



# TRANSPARENCY INTERNATIONAL AUSTRALIA

*Affiliate of Transparency International,  
the Coalition against Corruption*

## ANNUAL REPORT

**1 JULY 2014 TO 30 JUNE 2015**

TI Australia's program of activities continues to benefit heavily from involvement in the global TI movement. The Chapter's work is strengthened by access to TI tools, resources, and programs. In TI's work towards 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 (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  
Fax: 02 6285 1720  
Email: [code@acfid.asn.au](mailto:code@acfid.asn.au)  
Website: [www.acfid.asn.au](http://www.acfid.asn.au)



### Transparency International Australia

A Company Limited by Guarantee  
Registered with the Australian Charities and  
Not-for-Profits Commission (ACNC)

ABN 23 068 075 525

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## OBJECTIVES

TI Australia (TIA) 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, TIA 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.

# TRANSPARENCY INTERNATIONAL

## Report on Activities

### Private Sector

#### Corruption Perception Index (CPI)

Australia continued to drop its ranking. It is now 11th of 176 countries in the 2014 CPI issued by TI. More than two-thirds of the 175 countries in the CPI scored below 50 out of 100 on the revised scale. TI again notes the CPI's significance for investors who operate in emerging markets with low CPI rankings. TI Australia regularly promotes the significance of these rankings and issues press releases. The 2014 Australian CPI launch was marked by events in 5 cities.

#### Other TI Publications

TIA continues to promote TI Tools. During the year important TI publications were added, including 'Transparency in Corporate Reporting' with 125 leading international companies scored; a ranking of 163 defence contractors in an Anti-Corruption Index; and a useful TI-UK handbook, 'How to Bribe: A Typology of Bribe-Paying and How to Stop It'.

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

TIA continues to monitor progress on prosecutions involving Note Printing Australia and Securrency. Comments made by the AFP on 'technical difficulties' with the law have been noted. While TIA welcomed the establishment of a new Fraud and Anti-Corruption Unit by the Australian Federal Police, we expressed with others concern about the lack of progress in strengthening the legislation. We contributed to the important 2015 Transparency International report 'Exporting Corruption' with a review of progress, and urged attention to its several recommendations for better Australian enforcement.

#### OECD Working Group on Bribery

##### – Follow up to the Third Phase Review

A review, by a high level delegation of experts, of progress in Australia's enforcement of

laws implementing the OECD Convention (released in October 2012) made several recommendations to remedy areas of concern. We took public note of the main finding in the April 2015 Report that no action had been taken to address 8 of the original recommendations, and only partial action on 9 others. The government's delay in responding, either by reforms of the law or by publishing its long awaited National Anti-Corruption Plan, again remained a matter of concern through the year. Regular meetings continue to be held with relevant agencies in Canberra. We also corresponded with Minister Keenan.

#### FCPA and UK Bribery Act

Comparative better enforcement of the FCPA by the SEC and the Department of Justice in the USA, as well as the strict and extended liability imposed upon companies for bribery under UK law, has meant a continued interest in implementing effective anti-bribery policies and procedures by Australian companies, not only those with UK connections. TIA Directors and Regional Committee members continue to regularly participate in private sector seminars and workshops on foreign bribery, which have provided backing for our subsequent submission to the Senate Economics References Committee.

## Public Sector

#### Anti-Money Laundering

The growing need to strengthen our defences against the illicit flow of funds across our borders was emphasised in the Mutual Evaluation Report of the Financial Action Task Force (FATF) in April 2015. TIA has urged stronger government action on Money Laundering with media releases and engagement with AUSTRAC and Canberra agencies.

#### Commonwealth – Review of Integrity Oversight

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

## THE BOARD — CURRENT DIRECTORS AND THE DIRECTORS DURING THE FINANCIAL YEAR:

<b>Michael Ahrens</b>	Previously senior partner of law firm Baker & McKenzie, Sydney. Director since 18 May 2004. Executive Director of TI Australia since 1 March 2006.	<b>Jane Ellis Seabrook</b>	Principal, Assertia Pty Ltd. Board Member of WaterAID. Former partner of law firm, Ashurst Australia. Director of Transparency International Australia from 6 February 2008 (previously a Director 2001-2005) to 24 March 2015.
<b>Jarrold Baker</b>	Senior Managing Director in the Forensic Accounting & Advisory Services practice of FTI Consulting, Singapore. Director of Transparency International Australia since 20 November 2014.	<b>Michael Forde</b>	Mediator and Probity Adviser and consultant to UHY Haines Norton Chartered Accountants, Brisbane. Director of Transparency International Australia from 26 November 2013 to 8 September 2015.
<b>AJ Brown</b>	Professor of Public Policy & Law, Centre for Governance and Public Policy, Griffith University. Director of TI Australia since 24 September 2010.	<b>Roger Gyles AO QC</b>	Mediator and Arbitrator, Independent Security Legislation Monitor, previously a barrister and then a judge of the Federal Court from 1999 until 2008. Director of TI Australia since 10 November 2010 and Chairman since 1 January 2011.
<b>Keith Christiansen</b>	Previously Group Manager International Development with GHD Pty Ltd and CEO GHD Perunding Malaysia, and retired Australian Army Officer (Colonel). Director of Transparency International Australia since 8 September 2015.		

