

## Arts Council and Committee Register of Interests

Arts Council and Committee members are required to **identify, declare** and **manage** all interests, and potential and actual conflicts which arise from them, on an ongoing basis (see right).

There will always be conflicts of interest for funding bodies, particularly in a small country like New Zealand and in a close-knit sector like the arts sector. The bigger issues sit around the timely and transparent identification and declaration of interests, the potential conflicts which arise from those, and whether these are able to be appropriately managed once declared.

The existence of an interest is not, in itself, what causes conflicts. The key is to identify any overlap between the 'private' interest and that of being a member. Also, appearances in this area can be equally as important as reality. It is often the risk of negative public perception that requires management; some people refer to this as the 'front page of the newspaper' test.

Conflicts of interest are defined and discussed in much greater detail in the Code of Conduct section of the Governance Manual (Section 5.5), available in the *Resource Centre* section of Diligent Boards and attached to this Register.

This Register records Arts Council members' interests and conflicts of interest.

**Members are required to read, apply and stay familiar with the attached conflict of interest guidance.**

### 1 Identifying interests

The term 'interest' has a very broad definition, from financial interests (like receiving direct financial benefits) right through to non-financial interests (like past or current business or personal relationships)



### 2 Declaring interests

Members should declare all interests they have, at the earliest possible opportunity. A 'golden rule' is:

If in any doubt, declare it



### 3 Managing interests, and any conflicts which arise from them, once declared

Interests, and conflicts of interest, must be managed honestly, openly and transparently – this means taking a cautious approach which ensures Creative New Zealand continues to enjoy the trust and confidence of Parliament and the public.

## List of Arts Council and Committee members' interests

Name (office)/ Class of interest	Nature of interest (eg, entity, position held)	Further description of interest (eg: <u>monetary value of the interest</u> (if quantifiable) or <u>extent of the interest</u> (if the monetary value cannot be quantified) – where these interests are likely to conflict with matters before the Arts Council or Creative New Zealand)	Likelihood of interest coming into conflict with matters before the Arts Council or Creative New Zealand (eg: low, medium, high)
<b>Caren Rangi</b> (Chair, Arts Council)			
Financial interests	Cook Islands Investment Corporation	Director. Current term: 1 June 2016 – 31 May 2022	Low
	Radio New Zealand, Board member	Board member. Current term: 1 November 2019 to 30 April 2022	Low
	Ei Mua Consulting Ltd	Majority shareholder (99%) and sole director	Low
	Pacific Inc. Ltd	Director	Low
	Museum of New Zealand Te Papa Tongarewa	Board Member 1 January 2019 – 31 October 2021	Medium
	P.A.C.I.F.I.C.A.	Member. Organisation has been a past and potentially will be a future applicant to, and recipient of, CNZ grants.	Low
	Fale-malae Trust Project Miharo Murihiku	Trustee In my personal business capacity, I am providing facilitation services to Miharo Murihiku (who are a recipient of CNZ grant funding) for one day 12 September 2020.	Low
Non-financial interests	Pacific Co-operation Broadcasting Ltd	Director	Low
	St Andrews Vaine Tini, Hastings	Mother is a member. Group was a recipient of a Moana Arts Grant 2012-2014.	Low
	Cook Islands Arts Collective in New Zealand	Support. The Collective could potentially be an applicant to CNZ for funding in the future	Low
	Cook Islands Property Corporation (NZ)	Director	Low
Other interests or matters	–	–	–
<b>Michael Prentice</b> (Deputy Chair, Arts Council; Chair, Audit & Risk Committee)			
Financial interests	Giles-Pain and Prentice Partnership Ltd	Director/Shareholder	Low
	Giles-Pain Properties Ltd	Director/Shareholder	Low

