applications.
- 3.21 On 23 September, Minister Potaka's office submitted a hand-annotated table of Fast-track Approvals applicants. This identified applications where the Minister's advocacy for a particular project, receiving of campaign donations, or previous employment could cause a conflict.
- 3.22 The Cabinet Office clarified that advocacy involved a person making "strong statements in support of, or opposition to a project or category of projects, or taking active steps in support of a project usually more than just writing a letter of support". As a result, the Cabinet Office deemed that some of the matters that the Minister had declared were not a conflict and they were not included in the register of interests. None of the remaining conflicts related to project applications that had been transferred from the Minister for Regional Development for him to assess.

The two main ways conflicts of interest were managed

- 3.23 Conflicts of interest identified during the Fast-track Approvals process were managed in two main ways.
- 3.24 For the Fast-track Approvals Ministers, conflicts were mainly managed by transferring responsibility for decisions. Eight projects were transferred from Minister Jones to Minister Potaka, and one project was transferred from Minister Bishop to Minister Brown.

- 3.25 The second way that conflicts were managed was that, when the Cabinet Committee or Cabinet discussed a project, Ministers who had a conflict of interest declared it and left the room. The Cabinet Office provided written confirmation that this had occurred.
- 3.26 The Minister for Regional Development presented a specific declaration to the Economic Development Committee meeting on 18 September 2024. The tables of written conflicts that the Cabinet Office had prepared for the four Ministers assessing the applications were presented along with declarations of conflicts of interest from other Ministers to Cabinet Committee meetings on 24 and 25 September.
- 3.27 Two Ministers declared a constituency interest in a project that was not proposed to be included in the Bill. The Cabinet Office confirmed that one Minister left the room during discussions about an application that they had declared conflicts of interest with.
- 3.28 Mitigation strategies for other conflicts that had been declared were not triggered because the projects were not discussed during the meeting. Cabinet confirmed the Committee's decisions on 30 September without discussing them further.

4

Our view on the process for managing conflicts with Fast-track Approvals projects

- 4.1 Overall, the system for managing Ministerial conflicts of interest was sound. Everyone involved was aware of the need to manage conflicts well.
- 4.2 Changes made in 2023 strengthened the process for registering interests and documenting conflicts of interest. The Cabinet Office actively engaged with Ministers and their advisors and provided prompt advice about any matters that Ministers or their advisors asked about.
- 4.3 The advisors we spoke with were highly complimentary of the Cabinet Office's support and advice. One Minister told us that the process for managing conflicts of interest was the most extensive that they had encountered and that they were well-supported throughout the Fast-track Approvals process.
- 4.4 There was also good oversight and governance of conflicts of interest overall. The Prime Minister set clear expectations about the need for Ministers to register their interests and to document and manage any conflicts well. The Prime Minister oversaw and approved plans to manage the conflicts that had been identified.
- 4.5 The Prime Minister's decision to review interests every six months instead of every year further strengthened the process for managing conflicts of interest.
- 4.6 Although our overall assessment is that the system, policies, and governance for managing conflicts of interest were sound, we have identified some opportunities to improve the current system. These are discussed later in this Part.

The system to manage conflicts of interest was sound

Ministers had already received training on conflicts of interest

- 4.7 When Ministers are appointed, they receive a presentation from the Cabinet Office on the Cabinet Manual's guidance and the processes that Ministers must follow to report their interests and manage conflicts.
- 4.8 These training materials provide practical advice about how to assess conflicts of interest. They also describe the support that advisors and the Cabinet Office provide.
- 4.9 This meant that when they began the Fast-track Approvals process, the Ministers were familiar with how to manage conflicts of interest.

The Cabinet Office provided advice throughout the Fast-track Approvals process

- 4.10 In April 2024, early in the Fast-track Approvals process, the Cabinet Office advised Ministers on how to manage conflicts of interest. It followed this with more frequent communications just before Ministers received the initial list of

recommended projects from the advisory group. The Cabinet Office reminded Ministers to declare their interests and reiterated this to their advisors.

