



TRANSPARENCY INTERNATIONAL PNG

the national coalition against corruption



Annual Report 2011

TRANSPARENCY INTERNATIONAL PNG (TIPNG) IS PART OF THE GLOBAL CIVIL SOCIETY ORGANISATION LEADING THE FIGHT AGAINST CORRUPTION. THERE ARE OVER 90 CHAPTERS WORLDWIDE AND AN INTERNATIONAL SECRETARIAT IN BERLIN. WE RAISE AWARENESS ON THE DAMAGING EFFECTS OF CORRUPTION TO EMPOWER PEOPLE TO MAKE AN ACTIVE CHOICE AGAINST CORRUPTION. WE WORK WITH OUR PARTNERS IN GOVERNMENT, BUSINESS AND CIVIL SOCIETY TO DEVELOP AND STRATEGISE WAYS TO TACKLE CORRUPTION.

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WE ARE A GLOBAL MOVEMENT SHARING ONE VISION:

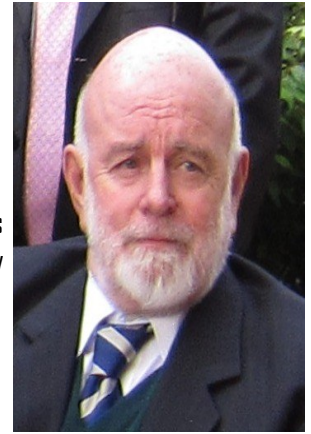
A WORLD IN WHICH GOVERNMENT, POLITICS, BUSINESS, CIVIL
SOCIETY AND THE DAILY LIVES OF PEOPLE ARE FREE FROM
CORRUPTION.

DISCOVER HOW WE WORK TO SEE THE REALITY OF THIS VISION.

WELCOME

Is it a crime to witness corrupt acts and do nothing to bring the culprits to justice? I would like to think that it is but even if not technically criminal it is surely at least a betrayal of the obligation to protect us from robbery by those who are employed to serve us. Yes! The obligation! Established by our Constitution:

*WE HEREBY DECLARE that all persons in our country have the following basic obligations to themselves and their descendants, to each other, and to the Nation:
to protect Papua New Guinea and to safeguard the national wealth, resources and environment in the interest not only of the present generation but also of future generations; (Preamble to the PNG Constitution)*



When we *know* people are receiving bribes and do nothing to stop this happening, we are surely at least guilty of failing to take reasonable action to prevent crimes being committed against the people of PNG. Yet it seems that there are many people who *know*, without doubt, that individuals in positions of power have received criminal inducements to do favours for those who pay them and very little seems to be done to stop this happening.

We are told that corruption is costing PNG at least K1 billion every year. Most Papua New Guineans cannot even imagine what K1 billion means but it sounds a lot. We have seen claims like this made by many people, including people of the stature of Sir Mekere Morauta, Hon. Bart Philimon and Hon. Peter O'Neil. Are we doing enough to stop this happening?

When our political leaders tell us the situation is so serious, we see good reason to accept the annual Transparency International Corruption Perceptions Index ranking, which places PNG squarely where such criminal behaviour should have us placed, amongst the countries identified as most corrupt nations of the world.

The 2011 CPI places us as number 154 out of 182 countries with other troubled countries like Côte d'Ivoire, Guinea-Bissau, Kenya, Laos, Nepal, Paraguay, Zimbabwe and Cambodia. We score 2.2 in a rating system which gives a score of 10.0 to the apparently least corrupt countries and 0.0 to the most corrupt. Countries with much better scores than PNG are Russia, Mexico, India and Indonesia. Let's think about that a little. Surely we cannot be ranked behind countries with reputations for corrupt behaviour by military officers, massive slums, drug wars and cold blooded murders of journalists and others who fight to uncover corruption. But it seems we are. And then of course we can see that the countries seen as least corrupt have scores of 9.0 and more, places like Singapore, New Zealand and Sweden. Why not PNG?

It is not immediately easy to think of an amount like K1 billion as a real loss to individual Papua New Guineans. Somehow we don't even make a connection between money stolen from the public purse and the oxygen bottle not available in our hospitals when our children's lives are threatened. Most of us have no appreciation that, when used honestly, K1 billion could provide new classrooms for 720,000 primary school students. This is what our leaders tell us we are losing each year!

Many people in government and business have a clear idea of what impact K1 billion can have but few actually offer to assist PNG stop this leaking.

With TIPNG marking 15 years of existence in 2012, we feel it is a good time to call on all Papua New Guinean people and organisations to WAKE UP. Wake up to the damage being done to us. Wake up to the cost of corruption. Wake up and take a step of change. To those who are awake and are encouraging us to do better each year, with assistance, donations or helpful criticism, we offer our sincere gratitude. We want to reaffirm our determination to remind the people of Papua New Guinea of their rights to fair, open and honest government.

Lawrence Stephens
Chairman

A very warm welcome to members, partners and supporters of TIPNG.

What a great pleasure it is to present my sixth annual report to you as Executive Director of Transparency International PNG Inc. This annual report covers a year of further significant success for TIPNG and I begin my report by listing a few milestones achieved during 2011.

At the core of these successes is the development and implementation of TIPNG's Strategic Plan 2011 – 2015. Our revised plan is more closely aligned to the overarching global Transparency International Strategy 2011-2015 and shares the four main strategic goals in People Engagement, Values, Institutions and Laws. Moreover, TIPNG was reaccredited, reconfirming our Chapters' status as a fully accredited National Chapter of Transparency International (TI) enjoying all the rights and privileges of a Member of TI under the TI Charter.



Funding wise, TIPNG was amongst few NGOs, which drew great interest from donors. TIPNG signed it's biggest ever Partnership Agreement and Funding Agreement with the Australian Agency for International Development (AusAID) in December for a total sum of K7.2 million under the *Strangim Pipal Strangim Nesen* Program. This funding will provide core and project support for a period of 3.5 years. Our other big contributor, New Zealand Aid following a major review, also renewed its core funding support to Pacific Chapters, including TIPNG, for a further 3 years.

One notable project outcome was the launching of the Forest Governance Integrity (FGI) Baseline Report in August, which outlines the adaptation and implementation of the manual for corruption risk analysis. As a result of this, we were able to secure additional funding for FGI Phase 2.

In terms of outreach we have revamped the TIPNG website as part of our desire to increase connectivity with our valued members and supporters. Internally, we have seen great improvements made to our financial system, which has resulted in individual external projects receiving clean audits and regular monthly reporting to the Board.

While there are many successes, TIPNG continues to face challenges. Administratively, we face the difficulty of competing with the private sector for suitable human resources. On the other end, additional projects require additional staff therefore we will need to find suitable and affordable office space to cater for this growth. There is also a strong need for TIPNG to start seeking alternative funding sources and also develop a fundraising strategy.

As we head into 2012, we will continue our efforts in implementing our Electoral Strategy focusing on voter education to prepare citizens for the upcoming national elections. Most of all, we will continue the anti-corruption fight and push for the implementation of the National Anti-Corruption Strategy to become the focal point of the government's development agenda.

Finally, my big thanks for the tireless efforts of my young but hardworking staff who put in six to seven days work and also the support of our strong Board who continue to serve the cause of social justice and dignity for our young nation.

I look forward to receiving your unrelenting support, assistance and partnership in 2012 and onwards.

Emily George Taule, BEM
Executive Director

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On the global corruption scale...

Corruption Perceptions Index

Transparency International's Corruption Perceptions Index (CPI) ranks countries/territories in terms of perceived levels of public sector corruption.

In 2011, the CPI was launched on December 1st and ranked Papua New Guinea 154 out of 187 surveyed countries. The countries are ranked on a scale of zero to ten, with zero perceived to be highly corrupt and 10 perceived to be least corrupt. PNG's current score is 2.2 – one of the most highly corrupt countries in the world. PNG has been on the same ranking for the past three years.

The CPI is a composite index, a combination of polls, drawing on corruption-related data collected by a variety of reputable institutions. It reflects the views of observers from around the world, including experts living and working in the countries evaluated.

This information of the survey was sourced from six surveys from the Asian Development Bank Country Performance Assessment 2010, Bertelsmann Transformation Index, Country Risk Service and EU Country Risk Forecast, Global Insight Country Risk Ratings, World Economic Forum Executive Opinion Survey 2010 and World Economic Forum Executive Opinion Survey 2011.

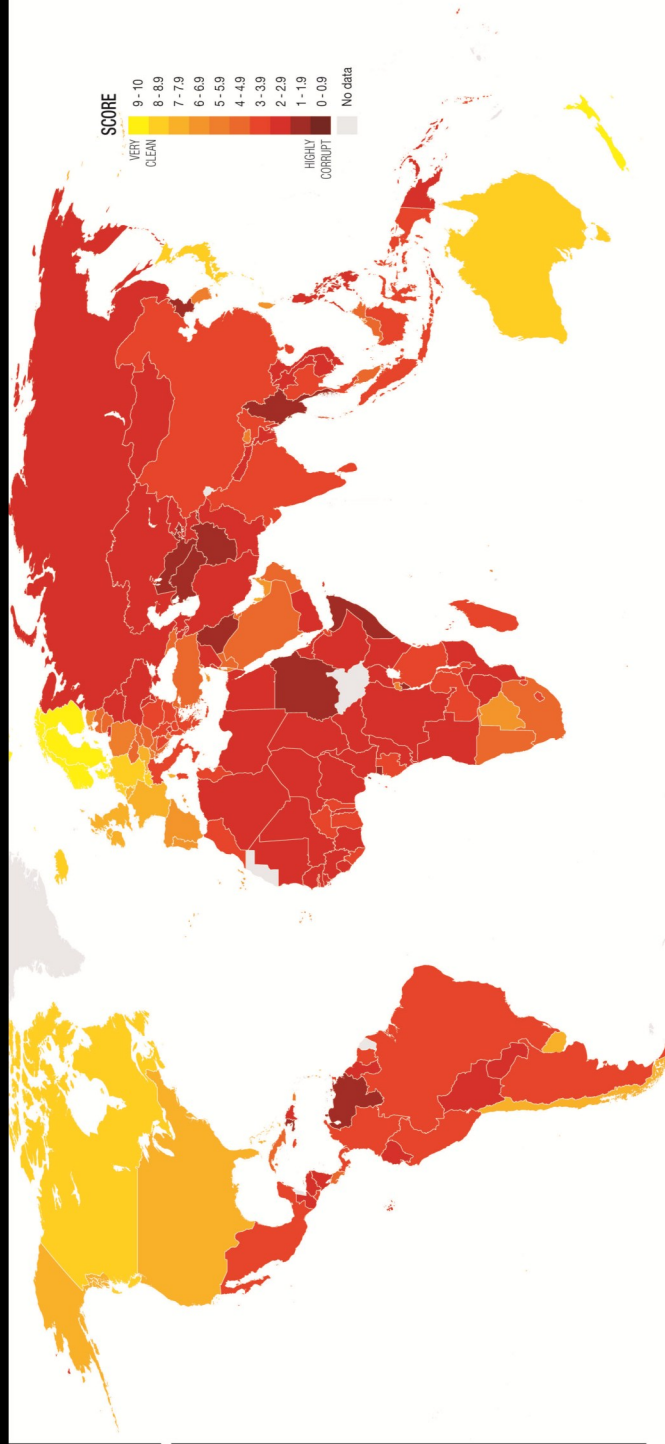
CPI rankings for the Pacific region scores Samoa at 3.9, Vanuatu on 3.5, Kiribati on 3.1, Tonga on 3.1 and Solomon Island on 2.7 while New Zealand, Finland, Sweden and Singapore were ranked with scores of 9.2 to 9.5 and perceived to be “very clean” countries.