Name (office)/ Class of interest	Nature of interest (eg. entity, position held)	Further description of interest (eg: <u>monetary value of the interest</u> (if quantifiable) or <u>extent of the interest</u> (if the monetary value cannot be quantified) – where these interests are likely to conflict with matters before the Arts Council or Creative New Zealand)	Likelihood of interest coming into conflict with matters before the Arts Council or Creative New Zealand (eg:, low, medium, high)
	Christchurch City Council	Registered contractor	Low/Med
	GPP Investment Ltd	Director/Shareholder	Low
	GPP Investment Trust Ltd	Beneficiary	Low
	MK Life Trust	Trustee, beneficiary	Low
	Scarpuna Holdings Ltd	Director/Shareholder	Low
	Thinking Out Loud	Consulting business	Low
Non-financial interests	Christchurch Arts Strategy working group (on behalf of Christchurch City Council)	Assisting with development of consultation process and messaging	Low
	Free Theatre, Christchurch	Transitional Chair. Free Theatre has received an Arts Continuity Grant.	Low/Med
Other interests or matters	–	–	–
<b>Garth Gallaway</b> (Member, Arts Council; Member, Audit & Risk Committee)			
Financial interests	Arts Foundation	Chair	
	AAW Jones Charitable Trust	Trustee	
	Chapman Tripp	Partner. Chapman Tripp is currently advising CNZ about the form/content of funding agreements (July 2021).	Low
	Christ’s College Fundraising Campaign	Chair	
	Christchurch Art Gallery Foundation	Trustee	
	Māia Health Foundation	Chair	
	NZ Football Foundation	Trustee	
	W A Sutton Charitable Trust	Chair	
Non-financial interests	NZ Football	Honorary President	

Name (office)/ Class of interest	Nature of interest (eg. entity, position held)	Further description of interest (eg: <u>monetary value of the interest</u> (if quantifiable) or <u>extent of the interest</u> (if the monetary value cannot be quantified) – where these interests are likely to conflict with matters before the Arts Council or Creative New Zealand)	Likelihood of interest coming into conflict with matters before the Arts Council or Creative New Zealand (eg:, low, medium, high)
Other interests or matters	–	–	–
<b>Briar Grace-Smith</b> (Member, Arts Council; Member, Komiti Māori)			
Financial interests	Filmmaker	Writer, Director, Consultant	Low
	Arts Foundation	Laureate	Low
	Theatre	Playwright, Dramaturge	Med
	Miriama Grace-Smith (daughter), Designer	Application for emergency relief grant	Med
	Miriama Grace-Smith (daughter), Board Member, Enjoy Public Art Gallery		High
Non-financial interests	–	–	–
Other interests or matters	–	–	–
<b>Riria Hotere-Barnes</b> (Member, Arts Council; Member, Komiti Māori)			
Financial Interests	Nil	Nil	Nil
Non-financial interests	Nil	Nil	Nil
Other interests or matters	Nil	Nil	Nil
<b>Robyn Hunt</b> (Member, Arts Council)			
Financial interests	Arts Access Aotearoa	Occasionally paid, e.g. recruitment panel, some resource writing but most unpaid	Low
Non-financial interests	Arts Access Aotearoa	Mentor and advisor voluntary unpaid Occasionally paid, e.g. recruitment panel, some resource writing but mostly unpaid	Low
	Crip the Lit	Co-founder. Voluntary activity, promoting books, newsletter,	Low

Name (office)/ Class of interest	Nature of interest (eg. entity, position held)	Further description of interest (eg: <u>monetary value of the interest</u> (if quantifiable) or <u>extent of the interest</u> (if the monetary value cannot be quantified) – where these interests are likely to conflict with matters before the Arts Council or Creative New Zealand)	Likelihood of interest coming into conflict with matters before the Arts Council or Creative New Zealand (eg:, low, medium, high)
		networking. Participating in the Verb Festival in 2020. Have been in discussions with the New Zealand Festival and Verb about accessibility (July 2021).	
	NZSA	Associate Member. Possibility I will advise president with advice on disability matters relating to the NZSA Voluntary	Low
	New Zealand Festival	Occasional voluntary assistance with accessibility advice	Low
	DPA	DPO – disabled people’s organization. Occasional volunteer	Low
	Blind and Low Vision NZ	Member. They provide some disability services I need such as Total Mobility	Low
Other interests or matters	Arts Access Aotearoa	Lunch meeting with Richard Benge, CEO (22.11.21)	Low
		Attending Arts for All network meeting (8.12.21)	Low
	Te Papa Tongarewa	Complimentary ticket to Jo Randerson’s Secret Art Powers Soundings (5.12.21)	Low
	Batts Theatre	Complimentary ticket to Illegally Blind (8.12.21)	Low
<b>Roger King</b> (Member, Arts Council; Member, Audit & Risk Committee)			
Financial interests	Cape Coast Arts & Heritage Trust	Chair	Low
	Jetta Trust	Trustee	Nil
Non-financial interests	–	–	–
Other interests or matters	Auckland Arts Festival	Former Director or Contractor	Low
	Chamber Music New Zealand	Former Chairman/or Trustee	Low
	Creative Capital Arts Trust	Former Director or Contractor	Low
	Auckland Arts Festival Trust	Former Chairman/or Trustee	Low
	Black Grace Dance Company	Former Chairman/or Trustee	Low