- 4.11 Throughout the Fast-track Approvals process, the Cabinet Office provided specific advice on whether any particular interest with an applicant represented a conflict. We saw that the Cabinet Office responded to advisors' requests for advice promptly – usually within hours.
- 4.12 The advisors we spoke with were appreciative of the support that the Cabinet Office's personnel provided. It was described as prompt and professional.
- 4.13 The Cabinet Office followed up with the Fast-track Approvals Ministers when declarations were outstanding. It also helped assess whether there was a conflict and, if so, what the management plan should be. The Cabinet Office worked with the Office of the Prime Minister to formalise plans to manage conflicts of interest, including transferring decision-making responsibilities.

A range of interests were considered

- 4.14 Ministers and the Cabinet Office considered a range of potential interests and sources of conflict, including the interests of family and close associates.
- 4.15 Existing processes were used to identify interests.¹³ These included the Register of Pecuniary and Other Specified Interests of Members of Parliament, Related Party Transactions declarations, and information from the Ministers' routine conflict of interest declarations. Ministers were also provided with the initial list of applicants and asked to identify any potential interests.
- 4.16 We saw active consideration of the risks of predetermination and bias that Ministers' previous advocacy for particular projects posed to their decision-making. The Cabinet Office advised Ministers about what would constitute advocacy for a project that would need to be declared.
- 4.17 We reviewed the Ministers' interest declarations and checked them against Electoral Commission returns for campaign donations. The declared interests comprehensively captured campaign donors, even when company structures meant that the link between a donor and an application might not have been immediately obvious.
- 4.18 In cases where an application had been made by a campaign donor, the management plan was to transfer the responsibility for reviewing and deciding on the proposal to another Minister and for the conflicted Minister to leave the room when the application was discussed.

¹³ Department of the Prime Minister and Cabinet (2023), *Cabinet Manual 2023*, paragraph 2.58, at dpmc.govt.nz.

There are opportunities to strengthen conflict of interest management

- 4.19 We identified opportunities for improvement. These relate to the Fast-track Approvals process specifically – should a similar process be carried out in the future – as well as routine processes for managing conflicts of interest.

Interests need to be identified, declared, and managed as early as possible

- 4.20 The Fast-track Approvals Ministers met on 9 September 2024 to review and prioritise projects in their portfolio area. They were provided with a list of the applicants early on to identify any conflicts of interest.
- 4.21 In our view, there could be improvements to the timeliness of declaring interests.
- 4.22 One Minister was prompt with declaring their interests. This meant that conflicts with project applications could be identified and the responsibility for those applications transferred before the Minister was asked to consider them.
- 4.23 The other Ministers declared their interests at different times. One had already received advice about an application, reviewed it, and made a decision before he declared a conflict of interest and arranged for the application to be transferred to another Minister. The application was then reviewed again.
- 4.24 In another instance, there was some delay in a Minister confirming that they did not have any conflicts with applications that had been pre-emptively transferred to them.
- 4.25 We consider that good practice would have been for Ministers to make their declarations before receiving advice on applications and making decisions about the projects to be put to Cabinet.
- 4.26 In our view, the Fast-track Approvals Ministers should have considered and recorded all conflicts as soon as they received the initial list of projects from the advisory group. Ideally, this would have been before they began to assess the projects and make recommendations to the Cabinet Committee and Cabinet.

Recommendation 1

We recommend that Ministers identify and declare conflicts of interest as soon as they become aware of them so that mitigations can be put in place promptly.

It is useful to record actions taken to manage conflicts of interest

- 4.27 When there is a conflict management plan, it is useful to record whether the suggested action was implemented. For example, we saw that Cabinet Minutes recorded that a Minister with a conflict of interest left the room when a matter was discussed.
- 4.28 Other management strategies, such as the decision that a Minister should not receive information about a particular matter, are less visible to those outside the process. The Cabinet Office is aware of Ministers' conflicts of interest and told us that its staff take this into account when they attend Cabinet meetings and process Cabinet papers and minutes.
- 4.29 For the Fast-track Approvals process, we saw emails from an advisor to officials to ensure that a Minister would not receive advice about projects they had a conflict of interest with. This is good practice.
- 4.30 However, our discussions with advisors caused us to question how uniformly this is implemented and whether more visible assurance could be provided.
- 4.31 In our view, it would be good practice for advisors in Ministers' offices to record when they have issued instructions that a Minister should not be sent information or have intercepted information about matters that present a conflict. This would provide greater assurance that a management plan has been implemented and is effective.