PNG's lack of improvement on the CPI ranking can be attributed to the lack of real action taken by Governments, including the current one, to deal with issues and spread of corruption. Evidence of lack of political will to tackle corruption has been demonstrated in the way the Governments have handled some of the nation's controversial issues such as the current Special Purpose Agricultural Business Lease (SPABL), the Moti Affair, the Taiwan diplomacy scandal, Cairns Conservatory and others.

Institutions of oversight and legal frameworks that enforce best practices and regulations must be supported to ensure lower levels of corruption. This will lead to a much-needed increase of trust in public institutions, sustained economic growth and more effective development assistance.

CORRUPTION PERCEPTIONS INDEX 2011

THE PERCEIVED LEVELS OF
PUBLIC-SECTOR CORRUPTION
IN 183 COUNTRIES/TERRITORIES
AROUND THE WORLD



RANK	COUNTRY/TERRITORY	SCORE
1	New Zealand	9.5
2	Denmark	9.4
3	Finland	9.4
4	Sweden	9.3
5	Singapore	9.2
6	Norway	9.0
7	Netherlands	8.9
8	Australia	8.8
9	Switzerland	8.8
10	Canada	8.7
11	Luxembourg	8.5
12	Hong Kong	8.4
13	Iceland	8.3
14	Germany	8.0
15	Austria	8.0
16	Barbados	7.8
17	United Kingdom	7.8
18	Belgium	7.5
19	Ireland	7.5
20	Bahamas	7.3
21	Chile	7.2
22	Qatar	7.2
23	United States	7.1

25	France	7.0
26	Saint Lucia	7.0
27	Uruguay	7.0
28	United Arab Emirates	6.8
29	Estonia	6.4
30	Cyprus	6.3
31	Spain	6.2
32	Botswana	6.1
33	Portugal	6.1
34	Taiwan	6.1
35	Slovenia	5.9
36	Israel	5.8
37	Saint Vincent and the Grenadines	5.8
38	Bhutan	5.7
39	Malta	5.6
40	Puerto Rico	5.6
41	Cape Verde	5.5
42	Poland	5.5
43	Korea (South)	5.4
44	Burundi	5.2
45	Dominica	5.2
46	Bahrain	5.1
47	Macao	5.1

48	Mauritius	5.1
49	Rwanda	5.0
50	Costa Rica	4.8
51	Lithuania	4.8
52	Onan	4.8
53	Seychelles	4.8
54	Hungary	4.6
55	Kuwait	4.6
56	Jordan	4.5
57	Czech Republic	4.4
58	Namibia	4.4
59	Saudi Arabia	4.4
60	Malaysia	4.3
61	Cuba	4.2
62	Latvia	4.2
63	Turkey	4.2
64	Georgia	4.1
65	South Africa	4.1
66	Croatia	4.0
67	Montenegro	4.0
68	Slovakia	4.0
69	Ghana	3.9
70	Italy	3.9
71	FYR Macedonia	3.9

73	Samoa	3.9
74	Brazil	3.8
75	Tunisia	3.8
76	China	3.6
77	Romania	3.6
78	Gambia	3.5
79	Lesotho	3.5
80	Vanuatu	3.5
81	Colombia	3.4
82	El Salvador	3.4
83	Greece	3.4
84	Morocco	3.4
85	Peru	3.4
86	Thailand	3.3
87	Bulgaria	3.3
88	Jamaica	3.3
89	Paraguay	3.3
90	Serbia	3.3
91	Sri Lanka	3.3
92	Bosnia and Herzegovina	3.2
93	Liberia	3.2
94	Trinidad and Tobago	3.2
95	Zambia	3.2
96	Albania	3.1

98	India	3.1
99	Kiribati	3.1
100	Swaziland	3.1
101	Togo	3.1
102	Argentina	3.0
103	Benin	3.0
104	Burkina Faso	3.0
105	Djibouti	3.0
106	Gabon	3.0
107	Indonesia	3.0
108	Madagascar	3.0
109	Malawi	3.0
110	Mexico	3.0
111	Sao Tome and Principe	3.0
112	Suriname	3.0
113	Tanzania	3.0
114	Eritrea	2.9
115	Guyana	2.9
116	Lebanon	2.9
117	Kosovo	2.9
118	Moldova	2.9
119	Bosnia and Herzegovina	2.9
120	San Marino	2.9
121	Vietnam	2.9
122	Bolivia	2.8
123	Mali	2.8

125	Bangladesh	2.7
126	Ecuador	2.7
127	Ethiopia	2.7
128	Guatemala	2.7
129	Iran	2.7
130	Kazakhstan	2.7
131	Mongolia	2.7
132	Mozambique	2.7
133	Solomon Islands	2.7
134	Armenia	2.6
135	Dominican Republic	2.6
136	Honduras	2.6
137	Philippines	2.6
138	Syria	2.6
139	Cameroon	2.5
140	Eritrea	2.5
141	Guyana	2.5
142	Lebanon	2.5
143	Maldives	2.5
144	Nicaragua	2.5
145	Niger	2.5
146	Pakistan	2.5
147	Sierra Leone	2.5
148	Azerbaijan	2.4

143	Belarus	2.4
144	Comoros	2.4
145	Mauritania	2.4
146	Nigeria	2.4
147	Russia	2.4
148	Timor-Leste	2.4
149	Togo	2.4
150	Uganda	2.4
151	Tajikistan	2.3
152	Ukraine	2.3
153	Central African Republic	2.2
154	Congo Republic	2.2
155	Cote d'Ivoire	2.2
156	Guinea-Bissau	2.2
157	Kenya	2.2
158	Laos	2.2
159	Nepal	2.2
160	Papua New Guinea	2.2
161	Paraguay	2.2
162	Zimbabwe	2.2
163	Cambodia	2.1
164	Guinea	2.1
165	Kyrgyzstan	2.1
166	Yemen	2.1

168	Angola	2.0
169	Chad	2.0
170	Democratic Republic of the Congo	2.0
171	Libya	2.0
172	Burundi	1.9
173	Equatorial Guinea	1.9
174	Venezuela	1.9
175	Haiti	1.8
176	Iraq	1.8
177	Sudan	1.6
178	Turkmenistan	1.6
179	Uzbekistan	1.6
180	Afghanistan	1.5
181	Myanmar	1.5
182	Korea (North)	1.0
183	Somalia	1.0

STRATEGIC DIRECTION

VISION

A country where government, politics, business and individual citizens live and operate within the rule of law, are subject to good governance and are free from corruption.

MISSION

To inform, educate and empower all Papua New Guineans regardless of who they are or where they are from, to make an active choice against corruption.

2011 Strategic Priorities

To achieve the mission, TIPNG is guided by the values of accountability, good governance, integrity, respect, courage and transparency. TIPNG works to create greater awareness to people on the negative effects of corruption and empower people by giving them the information they need to make an active choice against corruption. The organisation's strategic priorities are focused on electoral & civic education, advocacy, membership & building coalitions, policy research, legislative initiatives and capacity building. These priorities are evaluated and amended to meet the needs of stakeholders, members and communities. TIPNG strategic goals for 2011 are outlined below:

PEOPLE

To build enduring relationships and empower people in PNG to take action against corruption.

LAW

To secure the development and more enforcement of laws and standards in PNG and reduce immunity for corrupt acts.

INSTITUTIONS

To contribute to the effective implementation of anti-corruption programmes in leading institutions, businesses and the resources sector.

VALUES

To contribute to instilling a higher level of integrity in our society as stated in our Constitution.

ORGANISATIONAL GOAL

EFFECTIVE AND EFFICIENT ORGANISATION

To ensure continuous improvement to the organizational performance.



Transparency International PNG

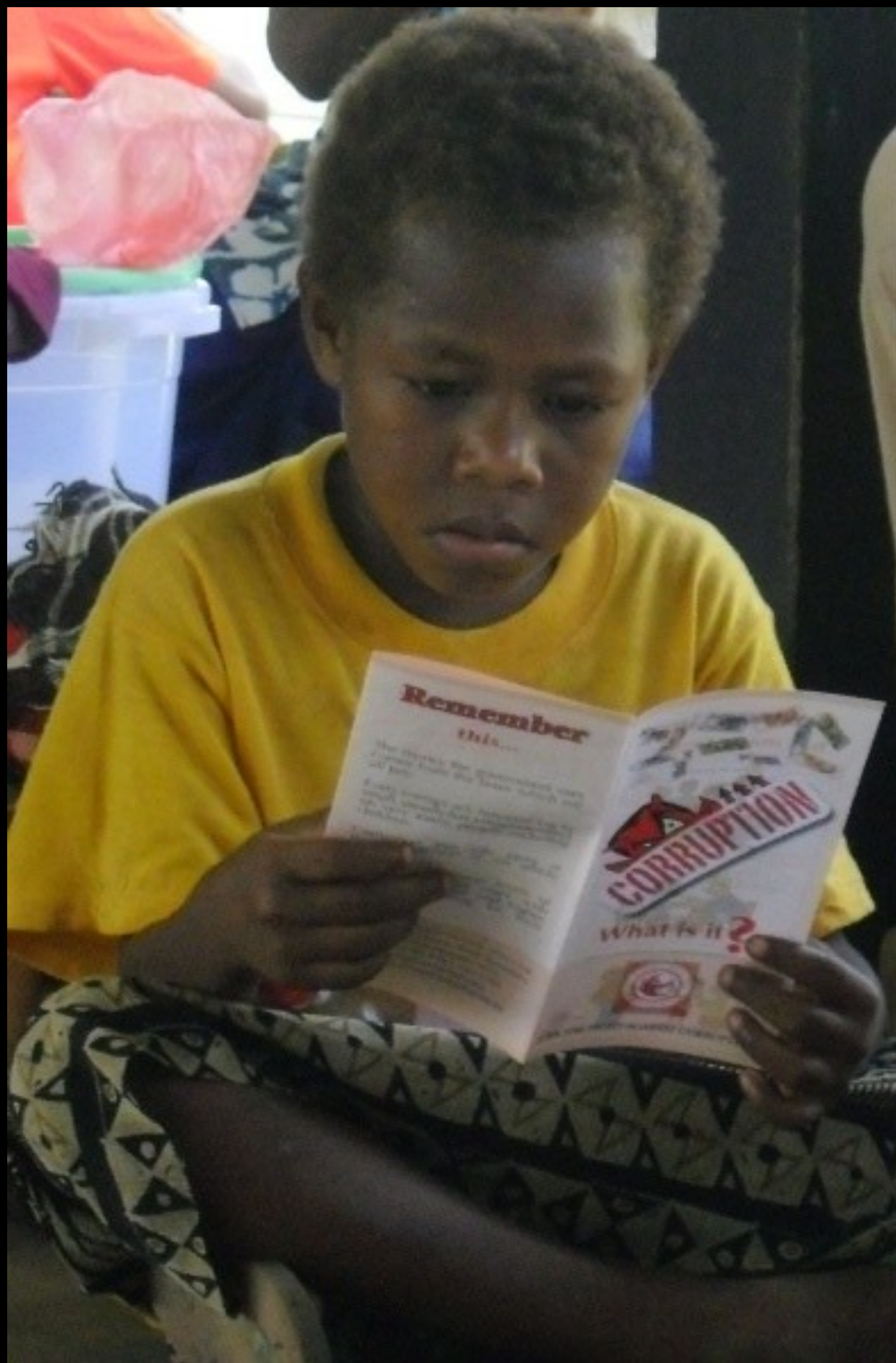
Work Plan 2012

Mission: To inform, educate and empower all Papua New Guineans, regardless of who they are or where they are from, to make an active choice against corruption.