Name (office)/ Class of interest	Nature of interest (eg. entity, position held)	Further description of interest (eg: <u>monetary value of the interest</u> (if quantifiable) or <u>extent of the interest</u> (if the monetary value cannot be quantified) – where these interests are likely to conflict with matters before the Arts Council or Creative New Zealand)	Likelihood of interest coming into conflict with matters before the Arts Council or Creative New Zealand (eg:, low, medium, high)
	Creative Hawke's Bay	Former Chairman/or Trustee	Low
	Dame Malvina Major Foundation	Former Director or Contractor	Low
	Lake Taupo Arts Festival	Former Director or Contractor	Low
	MAU Foundation	Former Director or Contractor	Low
	New Zealand Dance Company	Former Director or Contractor	Low
	New Zealand Festival	Former Director or Contractor	Low
	Objectspace	Former Chairman/or Trustee	Low
	Q Theatre	Former Director or Contractor	Low
	R+R Management	Former Director or Contractor	Low
	Taranaki Arts Festival Trust	Former Chairman/or Trustee	Low
	Tauranga Arts Festival	Former Director or Contractor	Low
	The Big Idea	Former Chairman/or Trustee	Low
	WOMAD New Zealand	Former Director or Contractor	Low
	WOMAD New Zealand	Former Director or Contractor	Low
<b>Kura Moeahu</b> (Member, Arts Council; Member, Komiti Māori)			
Financial interests	Pipitea Marae Trust	Trustee	Med
	Wellington Institute of Technology Ltd	Trustee	Low
	Whitireia Community Polytechnic Ltd	Trustee	Low
Non-financial interests	Te Runanganui o Te Ati Awa	Chairman	Med
	Waiwhetu Marae Trust	Chairman	Med
	Waiwhetu Pa Reservation No. 4	Chairman	Low

Name (office)/ Class of interest	Nature of interest (eg. entity, position held)	Further description of interest (eg: <u>monetary value of the interest</u> (if quantifiable) or <u>extent of the interest</u> (if the monetary value cannot be quantified) – where these interests are likely to conflict with matters before the Arts Council or Creative New Zealand)	Likelihood of interest coming into conflict with matters before the Arts Council or Creative New Zealand (eg:, low, medium, high)
	Atiawa Toa FM	Chairman	Low
	Harbor Island Kaitiaki Board	Chairman	Low
Other interests or matters			
<b>Janine Morrell-Gunn</b> (Member, Arts Council)			
Financial interests	Cholmondeley Children's Centre	Chair	
	Maia Health Foundation	Trustee	
	Uru Manuka Trust	Deputy Chair	
	WhitebaitMedia	Director	
Non-financial interests	–	–	–
Other interests or matters	–	–	–
<b>John Ong</b> (Member, Arts Council)			
Financial interests	Ongy Limited	Director, shareholder (100%)	Low
	Ng & Ong Limited	Director, shareholder (45%)	Low
	GoodyGood Limited	Director, shareholder (40%)	Low
Non-financial interests	The Footnote Dance Trust Board	Former board member and/or trustee	Low
Other interests or matters	–	–	–
<b>Hilary Poole</b> (Member, Arts Council)			
Financial interests	Poole Strategy Consulting	Director	Low
	Brougham Trust	Trustee (family trust)	Low
Non-financial interests	Hockey New Zealand	Director	Low