Advisors should be given specific and regular training

- 4.32 When a new Government is appointed, the Cabinet Office provides induction training to the Ministers' advisors. This includes training about conflicts of interest. The Cabinet Office also emails the advisors with tips for helping Ministers to manage their conflicts of interest. The Cabinet Office told us that advisors who are appointed later are offered individual training.
- 4.33 None of the advisors we spoke with could recall any specific training about conflicts of interest. However, some of these advisors had been in their role for many years.
- 4.34 Guides and desk files are provided by the Department of Internal Affairs to advisors when they are appointed. Ministerial Advisors receive a Ministerial Advisor desk file and a guide to working in a Ministerial Office. Senior Private Secretaries receive a Senior Private Secretary desk file, which has four paragraphs about Ministers' real and perceived conflicts of interest and just one sentence about the advisor's role: "As the SPS, it is important that you have good oversight of any declared conflicts, real or otherwise, by your Minister."

- 4.35 We do not consider that this provides enough information to help advisors fulfil their responsibilities.
- 4.36 One advisor said that although there had been a focus on upskilling Ministers about conflicts of interest, there had not been similar focus on how much support political staff should receive.
- 4.37 Advisors gave us examples of matters that they felt would be useful to have guidance on, including:
- how widely Ministers' conflicts of interest should be shared to ensure that they are managed well; and
 - whether to keep a record of received papers that staff keep from the Minister to manage conflicts of interest so that there is proof that a conflict of interest has been managed.
- 4.38 There is an inherent power imbalance in the relationship between a Minister and an advisor. Experienced advisors we spoke with felt confident in raising potential conflicts of interest with Ministers. However, they considered that this was not always the case and that less experienced advisors might not have enough training or support to confidently raise such matters.
- 4.39 We consider that advisors, particularly newly appointed advisors, should be given more comprehensive materials and training to familiarise them with managing conflicts of interest. This training might help advisors to develop greater confidence to raise conflict issues with their Ministers.

Recommendation 2

We recommend that there is more specific and regular training, supported by guidance, for advisors who help Ministers to manage conflicts of interest.

- 4.40 The desk files that the Department of Internal Affairs provides to appointed advisors would benefit from including more material about what constitutes a conflict of interest, supplemented with links to relevant guidance material and training, including the Cabinet Manual.
- 4.41 We have published guidance and produced interactive training videos on managing conflicts of interest, which could be useful for advisors.¹⁴
- 4.42 The Cabinet Office told us that it participates in meetings organised by the Department of Internal Affairs where advisors discuss their experiences as a group. Cabinet Office has told us that it has scheduled a July training session on

¹⁴ See Controller and Auditor-General (2020), *Managing conflicts of interest: A guide for the public sector and the interactive integrity resources* on our website at oag.parliament.nz.

managing conflicts of interest for all people helping Ministers to manage conflicts of interest. We support these initiatives.

More consideration is needed about whether Ministers with conflicts of interest should participate in discussions

- 4.43 During the Fast-track Approvals process, Ministers who had declared a conflict were asked to leave the room when that project was discussed. Cabinet Office told us that standard practice is for a Minister with a conflict that has resulted in a transfer of responsibility to not receive papers on the matter and leave the room when the matter is discussed at Cabinet or committee meetings. This is good practice.
- 4.44 However, we have some more general observations about the Cabinet Manual's standard content and processes. The Cabinet Manual states that, when a Minister declares a conflict of interest about a matter but is not the responsible Minister, the declaration is usually enough. The interest will be recorded and the Minister can either withdraw from the discussion or seek the agreement of Cabinet colleagues to remain and participate.
- 4.45 In our view, this might not mitigate a Minister's ability to persuade or advocate about the matter. At the least, there is a perception risk that a Minister with a conflict of interest participating in discussions might have influenced a decision or that they might have access to information that could confer a benefit to them, their family member, or close associate.
- 4.46 It would be safer to exercise caution and have a starting presumption that the Minister would withdraw or be excluded, unless there are good reasons for them to remain.
- 4.47 We also observe that, according to the Cabinet Manual, a Minister with a conflict of interest can, after responsibility for the matter has been transferred to another Minister, elect to still receive papers about the matter and remain present when it is discussed.
- 4.48 We find it unusual that, if there is enough conflict to result in a formal transfer of responsibility, it is still an option for the Minister to remain in the room and participate in discussions. Although the Minister might no longer be making the decision, they could still influence the decision by participating in the discussion and deliberations.
- 4.49 These are matters for Cabinet to determine, but we encourage Cabinet to consider our comments when the next review of the Cabinet Manual takes place. Cabinet Office has indicated that it intends to update the manual to align with its current

practice of withholding papers and requiring a Minister to leave the room if there has been a transfer of responsibility. We support this.