Strategic Goals	PEOPLE	LAW	INSTITUTIONS	VALUES
Objectives	To build relationships and empower people in PNG to take action against corruption	To secure the development and more effective enforcement of laws and standards in PNG and reduce immunity for corrupt acts	To contribute to the effective implementation of anti-corruption programmes in leading institutions, businesses and the resource sector	To contribute to instilling a higher level of integrity in our society as stated in our Constitution
Strategic Activities	Membership maintenance & Recruitment <ul style="list-style-type: none"> Provincial Forums Publications Media Releases YACA CCAC BACA Database Texting WAC Stakeholders Dinner 	Support efforts to implement <ul style="list-style-type: none"> NACS ICAC Lobby for: <ul style="list-style-type: none"> EITI adoption Whistle Blower Act Witness Protection Act Freedom of Information Legislation Forest Governance <ul style="list-style-type: none"> PAC REDD 	Legal & Research Unit <ul style="list-style-type: none"> Parliament Watch Public Finance Advocacy Benefit Sharing Research Training Support to PNGEC Legal Advocacy <ul style="list-style-type: none"> Advocacy & Legal Advice Centre Corruption Survey <ul style="list-style-type: none"> CPS Phase 4 	Civic Education for schools <ul style="list-style-type: none"> Youth Democracy Camp Extension of GGACE Civic Advocacy <ul style="list-style-type: none"> Voter Expectations Survey Domestic Observation UCTD CAIEI Voter Education
Effective & Efficient Organisation	Best practice in Communications & Events Management <ul style="list-style-type: none"> Refine Board Liaison on media issues Research, develop & publicize about issues + ongoing projects Refine and implement communication strategy Management of TIPNG website Coordinate major TIPNG events 	Best practice in Financial Management <ul style="list-style-type: none"> Review & enhance financial & ADM Policy Projects & Core (Better Coordination) All management staff to be able to extract reports 	Best practice in Information Management <ul style="list-style-type: none"> Improve IT system security and maintenance Train staff in use of contact /mail database Improve Excel/Outlook staff skills Improve management & use of hard copy & electronic files 	Best practice in Office Management <ul style="list-style-type: none"> Increase staff productivity Increase Organizational capacity to source funding & design projects Develop programmatic management overview Improved HR processes Build staff skills and training opportunities
To continue to improve organisational performance.				

**The second worst thing about
corruption.**

Ignoring it.



ELECTORAL & CIVIC EDUCATION

To promote ethical leadership through targeted education and awareness programs

Understanding Corruption through Drama

The Understanding Corruption through Drama (UCTD) project is a street drama awareness tactic that aims to help people understand the damaging effects of corruption and promote moral leadership. This project was funded by AusAID.

The project has an event format consisting of:

- a troupe entering a community by invitation after negotiations with local leaders
- a 30 minute carefully scripted performance
- a structured discussion and question and answer session after each performance.

SUCCESSES/ Through the drama performances, people have a better understanding of taxes and what the Government does with it. People now realize that it is also their responsibility to hold leaders accountable.

CHALLENGES/ Logistics of troupes remain a challenge in this project. UCTD requires troupes to move from one community to another after each performance, however, this has been a difficulty due to transportation problems and deteriorating rural road infrastructure.

Mike Manning Youth Democracy Camp

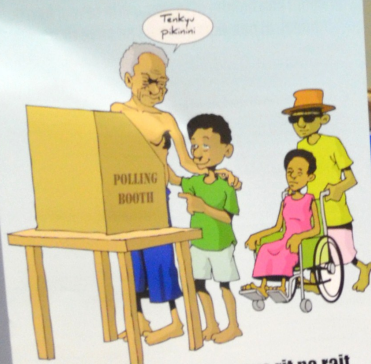
TIPNG informs, educates and empowers the youth to make an active choice against corruption. At the Mike Manning Youth Democracy Camp (MMYDC), youth, are trained on the principles of democracy and good governance, taught about citizens' rights and responsibilities and empowered and encouraged to increase public awareness of corruption.

SUCCESSES/ Terence Chross was selected from Sogeri National High School to attend the Camp in 2011. Since attending the Camp, Terence has shared what he learnt with the student body and teachers at Sogeri National High School. Terence visited the TIPNG office to get membership brochures and urged his schoolmates to join the fight against corruption by becoming financial members of TIPNG. Terence completed year 12 and was accepted to do his tertiary studies at the University of Technology. He has progressed in his anti-corruption campaign by establishing the Youth Against Corruption Association at the University.

CHALLENGES/ Keeping in touch with youth who attended the MMYDC is difficult. Some students are accessible through their school, their teachers or their guardians. Others have been out of touch since graduating from their selection school. TIPNG is looking at utilizing social media to track MMYDC camp participants to support and celebrate their anti-corruption efforts.



Mekim Helpim Kamap Stretpela



Ol lapun na ol lain i no save rit na rait,
i gat rait long makim ol lain we ol i gat bilip
na wanbel long halivim ol
long taim bilong vot.



Fri, Stretpela na Gutpela
Eleksen 2012



ADVOCACY

To assert the views of civil society in opposing corruption

Sir Anthony Siaguru Walk Against Corruption

Year 2011 saw the fifth Sir Anthony Siaguru Walk Against Corruption (SASWAC). This outreach event is TIPNG's major fundraising drive that raises funds for the Siaguru Endowment Fund - a financial mechanism to sustain the operations of TIPNG. SASWAC creates awareness amongst citizens by providing a peaceful avenue for them to show their opposition to corruption.

SUCCESSSES/ Madang Province and Alotau town were two new centers that hosted the SASWAC. Currently, five provincial centers hold the SASWAC, Port Moresby, Kokopo, Kimbe, Madang and Alotau. This year, 354 teams participated compared to 255 teams in 2010 totaling over 6,000 people who took part. SASWAC continues to garner interests from Government departments and agencies.

CHALLENGES/ TIPNG recognizes the need to add a new dimension to the Sir Anthony Siaguru Walk Against Corruption without taking away the essence of fundraising and awareness. TIPNG is looking at ways to diversify the Walk Against Corruption and broaden opportunities for business houses and individuals to contribute to anti-corruption activities.

Advocacy & Legal Advice Center

The Advocacy & Legal Advice Center (ALAC) is part of a global concept initiated by TI-Secretariat, Berlin with funding from the United Kingdom Department of International Development and AusAID. Since its inception in 2009, ALAC has conducted partner-collaborated approaches and awareness forums in eight provincial centers and through the media. Stakeholder meetings have been held with agencies of the government in the Prime Minister's Department, PNG Ombudsman Commission, Finance Intelligence Unit of the Department of Finance and the National Anti Corruption Alliance. These meetings have complimented TIPNG's effort to conclude the civil society parallel review of Papua New Guinea's ascension to the United Nations Convention Against Corruption (UNCAC).

SUCCESSSES/ At present, ALAC maintains a complaints database that tracks indications of where and how corruption has crippled systems within the public and private sectors, including NGO sectors. ALAC has registered more than 108 corruption-related cases in public procurement (30%), tax/finance (18%) and Property Rights (10%). These areas are the primary corruption area of complaints.

CHALLENGES/ Establishing networks and building relationships and partnership with government departments are a challenge for ALAC. Some relationships have been established but competing priorities within the departments often override ALAC networking with these government departments.



MEMBERSHIP & BUILDING COALITIONS

To maintain & strengthening an association of like-minded groups in the fight against corruption

Community Coalition Against Corruption

The Community Coalition Against Corruption (CCAC) is a voluntary network of groups and individuals from corporate, government, CSOs and churches. CCAC aims to engage the PNG community to promote good governance, leadership and advocate messages of unity for PNG.

SUCCESSSES/In 2011, the CCAC met on several occasions to facilitate a civil society response to National issues including the controversial appointment of the Prime Minister and the sacking and reinstatement of the Chief Justice. TIPNG through the CCAC coordinated the a meeting with all church leaders representing the major church groups and other NGOs in PNG. A series of press statements were released by the churches with the objective to maintain a sense of peace among communities throughout the nation.

Even though there were no positive change in the political scene, it became clear that parliamentarians and society have been influenced by the solidarity of the CCAC.

CHALLENGES/ TIPNG recognizes that there is a need to sustain the wave of public interest and support for good governance and the rule of law by the various groups and individuals. As a result, initiatives such as youth forums through the Youth Against Corruption Association, Voter Expectations Survey and Voter Education radio & television talk shows will be delivered in 2012.

Provincial Visits and Forums

Provincial visits are on-going and focused on building relationships with people, empowering them to take action against corruption. During the visits, awareness on the work of TI and of the damaging effects of corruption are related to the audience and people are encouraged to sign up as members of TIPNG.

SUCCESSSES/In 2011, provincial visits were made to the New Guinea Islands region, Lihir Island in the New Ireland Province and Kokopo in the East New Britain Province. During the visit to Lihir Island, the communities displayed great interest in getting involved in the fight against corruption This interest was translated into an action where individuals from the mining township have raised their hands to hold a Walk Against Corruption on the Island in 2012.

Brunton & Colquhoun-Kerr

...the ...

POLICY RESEARCH

To help design legal instruments to empower integrity institutions

Forest Governance Initiative

The Forest Governance Initiative (FGI) promotes the development of a society where corruption-free governance and sustainable management enable increased economic development, poverty reduction and environmental protection.

SUCCESSIONS/ In August 2011, the FGI program published and launched the Forest Governance Integrity Baseline Report. The report highlights major corruption risks in the forestry sector that should be addressed to ensure that timber trade benefits the Papua New Guinean people and does not damage the environment. The Report emphasizes the need to strengthen legislation and conduct a national forest inventory in order to provide reliable and transparent information on forest resource for landowners in PNG. It also underlines the flaws in the consultations with local communities, which partly derives from a lack of capacity from government agencies.

CHALLENGES/One of the main problems facing the FGI project is engaging with government agencies in risk assessments verification. Through the FGI project, TIPNG is working closely with government departments and other environmental NGOs through stakeholders workshops and meetings to effectively enforce forestry laws and promote more transparency and accountability in the sector.

Corruption Perceptions Survey

Corruption Perceptions Survey (CPS) is a household survey carried out to understand how people in PNG understood of the word 'corruption'. The survey started by identifying potential research partners in four provinces: Madang, East New Britain, Milne Bay and Southern Highlands. Piloting was then carried out in those provinces with the focus being more qualitative in nature. Building on the results, CPS expanded into and covered additional provinces: NCD, New Ireland and Eastern Highlands provinces. With further funding from AusAID, CPS has added three more provinces, Enga, East Sepik and Sandaun provinces for its final phase. This is the first survey on corruption perceptions in Papua New Guinea.

SUCCESSIONS/ During the course of the project, 1800 individuals were surveyed. Many of these people in the rural areas related corruption to moral behavior such as polygamy or prostitution. In the urban settings, the surveyed individuals related corruption to political leaders with the understanding that corruption is the misuse of power and wealth for personal gain. Using the people's view of corruption, TIPNG will develop strategies with which to improve the public's ability to advocate for better governance. In the long run, there will improved quality of good governance and a reduction of corruption around PNG.

CHALLENGES/Sourcing research partners with relevant experience in the provinces is a challenge; coupled with a lack of in-country expertise in survey design and research methodology, especially with sampling methodology in house-hold surveys.



LEGISLATIVE INITIATIVES

To be able to make better informed decisions when designing strategic initiatives

United Nations Convention Against Corruption

From the civil society perspective, TIPNG was one of several TI chapters that carried out a short parallel review of PNG's implementation and enforcement of selected articles in the United Nations Convention Against Corruption (UNCAC). A report on this was produced and submitted to the TI-Secretariat in Berlin. TIPNG hopes that the report will be formally published as part of the UNCAC Implementation Review Group Civil Society Organization report in June 2012.