Name (office)/ Class of interest	Nature of interest (eg. entity, position held)	Further description of interest (eg: <u>monetary value of the interest</u> (if quantifiable) or <u>extent of the interest</u> (if the monetary value cannot be quantified) – where these interests are likely to conflict with matters before the Arts Council or Creative New Zealand)	Likelihood of interest coming into conflict with matters before the Arts Council or Creative New Zealand (eg:, low, medium, high)
	Play it Strange Charitable Trust	Trustee	Medium
Other interests or matters	Sport New Zealand/High Performance Sport NZ	Past Director/Deputy Chair	Low
	Auckland Regional Amenities Funding Board	Past Director	Low
	Diocesan School	Past Chair	Low
<b>Ane Tonga</b> (Member, Arts Council)			
Financial interests	Curator, Pacific Art, Auckland Art Gallery Toi o Tāmaki	Salaried position. Council Controlled Organisation.	Low/Medium
	Elam School of Fine Arts – University of Auckland	Contract occasionally as an external marker	Low
	AUT – Auckland University of Technology	Contract occasionally as an external marker	Low
Non-financial interests	Whitecliffe Advisory Group	Member. Advise largely on course structure and marking.	Low
	Nina Tonga (Sister), Curator, Contemporary Art, Te Papa Tongarewa	Salaried position. Te Papa is a crown entity.	Low
	Contemporary HUM	Deputy Chair. Voluntary position. Office holder of another person's. Waiver requested until Feb 2022 to allow for Ane to organise succession and hand over. <b>NB:</b> Chair granted a waiver (via email on 16/11/21; per section 5.5.5(e) of the Arts Council Governance Manual) to permit the member to continue on the board of Contemporary HUM until 28 February 2022, on the condition that she is not involved with any application for CNZ funding while she remains on the Contemporary HUM board.	Low
	Tautai Contemporary Pacific Arts Trust	Supporter. Supporters pay an annual fee of \$25 to receive updates and a printed quarterly newsletter. Tautai are Totara investment clients?	Low
Other interests or matters	–	–	–



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<b>Dean Whiting</b> (Member, Arts Council; Member, Komiti Māori)			
Financial interests	Te Whanau a Kaiaio – hāpu		
	Heritage NZ – Director Māori Heritage	Salaried position	
Non-financial interests	Funding applications from Hapu to CNZ		
	Storybox Inc.	Family member an intern at Storybox (some project CNZ funding)	
Other interests or matters	Manatū Taonga Ministry for Culture & Heritage	Participating in the panel contributing to the development of the Manatū Taonga Ministry for Culture & Heritage-led Mātauranga Māori Te Awe Kōtuku Initiative.	
<b>Angela Abernethy</b> (Independent Member, Audit & Risk Committee)			
Financial interests	Satus Group	Board Chair, financial employment	Low
Non-financial interests	–	–	–
Other interests or matters	–	–	–

## Conflict of Interest guidance: Section 5.5, Governance Manual

### 5.1.1 Introduction

This section sets out Creative New Zealand’s conflicts of interest policy. The policy includes, and adds to, the statutory requirements of Arts Council members and committee members (herein ‘members’) which are set out in the Crown Entities Act and apply to all Crown entities. It also draws on guidance from the [Office of the Auditor-General](#) and the [State Services Commission](#).

There will always be conflicts of interest for funding bodies, particularly in a small country like New Zealand and in a close-knit sector like the arts sector. The bigger issues sit around the timely and transparent identification and declaration of interests, and the potential conflicts of interest which arise from those, and whether these are able to be appropriately managed once declared. Effective conflict of interest management is crucial to maintaining public and parliamentary confidence in the organisation.

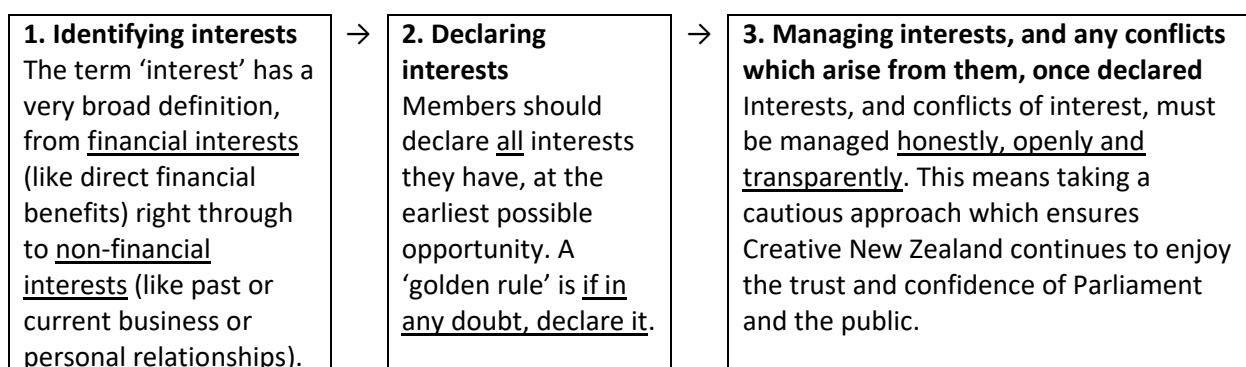
The existence of interests is not, in itself, what causes conflicts. The key is to identify any overlap between the interests. Also, appearances in this area can be equally as important as reality. It is often this risk of negative public perception that requires management; some people refer to this as the ‘front page of the newspaper’ test.