- 4.50 We also encourage broader consideration of the presumptions about whether any Minister with a conflict should be able to participate in discussions when they have a conflict of interest related to that matter.

Recommendation 3

We recommend that the Cabinet Office consider the appropriateness of Ministers with a conflict of interest being able to participate in Cabinet discussions on the matter that they have a conflict about.

Releasing information about how conflicts are managed supports public trust

- 4.51 It is important that the public can trust that conflicts of interest are being managed well. We recommend that, even if there is no formal requirement to publicly disclose an interest or conflict of interest, public organisations consider the benefits of doing so, balanced against the individual's right to privacy.
- 4.52 There is likely to be a greater expectation of transparency when the decision-maker holds public office and has a broad scope to make decisions about public money or resources – as Ministers do.
- 4.53 Currently, the Cabinet Office releases high-level information about arrangements where it has been decided that a Minister should not receive papers on a matter, or that decision-making responsibility should be transferred to another Minister, because of a conflict of interest.¹⁵ The pecuniary interests register is also available online.¹⁶
- 4.54 These proactive disclosures (with redactions to preserve the privacy of some individuals, such as family members) are released every six months. Timely reporting about arrangements to transfer decision-making to avoid a conflict of interest can support the public's confidence in how conflicts of interest have been managed.
- 4.55 Proactive disclosures provide information about transfers of responsibility and standing arrangements not to receive papers. They do not capture all interests and conflicts that have been declared or ad hoc and short-term arrangements that a Minister will not receive papers.

15 Department of the Prime Minister and Cabinet (2025), "Proactive release of information about management of ministerial conflicts of interest: 1 May 2024 to 31 December 2024", at dpmc.govt.nz.

16 See "2024 – Register of Pecuniary and Other Specified Interests of Members of Parliament and Initial Returns" at parliament.nz.

- 4.56 Further consideration could be given to the broader public interest in having trust and confidence that Ministers' conflicts have been managed appropriately.
- 4.57 Ministers are the most senior public officials in the country. They make significant decisions that affect the lives of New Zealanders and there is a strong and legitimate public interest in being able to see that all conflicts are actively considered and managed well. We encourage consideration of whether the current reporting is enhancing accountability and trust as well as it could.

Recommendation 4

We recommend that reporting discloses enough information to assure the public that *all* conflicts have been actively considered and managed well.

General observations

It is important to be alert to risks of perceptions of unfair advantage and bias

- 4.58 Perceptions of bias, predetermination, and undue influence can be heightened when a decision-making process gives Ministers a broad margin of discretion and the decisions benefit specific private businesses. The Cabinet Manual acknowledges that individuals and organisations will ask to meet with Ministers and seek to influence policy or position their services.¹⁷
- 4.59 Although engagement is part of a Minister's role, the Cabinet Manual also notes that care should be taken to avoid creating a perception that representatives or lobbyists of a group or organisation have an unfair advantage with the Government.
- 4.60 As mentioned in paragraph 1.10, early meetings between the Minister for Regional Development and mining executives whose projects were included in the initial list of Fast-track Approvals projects meant that concerns about the perceived influence of businesses in the Fast-track Approvals process were raised in the media.
- 4.61 When Ministers meet with representatives of the sector, group, or company they are making decisions about, criticisms of bias and a loss of trust and confidence in the decision-making can follow. This is exacerbated when there is inadequate transparency about these meetings.

¹⁷ Department of the Prime Minister and Cabinet (2023), *Cabinet Manual 2023*, paragraphs 2.84-2.85, at dpmc.govt.nz.