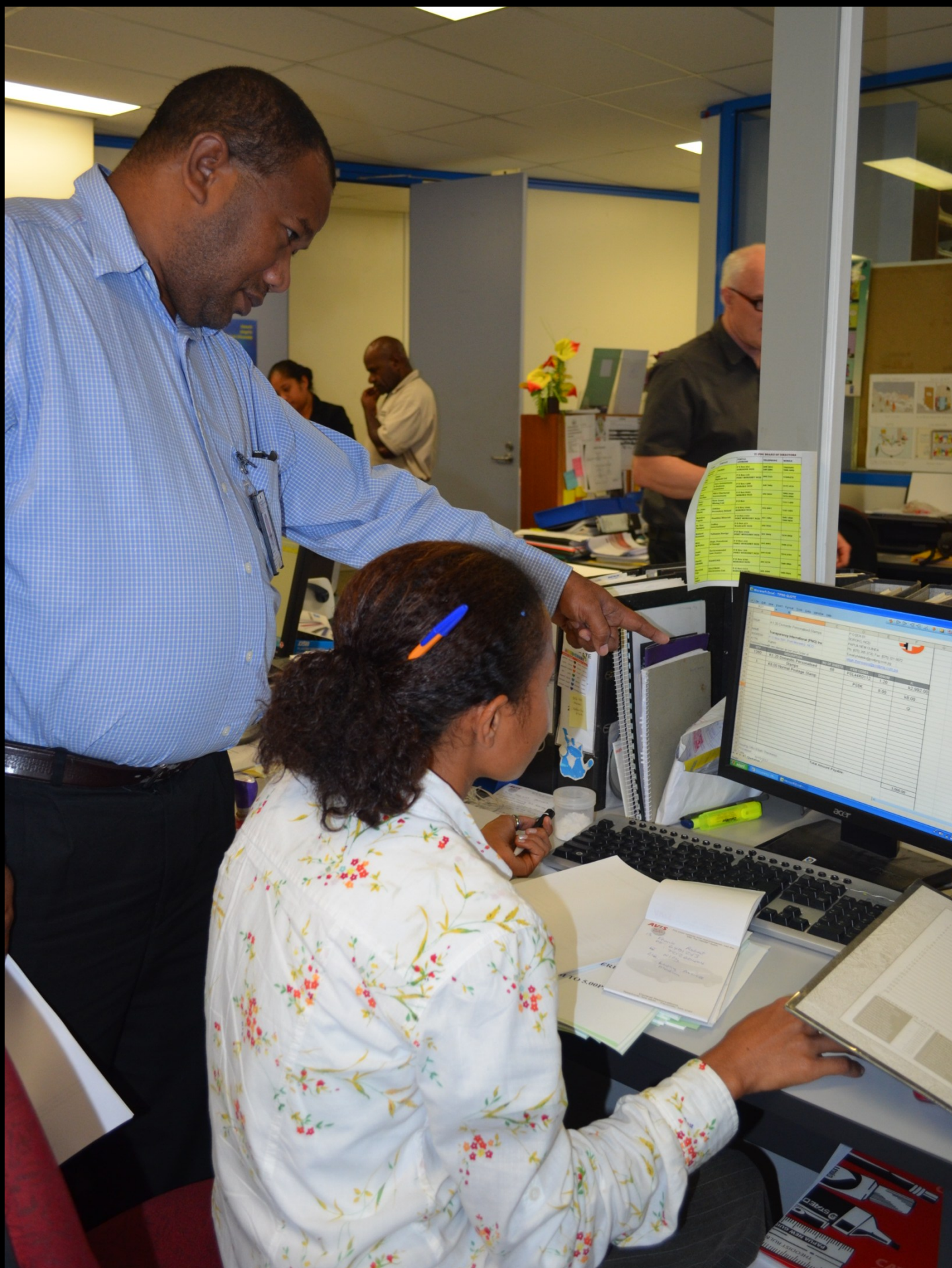
National Anti-Corruption Strategy

Through past years, TIPNG had assisted the Government of Papua New Guinea in developing the National Anti-Corruption Strategy which was endorsed by Parliament in November 2011. This exciting initiative by the PNG government was not only a positive indication to improving good governance but also crucial in meeting their commitment to implementing the UNCAC which was signed and ratified in 2007.

Extractive Industries Transparency Initiative

The Extractive Industries Initiative (EITI) is a global initiative to improve transparency and accountability in the extractive industry sectors of oil, gas and mining. It is being implemented in 20 resource-rich countries around the world. In Papua New Guinea, the Government moved a step closer towards adopting this initiative through the establishment of a State Working Group (SWG) in February 2011. Since then the SWG has gone another step further by engaging with industry (Chamber of Mines & Petroleum) and CSO's through TIPNG and the Business Against Corruption Alliance (BACA) to develop an understanding and a road map towards complying with sign-up requirements.

TIPNG has participated in EITI stakeholder meetings internationally through the support of the World Bank and, on the domestic front, actively involved in the interim Multi Stakeholder Working Group. The interim challenge is to develop a framework or rules of engagement pertaining to the establishment of fully functional or dynamic working group. In improving transparency and accountability, it is hoped that Papua New Guinea will be able to mitigate its average economic performance, and conflict that has been known to affect countries that are dependent on oil and mineral resources.



CAPACITY BUILDING

To strengthen internal staff capacity

TIPNG appreciates the level of support that continues from its relationship with donors in NZAID through the Pacific Institutional Network Strengthening Program (PINSP) and AusAID through the Strongim Pipol Strongim Nesen (SPSN) Program and the Electoral Support Program 3 (ESP3).

A core component of this donor support is targeted towards upgrading the capacity of staff within TIPNG. In 2011, TIPNG staff undertook training in project financing & accounting for most program officers. Training on Monitoring & Evaluation was also carried out for all staff under the SPSN component. In addition, specifically designated officers undertook enhancement trainings abroad in events & fundraising and communications .

TIPNG is at present, developing a communications strategy that would entail significant engagement with citizens to sustain a consistent interest in fighting corruption and bring about a positive and holistic change in their lives. A change of lifestyle that is espoused through the delivery of positive and real time anti-corruption messages coupled with the promotion of corruption-free attitude. This home-grown strategy is further enhanced with the recognition and integration of TI's global-wide *Time to Wake Up* campaign. This integration communication strategy is key to engaging with greater numbers of people from all walks of life to be proactive in the war against corruption. Corruption is everyone's business and the relevance of TIPNG's role in this battle will be enhanced from a community wide perspective.

MEMBERSHIPS

TIPNG is committed to building its membership base of both individual and organizational members. Corruption can only be reduced when people make a commitment to stand against it. And as an organization whose core business is to create awareness on corruption and empower people to take action against it, TIPNG depends on public support. By becoming a financial member of TIPNG, you make a commitment to support the fight against corruption. Members of TIPNG are issued a certificate and help grow the anti-corruption voice in the country.

Individual Membership

In 2011, TIPNG had 105 people signed up as individual members. This is 62 people less than in 2010. TIPNG recognizes the need to garner more public support and keep individuals interested in the fight against corruption thus greater efforts have been put into soliciting membership through our outreach programs.

1	Ms	Suzie	Kukuian	34	Mr	Jerry	Bagita	67	Ms	Judith	Day	101	Ms	Keke	Dayom
2	Mr	David S	Gavara-Nanu	35	Ms	Hane	Toua	68	Mr	Martyn	Namorong	102	Mr	Paul	Dayom
3	Mr	Tau	Morove	36	Mr	Paul	Nindipa	69	Ms	Marianna	Ellingson	103	Mr	Lohia	Dayom
4	Mr	Modi	Pontio	38	Ms	Althea	Masi	70	Ms	Winnifred	Kammit	104	Mr	Samuel	Dayom
5	Ms	Winnie	Kiap	39	Mr	Paul	Barker	71	Mr	Phil	Franklin	105	Mr	Marcus	Pelto
6	Ms	Mayambo Ipu	Peipul	40	Mr	Jacob	Taule	73	Mr	Terence	Chross				
7	Mr	Alexander	Rheenev	41	Ms	Emily George	Taule	74	Mr	Max	Hawap				
8	Mr	Bernard	Agiru Poro	42	Ms	Kalya	Taule	75	Mr	Nigel	Ginau				
9	Mr	Kilipa	Hetau	43	Mr	Troy	Taule	76	Ms	Hope	Imaka				
10	Mr	Nerville John	Harsley	44	Mr	James Poro	Gore	77	Mr	Moana	Nahuet				
11	Mr	Michael	McWalter	45	Ms	Karen	Modewa	79	Mr	Jack	Sambiru				
12	Mr	Luke Musombi	Samba	46	Mr	Charlie	Gilichibi	80	Mr	Max	Emmanuel				
13	Ms	Henrica Simon	Samba	47	Ms	Sisa	Kini	81	Mr	Wama	Wilson Sakaii				
14	Mr	Newton	Samba	48	Mr	Archie	Yamgar	82	Mr	Peter	Dominic				
15	Mr	Ezra Musombi	Samba	49	Mr	Ivan	Jemen	83	Mr	Jonathan	Michael				
16	Mr	Brian	Waffi	50	Ms	Laurel	Jemen	84	Mr	Damien	Sakarato				
17	Mr	Clyde	Willis	51	Ms	Anne	Kerepia	85	Mr	Jayson	Kopeap				
18	Mr	Steven J	Kumo	52	Mr	Richard	Kassman	86	Mr	Maxlee	Griffin Martin				
19	Mr	Niniga	Gini	53	Mr	Maya Habia	Babe	87	Mr	Kennedick	Kipe				
20	Mr	David J	Tsang	54	Mr	Patrick	Panie (Jnr)	88	Mr	Felix	Kapu				
21	Mr	Simon	Konkas	55	Mr	Jacob	Warike	89	Mr	Lazarus	Kayazi				
22	Mr	William	Delacruz	56	Mr	Brian	Mopa	90	Mr	Jerry	Kurapio				
23	Mr	Nicholas	Takeimota	57	Mr	Hezron	Warike	91	Mr	Kig	Anthonia				
24	Mr	Mel	Togolo	58	Mr	David	Mitchell	92	Ms	Hannah	Aku				
25	Mr	Jacob	Ninkama	59	Dr	Peter	Kora	93	Mr	Yembuku	Nathaly				
26	Mr	Lawrence	Stephens	60	Mr	Pius	Nop	94	Mr	Fenebe	Ibusubu				
27	Mr	Daniel	George	61	Mr	Sam	Kalagaus	95	Ms	Lorraine	Kasiva				
28	Mr	Alfred	Rungol	62	Mr	Henry	Vainak	96	Mr	Sunaim	Buraik				
29	Mr	Michael	Avosa	63	Mr	Gibson	Kakavu	97	Mr	Hercules	Jim				
30	Ms	Yvonne	Ngutlick	64	Mr	Anthony	Tsora BEM	98	Ms	Melissa	Manuai				
31	Mr	Martin	Tonny	65	Mr	Peter	Wopia	99	Mr	Newman	Pawa				
32	Ms	Gail	Edoni	66	Mr	Peter	Aitsi	100	Mr	Joseph	Terra				
33	Fr	John	Glynn												

Corporate Membership

TIPNG garnered 39 organisations as corporate members in 2011; this is one more than the total number of corporate membership in 2010. Corporate membership has been stagnant and approaches have been taken through the engagement of organisations on one-on-one basis though our outreach awareness. TIPNG hopes to garner more corporate membership in other provinces through outreach events like the Sir Anthony Siaguru Walk Against Corruption and through coalition partners like the Business Against Corruption Alliance (BACA).

