



TRANSPARENCY INTERNATIONAL AUSTRALIA

*Affiliate of Transparency International,
the Coalition against Corruption*

ANNUAL REPORT 1 JULY **2015** TO 30 JUNE **2016**

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

A Company Limited by Guarantee
Registered with the Australian Charities and
Not-for-Profits Commission (ACNC)
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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 national coalitions against corruption 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 Australia

Report on Activities

This financial year has been a time of transition for Transparency International Australia (TIA), with the first full-time CEO commencing in January 2016. TIA has continued its operations of raising awareness of corruption and anti-corruption measures in Australia through advocacy and the media. Efforts have persisted to increase the membership of companies, NGOs and individuals, and to refine the value proposition and nature of collaboration with supporters.

The Board has continued to implement its Strategy and Plan, building upon past achievements and focusing on improving organisational capacity to deliver its objectives. TIA's program continues to be aligned with the TI Movement's Strategy 2020. Our work in Australia is strengthened through strategic engagement with the wider movement.

Extractive Industries

Mining for Sustainable Development (MSD)

TI Australia and Transparency International finalised preparations for the implementation of the Mining for Sustainable Development programme. TI Australia is the lead TI Chapter for the programme, working with 20 TI Chapters around the world to investigate and map corruption in the awarding of mining licences, permits and contracts. Through the programme, TIA is establishing a Centre of Expertise in Mining & Corruption on behalf of the TI movement.

Extractive Industries Transparency Initiative

TIA welcomes the Federal Government's announcement that, following a successful pilot in 2014, Australia will fully implement the Extractives Industry Transparency Initiative (EITI). Australia has provided funding for the EITI Secretariat to expand its influence and global reach. TIA looks

forward to partnering with the government, industry and civil society in Australia as local EITI implementation takes shape throughout 2016.

TI Australia Growth and Development

Through the Mining for Sustainable Development programme, TIA has embarked upon a transition from a volunteer organisation to a fully professional TI Chapter. Commencing with the appointment of the CEO, TIA continued to recruit qualified and experienced staff to deliver the mining programme and build institutional capacity in Australia.

2020 Breakthrough Objectives

TIA developed and published five objectives to be delivered over the next few years. Increasingly we focus our efforts on driving and measuring real change in the performance of our governments, the corporate community and Australia's regional and international role in reducing and preventing corruption. Our annual operating plan continues to refine our approach to achieving our long-term objectives.

Advocacy

2015 Corruption Perceptions Index (CPI)

In 2016 it was revealed that world-wide perceptions of the level of corruption in Australia's government sector continue to worsen, with Australia's CPI score falling to 79, down from 85 in 2012, 81 in 2013 and 80 in 2014. Australia is now ranked 13th out of the 168 countries included in the Index – down six positions since 2012, and joining countries like Libya, Brazil, Spain and Turkey as big decliners over that period. CPI events were held in Melbourne, Sydney, Brisbane and Perth. Feedback from those events indicates growing concern about

The Board — Current Directors and the Directors during the financial year:

Michael Ahrens – Previously senior partner of law firm Baker & McKenzie, Sydney. Director since 18 May 2004. Executive Director of Transparency International Australia 1 March 2006- 4 January 2016.

Jarrod Baker – Senior Managing Director in the Forensic Accounting & Advisory Services practice of FTI Consulting, Singapore. Director of Transparency International Australia since 20 November 2014.

AJ Brown – Professor of Public Policy & Law, Centre for Governance and Public Policy, Griffith University. Director of Transparency International Australia since 24 September 2010.

Keith Christiansen – 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.

Rebecca Davies – Previously a senior partner of a major law firm and now has a portfolio of non-executive positions in the government, health and charity sectors. Writer and facilitator of courses for the Australian Institute of Company Directors. Director since 30 September 2016.

Michael Forde – 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.

Roger Gyles AO QC – Mediator and Arbitrator, Independent Security Legislation Monitor, previously a barrister and then a judge of the Federal Court from 1999 until 2008. Director of Transparency International Australia from 10 November 2010 to 25 November 2015 and Chairman of TI Australia from 1 January 2011 to 25 November 2015.