# AUSTRALIA

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. Through media releases, TIA continues to urge the support of all federal political parties for setting up a standing integrity and anti-corruption body with adequate resources to oversee all federal agencies.

## TI and the G20

TIA continues to work with the TI movement to influence the work of the G20 Anti-Corruption Working Group, as it implements the G20 Anti-Corruption Action Plan 2015-16, endorsed by the G20 Leaders at their Summit in Brisbane in November 2015. TI's Unmask the Corrupt Campaign leading up to the Summit, in which TIA was actively involved, had a demonstrably pivotal role in ensuring the G20 Leaders' endorsement of a set of G20 Principles on Beneficial Ownership.

TI is researching G20 members' alignment with the G20 Principles of Beneficial Ownership, as well as advocating a set of Principles on Public Procurement, collaboration across the G20 on the effective enforcement of foreign bribery laws, and the protection of whistleblowers in public and private sectors. We acknowledge the strong support by the TI Movement for TIA's engagement with the G20's ACWG provided by TI's Maggie Murphy, based in Canberra in 2014.

## Extractive Industries

TIA continued to urge the Australian Government to implement the EITI domestically, while continuing support for the EITI globally. We still await the Government's decision on this matter.

Contract negotiations continue with BHP Billiton Foundation and the Australian

Government Aid Program who have agreed to support a 5-year initiative working nationally and globally on preventing corruption in the awarding of mining permits, licenses and contracts. TI Australia is working towards the establishment of a Centre of Expertise on Mining and Corruption through a key leadership role in this program.

## The TI Movement

### TI Australia's Strategic Plan 2015-18

In early 2015, based on a review of achievements under the previous Strategic Plan, and in parallel with the development of a new TI Global Strategy, the TIA Board developed a new Strategic Plan 2015-18. The review led to recognition of the need to more clearly define the strategy and plan objectives, timing, and accountabilities and to put in place a tracking mechanism for the board to monitor progress. Over the next 3 years key priorities include advocacy for stronger foreign bribery laws, curbing illicit financial flows through strengthening anti-money laundering, and transparent public procurement. TI Australia will continue to strengthen its work with corporate members through the development of a business integrity program drawing on the broader experience and work of the TI global movement.

During this past year TIA participated actively in serious initiatives to strengthen the capacity of the TI network at the AMM and TI Global and Asia Pacific meetings in Berlin, Wellington and Kuala Lumpur.

### Strengthening TI Australia's Capacity

TIA's income continues to be generated primarily from our valued corporate supporters. TIA operates with limited costs while pursuing its operations,

ensuring a healthy financial position. Carrie Elton acted as Manager, Corporate Engagement, for much of the year, to bolster our commitment to build corporate membership for TIA and to deepen engagement with corporate members. We look forward to recruiting an Executive Officer to add strength to these efforts in the near future.

During the year the Board of TIA has formalised and given more emphasis to its committees with defined and allocated functions in areas including: the Mining Initiative, recruiting, finance, media strategy, membership and the Board succession plan. These have operated well.

TIA did not conduct any aid and development activities this year.

### Regional Committees

TIA has worked to strengthen a network of Regional Committees in Brisbane, Sydney, Canberra, Melbourne and Perth. Activities organised by each of the Committees continue to provide outreach across Australia, including the launch of the CPI in each city in December 2014. Other events provide a platform to recruit individual and corporate members to engage a wider audience in confronting the risks and prevention of corruption.

