



Global Compact Network
Australia

20

ANNUAL REPORT

13

Lead. Enable. Connect

Contents



About the Global Compact	2
Our Vision and Mission	2
Member Benefits	3
Chairperson's Report	4
Executive Manager's Report	6
Board of Directors	7
Network Membership	8
Activities	9
Financial Statements	13
Acknowledgements	16

About the Global Compact

The UN Global Compact (UNGC) is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and supporting broader UN goals.

The UNGC is the largest voluntary corporate sustainability initiative in the world, with almost 12,000 signatories including around 8,000 business signatories and growing.

The UN Global Compact Network Australia (GCNA) plays a crucial role in rooting the Global Compact principles in the Australian and regional context, and creating opportunities for multi-stakeholder engagement and collective action around corporate sustainability and business engagement in sustainable development. The GCNA also offers practical help to members to integrate and operationalise the ten principles of the Global Compact within their business practices. This is achieved through providing a national and international platform for dialogue, learning and influence that is inclusive, practical and leading edge.



Our Vision and Mission

In July 2013, the Global Compact Network Australia adopted a refreshed vision and mission.

Our Vision

The UN Global Compact Network in Australia is the leading driver of effective business practices that deliver social, economic and environmental gains.

Our Mission

We lead, enable and connect business, government and civil society to practically apply the principles of the UN Global Compact.

Member Benefits

Leadership Development

Leadership development opportunities through our Human Rights, Environment and Anti-Corruption Leadership Groups.

Events and forums

Priority access to regular Leadership Group forums, convened directly by the GCNA and in partnership with our members and other stakeholder groups.

Members only invitations to international network events and forums.

Networks and knowledge

Access to peer learning networks and opportunities to share knowledge and best practice, case studies, resources and experiences through our Leadership Groups.

Access to a network of professionals who can provide feedback on your corporate responsibility, citizenship and sustainability programs and questions.

Reputation

Opportunities to profile company sustainability practices.

Advocacy

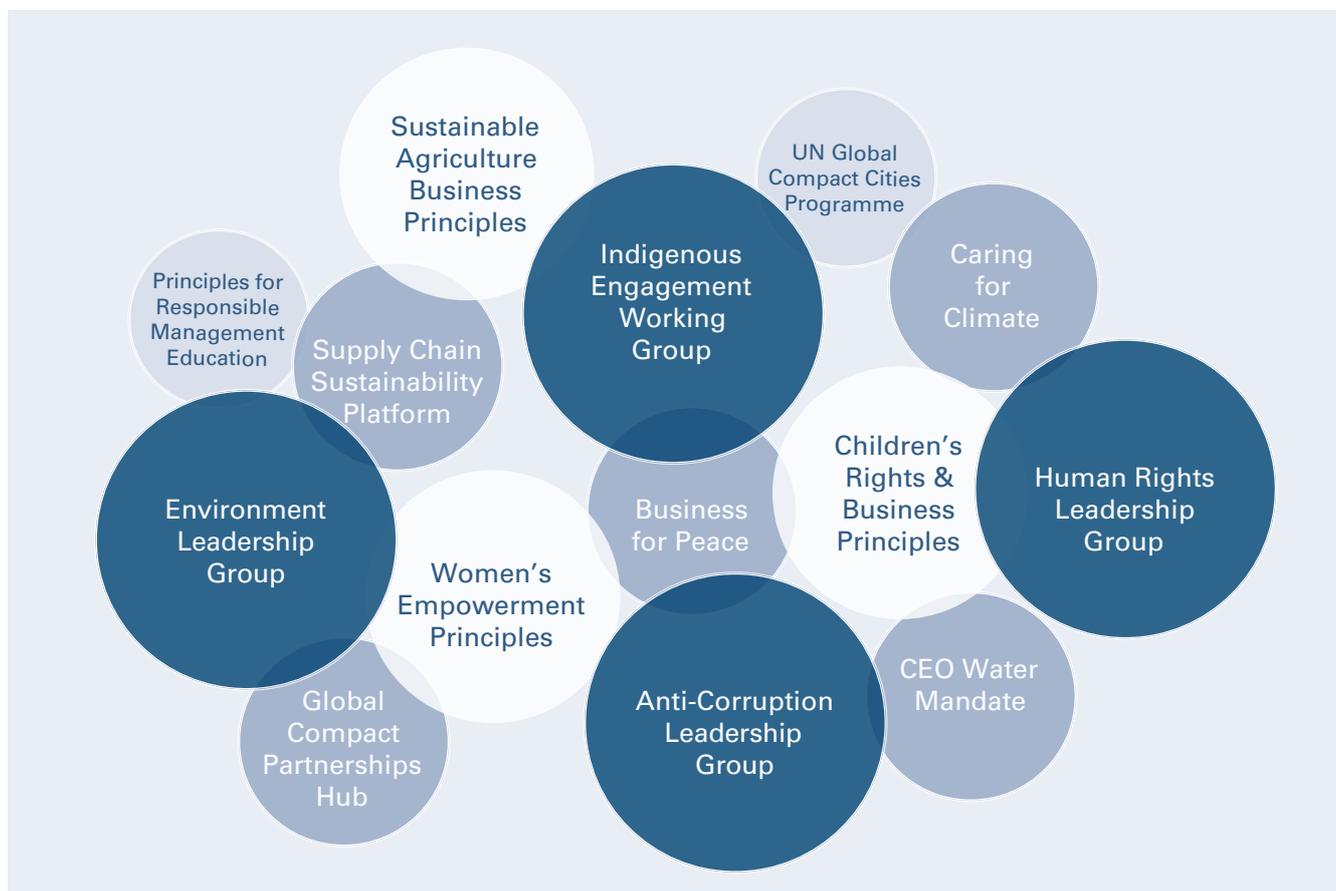
GCNA advocacy on behalf of members in relation to the UN Global Compact's issue areas of human rights, labour and anti-corruption, and the broader issues of the role of business in sustainable development.

