



# Transparency International Australia

*Affiliate of Transparency International,  
the Coalition against Corruption*

## ANNUAL REPORT

1 JULY 2012 TO 30 JUNE 2013

**TI Australia's program of activities continues to benefit heavily from involvement in the global TI movement.** The Chapter's work continues to be strengthened by access to TI tools, resources, and programs. In TI's work toward a world free of corruption, TI Australia joins with our colleagues in the TI Secretariat and in almost 100 national chapters, working across private and public sectors, and with other civil society organisations, to **promote transparency, build accountability and promote integrity.** TI Australia continues to work strategically across all sectors, domestically and internationally.

### Transparency International Australia

A Company Limited by Guarantee  
ABN 23 068 075 525

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Transparency International Australia (TIA) is a member of the Australian Council for International Development (ACFID) and is a signatory to the ACFID Code of Conduct.

The Code requires members to meet high standards of corporate governance, public accountability and financial management.

TIA is committed to adhering in full to the Code. Any breach of the Code can be reported to the ACFID Code of Conduct Committee ([code@acfid.asn.au](mailto:code@acfid.asn.au)).

More information about the ACFID Code of Conduct can be obtained from Transparency International Australia and from ACFID at:

Phone: 02 6285 1816  
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Email: [code@acfid.asn.au](mailto:code@acfid.asn.au)  
Website: [www.acfid.asn.au](http://www.acfid.asn.au)



## Objectives

TI Australia works to promote transparency, accountability and integrity, nationally in Australia, and globally through the network of Transparency International (TI) by:

- mobilising a broad-based nationwide coalition as part of the global TI movement;
- fostering and supporting research, development and dissemination of effective corruption prevention and enforcement; and
- raising awareness and advocating action by government, business and civil society.

In Australia, TI Australia seeks to build a national coalition of those committed to reducing corruption through state-based and national activities, mainly in cooperation with other organisations. It does not investigate or expose specific cases, but works to improve conduct and systems in Australia and overseas.

## The Board — the Directors during the financial year, were:

<b>Roger Gyles AO QC</b> Chair	Mediator and Arbitrator, previously a barrister and then a judge of the Federal Court from 1999 until 2008. Appointed Director of TI Australia on 10 November 2010 and Chairman from 1 January 2011.
<b>Michael Ahrens</b> Executive Director	Previously senior partner of law firm Baker & McKenzie, Sydney. Director since 18 May 2004. Chief Executive of Transparency International Australia from 1 March 2006.
<b>Greg Thompson</b> Executive Director International	Director of Australian Volunteers International; Director of TI Australia since 16 June 1995. Executive Director International of TI Australia since 18 November 2009.
<b>AJ Brown</b>	Professor of Public Policy & Law, Centre for Governance and Public Policy, Griffith University. Appointed Director of TI Australia on 24 September 2010.
<b>Jane Ellis Seabrook</b>	Principal, Assertia Pty Ltd. Board Member of WaterAID. Director of Transparency International Australia since 6 February 2008 (previously a Director 2001-2005). Former partner of law firm, Ashurst Australia.
<b>Grahame Leonard AM</b>	Lawyer and Consultant. Chairman of Escrow Angel Pty Ltd, Diffuze Pty Ltd and Digital Collective Pty Ltd. Commissioner Victorian Multicultural Commission, Director of Nirosoft Australia Pty Ltd and Sunnymarsh Pty Ltd. Chief Executive Officer of Transparency International Australia from 13 May 2003 to 1 March 2006. Director since 11 December 2002.
<b>David Mattiske</b>	Retired Telstra Executive and International Telecommunications Consultant. Director of TI Australia from 6 October 2005 to 29 November 2012.
<b>Elizabeth O’Keeffe</b>	Strategic Management Consultant. Previously a senior executive in the Victorian Public Service. Director of TI Australia since 7 August 2006.
<b>Graham Tupper</b>	National Liaison Manager, Australian Conservation Foundation. Former Executive Director, Australian Council for International Development. Director of TI Australia since 6 October 2005.
<b>Wendy Tyrrell</b>	General Manager Community at Orica. Director of TI Australia since 4 December 2012.
<b>Harold Werksman</b>	Partner, Holding Redlich, Lawyers. Director of TI Australia since 27 January 2009.
<b>Peter Willis</b>	Barrister. Chairman, Ivanhoe East Primary School Co-Operative Ltd. Director of TI Australia since 20 February 1997.