Conflicts of interest arise when the interest a member has in a particular matter gives rise to the possibility, in the mind of a reasonable observer, that a member’s objectivity and independence may be affected. A perceived conflict of interest arises when there is the appearance of a conflict even if there is not any actual conflict. However, even perceptions of conflict need to be carefully managed.

The details set out in this policy should be regarded as minimum standards, not boundaries to be pushed or tested. The breadth and depth of the relationship in question will be important, which means looking at each situation to determine whether there is a clear and rational link between the association causing the conflict and its capacity to influence decision-making. Members are required to comply with the policy and to take individual responsibility for recognising, identifying and declaring **all** interests and any potential conflicts of interest which arise from them. The Chair of the Council or the relevant committee is responsible for determining how a conflict of interest is to be managed, or the Deputy Chair or other designated member if the conflict is the Chair’s.

Creative New Zealand management can provide members with advice on interests and conflicts. The Chair’s judgement will also be valuable, particularly where there is a perception of a conflict of interest, rather than an actual conflict that falls within the definitions in this guidance.

The conflicts of interest process has three steps:



## 5.1.2 Step 1: Identifying interests

**Key point:** The term ‘interest’ has a very broad definition, from financial interests (like direct financial benefits) right through to non-financial interests (like past or current business or personal relationships).

On an ongoing basis, members must consider what their **interests** are in matters relating to Creative New Zealand.

The term ‘matter’ is quite broadly defined, and means:

- (a) Creative New Zealand’s performance of its functions or exercise of its powers; or
- (b) an arrangement, agreement, or contract made or entered into, or proposed to be entered into, by Creative New Zealand.

### What is an interest?

Broadly speaking, interests can be *financial* or *non-financial* in nature.

#### Financial interests

The following list provides examples of where there is likely to be a *financial interest* (also known as a ‘pecuniary interest’). If there is any doubt, the presumption should be that the member has an interest.<sup>1</sup>

- **Direct financial benefit** – Subject to the statutory exceptions (see later in this section), any direct financial benefit accruing to the member out of a Creative New Zealand matter is an interest that must be disclosed and managed. Members must not seek to provide paid services to Creative New Zealand other than through their role as member. They must not be involved in developing, supporting or advising on any matter considered by Creative New Zealand for which they have received, are receiving or will be likely to receive a direct financial benefit.
- **Indirect financial interest** – A member may have an indirect financial interest where they are the spouse, civil union partner, de facto partner, child (which is taken to also include a stepchild or acknowledged foster or whaangai children) or parent of a person who may derive a financial benefit from the matter.
- **Financial interest in other persons** – A financial interest in another person (including natural persons or legal persons such as a corporation sole, a body corporate or an unincorporated body) to whom the matter relates is classed as an interest, because of the perception of influence. This might include an employment relationship or engagement in a professional capacity with a party dealing with Creative New Zealand or with someone else who may be materially affected by a decision.
- **Office holder of another person** – Being a partner, director, officer, board member or trustee of a person who may have a financial interest in a person to whom the matter relates, will also count as an interest (eg, being a director of a company whose subsidiary is applying for funding from Creative New Zealand).

#### Non-financial interests

Interests are not limited to financial matters. A member may have a *non-financial interest* if they are otherwise directly or indirectly interested in the matter. This could include a personal, non-pecuniary interest in a matter before Creative New Zealand. Examples include:

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<sup>1</sup> State Services Commission, [Board Appointment and Induction Guidelines](#) (revised October 2015).