Tools and templates

Access to tools and templates to help members prepare the annual Communication on Progress.

Governance

Members are eligible to participate in the governance of the GCNA, including nominating representatives to Board or Expert Advisor positions.



Chairperson's Report

Catherine Hunter

2013 has been an exciting year for the Australian local network of the UN Global Compact. Our operating model changed significantly in March when the Network assumed direct management of its secretariat, which included the appointment of Alice Cope as Executive Manager in May. Alice came to us with excellent credentials and contacts, having previously worked as a solicitor with a top tier corporate law firm in Melbourne and more recently as an advisor at the UN Global Compact Office in New York. Alice's knowledge of the workings of the Global Compact and her connections within the network have been a significant asset as we have established our independent secretariat and I would like to thank Alice for her dedication and hard work since she joined us.

The membership of the Network has continued to grow during the year, and our Leadership Group meetings and other activities have been well attended, with over 330 participants across the year.

2013 has also seen the development of a new governance structure for the UN Global Compact Office and local networks, in recognition of the increasingly important role that networks play. In April this year, Matt Tukaki and I represented the Network at the Local Networks Annual Forum in Geneva. Each region was asked to elect a representative to sit on a newly established Local Network Advisory Board (LNAG), and it was an honour for our Network when Matt was elected to the LNAG and appointed its Chair. Significantly, this position also holds an ex-officio seat on the global Board.

As some of you are aware, the Global Compact Office has also undertaken a new funding strategy to encourage greater contributions from signatories. This new funding model aims to promote a more collaborative approach and overcome some of the confusion for members around contribution expectations between the Global Compact Office and local networks, and importantly to provide effective resources for ongoing work programs and initiatives at both the global and local level. The Australian Network does not receive any government or other funding and relies solely on members' financial and in-kind contributions.

A number of our members have provided in-kind support during the year including Allens, BHP Billiton, KPMG, Net Balance, Oil Search, Plan International, Rio Tinto, The Sustain Group and Treasury Wine Estates. We value this support and would like to thank them for their ongoing support and contribution. We welcome offers from members who may be able to assist with in-kind, event hosting or other support, particularly as the Network grows.