Australia's international reputation for fighting and preventing corruption.

UK Anti-Corruption Summit

The global Anti-Corruption Summit hosted by UK Prime Minister David Cameron and attended by over 42 countries saw Australia reaffirm many encouraging commitments in the global effort to fight corruption. TI Australia welcomed these announcements and believes it is critical that they translate quickly into concrete actions to build on the international momentum in fighting corruption. Australia must be more ambitious and must do better in a number of areas. For example, Australia has only committed to commence public consultations into a register of beneficial ownership, while at the Summit some six additional countries signed up to actually implement registers. Australia stands out as one of six nations only committing to consultation, not to implementation.

Open Government Partnership (OGP)

The OGP is a multilateral initiative that aims to secure concrete commitments from governments to promote transparency, empower citizens, fight corruption and harness new technologies to strengthen governance. Membership requires governments to work with civil society to 'co-draft' a National Action Plan every two years, with independent reporting on progress. The Australian Government confirmed its membership of the OGP in November 2015. TIA is a founding member of a coalition of civil society organisations and actors committed to partnering with government to see a strong and ambitious first National Action Plan. TIA obtained small grants from the Omidyar Foundation to support civil society engagement in Australia.

2016 Federal Election

TIA sent an open letter to all major political parties and independents seeking their response to a questionnaire on matters of transparency, receiving only two responses: from the Australian Labor Party (ALP) and the Coalition. The major political parties and our politicians appear out of step with voters on the importance of integrity – especially on the need for a federal anti-corruption agency. It's surprising, given reports of allegations about corruption concerning political donations, suspected smuggling and visa scams, that integrity did not feature prominently in the priorities of any major political party or independent candidate.

Position Papers on Primary Focus Areas

TIA released eight position papers on a range of topics including: Foreign Bribery, Illicit Financial Flows, Corruption in Mining, National Integrity System, Open Government, Public Procurement, Political Financing and Whistleblowing. Working with government, business and civil society partners, TIA continues to advocate for improvements to transparency, integrity and accountability in Australia. We contributed submissions to a number of Senate Committees and commenced a renewed focus on the implementation and enforcement of legislation as a deterrent to corrupt acts.

Media

TIA increased our media engagement through 'OpEds', media releases and numerous interviews on radio and in the press by our Chairman and CEO. We are reviewing digital media channels and looking to implement a targeted and intentional approach to social media in the year ahead.

Engagement

Private Sector

Partnering with the private sector to promote integrity and develop real solutions to corruption risk remains a high priority for TIA. We have expanded our Cornerstone Partnership Programme and increased the level of engagement with all corporate members. Whilst our partners contribute to TIA's financial sustainability, we also recognise the importance of TIA better understanding the impact of legislative and policy reform in the real world, and enhancing our ability to advocate for future change. TIA's future corporate engagement strategy will focus upon the extractive industry and financial/banking sectors as key drivers of Australia's economy.

Regional Committees

TIA has continued to develop our network of Regional Committees in Brisbane, Sydney, Canberra, Melbourne and Perth. In addition to events around the 2016 CPI Launch, TIA explored opportunities to focus on the key themes of our Position Papers in collaboration with our corporate partners, seeking to hold events that unpack issues and increase TIA's profile around Australia.



Phil Newman
CEO




Anthony Whealy QC
Chair



For any complaints against the Company contact TIA Complaints Officer at info@transparency.org.au

Holly Lindsay – Manager, Engagement and Research, Australian Council for Superannuation Investors and Governor of WWF Australia. Director since 8 September 2015.

Peter Moore – Previously Managing Director Accenture. Non-exec Director Montsalvat Limited and Vastigo Limited. Transparency International Australia Director since 24 November 2015.

Greg Thompson – Director of Australian Volunteers International; Director of ABM-Australia Ltd; Director of TI Australia since 16 June 1995. Executive Director International of Transparency International Australia 18 November 2009-4 January 2016.