- **Family members** – any family connection could give rise to an interest where there is a reasonable apprehension of bias. For example, a member could have a close relative who is personally interested other than by way of a financial interest.
- **Friendship** – members may have an interest in matters affecting the interests of close friends. Close and reasonably long-standing relationships with demonstrable intimacy are likely to create strong perceptions of interest.
- **Acquaintance** – general acquaintances are not likely to give rise to an interest. However overlapping directorships or similar interests could mean a member is interested, especially where relationships are long-term or close collegiality has developed.
- **Office holder of another person** – where a member has an interest as an office holder of another person, in a manner described above, but receives no financial compensation for holding this office, the interest is considered no less diminished and should be declared.
- **Advocate or adviser** – where a member has acted as an advocate, adviser or material witness in a matter, or a member’s business partner has done so, and the matter is being considered by Creative New Zealand or relates to a matter it is considering, the member is likely to be seen as having an interest.
- **Prior business relationships or connections** – where a member has had a close association with a business for a significant period before becoming a member, there may well be a strong perception of an interest for at least six months after ending all associations. There is no time period that establishes remoteness, but ending a long-standing business relationship is unlikely to immediately make that interest so remote as to be irrelevant. Relationships ended more than six months prior are discussed below.
- **Patronship** – On occasion, members may be patrons of arts organisations, reflecting a long-standing association taken up prior to the member joining Council. In such cases, there is unlikely to be a direct financial interest as no office on the governing body of the organisation is held and it’s unlikely that the member is compensated for being a patron. However, these positions should be treated as non-financial interests and thus declared and managed accordingly.

When patronships are up for renewal, members should discuss the interest with the Chair prior to accepting reappointment as a patron. This ensures that the full nature of the ongoing patronship is taken into account (eg, nature of the role, expectations on patrons, etc). A record of the discussion will be attached to the Register of Interests.

Members would generally be advised to decline new patronships offered by organisations with a relationship with Creative New Zealand while they are members of the Arts Council, due to the likelihood of this creating a new interest.

- **Pre-judgement** – pre-judgement of issues would exclude a member from participation in a matter before Creative New Zealand. Having a definite point of view about a question of law or legislative interpretation of a policy is not sufficient to give rise to an interest. However, a publicly stated opinion on those facts could raise issues of apparent pre-judgement or bias.

A member won’t be interested in a matter:

- because he or she receives an indemnity, insurance cover, remuneration, or other benefits authorised under the Crown Entities Act or another Act
- if his or her interest is so remote or insignificant (see below) that it cannot reasonably be regarded as likely to influence him or her in carrying out his or her responsibilities under the Crown Entities Act or another Act
- only because he or she has past or current involvement in the relevant sector, industry, or practice.

A member may not be interested, yet be perceived to be interested, in a matter:

- due to a prior association that, if still existed, would constitute an interest but has ended more than six months ago but within the previous three years. Members are advised to declare these perceived interests as *other interests or matters*.

Remoteness and significance are questions of degree. Remoteness is about how closely or specifically two interests concern each other. Significance is about the magnitude of the potential effect of one interest on the other.

The Institute of Directors suggests that one way to identify whether an interest may exist is to ask whether a “*reasonably informed objective observer would infer from the circumstances that the member’s judgement is likely to be influenced to the detriment of the organisation’s best interests*”.

If members are unsure whether they have an interest, they should discuss this as soon as practicable with the Chair of the Council or the relevant committee Chair. The Chair may seek advice from the Chief Executive or management in the course of considering the member’s potential interest.

**Please note: Although management and the Council have undertaken to give clear guidance, ultimate responsibility lies with individual Council Members to identify, declare, and manage their own interests.**

### 5.1.3 Step 2: Declaring interests

**Key point:** Members should declare all interests they have, at the earliest possible opportunity. A ‘golden rule’ is if in any doubt, declare it.

On appointment, members are required to sign a Creative New Zealand *Declaration of Interest Form*. Declared interests are then recorded in the Interests Register, which is included with the Arts Council’s and committees’ meeting papers and is available at any time.

Declaring interests is an **ONGOING OBLIGATION** and should be done as soon as an interest has been identified – in other words, members shouldn’t wait until the next Council or committee meeting in order to declare interests that arise between meetings.

Declarations are made to the Council/committee secretary (ie, the Chief Executive’s Executive Assistant) and to the Council Chair or committee Chair (or the Deputy Chair or other designated member if the Chair is unavailable or has an interest in the matter), who then ensure these are recorded in the Interests Register.