While we have welcomed Alice's appointment this year, we have also farewelled Directors. Graeme Paterson stepped down as Chair of the Board late last year following his retirement from Westpac. Graeme was the inaugural Chair of the Network and I would like to thank him for his service and leadership. Both Matt Tukaki and David Faulks have also retired, having been involved with the Network since its early beginnings. We also farewell Nick Barter, and I would like to thank all these Directors for their commitment, energy and contribution.



Catherine Hunter
Head of Corporate Citizenship
KPMG Australia
Director and Chairperson
Global Compact Network Australia

Chairperson's Report continued

In July the Board undertook a strategy day to refresh our mission, purpose and direction, and in the coming year, we look forward to a vibrant work program and sharing with you the Global Compact's new architecture for business and the post-2015 development agenda. As Australia prepares to host the G20, this new architecture will help to shape a path for business to contribute to global priorities and the public good, and we are planning side events to build awareness within the business community and in the wider public around these issues.

Most recently, we convened consultations on the Global Compact's Sustainable Agriculture Business Principles, and we look forward to keeping you updated as these evolve, particularly given the significance of Australia's food and agriculture sectors. We are also working with UN Women, joint owners with the UN Global Compact of the Women's Empowerment Principles, and exploring opportunities for engagement with new initiatives including Business for Peace. Our Human Rights, Anti-Corruption and Environment Leadership Groups are also finalising their programs for 2014 which we are looking forward to sharing with members.

For our many members who have Reconciliation Action Plans, we know there will also be interest in hearing more about the Business Reference Guide to the UN Declaration on the Rights of Indigenous Peoples, to be launched in Geneva in December this year. The Network is establishing a working group to take this forward within Australia, and we encourage you to participate.

In closing, I would like to thank my colleagues on the Board, who are all passionate about the Global Compact, and who make a considerable contribution in time and energy.

I also offer a sincere word of thanks to all of our members. We look forward to your continued engagement as we work to connect, lead and enable business in mapping its role in supporting the post-2015 development agenda. Your continued support is vital to the ongoing success of the Network.

Executive Manager's Report

Alice Cope

I am pleased to be writing to you as the recently appointed Executive Manager of the GCNA, and to have this opportunity to continue to contribute to the Global Compact family having previously been an Advisor at the UN Global Compact in New York.

This is an exciting time to be part of the Global Compact, with a growing range of innovative platforms, initiatives and engagement opportunities globally and locally to support corporate sustainability and responsibility efforts.

In the few months since I joined the GCNA, we have developed a strong new strategy and set an exciting path for the future. Of particular note is our significant opportunity to lead the discussion around the role of business in the post-2015 sustainable development agenda, and we encourage all of our members to engage in this conversation. The UN Global Compact's new post-2015 business engagement architecture provides a framework to motivate and support business to advance sustainable development through action and collaboration, which will shape the GCNA's activities over the coming year.

Our Human Rights, Environment and Anti-Corruption Leadership Groups continue to develop, and issue and project focused working groups will be launched over the next year to contribute to thought leadership and tools and resources on specific issues. Members are also able to engage in a growing number of platforms focused on strategic issues, including anti-corruption, Indigenous engagement, diversity, inclusion, women's empowerment, the role of business in peace and conflict and business engagement in sustainable development.

Partnerships and collaborations are key to the post-2015 business engagement architecture, and also key to the GCNA's ongoing success. We have recently successfully collaborated with the Minerals Council of Australia to advance the mining and human rights discussion through a new publication and industry workshop. We are looking forward to continuing our work with the MCA and also building new relationships and partnerships across a range of sectors.

Our planning for 2014 is well underway, and it is shaping up to be an exciting year. I look forward to the GCNA growing into Australia's leading hub on corporate sustainability and responsibility, and supporting our members to implement the ten principles of the UN Global Compact, and building their contribution to sustainable development locally and globally. For those of you who I have not yet met, I am looking forward to doing so soon.

Through the entire discourse around corporate sustainability, what is clear is that leadership is crucial. I look forward to the GCNA celebrating and highlighting the leadership efforts being shown by our members, and taking a role in leading and inspiring companies through our own Network activities.



