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| [View this email in your browser](https://mailchi.mp/democracyproject/political-roundup-why-donations-from-public-servants-to-labour-politicians-stink?e=%5bUNIQID%5d" \t "_blank) |

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| **Political Roundup: Why donations from public servants to politicians stink**Minister of Justice Kiri Allan is currently pushing through a programme of reform to the rules around political fundraising by politicians. And yet it turns out Allan herself has received large donations that raise questions about the integrity of the politician, the donor, and the Beehive systems that are meant to protect the democratic process. On Friday 1News’ Benedict Collins revealed that in 2020 Kiri Allan received donations from Race Relations Conciliator Meng Foon to assist with her campaign to win the East Coast electorate. The donations were made up of $9185.04 in rent subsidies and $1500 in cash. Foon also donated the lesser amount of $1000 to unsuccessful National Party candidate Tania Tapsell. Prime Minister Chris Hipkins is defending Foon’s donations, describing them as a “balanced approach” because he donated to both major parties. But a senior public servant giving money to politicians brings everyone into disrepute. **The Problem for public service neutrality and independence** The Human Rights Commission, for which Meng Foon works as the Race Relations Conciliator, is already under considerable scrutiny for being perceived as increasingly political and biased. This latest scandal will only erode public trust in the government entity. After all, the Commission is supposed to be independent of the Government, holding it to account as a watchdog. But when one of its most senior staff is found to be giving significant funding to politicians, this brings its independence into question. The Public Service Commission has a “Conduct For Crown Entity Board Members” such as Foon, which clearly states they need to be politically impartial. This is the document that former Te Whatu Ora chair Rob Campbell fell foul of and led to his sacking. It states: “We act in a politically impartial manner. Irrespective of our political interests, we conduct ourselves in a way that enables us to act effectively under current and future governments... When acting in our private capacity, we avoid any political activity that could jeopardise our ability to perform our role or which could erode the public’s trust in the entity.” It's hard to see how Foon’s donations to politicians don’t violate this. Although Foon has responded to say that the donations were “minor”, in respect to Allan, they amounted to over $10,500 – a sum most ordinary citizens could not afford to give. The fact that Foon also gave money – a much lesser amount – to a National Party candidate takes nothing away from the seriousness of the problem. If anything, when wealthy individuals give money to both sides, it raises public suspicions that they are trying to cover their bets, to gain influence with both possible winners. And the fact that such benefactors do not fund other parties shows that it’s not a case of being even-handed. Foon has been asked if it’s appropriate for someone in his role to donate to politicians, to which he responded: “It didn't cross my mind. It's just a thing that we do automatically.” Such flippancy should raise questions about Foon’s judgement, especially since he is unable to see the problems of wealthy and senior public servants intervening in the electoral process. The Prime Minister has also downplayed the seriousness of the rule break. When asked about senior public servants entering into the electoral process with large donations, Chris Hipkins merely said it’s “probably something I'd be a little bit uncomfortable about.” It’s unclear how seriously the Human Rights Commission is taking the breach. It put out a public statement that “it takes the issue of neutrality extremely seriously.” But as yet it doesn’t appear to be taking any action over the matter or commenting further. **The Problem for Labour and Allan’s Integrity** Kiri Allan accepted the funding from Meng Foon when she was a backbench MP, and it was prior to her being appointed Minister of Justice. And she has pointed out that although it’s the Minister of Justice who appoints the Race Relations Conciliator, Meng’s appointment was made in 2019 by her predecessor, Andrew Little. Others have noted that the decision on whether to reappoint Foon for a second term in his role will fall to Allan’s office. In terms of receiving the donation from Foon, who is not just a senior public servant but has also been a long-time major commercial property owner in her electorate of Gisborne, Allan has said she felt it was an appropriate relationship. The problem is that Allan does not appear to have taken the perceived conflict of interest seriously. Firstly, on being appointed as Minister of Justice she failed to make a declaration, as required, to the Cabinet Office of the conflict of interest. On Friday, only after being caught out by 1News, she corrected this by informing the Cabinet Office of the situation. The problem is that as Justice Minister she is pushing through some highly important reforms to the rules on political finance, and yet it appears that she has a faulty grasp of her own fundraising and integrity issues. Initially, when asked on Friday about being in receipt of donations from Foon, her response to media was: “I didn't take any monetary donations from Meng Foon.” The first problem with this response is that she appeared to be disingenuous in throwing in the caveat of “monetary” in her response, as she was obviously well aware of the in-kind donation of office space that was given to her campaign in 2020. But secondly, the statement was false, and she later had to admit that she had accepted a $1500 cash donation from Foon and his wife. It turns out that Allan had forgotten that the Foons were her biggest individual donor. Explaining how she got this so wrong, Allan stated in the weekend, “As a politician, you don’t have a real solid recollection of every single person that donates to your campaign.” Allan’s inability to deal with the details of her own donors is reminiscent of a statement she made last year about her decision on what financial level of donations should be declared by political parties. In drawing up new rules for when parties should have to declare donations to the public, the Ministry of Justice recommended that all donations to parties above $1500 should be made public. But Allan, rejected that and decided that the threshold should be set at the much higher amount of $5000, so that parties shouldn’t have to disclose so many donations. In justifying keeping so many donations secret, Allan said “the administrative burden was going to be a little too much.” **What should happen now?** How much confidence can the public have that ministers declare their conflicts of interest when they occur? The Foon-Allan donations case shows that the Beehive simply doesn’t have adequate procedures in place to make sure conflicts of interest are identified and managed. Allan has stated that, on appointment as Minister of Justice, she had a long conversation with the Cabinet Office, which is tasked with managing such conflicts of interest. It appears that the Cabinet Office didn’t uncover or ask about the Foon donations, despite them being on the public record – they had been disclosed by Allan in her electoral returns to the Electoral Commission. The Cabinet Office needs to review its processes. At the moment, there appears to be no particular rule for what level of donation to a minister constitutes a conflict of interest that needs to be declared. Should Allan retain the donations given to her by Foon? Stuff journalist Andrea Vance wrote about the Allan situation yesterday, saying “MPs should not be taking money from state servants, and Allan should never have accepted the donation. It must immediately be repaid.” And journalist Max Rashbrooke, who recently published a research report on political donations has also called for Allan to give the money back to Foon. And he says, “Foon should have it made clear to him that this can't happen again.” Others say Foon needs to resign over the matter, and that the integrity of the public service will be under question until he does so. On this, Vance says: “Foon’s position is now probably untenable. As a former politician he should have identified that his donations were inappropriate while he held a supposedly apolitical role, charged with holding the Government to account.” Regardless, there is a need for the Human Rights Commission to explain how it allows its senior staff to make donations to politicians and for new procedures that make it very clear what the rules are. This is also an urgent issue for the Public Service Commission, which needs to clarify to all senior public servants what they are allowed to do in terms of making donations to the politicians they serve. Andrea Vance says the whole Foon-Allan is very damaging for the Labour Government, as it comes on top of other cases of integrity deficits in the administration: “This drip feed of mini-scandals have common threads. They paint a picture of a cosy elite bound by mutual back-scratching, most of which happens within the limits of the law, but that don’t quite pass the voters’ sniff test. Power eventually corrupts. And once that happens, it's really hard to get the stink out.” The stench of this latest episode isn’t something that will hang around for too long. Attention will move on, and there will be more scandals involving different politicians, from other parties too. But this latest episode shows how money in politics is still a major problem in New Zealand. Although the current Government claim to be cleaning up political donation laws, it’s a worry when the person in charge of that tidy-up has such a poor grasp of the issues. |

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