- | | | | |
|----|---------------------------------------|----|--------------------------------------|
| 1 | National Superannuation Fund Ltd | 20 | UMW Nuigini Ltd |
| 2 | Rio Tinto Minerals (PNG) Ltd | 21 | PNG Ready Mixed Ltd |
| 3 | Pacific MMI Insurance | 22 | Nautilus Minerals Niugini Ltd |
| 4 | Johnstons Pharmacies Ltd | 23 | Monier Ltd |
| 5 | Credit Corporation (PNG) Ltd | 24 | Oil Search (PNG) Ltd |
| 6 | Independent Timbers & Stevedoring Ltd | 25 | National Fisheries Authority |
| 7 | Nambawan Super Ltd | 26 | Data Nets Ltd |
| 8 | Remington Technologies Ltd | 27 | Avis Rent A Car |
| 9 | Esso Highlands Ltd | 28 | Petromin PNG Holdings Ltd |
| 10 | Chartis | 29 | Hastings Deering PNG Ltd |
| 11 | Investment Promotion Authority | 30 | Business Council of PNG |
| 12 | Wamp Nga Holdings | 31 | PNG Power Ltd |
| 13 | Trukai Industries Ltd | 32 | Fresh Produce Development Agency Ltd |
| 14 | PNG Air Services | 33 | Mirupasi Lawyers |
| 15 | LJ Hooker Real Estate | 34 | Bank of South Pacific Ltd |
| 16 | Barrick (PNG) Ltd | 35 | Gadens Lawyers |
| 17 | Arch Diocese of Mt Hagen | 36 | Lae builders & Contractors |
| 18 | Lamana Hotel | 37 | Kenmore Group Limited |
| 19 | Eda Ranu | 38 | SP Brewery |
| | | 39 | Internal Revenue Commission |

BOARD OF DIRECTORS

Transparency International PNG is governed by a Board of 15 volunteer Directors. All of the Directors are prominent community and business people who volunteer their time and resources and are committed to the vision of a corrupt-free country.



LAWRENCE STEPHENS - Chairman

Lawrence Stephens is a Program Manager with the PNG Sustainable Development Program. He was a General Secretary of the Catholic Bishops Conference of PNG & the Solomon Islands and has lived and worked throughout PNG for 35 years. He also holds board positions in several non-government organizations. Mr Stephens is also a graduate of the Australian National University.



PAUL NINDIPA - Treasurer

Paul Nindipa is currently a partner with NKA Chartered Accountants. He graduated with a Bachelor of Commerce degree from the University of Otago, New Zealand and is an associate member of the Certified Practicing Accountants PNG. He is a former President of the Badili Club of PNG.



MELCHIOR TOGOLO, CBE - Director

Melchior Togolo is a graduate of the UPNG, the University of Leeds and the University of Hawaii. He is currently Country Manager of Nautilus Minerals. He serves on the boards of Westpac, NASFUND, the Jesus Center Halfway House, and the Institute of National Affairs. Mel is also on the Finance Committee of the Catholic Bishops Conference of PNG and Solomon Islands. He also sits on the Executive Committees of the Mama Graun Conservation Fund and the Business Council of PNG.



SISA KINI - Director

Sisa Kini recently attained a Masters of Social Science from Lincoln University, New Zealand. Sisa also holds a Bachelors Degree in Communication for Development from the PNG University of Technology and has undertaken a series of international professional development activities in the US, Africa and the Pacific. Sisa was formerly the Executive Director of the CDI Foundation. She is currently the Community Capacity Building Team Leader with Esso Highlands Ltd. Sisa is also a founding alumni of Leadership PNG.



Fr JOHN GLYNN - Director

Father Jon Glynn has worked as a priest and a teacher in New Ireland, Manus and the NCD since 1963. He is well known for his charitable work in Port Moresby's settlements through the *WeLARe*/Foundation. Fr Glynn is also patron of the Youth Against Corruption Association (YACA).



MICHAEL MCWALTER - Director

Michael McWalter is a petroleum industry regulation and administration specialist and is currently a part-time adviser to the PNG Department of Petroleum & Energy. He is frequently engaged as an oil and gas specialist to the Asian Development Bank, World Bank and USAID for development projects with various Government petroleum ministries and agencies around the world. Mr McWalter is a Director of the Circum-Pacific Council for Energy and Mineral Resources, and a member of the Asia-Pacific Executive Council of the American Association of Petroleum Geologists. He has a strong interest in the good governance and transparency of business in the petroleum industry.



JAMES GORE - Director

James Gore joined the TIPNG Board in 2011. He is a Certified Practicing Accountant with a Bachelor of Commerce from the PNG University of Technology. Mr Gore has over 13 years of chartered accounting experience.



RICHARD KASSMAN, OBE - Director

Mr Richard Kassman is a founding director of TIPNG and brings to the board extensive experience at board and managerial levels in the private and public sectors. His role as a business, civil society and government liaison is well recognized in PNG and the region. Mr Kassman is currently employed by Talisman Energy.



GAIL EDONI - Secretary

Gail Edoni is currently providing private consultancy services in Education to various organizations and serves as an International School Accreditation team member and chairperson for visiting teams on behalf of the Western Association of Schools and Colleges, California USA in the Asia Region. She has over 25 years of experience in this field both as a teacher and school administrator. Most recently, she worked as a Government Relations Officer to the Summer Institute of Linguistics for four years in Port Moresby and retired in late 2011. Currently she is Board Secretary for the Bible Translation Association of PNG and has served on the Board of the Evangelical Alliance of PNG and the MAPANG Board. Gail has been heavily involved in HIV/AIDS awareness and leadership training of community members through the Channels of Hope program by World Vision. She holds a Degree in Education from UPNG and a Masters Degree in Social Science from Azusa Pacific University in the USA.



PETER JOHN AITSI, MBE - Director

Mr Peter Aitsi joined the TIPNG board as a director in 2000 and was Chairman since 2008 to 2010. Mr Aitsi is currently the Country Manager for Newcrest Mining Limited.



ANNIE KAJIR - Director

Annie Kajir is the Executive Director of the Environmental Law Center. She is well known for her legal work representing landowners in landmark forestry corruption cases and was awarded the prestigious Goldman Environmental Prize in 2006 for these efforts.



CHARLIE GILICHIBI - Director

Charlie Gilichibi is currently the IT Manager and Special Projects Coordinator at NASFUND. He is the Vice President of the PNG Computer Society and a member of the PNG Institute of Directors. He holds a Bachelor's Degree in IT from the University of Canberra, a Diploma in Economics from the International Training Institute and a Masters in Business Administration from UPNG.



WARWICK VELE - Director

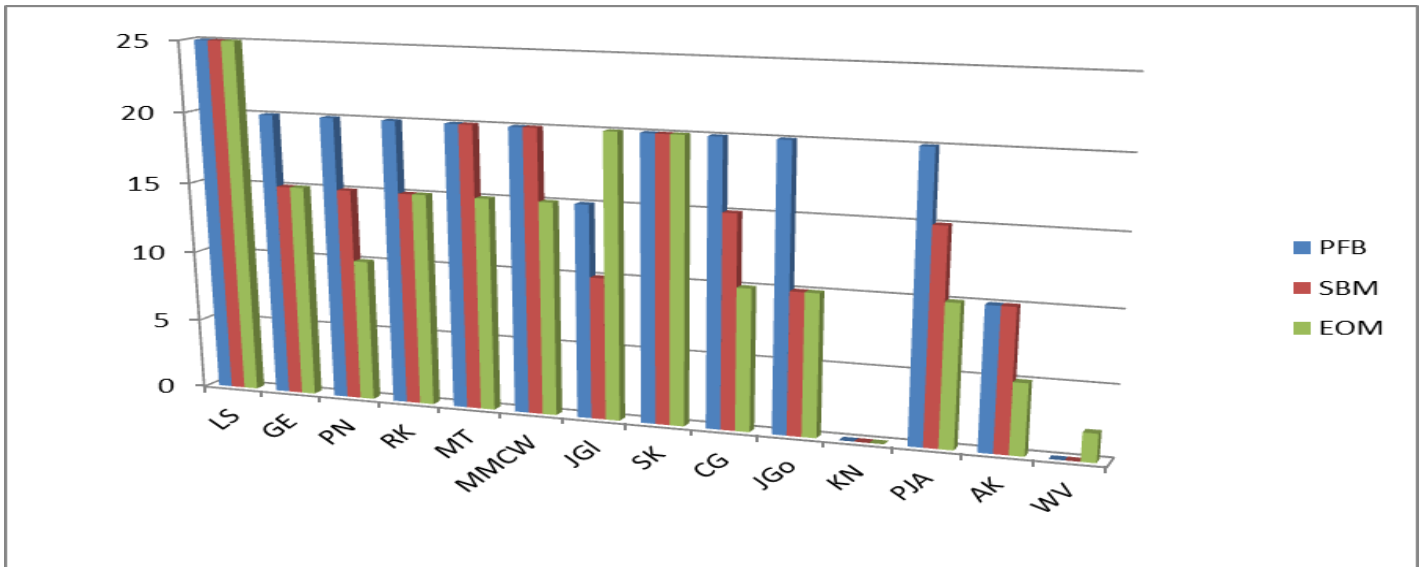
Mr Warwick Vele has technical specialization in the service, storage and networking. He holds a Bachelor of Science from the University of Sydney. He is employed with Daltron Limited.

DR KEN NGANGAN - Director

Dr Ken Ngangan joined the TIPNG Board in 2011. He is a senior lecturer in accounting at the University of Papua New Guinea. He is a development finance and audit specialist who designs accountability and audit mechanisms for both corporate and government arenas.

BOARD CONTRIBUTION

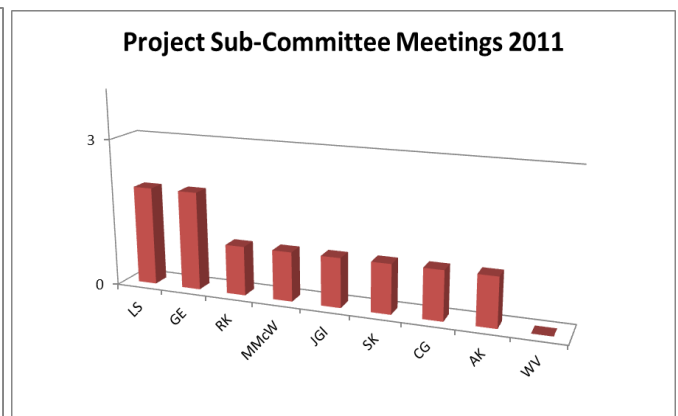
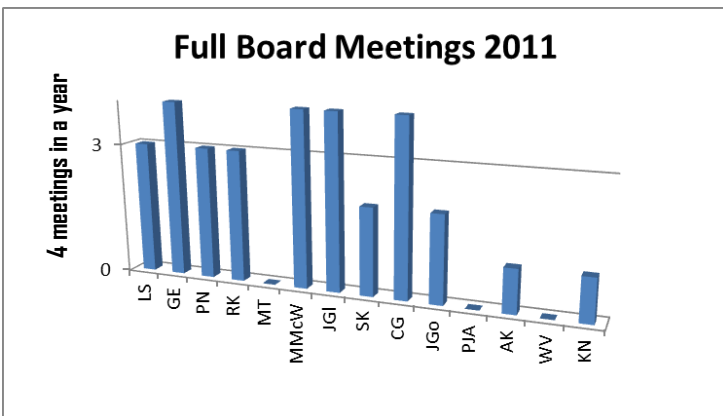
TIPNG Board Directors volunteer their time and expertise to ensure the image and reputation of TIPNG is maintained both internally and externally. Board members are appraised on their contribution of time, feedback to board policies, liaison with management and activities undertaken as TIPNG representatives. Performances of some board directors are reflected below. Some Directors performance are a representation of late appointment to the board and not necessarily lack of performance.