A stylized, handwritten signature in black ink, appearing to read 'Alice Cope'.

Alice Cope
Executive Manager
Global Compact Network Australia

Board of Directors

Director & Chairperson Catherine Hunter Head of Corporate Citizenship KPMG Australia	Director & Chair, Human Rights Leadership Group Megan Christensen Group Manager Corporate Sustainability Oil Search Limited	Director & Chair, Anti-Corruption Leadership Group Rachel Nicolson Partner Allens
Director & Australian Network Representative (retiring) Matthew Tukaki CEO The Sustain Group Pty Ltd	Director, Deputy Chairperson & Treasurer Greg Welsh CEO Sebel Furniture Limited	Director & Chair, Environment Leadership Group Olivia Tyler Group Corporate Social Responsibility Manager Treasury Wine Estates Limited
Director Richard Boele Managing Director Banarra Pty Ltd	Director Alison Ewings Head of Sustainability Westpac Banking Corporation Limited	

Retired Directors

The following Directors have retired since the 2012 AGM, and the GCNA thanks them for their valuable contributions.

Graham Paterson Senior Manager Indigenous Engagement, Group Sustainability & Community Westpac Banking Corporation Limited	David Faulks Managing Director Generation Alliance Pty Ltd	Nick Barter MBA Director Griffith University
---	---	---

Board meetings

Eight Board meetings were held between 1 July 2012 and 30 June 2013.

Network Membership

The GCNA has welcomed the following new members since the 2012 Annual General Meeting: An Mea, Brambles Limited, Centre for Equality, Fortescue Metals Group Limited, International SOS, Landell Consulting, Paper Force (Oceania) and Transurban International Limited.

Members		
Accenture Australia Ltd	Generation Alliance Pty Ltd	Rio Tinto Limited
Allens	GHD Pty Ltd	Sebel Furniture Ltd
An Mea	Glencore Coal Pty Ltd	SMEC Holdings Limited
ANZ Banking Group Limited	Griffith University	Solaris Paper Pty Ltd
Australian Centre for Corporate Social Responsibility	Independent Inspections	St James Ethics Centre
Australia Post	Inner Northern Group Training Ltd	Telstra Corporation Limited
Banarra Pty Ltd	Innovia Securities Pty Ltd	The GPT Group
bankmecu	International SOS	The Institute of Chartered Accountants Australia
Barangaroo Delivery Authority	KPMG Australia	The Sustain Group Pty Ltd
BHP Billiton Limited	La Trobe University	The University of Melbourne
Brambles Limited	Landell Consulting Pty Ltd	Transurban International Limited
Business and Professional Women Australia	Nestlé Australia Ltd	Treasury Wine Estates Limited
Centre for Equality Ltd	Net Balance Management Group Pty Ltd	Westpac Banking Corporation Limited
CPA Australia Ltd	Oil Search Ltd	Woolworths Ltd
Deakin University	Paper Force (Oceania) Pty Ltd	World Vision Australia
Fortescue Metals Group Limited	Plan International Australia	Worley Parsons Limited
Futureye Pty Ltd	PwC Australia	

Activities

July 2012

Human Rights Leadership Group:
Unpacking Impact Assessment and Indigenous Engagement in Australia and Overseas (Melbourne)

Hosted by KPMG

The first part of this forum explored the theme of Indigenous engagement in Australia and overseas, from a human rights perspective. The forum explored how a human rights approach to Indigenous engagement provides an organising framework for sustainable engagement with Indigenous communities, with international human rights standards being a form of quality assurance tool to help business check that they are covering all relevant issues when it comes to minimising negative impacts and maximising positive impacts on the rights of Indigenous peoples.

The second half of the forum featured a discussion on unpacking human rights impact assessment, and highlighted the importance of companies seeking to identify impacts on the human rights of affected individuals, not just the risks to the company of mismanaging human rights.

Panellists and facilitators:

Mick Gooda, Aboriginal and Torres Strait Islander Social Justice Commissioner; **Catherine Hunter**, KPMG; **Penny Jaski**, Rio Tinto; **Graham Paterson**, Westpac; **Matthew Tukaki**, The Sustain Group; **Vanessa Zimmerman**, Rio Tinto and GCNA Human Rights Expert Advisor; **Richard Boele**, Banarra; **Rosemary Bissett**, NAB; **Sara Bice**, ACCSR.