- 4.62 In the case of the Fast-track Approvals process, even though the Government subsequently amended the Bill to reduce Ministers' ability to make final decisions about projects, perceptions of bias have continued to affect the public's views about the transparency and fairness of the decisions made.
- 4.63 Paragraphs 2.84 and 2.85 of the Cabinet Manual relate to interactions with representatives of non-government or commercial organisations. In our view, it would be valuable for Ministers to consider whether the overall pattern and proportionality of their communications or meetings with lobbyists, sector representatives, or businesses could give rise to perceptions of unfair advantage or bias that they need to declare and manage.
- 4.64 Although this might not be the case, the risk should be articulated and actively considered as part of the process of assessing conflicts of interest.

Perceptions about political donations also need to be considered

- 4.65 The Cabinet Office draws a distinction between campaign donations (donations to a candidate) and political donations (donations to a party). Although campaign donations are deemed a pecuniary (financial) interest, political donations are not.¹⁸
- 4.66 The Cabinet Office told us that the current approach is pragmatic and that treating all Ministers as having an interest in party donations could result in all Ministers being excluded from making decisions that affect a donor. This could apply to a broad area of policy.
- 4.67 People or businesses might donate to a party because they like its policy direction and wish to bolster its election prospects. In this respect, donations might be seen as supporting the party's general political and policy objectives.
- 4.68 The Fast-track Approvals process was different from more general policy decisions that can benefit sections of the community or businesses. The Fast-track Approvals process directly benefited specific projects and the businesses associated with them.
- 4.69 Public criticism of the role that political donors played in the project applications has continued throughout the Fast-track Approvals process. There were suggestions that political donations might result in donors receiving more favourable treatment than other citizens or business.¹⁹ Regardless of whether this is the case, the perception erodes trust and confidence in the overall process and in the integrity of decisions made more generally.

¹⁸ Department of the Prime Minister and Cabinet (2023), *Cabinet Manual 2023*, paragraph 2.100, at dpmc.govt.nz.

¹⁹ Radio New Zealand reported that companies or individuals associated with 12 of the 149 fast-tracked projects donated to the National Party or National candidates and that two donors donated to New Zealand First or Minister Jones. See Hancock, F (10 October 2024), "\$500,000 in political donations associated with fast track projects", at rnz.co.nz.

- 4.70 Other jurisdictions have attempted to address concerns about political donations in a variety of ways.²⁰ Some only allow donations from citizens and not from companies or unions.
- 4.71 Disclosure thresholds differ, with some overseas jurisdictions setting a lower threshold for when donors must disclose who they are. In New Zealand, the threshold is \$15,000. In other countries it can be as low as \$1500.²¹
- 4.72 Other countries have models that include allocating lump sum payments to parties, offering tax credits to match donations to a set amount, or providing democracy vouchers (where people can allocate state funding to the party of their choice).
- 4.73 The 2023 Independent Electoral Review considered that there is a need to protect against large donations being a means of obtaining undue access and influence.²²
- 4.74 The Independent Electoral Review proposed changes to campaign financing. These include recommending that parties be allocated state funding for political campaigns in proportion to their vote count in the last election.²³
- 4.75 It is beyond our mandate to propose whether reform might be needed or what reform would be useful. We suggest that further consideration could be given to the perception risks associated with political donations when decisions are subsequently made that tangibly benefit a donor (as opposed to a generalised benefit in common with a sector or class of persons).

20 Rashbrooke, M and Marriott, L (2022), *Money for Something – A report on political party funding in Aotearoa New Zealand*, Victoria University of Wellington – Te Herenga Waka, pages 80-83, at wgtn.ac.nz.

21 Rashbrooke, M and Marriott, L (2022), *Money for Something – A report on political party funding in Aotearoa New Zealand*, Victoria University of Wellington – Te Herenga Waka, page 60, at wgtn.ac.nz.

22 He Arotake Pötītanga Motuhake Independent Electoral Review (2023), *Final Report: Our recommendations for a fairer, clearer, and more accessible electoral system*, paragraphs 13.20 and 13.48, at justice.govt.nz.

23 Daalder, M (17 January 2024), "Electoral review sets up fight over political donations", at newsroom.co.nz.

Appendix 1

Managing conflicts of interest

Conflicts occur when interests overlap – that is, when the person’s other interests have something to do with a matter that is being considered, decided, or done. The main question is whether having another interest or duty could affect, or could be perceived to affect, a person’s duties or responsibilities to a public organisation. Being transparent about interests and conflicts of interest builds public trust and confidence.