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 Transparency International Australia from 26 November 2013 to 21 August 2015.

Wendy Tyrrell – Managing Director of The Long View Consulting. Director of Transparency International Australia since 4 December 2012.

Harold Werksman – Partner, Thomson Geer; Lawyers. Director of Transparency International Australia since 27 January 2009.

Anthony Whealy QC – Mediator. Former Law Reform Commissioner, Judge NSW Court of Appeal and ICAC Commissioner. Assistant Commissioner Police Integrity Commission. Director of Transparency International Australia since 8 September 2015. Chairman of Transparency International Australia since 25 November 2015.

Statement of Financial Performance for the year ended 30 June 2016

	2016	2015
	\$	\$
REVENUE		
Subscription Revenue (1)	185,434	158,335
Interest	1,392	4,749
Donations	50	336
Project Income		
- MSD	60,476	0
- Other	15,132	9,596
Other income	399	97
TOTAL REVENUE	262,883	173,113
EXPENSES		
Project Expenses		
- MSD (2)	59,015	0
- Other	11,171	4,601
Administrative/Operational (3)	160,872	187,412
TOTAL EXPENSES	231,058	192,013
EXCESS OF REVENUE OVER EXPENSES	31,825	-18,900
Notes:		
1. Subscription revenue		
Organisations	171,229	144,960
Individuals	14,205	13,375
2. MSD Project includes contribution to CEO Salary	37,504	0
3. Administrative/Operational		
Admin / Contractor / Wage / Consultant	100,329	123,019
Travel & Accommodation - Local and International	42,088	44,235
Operational Costs	18,455	24,759

Statement of Financial Position for the year ended 30 June 2016

	2016	2015
	\$	\$
ASSETS		
Current Assets		
- Cash and Cash Equivalents	392,461	203,301
- Receivables	2,947	41,932
Non-Current Assets	0	0
TOTAL ASSETS	395,408	245,233
LIABILITIES		
Current Liabilities		
- Payables	24,366	7,833
- Deferred Income (4)	156,262	51,350
Non-Current Liabilities		
- Other (Pre-Paid Membership Subscriptions)	2,310	5,405
TOTAL LIABILITIES	182,938	64,588
NET ASSETS	212,470	180,645
ACCUMULATED SURPLUS		
Reserves	212,470	180,645
Note 4: \$128,500 Unextended Income - MSD	0	0

Statement of Changes in Equity for the year ended 30 June 2016

	Accumulated Surplus	Total
Balance at 01-Jul-14	199,545	199,545
Net deficit for the year ended 30 June 2015	-18,900	-18,900
Balance at 30-Jun-15	180,645	180,645
Balance at 01-Jul-15	180,645	180,645
Net surplus for the year ended 30 June 2016	31,825	31,825
Balance at 30-Jun-16	212,470	212,470

Table of Cash Movements for the year ended 30 June 2016

	2016	2015
Cash flows from operating activities		
Cash receipts in the course of operations	430,633	193,272
Interest Received	1,392	6,335
Cash payments in the course of operations	-242,865	-220,799
Net Cash provided/(used) by operating activities	189,160	-21,192
Cash flows from investing activities	0	0
Cash flows from financing activities	0	0
Net increase/(decrease) in cash held	189,160	-21,192
Cash at the beginning of the financial year	203,301	224,493
Cash at the end of the financial year	392,461	203,301

Independent Auditor's Report to the Members

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 2016, 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 2016. 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 2016. We expressed an unmodified audit opinion on that financial report dated 26 October 2016. 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.

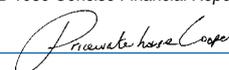
Independence

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 2016 complies with Australian Accounting Standard AASB 1039 Concise Financial Reports.

PricewaterhouseCoopers



Paul Lewis BCom, ICAA, RCA
Partner
Melbourne – 26 October 2016



Statement on behalf of the Board

I, Anthony Whealy QC, Chair 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

Anthony Whealy QC
Chair, TI Australia