For any complaints against the Company, contact the Executive Director, Mr Michael Ahrens at [mca@zeta.org.au](mailto:mca@zeta.org.au).

## REPORT ON ACTIVITIES

### Private Sector

#### Corruption Perception Index (CPI)

Australia notched at 7th of 176 countries in the 2012 CPIT. Of those ranked, less than two thirds failed to achieve a ranking of 50 or more out of 100 on the new scale. TI again notes the significance to investors in those emerging markets which are low ranking in the CPI. We regularly promote reference to these rankings.

#### Other TI Publications

The Bribe Payers Index ranks 28 of the largest exporting countries for their perceived propensity to bribe. The new TI Barometer provides salutary results from a survey of opinion of over 114,000 people in 107 countries as to perceived levels of corruption in the public sector. We have also promoted important TI Tools. These included an ‘Assurance Framework for Corporate Anti-Bribery Programmes’ and ‘Diagnosing Bribery Risk – Guidance for the conduct of effective Bribery Risk Assessment’.

Ratings of the anti-corruption programs of most Australian banks, as included in the TI 2012 TRAC report, were also noteworthy this year.

#### Enforcement of Foreign Officials Anti-Bribery Law

Since the first prosecution under this law on 1 July 2011, involving Note Printing Australia, Securrency International and several executives of those companies, TIA has monitored its progress and related publicity. Despite the prosecution we noted the AFP comments on ‘technical difficulties’ with the law and made submissions to a review of the legislation by the Attorney-General. A case study on Securrency was included in the 2012 TI Report on Enforcement of this Convention. The present status of the case and ASIC proceedings in the AWB cases are described in the 2013 Report. We also monitor the growing enforcement of anti-bribery laws in China and in OECD countries.

#### OECD –Third Phase Review

The high level delegation of experts’ review of progress in enforcement of our law implementing the Convention reported in October 2012 made several recommendations to remedy areas of concern. The government’s delay in responding to it either by reforms of the law or by publishing its long awaited National Anti-Corruption Plan remained a matter of concern through the year. Regular meetings continue to be held with relevant agencies in Canberra. We were engaged by EFIC to provide training for its staff on bribery prevention and detection.

#### UK Bribery Act

Strict and extended liability imposed upon

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companies for bribery under UK law, alleviated only by an explicit defence of showing they have in place 'adequate procedures' to guard against bribery, has meant a continued upsurge in interest in implementing effective anti-bribery policies and procedures, not only by companies with UK connections. TI Australia Directors continue to regularly conduct and participate in private sector seminars, workshops and training sessions prompted by this development.

## Public Sector

### Whistleblower Protection – Commonwealth Legislation

The enactment in June 2013 of an amended Public Interest Disclosure Bill by the Federal Parliament with active aid and endorsement of the final version by Prof AJ Brown, a TIA Director, was a breakthrough step. It covers all those in the Commonwealth public sector. The continued lack of protection for private sector whistleblowers that expose offences in breach of federal law remains a significant gap.

### Federal Elections

In the lead up to the September election, TIA submitted to the 3 major parties 10 questions relating to integrity in Government. These were also publicised. The Australian Greens made the most positive commitments in response to the questions. The integrity objectives for Government deserved much greater profile in the election period than happened.

### National Anti-Corruption Plan?

The Government's commitment to develop a National Anti-Corruption Plan was welcomed by TIA and the UNCAC and the OECD visiting delegations. TIA has been actively engaged in this process being led by the Attorney-General's department. TIA lodged a 10 Point Submission in the public consultation supporting the development of the Plan including a proposal of how policy and operational matters could be better handled to deal with both criminal and non-criminal corruption issues at federal level. For unknown reasons the Plan was not released before the Election.

### Commonwealth – Review of Integrity Oversight

The mandate of the Australian Commission for Law Enforcement Integrity (ACLEI) originally only covered the law

enforcement functions of the Australian Federal Police and the Australian Crime Commission, but has been enlarged to cover similar functions of the Customs and Border Protection Service and other agencies. TIA continues to urge support of all federal political parties for setting up a standing integrity and anti-corruption body with adequate resources to oversight all federal agencies.