Every individual is the person most responsible for identifying and disclosing their own conflicts of interest. A person will have the fullest knowledge of their own affairs and are usually in the best position to realise whether something they are dealing with is connected with another of their interests.

We encourage people to err on the side of openness when deciding whether they should disclose something as an interest. Many situations are not clear-cut, and there is benefit in seeking advice from a bigger group of people who can help judge whether a situation constitutes a conflict of interest and is serious enough to need further action.

Public transparency is important when:

- public organisations (including Ministers) spend substantial amounts of public money through procurement or grant allocation processes;
- decisions could benefit individuals or private companies; or
- the public’s trust and confidence is fundamental to a public organisation’s ability to operate successfully.

What we expect in a system to manage conflicts of interest

A good system for managing conflicts of interest is made of several parts.

Comprehensive policies about conflicts of interest

Organisations should have policies and procedures to help people work out whether they have a conflict of interest and what they need to do about it.

As we discuss in *Managing conflicts of interest: A guide for the public sector*,²⁴ policies and procedures should:

- state principles or values that emphasise a commitment to addressing conflicts of interest;
- set out rules for the most important and obvious actions that people must and must not take;
- set up a mechanism (like a register of interests) for recording ongoing interests that can commonly give rise to a conflict of interest, as well as a procedure for doing this and for regularly updating the register;

²⁴ Controller and Auditor-General (2020), *Managing conflicts of interest: A guide for the public sector*, Part 5, at oag.parliament.nz.

- set out a process for identifying and disclosing instances of conflicts of interest when they arise, including a clear explanation of how someone should disclose a conflict of interest and who they should disclose it to;
- set out a process for managing conflicts of interest, including who makes decisions and the principles, criteria, or options that they will consider;
- provide avenues for training and advice;
- provide a mechanism for handling complaints or breaches of policy; and
- specify the potential consequences of non-compliance.²⁵

A clear process for documenting interests and managing conflicts

People in the public sector should be regularly required to submit declarations listing their personal interests. If a person does not have an interest to declare, they should explicitly state that there is nothing to declare (a “nil declaration”).

Declaring something in a register of interests does not mean that there is a conflict of interest. It simply means that someone has an interest that could give rise to a conflict. Registers of interests help people to be aware of interests and remind them to be alert for conflicts of interest.

Public organisations should review and update their register regularly. This enables them to monitor situations that could give rise to a conflict of interest and identify conflicts of interest as soon as possible.

It should be clear to all involved how frequently the register is to be updated. It should also be clear that people need to declare interests as soon as they arise, not just according to the regular updating cycle.

A public organisation can use a register of interests to document any agreed mitigations. This gives it a record, for future reference, that it identified risks and took appropriate steps to manage them.

This provides the public with confidence that decisions have been made with the correct degree of objectivity and integrity, and that all parties have declared and appropriately managed any conflicts of interest.

Oversight and governance

Within an organisation, it is important that there is scrutiny and oversight of conflict of interest processes. This includes leadership and governance over these processes to ensure that they are being followed, and access to expert guidance and advice on complex cases and how they might need to be managed.

²⁵ See also National Audit Office (2024), *Good practice guide – Managing conflicts of interest*, at nao.org.uk.

Appendix 2

Prompts to identify Ministers' interests

To assist Ministers to identify their interests, the Cabinet Office gives Ministers a worksheet that prompts them to consider a variety of scenarios – for example, whether they have:

- business interests;
- shareholdings;
- payment for activities;
- beneficial interests in trusts;
- real property;
- superannuation schemes;
- debts that are owed or paid to the Minister or that the Minister owes;
- accommodation or overseas travel paid by other organisations;
- gifts and services provided to the Minister for free;
- electorate campaign donations;
- links to community organisations whose activities relate to Ministerial responsibilities;
- family members, close associates, and friends who are employed in an area of work that could conflict with Ministerial responsibilities;
- family members, close associates, and friends who are likely to contract with the government or be considered for appointment to a government board; or
- family members, close associates, and friends who have significant business or pecuniary interests that could be affected by decisions that Ministers have influence over (including Cabinet decisions).

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