  
**Michael Ahrens**  
Chief Executive



  
**Greg Thompson**  
Chief Executive International



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

<b>Grahame Leonard AM</b>	Lawyer and Consultant. Chairman of Escrow Angel Pty Ltd, Health Media Group Pty Ltd and Digital Collective Pty Ltd. Commissioner Victorian Multicultural Commission, Director Genetic Technologies Ltd, Skylabs Pty Ltd, Opco Pty Ltd and Sunnymarsh Pty Ltd. Chief Executive Officer of Transparency International Australia from 13 May 2003 to 1 March 2006. Director from 11 December 2002 to 20 November 2014.	<b>Neville Tiffen</b>	Principal, Neville Tiffen & Associates, specialist consultant – corporate governance, business integrity and compliance. Formerly Global Head of Compliance and other senior positions with Rio Tinto. Director of TI Australia from 26 November 2013 to 21 August 2015.
<b>Holly Lindsay</b>	Advisor to Regnan Governance, Research and Engagement, Principal of Integrity Matters and Governor of WWF Australia. Director since 8 September 2015.	<b>Wendy Tyrrell</b>	Managing Director of The Long View Consulting. Director of TI Australia since 4 December 2012.
<b>Elizabeth O'Keeffe</b>	Strategic Management Consultant. Previously a senior executive in the Victorian Public Service. Director of TI Australia from 7 August 2006 to 20 November 2014.	<b>Harold Werksman</b>	Partner, Holding Redlich, Lawyers. Director of TI Australia since 27 January 2009.
<b>Greg Thompson</b>	Director of Australian Volunteers International; Director of ABM-Australia Ltd; Director of TI Australia since 16 June 1995. Executive Director International of TI Australia since 18 November 2009.	<b>Anthony Whealy QC</b>	Mediator and Law Reform Commissioner; Former Judge NSW Court of Appeal and ICAC Commissioner. Director since 8 September 2015.

Income Statement for the year ended 30 June 2015		
	2015	2014
<b>REVENUE</b>	\$	\$
Donations and gifts - monetary	336	1,660
Donations and gifts - non-monetary	0	0
Grants		
- Other Australian	0	0
- Other overseas	9,595	25,764
Other income (1)	163,181	140,623
<b>TOTAL REVENUE</b>	<b>173,112</b>	<b>168,047</b>
<b>EXPENSES</b>		
International programs		
- Funds to overseas programs	0	0
- Other project costs	0	0
Community education	0	0
Fundraising costs		
- Public	0	0
- Government, multilaterals & private	0	0
Accountability & administration (2)	192,012	111,055
Non-monetary	0	0
<b>TOTAL EXPENSES</b>	<b>192,012</b>	<b>111,055</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>-18,900</b>	<b>56,992</b>
Notes:		
1. Includes: Membership Subscriptions Organisations	144,960	122,800
Individuals	13,375	11,600
2. Includes: Admin / Sub Contractor / Wage / Consultant	123,019	53,956
Travel & Accommodation - Local and International	44,234	28,868
Operational Costs	24,759	28,231

Balance Sheet as at 30 June 2015		
	2015	2014
<b>ASSETS</b>		
Current Assets		
- Cash and cash equivalents	203,301	224,493
- Financial Assets	41,932	18,086
Non-current Assets		
- Property, plant & equipment	0	0
- Other	0	0
<b>TOTAL ASSETS</b>	<b>245,233</b>	<b>242,579</b>
<b>LIABILITIES</b>		
Current Liabilities		
- Trade, Deferred Subs and Other Payables	56,505	35,722
- Provisions	2,678	3,627
Non-current liabilities		
- Payables	0	0
- Other (Pre-Paid Membership Subscriptions)	5,405	3,685
<b>TOTAL LIABILITIES</b>	<b>64,588</b>	<b>43,034</b>
<b>NET ASSETS</b>	<b>180,645</b>	<b>199,545</b>
<b>EQUITY</b>		
Reserves	180,645	199,545
	0	0

Statement of Changes in Equity for the year ended 30 June 2015			
	Retained Earnings	Reserves	Total
<b>Balance at 30-Jun-13</b> (commencing balance)	<b>142,553</b>	<b>0</b>	<b>142,553</b>
Excess of revenue over expenses YE 30/6/14	56,992	0	56,992
Amount transferred (to) from reserves	0	0	0
<b>Balance at 30-Jun-14</b>	<b>199,545</b>	<b>0</b>	<b>199,545</b>
Deficit of revenue over expenses YE 30/6/15	-18,900	0	-18,900
Amount transferred (to) from reserves	0	0	0
<b>Balance at 30-Jun-15</b> (ending balance)	<b>180,645</b>	<b>0</b>	<b>180,645</b>

Table of Cash Movements for the year ended 30 June 2015		
	2015	2014
<b>Cash flows from operating activities</b>		
Cash receipts in the course of operations	193,272	211,227
Interest Received	6,335	5,402
Cash payments in the course of operations	-220,799	-140,744
Net Cash (used)/provided by operating activities	-21,192	75,885
<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	-21,192	75,885
Cash at the beginning of the financial year	224,493	148,608
Cash at the end of the financial year	203,301	224,493

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 2015, 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 2015. 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 2015. We expressed an unmodified audit opinion on that financial report dated 15 October 2015. 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*.

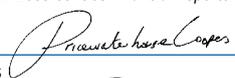
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### 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 2015 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

  
PricewaterhouseCoopers

  
Paul Lewis BCom, ICAA, RCA  
Partner

Melbourne – 15 October 2015

## 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)