September 2012

Human Rights Leadership Group:
Monitoring, Evaluating & Communicating Human Rights Performance and Diversity and Inclusion (Melbourne)

Hosted by Rio Tinto

This forum explored human rights, diversity and inclusion, and the Women's Empowerment Principles, a joint initiative of the UN Global Compact and UN Women. The forum highlighted the importance of businesses aligning gender issues with business strategy, adopting longer term thinking and treating gender equality in the same manner as any other high priority business issue.

The second half of the forum focused on tracking and communicating human rights performance using the UN Guiding Principles on Business and Human Rights. Tracking human rights performance was identified as important to enable businesses to obtain a complete understanding of

the effectiveness of their responses to human rights challenges, to identify systemic issues and best practice, and drive continuous improvement. The importance of communicating on human rights performance was also discussed.

Panellists and facilitators:

Helen Conway, Equal Opportunity for Women in the Workplace Agency; **Dimity Hodge**, National Committee for UN Women and Australian Human Rights Commission; **Freda Miriklis**, BPW International; **Simon Corcoran**, PwC Australia; **Jane Gronow**, Rio Tinto; **Catie Shavin**, Allens; **Jane Counsel**, Westpac Banking Corporation; **Jacqui Abbott**, Allens; **Toby Kent**, ANZ Banking Group; **Amanda Nuttall**, Net Balance.



Activities continued

February 2013

Human Rights Leadership Group:
Human Rights Due Diligence
(National Webinar)

This webinar provided a refresher on the basic foundations of human rights due diligence. The business case for respecting human rights was outlined, and then key aspects of the human rights due diligence process explored, including identifying and assessing impacts, integrating findings into corporate processes, and tracking and communicating human rights performance. Human rights due diligence in the context of business relationships was also discussed.

Panellists and facilitators:

Vanessa Zimmerman, Rio Tinto and GCNA Human Rights Expert Advisor;
Melinda Buckland, BHP Billiton.

March 2013

Human Rights Leadership Group:
Children's Rights and Business Forum
(Melbourne)

Hosted by Plan International Australia

The GCNA together with Plan International Australia convened a multi-stakeholder forum to facilitate peer learning and capacity building around children's rights and business, and inspire and enable business to understand the types of impacts they can have on children's rights, and the types of policies that can be implemented to maximise positive impacts and minimise any negative ones. It was noted that, by embracing a set of principles such as the Children's Rights and Business

Principles (developed by the UN Global Compact, UNICEF and Save the Children) and embedding these into business structures, a strong internal culture around respect for children's rights can be created.

Panellists and facilitators:

Jane Gronow, formerly Rio Tinto;
Dave Husy, Plan Australia; **Peter Kelly**, formerly Nestle Australia; **James McDougall**, formerly Save the Children Australia; **Vanessa Zimmerman**, Rio Tinto and GCNA Human Rights Expert Advisor.



Activities continued

April 2013

Environment Leadership Group:

Local and International Trends
in Supply Chain Management
(Melbourne and Sydney)

**Hosted by Treasury Wine
Estates (Melbourne) and
Net Balance (Sydney)**

These forums explored local and international trends in supply chain management, including emerging risks and opportunities, best practice standards and public disclosure, through presentations, a panel session and case study. The session highlighted the interconnectedness between social and environmental issues and the challenges faced in making decisions in a commercial context, and the importance of sound procurement processes and governance over tendering and contract management as strategies to aid in risk mitigation. The impact of social media and remaining prepared and authentic in messaging was also noted.

Panellists and facilitators:

Catherine Bremner, ANZ Banking Group; **Adam Bumpus**, University of Melbourne; **Kaelene McLennan**, Simplot; **Victoria Thom**, World Vision Australia; **Olivia Tyler**, Treasury Wine Estates; **Cameron Neil**, Net Balance; **David Pearson**, University of Canberra; **Margaret Stuart**, Nestle Oceania; **Greg Welsh**, Sebel Furniture; **Tim Williams**, Westpac Banking Corporation; **Mark Lyster**, Net Balance.

