

NZFC Conflict of Interest Management Plan

Alastair Carruthers - Chair

On 28 June 2023 the Government announced the appointment of NZFC Board Chair Alastair Carruthers as Board Chair of Television New Zealand (TVNZ). The appointment is seen by the NZFC Board as one creating a potential conflict of interest. Specifically, the NZFC Board considers that holding the dual chair roles of TVNZ and NZFC poses a potential conflict for Alastair Carruthers, because of the opportunity for him to be a decision-maker for the two organisations about the same matter (or related matters).¹

Although a perceived or potential 'conflict of interest' stemming from a 'Conflict of Roles' is non-financial in nature, a conflict management plan is still required to ensure that the NZFC and Alastair are protected from the potential for him to be perceived as putting the interests of one organisation ahead of the other. A failure to manage this risk effectively could expose both organisations to a loss of stakeholder trust and confidence and result in reputational damage.

In formulating this conflict management plan, the NZFC Board has been guided by the principles that the Office of the Auditor-General promotes as a guide for any decisions about conflicts of interest:

- integrity;
- impartiality;
- accountability;
- trustworthiness;
- respect; and
- responsiveness²

This conflict management plan addresses identified points of perceived or potential conflict and also assumes that Alastair, his fellow board members, the NZFC CEO and staff will be proactive and constantly alert to any other additional matters that may cross over between TVNZ and NZFC; to promptly identify these to the NZFC Deputy Chair (or alternate where the Deputy Chair may also be conflicted). The underlying expectation and assumption is that Alastair Carruthers will treat all matters relating to the NZFC as confidential and not put himself in a situation where there could be any allegation that a potential or perceived conflict has not been adequately managed.

¹ https://oag.parliament.nz/2020/conflicts/part3.htm#conflict_of_roles

² <https://oag.parliament.nz/2020/conflicts/part1.htm>

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In preparing this conflict management plan the Board has consulted with Alastair, the NZFC CEO, members of the NZFC senior leadership team, officials from the Ministry of Culture and Heritage and Treasury and a representative from the TVNZ Board. The Board has also considered the “Conflict of Interest Policy – NZFC Board”, the Office of the Auditor-General guidance on conflicts of interest³, Public Service Commission model standards on conflicts of interest⁴ and the requirements under the Crown Entities Act⁵.

In the first instance, and as a primary mitigation in line with a request from the Board, the Minister has appointed a Deputy Chair.⁶ The appointment of Paula Jalfon as Deputy Chair on 11 September 2023 has ensured that the Chief Executive has a clear and direct channel for communicating with the Board about matters which Alastair Carruthers must absent himself from or which may pose a perceived or potential conflict requiring management.

In summary Alastair will:

- not sit on the NZSPR Panel and will recuse himself from all NZSPR matters that are referred to the Board to exercise its residual discretion where the matter being considered involves discussion, or consideration, of any aspect related to domestic broadcast rights.
- recuse himself from all Te Puna Kairangi Premium Fund matters related to a project TVNZ is attached to.
- recuse himself from consideration of all NZFC Feature Funding applications in a round that include a project TVNZ is attached to.⁷
- have no visibility of other domestic broadcasters’ commercial terms in any papers or subcommittee minutes submitted to the Board.⁸
- not sit on the Co-Production Certification Committee and will recuse himself from matters that are referred to the Board in respect of co-production certification where the matter being considered involves discussion, or consideration of a project TVNZ is attached to.
- adhere to the Conflict of Interest Policy – NZFC Board in respect of the above, and any other matter that comes to attention which provide an opportunity for him, as chair of both TVNZ and NZFC, to be decision-maker for, or perceived as having a conflict of roles in respect of, the two organisations about the same matter.

³ <https://oag.parliament.nz/2020/conflicts>

⁴ <https://www.publicservice.govt.nz/guidance/guide-he-aratohu/model-standards/conflicts-of-interest/>

⁵ <https://www.legislation.govt.nz/act/public/2004/0115/latest/DLM329631.html>

⁶ Schedule 5, clause 1(1) of the Crown Entities Act 2004 (<https://www.legislation.govt.nz/act/public/2004/0115/latest/DLM1992925.html>)

⁷ To provide a sense of scale, the last TVNZ attached film was in 2020 but 7 film funding applications have had other Domestic TV broadcasters attached since July 2021.

⁸ There are three options: (1) Board Chair does not receive any funding papers involving Domestic TV broadcasters. (2) The details of the broadcast licences fees are removed from the papers. (3) The entire finance plan is removed from the papers.

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At each Board meeting, the Chief Executive will provide full visibility to the Board on all matters (no matter how operational) being handled in NZFC which involve TVNZ.

The Board has established a channel of communication with TVNZ's Chief Executive through the NZFC Chief Executive. This will provide a mechanism for the organisations to alert each other to new, unforeseen matters in which Alastair Carruthers could be, or could be perceived as being, a decision-maker for the two organisations about the same matter. It is acknowledged that there may be some matters that cannot be shared between the parties due to commercial sensitivity.