

## Peter Dunne shows the public sector how not to handle conflict of interest

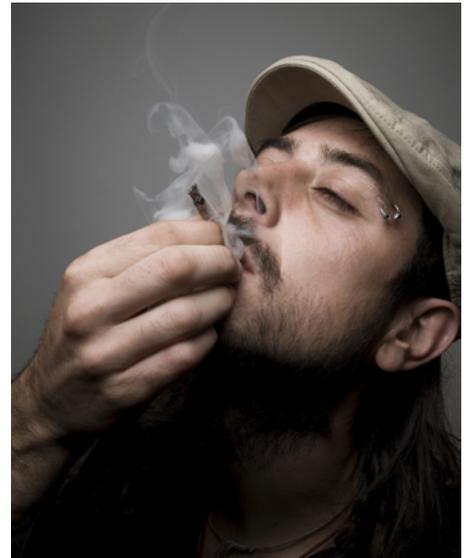
### Speed read

Whatever the rights or wrongs of synthetic drugs, it didn't look flash when the Minister dealing with the issue has a lawyer son said to be lobbying for synthetic drug providers, especially when the Minister wasn't sold on more restrictions. Apparently Peter Dunne thought there was no conflict of interest (COI) problem as he and his son never talked about it.

Wrong. Leaving aside the optics here and the political damage of a situation that could so easily have been handled by another Minister looking after this – how on earth did things get to this point? - the rationale does not cut the ice. Managing COI is predominantly about **perception** not actuality. A few seconds thought says that, on the perception aspect, the Minister had to flick the file down the corridor. The Minister might be right in his views and it does sound like there are valid arguments both ways. But that simply is irrelevant. The optics suck.

He sure made it easy for Campbell Live to unravel the Government position; as easy as pulling roll-your-own fag papers off a nice spliff.

When giving advice, we've found that aspect is often overlooked by officials (the perception that is; we haven't advised on spliff techniques).



### Legal highs move forced by Nat MPs

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On 19 April the Dominion said:

*It was reported this week that James Dunne, a lawyer at Chen Palmer, was a key lawyer and lobbyist for the legal-high industry. ....*

*But the minister said there was no conflict of interest in his son's work. He and his son simply did not discuss his work for the industry, most of which was bound by lawyer-client privilege.*

Today, the Dominion reports under the heading, *Legal highs move forced by Nat MPs:*

*The Government was forced into a u-turn over legal highs after a backlash from National MPs.*

*Associate Health Minister Peter Dunne announced at the weekend that all synthetic drugs would be banned within two weeks until they are proven safe. He acknowledged legislation, passed last year, did not go far enough.*

*It was widely assumed Dunne wanted to gazump Labour, which was set to announce its support for a ban.*

*But it is understood he was strong-armed into a compromise by increasing pressure from the National Party caucus, who wanted to dump the Psychoactive Substances Act and implement blanket prohibition.*

Peter Dunne shows the public sector how not to handle conflict of interest

One of the most consistent themes in the guidance to the public sector, especially from the Auditor-General, is that, whenever assessing whether an official has COI, the way the situation would appear to others is what mostly counts: the perception. The optics. Immediate family members are always within the ambit of concern as to COI.

If a Ministry of Health official dealing with synthetic drug issues had a son lobbying for the legal high industry, the decision that she withdraw would take seconds. If she continued the OAG could slam her and the Ministry. In a few sentences. That Dad and Junior never chatted about drugs over the weetbix is utterly irrelevant.

As would be the expected, Ministers are treated no differently. The Cabinet Manual, which sets out the rules for Ministers, makes the statement that all such COI guidelines make:

*"Public perception is a very important factor."*

And about Minister's families the Cabinet Manual says (with highlighting added):

*A conflict of interest may be pecuniary (that is, arising from the Minister's direct financial interests) or non-pecuniary (**concerning, for example, a member of the Minister's family**). A conflict of interest may be direct or indirect. Ministers must consider all types of interest when assessing whether any of their personal interests may conflict with, **or be perceived to conflict with, their ministerial responsibilities.....***

*A conflict may arise if people close to a Minister, such as a Minister's family, whānau, or close associates, might derive, or be perceived as deriving, some personal, financial, or other benefit from a decision or action by the Minister or the government.*

Clearly that extends to a lobbyist son whose client benefits and any suggestion to the contrary is not runnable.

The Manual goes into detail making it clear that this is a perceived COI under the Manual. All stock standard stuff in public sector COI manuals. With news today of Minister Williamson standing down for breaches of the Cabinet Manual, Minister Dunne may have dodged a bullet.

The Minister here will get some deserved flak in the media and from the opposition. What an obviously avoidable train wreck this was for the Nats with multiple strong "pull up" signals. And all credit to the Campbell Live team for how they handled these issues: masterful TV.

But then the Minister did make it easy for a beat up; as easy as rolling a nice fat spliff.

Underlying this is that the handling of Peter Dunne's COI has not been flash.

Apparently the Minister did get COI advice from officials. Well (a) advice to box on seems strange as the cabinet manual is straightforward and (b) whatever the COI formal position, a few seconds thought says, "I'm outta here."

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