Human Rights Leadership Group:

Debrief on the UN Annual
Forum on Business and
Human Rights
(National Webinar)

This national webinar debriefed participants on the Inaugural United Nations Annual Forum on Business and Human Rights. The webinar highlighted the growing momentum behind the UN Guiding Principles on Business and Human Rights, and the important role of the UN Global Compact and its networks in providing a safe and productive space to help business understand and implement the UN Guiding Principles. It also explored lessons for Australian businesses working in difficult and evolving contexts such as Myanmar.

Speakers and facilitators:

Megan Christensen, Oil Search; **Vanessa Zimmerman**, GCNA Human Rights Expert Advisor; **Richard Boele**, Banarra; **Alexandra Guaqueta**, Member of the UN Working Group on Business and Human Rights.



Activities continued

May 2013

Anti-Corruption Leadership Group:

What does the regulator expect? Anti-bribery policies and compliance programs (Sydney and Melbourne)

Hosted by Allens

These forums offered participants the chance to understand the regulator's expectations in relation to anti-corruption and bribery, through a presentation by and discussion with Graeme Gunn, Senior Legal Officer with the Financial Crime Section of the Criminal Justice Division in the Australian Attorney-General's Department. Participants were also provided with an update on recent developments in Australian and international anti-corruption laws and their enforcement, including the AFP's re-opening of two anti-bribery cases and establishment of a Fraud and Anti-Corruption Unit, a Panel of Experts on Foreign Bribery and an International Foreign Bribery Taskforce.

The forum also explored likely future trends, including a stepping up of enforcement efforts by the AFP and ASIC, with increased focus on cooperation with international agencies, as well as increasing enforcement efforts by overseas agencies.

Panellists and facilitators:

Graeme Gunn, Australian Attorney-General's Department; **Michael Ahrens**, Transparency International Australia; **Peter Willis**, Transparency International Australia; **Rachel Nicolson**, Allens; **Andrew Byrnes**, Allens; **Michael Gomm**, Allens; **Lea Christopher**, Allens.

June 2013

Human Rights Leadership Group:

Are human rights any of your business? (Perth)

Hosted by Rio Tinto

This Q&A discussion panel featured internationally recognised experts on business and human rights from a range of stakeholder groups including business, civil society and government. The forum explored practical implementation of the UN Guiding Principles on Business and Human Rights, including challenges and opportunities in the developing country context.

Panellists and facilitators:

Richard Magnus, Singapore's First Representative to ASEAN Commission on Business and Human Rights; **John Morrison**, Institute of Human Rights and Business, **Aidan Davy**, International Council on Mining and Metals; **Victoria Thom**, World Vision Australia; **Vanessa Zimmerman**, Rio Tinto and GCNA Human Rights Expert Advisor; **Bruce Harvey**, Rio Tinto; **Richard Boele**, Banarra.

Balance Sheet as at 30 June 2013

Assets			
Current Assets			
Bank & Cash on Hand			
Bank Account	\$38,829		
Payroll Cheque Account	(\$7,068)		
Total Bank & Cash on Hand		\$31,761	
Total Current Assets			\$31,761
Debtors			
Trade Debtors		\$97,350	
Total Debtors			\$97,350
Total Assets			\$129,111

Liabilities			
Current Liabilities			
Credit Cards			
Total Current Liabilities			\$0
Creditors			
Trade Creditors		\$1,137	
Total Creditors			\$1,137
GST Liabilities			
GST Clearing Account		(\$438)	
ATO Integrated Account		\$837	
Tax Liabilities (FY2011)		\$10	
Total GST Liabilities			\$409
Membership Income Deferred (2012-2013)			
Corporate Members		\$92,500	
SME (21-200) Members		\$4,167	
SME (10-20) Members		\$3,792	
Academic Members		\$4,417	
NGO Members		\$3,667	
Total Membership Income Deferred			\$108,543
Payroll Liabilities			
Superannuation Payable		\$974	
Total Payroll Liabilities			\$974
Total Liabilities			\$111,062

Net Assets			\$18,049
Equity			
Retained Earnings		\$63,477	
Current Earnings		(\$45,428)	
Total Equity			\$18,049

Note: Income received in advance for Financial Year 2014 is recorded under "Deferred Income" (Liability) in the balance sheet for Financial Year 2013. Accordingly, the income shown here for Financial Year 2013 is reduced by \$108,543.00, which in turn shows as reducing Retained Earnings as at 30 June 2013.