### Independent Broad-Based Anti-Corruption Commission for Victoria (IBAC)

The IBAC Commission commenced operations in February 2013. TIA has consulted with the Minister and the Commissioner. We remain concerned that the requirement that IBAC confine itself to investigating serious corrupt conduct will result in situations where apparent corrupt conduct by public officials is not investigated.

### TI and the G20

TIA continues to work with the TI movement to influence the work of the G20 Anti-Corruption Working Group, which will report to the Leaders Meeting which the Australian Prime Minister will host in Brisbane in November 2014. In doing so we work with key staff of AGD who represent Australia on the Working Group.

Greg Thompson, a Director of TI Australia, was appointed by the PM in June 2013 as a member of the C20 Steering Committee. This is an opportunity to ensure the Leaders are accountable by fully implementing their commitments in the Seoul Action Plan by fulfilling the Los Cabos declaration to close the implementation and enforcement gap. This would mean an end to illicit financial flows, the effective recovery of stolen assets and setting a global standard for transparency in corporate reporting of taxes and other payments.

### Extractive Industries

Greg Thompson continued as a member of the Multi-Stakeholder Group overseeing Australia's Pilot implementation of the EITI. The MSG will report to the Australian Government and recommend whether Australia should implement the EITI. The Pilot aims to validate revenue and payments within Australian and state government reporting systems. Australia's commitment to the Pilot and its hosting of the Global EITI Conference in Sydney in May 2013 have strengthened the EITI as a mechanism

to ensure greater integrity of the global extractive industries.

In advocacy of EITI, our Executive Director Greg Thompson has been very active. During the year he has spoken at a Roundtable hosted by the International Mining for Development Centre in Perth, a panel on the EITI at the IACC in Brasilia, a panel for the ICMM at the Mining Indaba in Cape Town and at a UNDP Roundtable on Extractive Industries in the Pacific in Fiji.

## The TI Movement

### TI Australia's Strategic Plan 2012-15

Implementing TIA's Strategic Plan has been a priority and ensures TIA's program is in line with the TI Movement's Strategy 2015 further strengthening our work through strategic engagement with the wider movement. That work is informing the development of a TIA Corporate Partnerships program.

During this past year TIA participated actively in serious initiatives to strengthen the capacity of the TI network at the IACC, AMM and TI Global and Asia Pacific meetings in Brasilia, Wellington and Phnom Penh. We will participate in the further sessions at the Annual Meeting in Berlin this year.

TIA's income continues to be generated primarily from Corporate supporters and TIA operates with limited costs while pursuing its operations, ensuring a healthy financial position. TIA did not conduct any aid and development activities this year.

### Regional Committees Established

TIA is pleased to confirm active Regional Committees in Brisbane, Perth and Canberra with a number of initiatives being undertaken and members recruited. This element of our Strategic Plan is an important extension of our activities with new perspectives and valuable contributions from the organisers (convenors) as we address corruption risks.



**Michael Ahrens**  
Executive Director



**Greg Thompson**  
Executive Director  
International



**Income Statement for the year ended 30 June 2013**

	2013	2012
<b>REVENUE</b>	\$	\$
Donations and gifts - monetary	1,742	1,366
Donations and gifts - non-monetary	0	0
Grants		
- Other Australian	0	0
- Other overseas	8,971	7,919
Investment income	0	0
Other income (1)	130,725	67,669
<b>TOTAL REVENUE</b>	<b>141,438</b>	<b>76,954</b>
<b>EXPENSES</b>		
International programs		
- Funds to overseas programs	0	0
- Other project costs	0	0
Domestic projects	0	0
Community education	0	0
Fundraising costs		
- Public	0	0
- Government, multilaterals & private	0	0
Accountability & administration (2)	84,871	74,068
<b>TOTAL EXPENSES</b>	<b>84,871</b>	<b>74,068</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>56,567</b>	<b>2,886</b>
Notes:		
1. Includes: Membership Subscriptions		
Organisations	103,450	43,600
Individuals	7,810	7,305
2. Includes: Administration / Sub Contractor Expenses	49,271	40,600
Travel & Accommodation - Local and International	26,688	22,728
Operational Costs	8,912	10,740

