



TRANSPARENCY INTERNATIONAL AUSTRALIA

*Affiliate of Transparency International,
the Coalition against Corruption*

ANNUAL REPORT

1 JULY 2013 TO
30 JUNE 2014

**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 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.



ACFID
MEMBER

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).

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

Website: 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

Registered Office:

Level 5, Deutsche Bank Place

126 Philip Street Sydney NSW 2000

PO Box 2041 Blackburn South Victoria 3130

Phone 03 9877 0369

Email tioz@transparency.org.au

Email a1admin@transparency.org.au

www.transparency.org.au



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.

THE BOARD — THE DIRECTORS DURING THE FINANCIAL YEAR, WERE:

Michael Ahrens	Previously senior partner of law firm Baker & McKenzie, Sydney. Director since 18 May 2004. Executive Director of TI Australia since 1 March 2006.
AJ Brown	Professor of Public Policy & Law, Centre for Governance and Public Policy, Griffith University. Director of TI Australia since 24 September 2010.
Jane Ellis Seabrook	Principal, Assertia Pty Ltd. Board Member of WaterAID. Director of TI Australia since 6 February 2008 (previously a Director 2001-2005). Former partner of law firm, Ashurst Australia.
Michael Forde	Mediator and Probity Adviser and consultant to UHY Haines Norton Chartered Accountants, Brisbane. Director of TI Australia since 26 November 2013.
Roger Gyles AO QC	Mediator and Arbitrator, 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
Grahame Leonard AM	Lawyer and Consultant. Chairman of Escrow Angel Pty Ltd, Diffuze 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 TI Australia from 13 May 2003 to 1 March 2006. Director since 11 December 2002.
Elizabeth O'Keefe	Strategic Management Consultant. Previously a senior executive in the Victorian Public Service. Director of TI Australia since 7 August 2006.
Greg Thompson	Director of Australian Volunteers International. Director of TI Australia since 16 June 1995. Executive Director International of TI Australia since 18 November 2009.
Neville Tiffen	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 since 26 November 2013.
Graham Tupper	National Liaison Manager, Australian Conservation Foundation. Former Executive Director, Australian Council for International Development. Director of TI Australia from 6 October 2005 to 26 November 2013.
Wendy Tyrrell	General Manager Community at Orica. Director of TI Australia since 4 December 2012.
Harold Werksman	Partner, Holding Redlich, Lawyers. Director of TI Australia since 27 January 2009.
Peter Willis	Barrister. Chairman, Ivanhoe East Primary School Co-Operative Ltd. Director of TI Australia from 20 February 1997 to 26 November 2013.

For any complaints against the Company, contact the Executive Director, Mr Michael Ahrens at mca@zeta.org.au

REPORT ON ACTIVITIES

Private Sector

Corruption Perception Index (CPI)

Australia dropped its ranking to 9th of 176 countries in the 2013 CPI issued by TI. Of those ranked, less than two thirds still 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 the significance of these rankings.

Other TI Publications

The release of the Global Corruption Barometer, which was based on a survey of opinion of over 114,000 people in 107 countries as to perceived levels of corruption in the public sector, is salutary. The 2013 report reflected the particular concern of Australians about perceived political corruption in Australia. We also promote other important TI Tools. These now include 'Countering Small Bribes with Practice Guidelines for dealing with Facilitation Payments' and 'Curbing Corruption in Public Procurement – a Practical Guide'.

Enforcement of Foreign Officials Anti-Bribery Law

TIA continues to monitor progress on prosecutions involving Note Printing Australia and Securrency. Despite the prosecution we note the AFP comments on 'technical difficulties' with the law but remain concerned about the lack of progress in strengthening the legislation. TIA welcomed the establishment of a new Fraud and Anti-Corruption Unit by the Australian Federal Police.

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 again remained a matter of concern through the year. Regular meetings continue to be held with relevant agencies in Canberra.

NATIONAL AUSTRALIA

FCPA and UK Bribery Act

Continuing 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 Committees continue to regularly participate in private sector seminars and workshops.

Public Sector

Whistleblower Protection - Commonwealth Legislation.

Following the breakthrough enactment in June 2013 of an amended Public Interest Disclosure Bill by the Federal Parliament, Prof AJ Brown, a TIA Director, is now directing efforts to address the continued lack of protection for private sector whistleblowers that expose offences in breach of federal law. Such action has earned strong recommendations for reform from the Senate Committee on ASIC to which TIA made submissions.

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.

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 AG's who are Co-Chairs with Italy of the G20 Anti-Corruption Working Group.

Greg Thompson, a Director of TIA, continued as a member of the C20 Steering Committee, leading the C20's work on Governance, Transparency and Anti-Corruption, including at the C20 Summit in Melbourne in June. TI joined with others in calling the G20 Leaders to commit to a new Anti-Corruption Action Plan for 2015-16 while ensuring G20 countries acted on the key priorities established in 2012. TI is urging a commitment to a new global transparency commitment to public registers of beneficial ownership of companies and other entities, transparent public procurement, effective enforcement of foreign bribery laws and protection of whistleblowers in public and private sectors. TIA acknowledges the strong support by the TI Movement for this engagement with the G20's ACWG provided by TI's Maggie Murphy based in Canberra in 2014.