Profit and Loss Statement for the year ended 30 June 2013

Income		
Membership Fees		
Corporate Members	\$91,867	
SME (21-200) Members	\$1,833	
SME (10-20) Members	\$3,417	
Academic Members	\$5,783	
NGO Members	\$3,833	
Trading Activities Income		
Leadership Group Fees	\$7,700	
Total Income		\$114,433

Expenses		
General & Administrative Expenses	\$17,920	
Bank Service Fees	\$162	
IT & Communication Expenses	\$2,108	
Professional Charges	\$3,622	
Travel & Accommodation	\$29,515	
Employment Expenses	\$106,924	
Total Expenses		\$160,249
Operating Profit		(\$45,816)
Other Income		
Interest Income	\$389	
Total Other Income		\$389
Other Expenses		
Total Other Expenses		\$0
Net Profit/(Loss)		(\$45,428)

Letter from the GCNA's auditors

GLOBAL COMPACT NETWORK AUSTRALIA LIMITED
ABN 95 147 380 998



To the members,

We are the auditors of the Global Compact Network Australia Limited and advise the following:

- No audit or review has been conducted on the financial report of the Global Compact Network Australia Limited for the year ending 30 June 2013; and
- Global Compact Network Australia Limited is a 'small company limited by guarantee' for the purposes of the Corporations Act 2001; and
- The directors have elected to not have the financial report audited, as allowed under the Corporations Act 2001; and
- The directors have reviewed the company's constitution and confirmed there is no separate requirement for an audit to be carried out.

LWM Auditing Pty Limited
Registered Company Auditors



R.I. Lamont
Director

23 October 2013
GOSFORD

www.lwm.com.au

LWM AUDITING
Pty Limited
ABN 42 164 254 184

LWM House
106 Erina St | PO Box 456
Gosford NSW 2250

Ph | 02 4324 2988
Fax | 02 4324 2418
audit@lwm.com.au

Directors: R.I. Lamont CA
M.R. Moore FCA

Acknowledgements

The GCNA gratefully acknowledges the valuable contributions of financial and in-kind support received during the past year from all of our members, signatories, partners and stakeholders.

We would like to thank all of our members who have contributed so willingly to our Leadership Groups this year, including Vanessa Zimmerman, our Expert Advisor on Human Rights, all of our facilitators and speakers, and our hosts Allens, BHP Billiton, KPMG, Net Balance, Plan International, Rio Tinto and Treasury Wine Estates. Your support and assistance is greatly appreciated.

We would also like to recognise the support of KPMG Australia for providing regular meeting, video and teleconferencing facilities, and hosting the GCNA secretariat; Allens for providing valuable pro bono Company Secretariat and legal support, as well as meeting facilities and resourcing to assist our Anti-Corruption Leadership Group; Oil Search for providing regular meeting, video and teleconferencing facilities; The Sustain Group for support with events, website and administrative matters; and William Buck for their generous pro bono tax support.



The Ten Principles of the United Nations Global Compact

Human Rights

Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2 make sure that they are not complicit in human rights abuses.

Labour

Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4 the elimination of all forms of forced and compulsory labour;

Principle 5 the effective abolition of child labour; and

Principle 6 the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7 Businesses should support a precautionary approach to environmental challenges;

Principle 8 undertake initiatives to promote greater environmental responsibility; and

Principle 9 encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.



Global Compact Network
Australia

Global Compact Network Australia Limited

ABN 95 147 380 998

GPO Box 816
Sydney NSW 2001

secretariat@unglobalcompact.org.au
www.unglobalcompact.org.au