**Balance Sheet as at 30 June 2013**

	2013	2012
<b>ASSETS</b>		
Current Assets		
- Cash and cash equivalents	148,608	120,485
- Financial assets	35,767	13,970
Non-Current Assets		
- Property, plant & equipment	0	0
- Other	0	0
<b>TOTAL ASSETS</b>	<b>184,375</b>	<b>134,455</b>
<b>LIABILITIES</b>		
Current Liabilities		
- Trade, deferred subs and other payables	37,100	41,788
- Provisions	2,467	2,661
Non-Current Liabilities		
- Payables	0	0
- Other (pre-paid membership subscriptions)	2,255	4,020
<b>TOTAL LIABILITIES</b>	<b>41,822</b>	<b>48,469</b>
<b>NET ASSETS</b>	<b>142,553</b>	<b>85,986</b>
<b>EQUITY</b>	142,553	85,986
Reserves	0	0

**Statement of Changes in Equity for the year ended 30 June 2013**

	Retained Earnings	Reserves	Total
<b>Balance at 1-Jul-11 (commencing balance)</b>	<b>83,100</b>	<b>0</b>	<b>83,100</b>
Excess of revenue over expenses YE 30/6/12	2,886	0	2,886
Amount transferred (to) from reserves	0	0	0
<b>Balance at 30-Jun-12</b>	<b>85,986</b>	<b>0</b>	<b>85,986</b>
Excess of revenue over expenses YE 30/6/13	56,567	0	56,567
Amount transferred (to) from reserves	0	0	0
<b>Balance at 30-Jun-13 (ending balance)</b>	<b>142,553</b>	<b>0</b>	<b>142,553</b>

**Table of Cash Movements for the year ended 30 June 2013**

	2013	2012
<b>Cash flows from operating activities</b>		
Cash receipts in the course of operations	145,368	114,694
Interest Received	4,059	2,927
Cash payments in the course of operations	-121,304	-88,919
Net Cash (used)/provided by operating activities	28,123	28,702
<b>Cash flows from investing activities</b>	<b>0</b>	<b>0</b>
<b>Cash flows from financing activities</b>	<b>0</b>	<b>0</b>
Net (decrease) / increase in cash held	28,123	28,702
Cash at the beginning of the financial year	120,485	91,783
Cash at the end of the financial year	148,608	120,485

No single appeal, grant or other form of fundraising for a designated purpose generated 10% or more of TI Australia's international aid and development revenue for the financial year.

**Report on the Concise Financial Report**

We have audited the accompanying concise financial report of Transparency International Australia which comprises the balance sheet as at 30 June 2013, the income statement and the statement of changes in equity and cash flows for the year then ended, derived from the audited financial report of Transparency International Australia for the year ended 30 June 2013. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

**Directors' Responsibility for the Concise Financial Report**

The Directors are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the concise financial report.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the concise financial report based on our audit procedures which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Transparency International Australia for the year ended 30 June 2013. We expressed an unmodified audit opinion on that financial report dated 22 October 2013. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the concise financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Our procedures include testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of audit evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 *Concise Financial Reports*.


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Independence**

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Transparency International Australia would be in the same terms if given to the directors as at the date of this auditor's report.

**Auditor's opinion**

In our opinion, the concise financial report of Transparency International Australia for the year ended 30 June 2013 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

  
PricewaterhouseCoopers

  
Paul Lewis BCom, ICAA, RCA  
Partner  
Melbourne – 22 October 2013

**Statement on behalf of the Board**

I, Michael Ahrens, Executive Director of Transparency International Australia, state that the concise financial report has been derived from the full financial report of the Company, and shows a true and fair view of the state of affairs of the Company. A full set of audited accounts are available upon request, or can be viewed on the Company website – [www.transparency.org.au](http://www.transparency.org.au)

  
Michael Ahrens

The Summary Financial Reports have been prepared in accordance with the requirements set out in the ACFID Code of Conduct. For further information on the Code please refer to the ACFID Code of Conduct Implementation Guide available at [www.acfid.asn.au](http://www.acfid.asn.au)