Extractive Industries

Greg Thompson also continued as a member of the Multi-Stakeholder Group (MSG) overseeing Australia's Pilot implementation of the EITI. The MSG has submitted its report to the Australian Government and in doing so made a unanimous recommendation that the Australian Government should implement the EITI domestically while continuing support for the EITI globally. We await the Government's decision on this matter.

TIA is leading the TI Movement towards the development of a Centre of Expertise on Mining and Corruption.

The TI Movement

TI Australia's Strategic Plan 2012-15

The ongoing implementation of TIA's Strategic Plan ensures TIA's program aligns with the TI Movement's Strategy 2015, as strategic engagement with the wider movement continues. That work is informing the development of a TIA Corporate Partnerships program. TIA has participated in workshops on Business Integrity in the Asia Pacific Region in Kuala Lumpur and with the regional meeting of the Open Government Partnership in Bali.

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, Kathmandu and Phnom Penh. We will participate in the further sessions at the Annual Meeting in Berlin this year.

Under the leadership of Professor AJ Brown, TIA in partnership with TI globally hosted a major workshop, to take stock of Transparency International's national integrity system (NIS) approach to anti-corruption assessment and capacity-building.

Strengthening TI Australia's Capacity

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. The appointment of Carrie Elton as Manager, Corporate Engagement is a commitment to build corporate membership and revenue for TIA, as well as to deepen engagement of and with corporate members.

TIA has supported the engagement of TIA members Austrade and URS in working with Chapters in the Region in outreach to suppliers and potential trading partners. TIA did not conduct any aid and development activities this year.

Regional Committees

TIA is pleased to confirm Regional Committees in Melbourne and Sydney have been established. Together with Committees in Brisbane, Perth and Canberra, activities continue to provide outreach across Australia, including the launch of the CPI in each city in December 2013. 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
Executive Director




Greg Thompson
Executive Director
International



Income Statement for the year ended 30 June 2014		
	2014	2013
REVENUE	\$	\$
Donations and gifts - monetary	1,660	1,742
Donations and gifts - non-monetary	0	0
Grants		
- Other Australian	0	0
- Other overseas	25,764	8,971
Other income (1)	140,623	130,725
TOTAL REVENUE	168,047	141,438
EXPENSES		
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)	111,055	84,871
Non-monetary	0	0
TOTAL EXPENSES	111,055	84,871
EXCESS OF REVENUE OVER EXPENSES	56,992	56,567
Notes:		
1. Includes: Membership Subscriptions Organisations	122,800	103,450
Individuals	11,600	7,810
2. Includes: Administration / Contractor / Wage / Consultant	53,956	49,271
Travel & Accommodation – Local and International	28,868	26,688
Operational Costs	28,231	8,912

Balance Sheet as at 30 June 2014		
	2014	2013
ASSETS		
Current Assets		
- Cash and cash equivalents	224,493	148,608
- Financial assets	18,086	35,767
Non-Current Assets		
- Property, plant & equipment	0	0
- Other	0	0
TOTAL ASSETS	242,579	184,375
LIABILITIES		
Current Liabilities		
- Trade, deferred subs and other payables	35,722	37,100
- Provisions	3,627	2,467
Non-Current Liabilities		
- Payables	0	0
- Other (pre-paid membership subscriptions)	3,685	2,255
TOTAL LIABILITIES	43,034	41,822
NET ASSETS	199,545	142,553
EQUITY	199,545	142,553
Reserves	0	0

Statement of Changes in Equity for the year ended 30 June 2014			
	Retained Earnings	Reserves	Total
Balance at 1-Jul-12 (commencing balance)	85,986	0	85,986
Excess of revenue over expenses YE 30/6/13	56,567	0	56,567
Amount transferred (to) from reserves	0	0	0
Balance at 30-Jun-13	142,553	0	142,553
Excess of revenue over expenses YE 30/6/14	56,992	0	56,992
Amount transferred (to) from reserves	0	0	0
Balance at 30-Jun-14 (ending balance)	199,545	0	199,545

Table of Cash Movements for the year ended 30 June 2014		
	2014	2013
Cash flows from operating activities		
Cash receipts in the course of operations	211,227	145,368
Interest Received	5,402	4,059
Cash payments in the course of operations	-140,744	-121,304
Net Cash (used)/provided by operating activities	75,885	28,123
Cash flows from investing activities	0	0
Cash flows from financing activities	0	0
Net (decrease) / increase in cash held	75,885	28,123
Cash at the beginning of the financial year	148,608	120,485
Cash at the end of the financial year	224,493	148,608

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 2014, 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 2014. 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 2014. We expressed an unmodified audit opinion on that financial report dated 27 October 2014. 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.

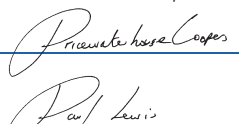

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 2014 complies with Australian Accounting Standard AASB 1039 Concise Financial Reports.


PricewaterhouseCoopers

Paul Lewis BCom, ICAA, RCA
Partner
Melbourne – 27 October 2014

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


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