In declaring an interest, members must provide the following information (as required by section 65 of the Crown Entities Act):

- the nature of the interest and the monetary value of the interest (if the monetary value can be quantified)*
- the nature and extent of the interest (if the monetary value cannot be quantified).*

The [Office of the Auditor-General](#) advises that **all** interests (particularly financial, such as ownership of shares or a business, etc) should be registered, even if a member thinks the interest is not relevant to their role as a member. This is confirmed by Audit New Zealand who regularly states in its Creative New Zealand management reports, ‘We recommend that all Board members’ pecuniary interests – **including those not directly relevant to Creative New Zealand** be declared and recorded’ (emphasis added).

As mentioned, if members are unsure whether they have an interest, they should discuss this as soon as possible with the Council Chair or relevant committee Chair.

A general notice of an interest in a matter, or in a matter that may in future relate to the organisation, becomes a standing disclosure of that interest. A standing disclosure ceases to have effect if the nature of the interest materially alters or the extent of the interest materially increases.

Time is allocated at the beginning of each Council and committee meeting for members to comment on the Interests Register, note any new interests, and draw fellow members' attention to any specific conflicts of interest they may have with matters on the agenda. The Chair will also specifically ask members if they have any conflicts related to meeting agenda items, and allow a short time for reflection on this.

In addition, during Council or committee deliberations, if a situation arises that may involve a member in an actual, potential or perceived position of conflict of interest (ie, the conflict has materialised), the member must immediately declare this. Any interest that becomes apparent, and has not been declared in the Interests Register, should be identified to the Chair and the minute-taker (usually the Chief Executive's Executive Assistant) as soon as practicable.

#### 5.1.4 Step 3: Managing interests

**Key point:** Interests, and conflicts of interest, must be managed honestly, openly and transparently. This means taking a cautious approach which ensures Creative New Zealand continues to enjoy the trust and confidence of Parliament and the public.

All conflicts of interest (potential, actual or perceived) will be recorded in the minutes, along with the decision the Council or committee makes around how the conflict will be managed. These decisions will also be added to the Interests Register, creating a record which will help guide future Council/committee decision-making on managing conflicts.

In all circumstances where a member is interested in a matter (ie, a conflict has arisen), the member:

- (a) **must not vote or take part in any discussion or decision** of the Council or any committee relating to the matter, or otherwise participate in any activity of Creative New Zealand that relates to the matter
- (b) **must not sign any document** relating to the entry into a transaction or the initiation of the matter
- (c) **is to be disregarded for the purpose of forming a quorum** for that part of a meeting of the Council or committee during which a discussion or decision relating to the matter occurs or is made.

The Chair may, by prior written notice to the Council or committee, permit a member to do anything set out under point (a) above, if the Chair is satisfied that it is in the public interest to do so. The permission may state conditions that the member must comply with.

Creative New Zealand must disclose an interest to which a permission relates in its Annual Report, together with a statement of who gave the permission and any conditions or amendments to, or revocation of, the permission.

The Council must notify the responsible Minister of a failure to comply with conflict of interest declaration or management requirements, and of the acts affected, as soon as practicable after becoming aware of the failure.

In addition to actively managing existing interests, members should endeavour, where possible, to minimise the creation of more interests while they are on the Council. For instance, members would

generally be advised to decline new patronships offered by organisations with a relationship with Creative New Zealand while they are members of the Arts Council, due to the likelihood of this creating a new interest.

#### 5.1.5 Creative New Zealand policies relating to funding and grant processes

The following provisions provide specific guidance on conflicts of interest as they relate to the intersection of members with the funding and granting processes run by Creative New Zealand.

This guidance is 'over and above' the general conflicts of interest framework set out above, and helps Creative New Zealand maintain the highest standards of probity around its funding and granting processes.

This guidance applies to funding which is directly under Creative New Zealand control, or over which Creative New Zealand has a significant degree of influence (eg, devolved decision-making processes, like the Creative Communities Scheme, are not captured).