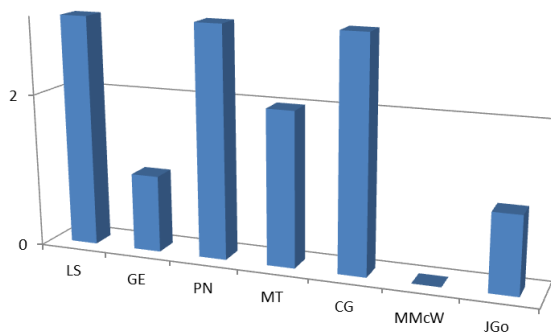
PFB = Policy Feedback

SBM = Special Board Meeting

EOM = Extra Ordinary Meeting



Management Sub Committee Meetings 2011



(LS) Lawrence Stephens, (GE) Gail Edoni, (PN) Paul Nindipa, (RK) Richard Kassman, (MT) Mel Togolo, (MMcW) Mick McWalter, (JGI) Fr John Glynn, (SK) Sisa Kini, (CG) Charlie Gilichibi, (JGo) James Gore, (KN) Ken Ngangan, (PJA) Peter J Aitsi, (AK) Annie Kajir, (WV) Warwick Vele

TIPNG STAFF



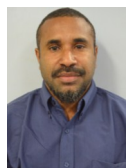
EMILY GEORGE TAULE, BEM
Executive Director

Emily George Taule has been Executive Director for the sixth year now since she joined TIPNG in 2006. Emily holds a Bachelor of Arts Degree and has worked at senior levels in government, private and NGO sectors in PNG for more than 16 years. She is and is a prominent and well reputed female leader in the PNG business sector. Emily is also a recognized figure in the sports community having given considerable sports developments services, especially netball and softball.



JERRY BAGITA
Operations Manager

Jerry Bagita, joined TIPNG in October 2010. Jerry was previously Program Manager of the Voter Education and Governance Awareness Program in 2007. He is now the Operations Manager of TIPNG. Jerry has considerable project management experience and has also worked in the public sector in policy and planning.



JOHN GIEGRE
Finance Officer

John Giegere is an accounting graduate from the University of Papua New Guinea. He joined TIPNG in March 2011 bringing with him experiences from working with various organizations in the field of accounting, sales



YVONNE NGUTLICK
Communications Officer

Ms Ngutlick joined TIPNG in February 2011. She is responsible for the all TIPNG media and communications activities. Yvonne holds a Bachelors Degree in Communication Arts from Divine Word University.



HANE TOUA
Events & Outreach Coordinator

Ms Hane Toua joined TIPNG in April 2010. Hane manages and coordinates all of TIPNG's major events including the Sir Anthony Siaguru Walk Against Corruption and the Mike Manning Youth Democracy Camp. Hane holds a Bachelor of Arts majoring in Journalism & Public Relations from the University of Papua New Guinea.



KEKE DAYOM
Information & Administration Officer

Keke joined TIPNG in April 2011 and started off as a part time filing clerk in the finance unit. In October 2011, she was posted into her current permanent position. Keke has enhanced her administrative skills from working in various corporate organizations.



MICHAEL AVOSA
Program Manager - Forest Governance Integrity

Michael Avosa is Program Manager for the Forest Governance Integrity Program. He holds a diploma in Forestry from Bulolo University College and a post-graduate certificate in Land Use Science from Brown University.



ALFRED RUNGOL
Research Assistant

Alfred Rungol joined TIPNG in June 2009 and is attached with the FGI project. He holds a degree in Forestry and Environment Application from the University of Technology in Lae, PNG. Alfred resigned from TIPNG in September 2011 to pursue further studies in China.



MAYAMBO IPU PEIPUL
Program Manager - Advocacy Legal Advice Center

Mayambo Peipul joined TIPNG in May 2010. She holds a Bachelor of Laws from UPNG, a Professional Diploma in Legal Practice from the University of South Pacific in Fiji and a Masters Degree in Law from the Victoria University of Wellington, New Zealand. She is admitted to practice Law in both PNG and Fiji. Maya has worked in the public & private sectors as a litigation lawyer. In August 2011, Mayambo was appointed by the National Executive Council to be a counsel in the Commission of Inquiry into the Special Purpose Agriculture Business Lease (SPABL)



DANIEL GEORGE
Program Assistant - Advocacy & Legal Advice Center

Daniel George joined TIPNG in May 2007 and worked as administrative assistant for the Voter Education & Good Governance Awareness Project. He was also Project Assistant for the Good Governance and Anti-Corruption in Education Project. Daniel also coordinated the 2008 and 2009 Youth Democracy Camps. Daniel is now the Program Assistant for the Advocacy & Legal Advice Center.



IVAN JEMEN
Program Manager - Corruption Perception Survey

Ivan Jemen joined TIPNG in August 2008 as a research coordinator of the Corruption Perception Survey project. Previously he served as a Senior Research Officer at Anglo Pacific Research. He holds a Bachelor of Arts in Psychology from the University of Papua New Guinea.



MARTIN TONNY
Program Manager - Understanding Corruption Through Drama

Martin Tonny joined TIPNG in November 2010. Prior to joining TIPNG, Martin was teaching at the University of Papua New Guinea and was also the in-country research coordinator for the Queensland University of Technology working on a project called Life Drama funded by the Australian Research Council. Martin has a Bachelor of Creative Arts in Theatre Arts from the UPNG specializing in Drama Education.



SIMON JENKINS
Civic Education Consultant

Simon works with TIPNG on a number of civic education projects, notably the Youth Democracy Camp and the Good Governance and Anti-Corruption in Education Project. He has conducted civic education work with other TI chapters worldwide, including the Solomon Islands, Bangladesh and Kyrgyzstan. He has qualifications in the field of education and linguistics.



MARCUS PELTO
Project Advisor - Corruption Perception Survey

Marcus Pelto is an international development consultant with expertise in civil society, public governance and management. He has worked with the Transparency International movement in the Pacific Region since 2005. He is currently project advisor of the Corruption Perception Survey.

Media Monitoring

In an attempt to assert the views of the civil society in opposing corruption and advocating for good governance, TIPNG provides commentary in the media about corruption issues such as the controls on leaders.

From May to December 2011, TIPNG conducted a media monitoring activity that looked at how much corruption-related news were publicized. This activity was restricted to the print media, particularly the two daily newspapers, *Post-Courier* and *The National*.

Summary of Newspaper Articles: May - December 2011								
Date	Sector/Category		Nature of Issue		Counts by Province		Newspaper	
May to Dec. 2011	All Government	182	official Corruption	157	NATIONAL	160	Post Courier	148
					SHP	10	National	114
			Awareness	25	ENB	1	Sunday Chronicle	4
			Constitutional	22	WNB	5	Business Review	1
			Individual comments	25	CENTRAL	3		
	NGOs & CSOs	31	Advocacy	7	ENGA	2		
					MOROBE	9		
			SABL	18	NCD	46		
			SABL COI	3	ARB	2		
			Legislation-Anti Corruption	1	MILNE BAY	3		
	Media Initiatives	30	Anti-corruption Initiative	2	WSP	5		
			Moral Corruption	1	ESP	4		
			Opinion	4	CHIMBU	8		
			Official corruption					
			- COI	2	ORO	4		
	Private/Corporate	24			GULF	5		
	267		267		267		267	

Notes:

1. The above table is based purely on newspaper cuttings from May 18th to December 12 of 2011
2. Not all corruption-related cases were sufficiently captured in the newspaper cut outs
3. The numbers in the respective columns are actual counts of corruption related articles as they appeared in the papers
4. "All Government" includes all government departments (National, Provincial and Local levels including all government departments)
5. Items generally cover all corruption related issues ranging from awareness to official corruption
6. Official corruption includes all form of corruption including bribery, theft, misappropriation, using position to influence etc except for moral forms of corruption
7. Constitutional issues relate mostly to the political impasse and the co-existence of the O'Neill and Somare regimes since 2nd of August 2011
8. *NATIONAL* refers to cases that affect the country as a whole, and it includes all government departments. NCD has the highest count per province followed by SHP.
9. Total number of cuttings stand at 267 from all received subscriptions

TIPNG in the news

TIPNG queries Pom to Kiunga highway

TRANSPARENCY International PNG (TIPNG) is concerned with the state-sanctioned construction of the Kiunga-Hiritano Highway through immense tracts of Western land covered by the controversial Special Purpose Agriculture Business Leases.

"There is huge concern that the leases were improperly executed, that they will result in large scale logging without providing large scale agricultural development and that the landowners are not adequately informed of the implications of these agreements supposedly executed on their behalf," TIPNG chairman Lawrence Stephens said.

"Now the reports suggest that the leaseholders are involved in arrangements to build a major national highway which will cost the government nothing.

"The people of Western and Gulf provinces deserve to share in the prosperity of PNG.

"More importantly, they need to benefit from resources in their provinces.

"A good road linking Kiunga to Port Moresby would be of great benefit to the people.

"But how do we achieve this at no cost to government unless we are giving some people the right to large areas of timber resources which,

before the SPABs were issued, belonged to whole communities?"

"With the moratorium on new leases and the call to 'investigate existing leases there is a need to quickly ensure that the commission of inquiry is up and running to determine whether these SABLs have been properly granted," Stephens said.

He raised specific concern with reports landowners had agreed to "trade off" their resources for access to roads in agreeing to a developer harvesting forests within the road corridors of the transnational highway.

"What will happen to the prime virgin forest that the landowners are trading off, will all the landowners be fairly compensated by the developer not just a select few.

"How wide is the corridor of tree harvesting along a 600km road? Gulf and Western people have the right to know what is planned."

He said the watchdog group remained concerned that "for too long our rural people have not benefited from their resources and many unscrupulous developers have taken advantage of them. If this is to stop a true agricultural industry must be fostered, SABLs must not be a means for the bypassing of strict forestry regulations."

Forestry report launched



From left to right: Transparency International PNG (TIPNG) executive director, Emily Taule, PNG Institute of National Affairs executive director Paul Barker, acting head of delegation of the European Union in PNG Dr Kay Beese, TIPNG acting chair Gail Edoni and Chairman-Sub Committee Forest Governance Integrity, Richard Kassman, skimming through the Forest Governance Integrity Baseline Report, Papua New Guinea 2011 soon after it was launched on Friday. Picture: JOE GURINA.

PAPUA New Guinea's forestry sector contributes K400 million to the PNG economy, but sadly, suffers high levels of illegal logging as a consequence of weak legislation.

Transparency International Papua New Guinea (TIPNG), a member of Transparency International (TI), a global anti-corruption movement committed towards fighting corruption, revealed this on Friday at the launch of the *Forest Governance Integrity Baseline Report Papua New Guinea 2011*.

PNG prides itself with 22 million hectares of forest. However, ongoing exploitation of these forests not only threatens the livelihood of 80 per cent of Papua New Guineans in rural areas who rely on the forests for their livelihood, but also threatens the country's rich biodiversity.

Forest Governance Integrity Program manager, Michael Avosa, said between 2004 and 2006, there has

been a high turnover of reports about illegal logging activities in PNG.

"Corruption cannot be separate from bribe. The two walk hand in hand," Mr Avosa said, adding that there were some faults in the forestry legislation.

According to the report's executive summary, corruption has been identified as an issue for the country, scoring 2.1 out of a possible 10 in Transparency International's Corruption Perceptions Index. This score shows that there are perceptions of high levels of corruption in PNG.

TI has developed an anti-corruption monitoring tool to analyse corruption risks in the chain of activities in the forest sector. The chain of activities includes the licensing or regulatory chain, the timber supply chain, the revenue chain, the reporting chain and the enforcement chain.

TIPNG used desk-based research and dialogue with stakeholders to assess levels of governance and corruption risks in each of these chains to identify certain trends. As a result of the risk analysis, five key areas with high corruption risk in the forestry sector were identified. These are passing or amending of forestry legislation (regulatory chain), incorporation of land groups (licensing chain), awarding timber permits and authority, as well as monitoring logging operations and the environment (timber supply chain), and sale and export of logs (timber supply/ revenue chain).