- (a) No funding under any scheme, programme or funding source of Creative New Zealand will be provided in circumstances in which a member either has received or will receive a direct financial benefit from the funding (see the description of direct financial benefit under section 0). Any such application would be **ineligible** for funding.
- (b) Where a member becomes aware that any funding under any scheme, programme or funding source of Creative New Zealand is being considered, and the member either has received or may receive a direct financial benefit from that funding, the member must declare his or her interest, whether or not they are involved in the decision-making or in a particular meeting, and clause (a) of this policy will apply. Such declarations of interest will be formally minuted.
- (c) Staff members are responsible for checking on any potential conflicts of interest and formally advising the relevant decision-maker. Where a member becomes aware that any funding under any scheme, programme or funding source is being considered, and the member has any other class of financial interest or a non-financial interest (see section 0) in the recipient of that funding, the member must declare his or her interest. The Chair will determine whether the relationship would result in the member benefitting from the application, in which case clause (a) of this policy would apply. Where the member will not benefit from the application, the member must nonetheless absent themselves from the decision-making process when the application is being assessed or voted upon. Such declarations of interest and exit from meetings and so forth will be formally minuted.

Members should notify any other particular relationships not covered in these policies that may compromise their integrity, or perceptions of same.

- (d) The clauses above do not preclude other kinds of involvement (beyond simple attendance or participation) by a member in a funded project, however any such involvement must be undertaken with care. For example, a member may participate in a festival or event that has received Creative New Zealand support, however should waive fees or payment for their professional time, such as speaker fees (payment of travel and accommodation expenses by the festival/event organiser, or reimbursement to the member for same, would be acceptable). Members should seek advice prior to agreeing to any involvement in a funded project from the Chief Executive and/or the Chair.
- (e) Members may not hold office on the governing body or be an employee of any organisation which receives regular or major funding from Creative New Zealand. In exceptional cases, the Chair may waive this provision, noting any conditions which attach to the waiver (eg, the length of the waiver). In such cases, the member concerned must absent themselves from the meeting when such relevant applications are being assessed or voted upon. Such declarations of interest and exit and entry from meetings will be formally minuted.

- (f) Any member considering (or being considered) to hold office on the governing body or staff of an organisation which receives regular or major funding from Creative New Zealand should immediately declare this to the Chair. The member may be asked to stand-down from their duties for a period until the matter is resolved. At this point, the member's immediate and/or future role on the Arts Council will be considered.
- (g) A stand-down period of six months will apply to members personally applying for funding from Creative New Zealand, after leaving the Council. The stand-down period will apply from the date of the member's last meeting or the date their term expires, whichever is later.
- (h) Members may not provide references or letters of support for specific funding applications being made to Creative New Zealand. In some cases, members (in their private or other business capacity) may have provided general letters of support to applicants for use in applying for other funding sources. These letters should not be used by applicants when applying for Creative New Zealand funding.
- (i) All materials supplied through Creative New Zealand will be treated as confidential. Where material is available to the public under the Official Information Act or the Privacy Act, this will be released only through Creative New Zealand's Privacy Officer or the Chief Executive in consultation with the Chair, where appropriate.

## **5.2 Misconduct**

Failure to comply with the provisions in this section may constitute 'misconduct'. The Chair will deal with suspected instances of misconduct by any member on a case-by-case basis, giving proper consideration to the matter and in accordance with the principles of natural justice. The Deputy Chair or other designated member will deal with suspected instances of misconduct by the Chair, giving proper consideration to the matter and in accordance with the principles of natural justice.

Members have a duty to report suspected instances of misconduct to the Chair in the first instance (or to the Deputy Chair or other designated member if the incident of misconduct relates to the Chair). Any information regarding the identity of any person who, in good faith, reports suspected misconduct will be kept strictly confidential.

The Minister will be notified of any instances of misconduct that are upheld, and any subsequent actions taken by the Arts Council.

## **5.3 Role of the State Services Commissioner**

Under the State Sector Act 1988, the State Services Commissioner has a mandate to, among other things:

- provide advice and guidance on matters related to the integrity and conduct of employees in the public service and Crown entities, including making inspections and conducting investigations
- set minimum standards of integrity and conduct, and issue a code of conduct that applies to the public service and Crown entities.

The State Services Commission has issued a Code (*Code of Conduct for the State Services*) under this Act, which applies to Crown entity employees. It does not apply to members of Crown entity boards such as the Arts Council.



#### **FURTHER INFORMATION**

Office of the Auditor-General (2007). Good Practice Guide: Managing conflicts of interest: Guidance for public entities: <http://www.oag.govt.nz/2007/conflicts-public-entities>

State Services Commission (2014). Board Appointment and Induction Guidelines (revised October 2015): <http://www.ssc.govt.nz/board-appointment-guidelines>

State Services Commission (2007). Code of Conduct for State Services:  
<http://www.ssc.govt.nz/code>