Chairman-Sub Committee Forest Governance Integrity, Richard Kassman said when TIPNG was formed in 1997, it focused on other areas of governance, but supported other non-government organisations that were focused on forestry governance.

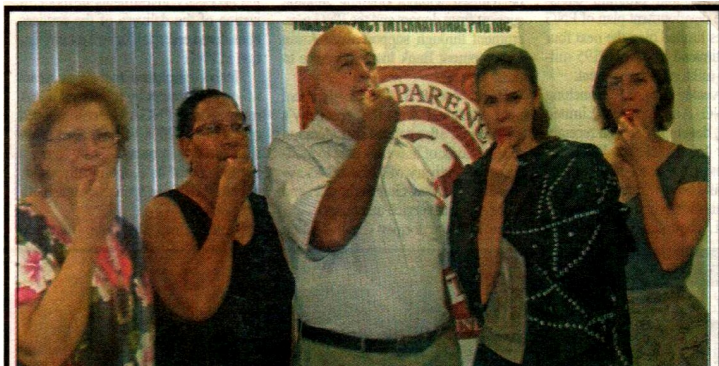
Mr Kassman said TI focuses on process, procedures, capacity, laws and regulation.

"In 2009 when we agreed to engage in this initiative, we did so because we felt that through this forest governance initiative, we could add some values; we could bring our voice to this arena," he said.

Mr Kassman said the forest governance initiative is a regional Transparency International global program and chapters in Indonesia, Malaysia, Solomon Islands and PNG are engaged in this program.

"These chapters collaborated by sharing ideas, resources, methodologies and tools and each chapter produced a report focused on their own countries," he said.

The report was launched by acting head of delegation of the European Union in PNG, Dr Kay Beese.



Whistle blowers... Blowing the whistle against corruption. (From left to right) TIPNG Director, Gail Edoni, TIPNG Executive Director, TIPNG Chairman Lawrence Stephens, AusAID Counsellor Governance, Katherine Taplin and AusAID Second Secretary Governance, Sophia Close.

PNG 'most corrupt'

PAPUA New Guinea continues to be ranked the most corrupt country in the Pacific and the world.

A new report from Transparency International's Corruption Perception Index 2011 has ranked PNG 154 out of the total of 182 countries surveyed.

This means PNG has to do more to minimize or eradicate corruption at all levels in the country.

The annual Corruption Perceptions Index was released by Transparency International PNG on Friday.

The CPI ranks countries on a scale of zero to 10, with the lowest denominator representing corruption.

Papua New Guinea was the worst performer amongst Pacific countries, scoring at a low 2.2, and ranked 154 out of the total of 182 countries worldwide.

Solomon Islands, Tonga and Kiribati were close behind, all scoring under four (4).

New Zealand was considered the least corrupt country, with a score of 9.5 and Australia with a score of 8.

■ *Continue to page 3*

PNG continues to be ranked most corrupt

■ *Continued from page 1*

Transparency International PNG said Papua New Guinea needs to do more to minimize or eradicate corruption in the country to improve its ranking.

Corruption is leveled at all level but mostly targeted at public sector, political and bureaucratic level right down to ordinary citizens.

TIPNG Chairman Lawrence Stephens said given the score and the rating of PNG on the CPI, there remains a need to take strong action now by all citizens to fight corruption and for the government to practice good governance.

Mr Stephens said the fact that New Zealand and Australia appear to do well in the CPI should be a concern to PNG as assets likely to belong to PNG are housed in such countries.

TIPNG is disappointed to see the fruits of corruption so readily housed in Australia and New Zealand.

"PNG's lack of improvement on

the CPI ranking can be attributed to the lack of real action taken by governments, including the current one, to deal with issues and spread of corruption".

"Evidence of lack of political will to tackle corruption has been demonstrated in the way the governments have handled some of the nation's controversial issues, such as the current Special Purpose Agriculture Business Lease (SABL), the Moti Affair, the Taiwan diplomacy scandle, Cairns Conservatory and others," stressed Mr Stephens.

Mr Stephens added that the government needed to display commitment by enhancing governance systems, enforcing and upholding its mandated processes; lack of these would continue to see PNG communities continue to suffer with limited to no health services, poor education for our growing number of children and we will be unable to earn enough money to pay for our daily basic food and services.

Institutions of oversight and legal

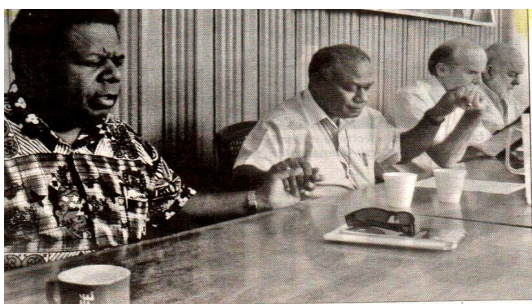
frameworks that enforce best practices and regulations must be supported to ensure lower levels of corruption.

This will lead to a much-needed increase of trust in public institutions, sustained economic growth and more effective development assistance.

TIPNG said Papua New Guinea is a resource rich country and yet we find ourselves almost at the bottom of the ladder according to the world CPI because of the perception of the extent of corruption.

PNG's low ranking comes as the country's Prime Minister, Peter O'Neil publicly declared he will end corruption.

Measures have already been taken with investigations into the use of public funds, institutions and sectors like the Special Agriculture Business Leases but the question is whether this will make an impact as the expectation of bribes remains amongst others is widespread and the country's reputation is suffering.



Church leaders Ps Joseph Walters, Archbishop John Ribat, Anglican Bishop Peter Ramsden pray with chairman of TIPNG Lawrence Stephens.

Churches urged to pray for leaders

COMMUNITY Coalition Against Corruption (CCAC), a non government organisation tasked to fight corruption has joined forces with the churches in the country to stand against what is happening to our political heads.

In a press conference at the Transparency International (TI PNG) office on Thursday, the new coalition force with the head of various mainline and Pentecostal churches, resolved that the interest of the 6.5 million inhabitants be put first, and amicably.

The churches also appealed to their congregation to remain calm while the church leaders work towards finding a common ground with the two political groups, one led by Grand Chief Sir Michael and the other by Peter O'Neill each claiming to be the legitimate government.

The churches are of the view that with only five months to the next elections, a grand coalition is the way to finding a peaceful end to the whole issue if no political end is in sight.

Moderator of the United Church in PNG Rev Sir Samson Lowa called for everyone to maintain faith and peace.

"We must not give into Satan's schemes of destroying our young democracy. If we, as leaders, have done wrong, we must be humble enough to deal with our pride, self righteousness, confess our weaknesses and summon enough courage to provide

strong and able leadership for our people who are going to be deeply affected. We must not leave our people out in our thoughts and actions - their interests must be of paramount importance," said Rev. Lowa.

Archbishop of Port Moresby John Ribat also echoed similar sentiments and called for a peaceful way forward in the interest of the nation.

Archbishop Ribat is also the President of the PNG and Solomon Islands Bishop Conference.

Representative of the Evangelical Pentecostal Churches Pr Joseph Walters said the churches represent 97 percent of the population and has better mandate to reach the masses than the political heads.

Pr Walters also warned that the current political stand-off may affect the passage of the 2012 budget, and this may lead to other social impacts.

Due to the ongoing political tussle, Parliament has not passed the budget to make it a legally binding document.

The churches leaders also appealed to all believers to pray for the leaders who may find a amicable solution, not forgetting the Melanesian way of consensus.

Program manager of WeCare Fr John Glynn also suggested both parties two go to the floor of parliament and take a vote of no confidence against Sir Michael as the legitimate Prime Minister to put the power struggle to rest.

SIAGURU ENDOWMENT FUND

The Siaguru Endowment Fund (SEF) is a back-up stream of funds that ensures the sustainability of the operations of TIPNG. The SEF was created through which contributors can share in the long term vision of TIPNG to see "a country free where society operates within the rule of law, are subject to good governance and are free from corruption."



SIAGURU ENDOWMENT FUND OVERALL SUMMARY OF INVESTMENTS

Prepared By: Jermaine Gangloff

AS AT 31 DECEMBER 2011

A: INTEREST BEARING DEPOSITS

Name	Term deposit no.	Rate	Maturity	K
1) Credit Corporation	604488/15893	3.25%	27-Feb-12	512,523.99
2) Credit Corporation	604488/16116	2.25%	26-Feb-12	290,281.70
3) Credit Corporation	604488/16118	2.25%	26-Feb-12	267,945.72
4) Credit Corporation	604488/	2.25%	26-Feb-12	213,276.35
5) Credit Corporation	604488/16110	2.00%	07-Feb-12	213,798.67
6) Westpac	6002267983	2.50%	25-Jun-12	373,075.75
				<u>1,870,902.18</u>

Movement during the year

149,357.14

Interest Receivable

6,135.89

B: OTHER INVESTMENTS (SHARES)

0.00

C: CASH AT BANK

ANZ Bank (KPMG Trust Account)

100,000.00

OVERALL TOTAL OF INVESTMENTS

1,970,902.18

FINANCIAL REPORTS

*Transparency International
Papua New Guinea Inc.*

Financial Statements

31 December 2011

FINANCIAL REPORTS

Transparency International Papua New Guinea Inc.

Statement by the Executive Committee

1. The surplus for the year ended 31 December 2011 amounted to K 136,963 (2010 - Surplus of K20,736).
2. The payment of any dividend or any payment in the nature of a dividend to its members is prohibited under the rules of Transparency International Papua New Guinea Inc (the Association).
3. As stated in Note 1(a) to the financial statements, this is a special purpose financial report that has been prepared to comply with the rules of the Association and must not be used for any other purpose.
4. The financial statements have been drawn up in accordance with accounting policies as described in Note 1.
5. In the opinion of the Committee Members of the Association:
 - (a) the financial report and notes, set out on pages 4 to 15, give a true and fair view of the financial position of the Association as at 31 December 2011 and the results and cash flows of the Association for the year ended 31 December 2011;
 - (b) at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Association Committee:



Committee Member



Committee Member

Dated in Port Moresby, this 18th day of June, 2012

FINANCIAL REPORTS



Independent auditor's report to the Members of Transparency International Papua New Guinea Inc.

Report on the financial statements

We have audited the accompanying financial statements of Transparency International Papua New Guinea Inc. (the Association), which comprise the statement of financial position as at 31 December 2011, the statement of income and expenditure, and statement of cash flows for the year ended on that date, a summary of significant accounting policies, and other explanatory notes.

Association Committee's responsibility for the financial statements

The Association's Committee is responsible for the preparation and fair presentation of the financial statements in accordance with Generally Accepted Accounting Practice in Papua New Guinea and the requirements of the Associations Incorporation Act (the Act) and for such internal control as the Association's committee determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Association's Committee, as well as evaluating the overall presentation of the financial statements.

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

Auditor's opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Association as at 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and other generally accepted accounting practice in Papua New Guinea and with the requirements of the Association's Incorporation Act.

FINANCIAL REPORTS



Other matters

This report, including the opinion, has been prepared for and only for the Association's members as a body in accordance with the Association's Incorporation Act and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

A blue ink signature, likely of a PwC representative, written in a cursive style.

PricewaterhouseCoopers

A blue ink signature, likely of Christopher Hansor, written in a cursive style.

By: Christopher Hansor
Partner

Port Moresby
Date: 18 June 2012

FINANCIAL REPORTS

Transparency International Papua New Guinea Inc.

Statement of Income and Expenditure for the year ended 31 December 2011

	Note	2011 K	2010 K
INCOME			
Project funding	4	1,633,473	1,457,913
Core funding	4	1,176,042	955,267
Total income		<u>2,809,515</u>	<u>2,413,180</u>
EXPENDITURE			
Project expenses		1,633,473	1,457,913
Core expenses		925,206	677,490
Other expenses	13	<u>113,873</u>	<u>257,041</u>
Total expenditure		<u>2,672,552</u>	<u>2,392,444</u>
NET SURPLUS FOR THE YEAR		<u>136,963</u>	<u>20,736</u>

This statement should be read in conjunction with the notes set out on pages 7 to 15.

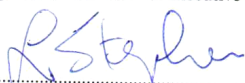
FINANCIAL REPORTS


Transparency International Papua New Guinea Inc.

Statement of Financial Position as at 31 December 2011

	Note	2011 K	2010 K
MEMBERS' FUNDS			
Members' funds brought forward		437,122	416,386
Surplus for the year		136,963	20,736
Prior year adjustment	15	102,240	-
TOTAL MEMBERS' FUNDS		676,325	437,122
Represented by:			
NON-CURRENT ASSETS			
Property and equipment	5	69,767	55,593
		69,767	55,593
CURRENT ASSETS			
Cash	6	756,172	1,760,793
Accounts receivable	7	579,761	56,383
		1,335,933	1,817,176
TOTAL ASSETS		1,405,700	1,872,769
CURRENT LIABILITIES			
Trade creditors and accruals	8	156,534	129,911
Other liabilities		-	55
Unspent core funds	10	-	949,777
Unspent project funds	11	534,555	323,682
Employee provisions	12	38,286	32,222
TOTAL LIABILITIES		729,375	1,435,647
NET ASSETS		676,325	437,122

Signed on behalf of the Executive Committee:


.....
Committee Member


.....
Committee Member

PORT MORESBY


.....
18th June 2012

This statement should be read in conjunction with the notes set out on pages 7 to 15.

FINANCIAL REPORTS

Transparency International Papua New Guinea Inc.

Statement of Cash Flows for the year ended 31 December 2011

	2011 K	2010 K
CASHFLOW FROM OPERATING ACTIVITIES		
Subscriptions and donations received	144,289	171,190
Core income (activity receipts)	639,571	779,326
Payments to suppliers and employees	(1,953,983)	(901,297)
Net cash (used in)/generated from operating activities	<u>(1,170,123)</u>	<u>49,219</u>
CASHFLOW FROM INVESTING ACTIVITIES		
Interest income	925	4,751
Purchases of property and equipment	(35,890)	(35,137)
Net cash used in investing activities	<u>(34,965)</u>	<u>(30,386)</u>
CASHFLOW FROM FUNDING ACTIVITIES		
Project funding receipts	1,959,602	1,602,229
Project funds utilised	(1,759,135)	(1,438,293)
Net cash generated in funding activities	<u>200,467</u>	<u>163,936</u>
NET INCREASE/(DECREASE) IN CASH	(1,004,621)	182,769
CASH AT BEGINNING OF THE YEAR	<u>1,760,793</u>	<u>1,578,024</u>
CASH AT END OF THE YEAR	<u>756,172</u>	<u>1,760,793</u>

This statement should be read in conjunction with the notes set out on pages 7 to 15.

FINANCIAL REPORTS

Transparency International Papua New Guinea Inc.

Notes to the financial statements

1. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the Associations Incorporation Act and comply with International Financial Reporting Standards and other General Accepted Accounting Practice in Papua New Guinea.

A. GENERAL ACCOUNTING POLICIES

The fundamental accounting assumptions recognised as appropriate for the measurement and reporting of results, cash flows and the financial position have been followed in the preparation of these financial statements.

In particular, the following conventions have been applied:

a) Historical cost convention

The financial statements are prepared using the historical cost convention, as modified by the revaluation of certain assets. This convention does not take into account the changing value of money nor does it take into account current values of non-current assets, unless stated otherwise.

b) Accruals convention

The financial statements are prepared under the accruals convention whereby income and expenditure are recognised in the period in which they are derived or incurred respectively.

B. PARTICULAR ACCOUNTING POLICIES

These financial statements are presented in accordance with the Papua New Guinea Companies Act 1997 and comply with International Financial Reporting Standards and other generally accepted accounting practices in Papua New Guinea.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Income recognition

- Project Funding - Funding received by the Association as manager for specified projects is treated as a liability (unspent project funds) and reduced as project expenses are incurred.
- Core Funding - Funding received by the Association for core funding is treated as income if there is reasonable assurance that the fund will be received.

b) Expense recognition

- Interest expense is brought to account on an accrual basis.
- Expenses relating to fundraising events are brought to account in the year the income from the event is recognised.

c) Property and equipment

The cost of purchased property and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property and equipment are determined by comparing proceeds with carrying amount and are included in the statement of income and expenditure.

Repairs and maintenance are charged to the statement of income and expenditure during the financial period in which they are incurred. The cost of major renovations is included in the

FINANCIAL REPORTS

Transparency International Papua New Guinea Inc.

Notes to the financial statements

carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Society. Major renovations are depreciated over the remaining useful life of the related asset.

d) Depreciation

Depreciation is calculated on a diminishing value basis so as to write off the cost of fixed assets over their effective working life. Additions are depreciated from the month of acquisition, or the date they are first used, whichever may be more appropriate.

The principal rates in use are:

Motor vehicle	30%
Office equipment	20%
Office furniture	15%

e) Taxation

The Association is exempt from income tax under Section 25A as a charitable body and under Section 26 of the Papua New Guinea Income Tax Act. Donations to the Association are tax deductible to the donor.

Donations to the Association are also deductible to the person/entity under Section 69E of the Income Tax Act.

f) Cash

For the purpose of the statement of cash flows, cash is considered to be cash on hand and deposits at call with financial institutions, net of bank overdrafts.

g) Accounts Receivable

These represent amounts recoverable from donors for expenses incurred on operating and managing donor funded programs.

h) Creditors and Accruals

These represent liabilities for goods and services provided to the Association prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

i) Employee Provisions

Liabilities for annual leave are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

2. INCORPORATION AND PRINCIPLE ACTIVITIES

The Association was launched on 24 January 1997 and was incorporated under the Associations Incorporation Act in Papua New Guinea as a non-profit organization on 2 December 1996.

The principal activities of the Association are:

- (i) to raise public awareness and advance the general education of the public in matters relating to the nature and consequence of corruption in international business transactions, including overseas development initiatives and existing and other guidelines which exist to combat corruption; and
- (ii) to promote, undertake or commission research for the public benefit in matters relating to the nature and consequence of corruption in international business transactions and the cost of effectiveness of overseas development initiatives and to disseminate the useful results of any such research; and

FINANCIAL REPORTS

Transparency International Papua New Guinea Inc.

Notes to the financial statements

- (iii) to support and promote the charitable educational aims and objectives of Transparency International, a not for profit organization under German Law, and in particular to assist in securing support in Papua New Guinea for standards of conduct designed to promote transparency and accountability in international business transactions, and to cooperate with other charitable organizations throughout the world with similar objectives; and
- (iv) to provide assistance and expertise to parties to international business trade, investment and economic and social development to assist them in ensuring compliance with economic and social development, to assist them in ensuring compliance with existing anti-corruption legislation and Standards of Conduct established in conjunction with Transparency International in Germany and other bodies of similar orientation; and
- (v) to give the legislative and public bodies and other facilities for conferring with and ascertaining the views of persons and institutions engaged in combating corruption as regarding matters directly or indirectly affecting that activity; and
- (vi) to arrange, provide organize or promote alone or with others the provisions of conferences, lectures, seminars, meetings, courses, exhibitions, training, information and advisory services and other events and services in furtherance of the objects of the association; and
- (vii) to write, make, prepare, edit and print, publish, issue and circulate gratuitously or otherwise reports, periodicals, books, pamphlets, leaflets, articles, films, video tapes, computer software, electronic devices, materials for study or other documents in furtherance of or necessary for the promotion of the objects of the association, or procure any of the above acts.

3. LIABILITY TO MEMBERS

The members of the Association are not liable to contribute toward the payments of the debts and liabilities of the association or the costs, charges and expenses of the winding up of the association.

FINANCIAL REPORTS

Transparency International Papua New Guinea Inc.

Notes to the financial statements

4. PROJECT AND CORE INCOME

Project and core income for the period are as follows;

	Year ended 31/12/11 K	Year ended 31/12/2010 K
Project Funding		
UNDEF - GGACE Funds	230	202
Youth Democracy Camp	6,321	213,925
ALAC - Implementation DFID	128,453	99,205
PNGSDP - Sponsorship	27,200	-
ESSO H/L - Sponsorship	49,864	-
Forest Governance Initiative	238,128	202,552
Ausaid - CPS Project - Phase 3	294,461	367,238
Ausaid - CPS Project - Phase 4	22,812	-
Ausaid - YDC Project	140,726	-
Corruption Through Drama - Phase 1	247,337	387,223
Corruption Through Drama - Phase 2	55,533	-
Corruption Through Drama - Phase 3	304,523	-
DGTP Project	- 1,939	50,764
SPSN - CPS Project	6,332	-
SPSN ALAC Pacific Project	11,250	-
SPSN ALAC Project	1,210	-
SACLN Project	50,454	-
VEP Project	3,693	-
ALAC - Inception Phase	-	5,601
ALAC - Implementation AusAid	46,885	131,203
	<u>1,633,473</u>	<u>1,457,913</u>
Core Funding		
Miscellaneous income	235	137
Bank reversal	700	579
Membership fee - corporate	141,882	163,959
Membership fee - individual	2,407	7,231
Interest on bank accounts	925	4,751
NZAID (TINZ) - Core funding	218,612	364,018
PNG electoral support programm	65,200	52,130
TI Berlin fundraise/coalition	5,468	47,859
Other income	6,325	11,838
WAC fees	302,772	302,765
Staff Transport subsidies	3,210	-
Management fees	35,074	-
SPSN core support grants	393,232	-
	<u>1,176,042</u>	<u>955,267</u>
Total income	<u>2,809,515</u>	<u>2,413,180</u>

FINANCIAL REPORTS

Transparency International Papua New Guinea Inc.

Notes to the financial statements

7. ACCOUNTS RECEIVABLE

	As at 31/12/11 K	As at 31/12/2010 K
Trade debtors		12,539
Provision for doubtful debts		(12,539)
	-	-
Core support grant receivable	391,257	
GST receivable	142,669	49,333
SEF receivable	-	7,050
Other receivable	45,835	-
	579,761	56,383
	579,761	56,383

8. CREDITORS AND ACCRUALS

	As at 31/12/11 K	As at 31/12/10 K
Creditors and accruals	156,534	12,056
SEF funds held in trust	-	117,855
	156,534	129,911

9. RELATED PARTY TRANSACTIONS

During the year under review there were no related party transactions nor were there amounts receivable from or payable to related parties.

10. UNSPENT CORE FUNDS

These funds are unspent project funds deposited in the Core bank account.

	As at 31/12/11 K	As at 31/12/10 K
Funds to be Transferred - Core Liability Account		
Opening balance	949,777	-
Receipts	-	1,033,395
Expenditure	(949,777)	(83,618)
Balance carried Forward	-	949,777

FINANCIAL REPORTS

Transparency International Papua New Guinea Inc.

Notes to the financial statements

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	As at 31/12/11 K	As at 31/12/2010 K
Trade debtors		12,539
Provision for doubtful debts		(12,539)
	-	-
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Opening balance	949,777	-
Receipts	-	1,033,395
Expenditure	(949,777)	(83,618)
Balance carried Forward	-	949,777

FINANCIAL REPORTS

Transparency International Papua New Guinea Inc.

Notes to the financial statements

11. UNSPENT PROJECT FUNDS

These funds are unspent project funds deposited in the respective project bank accounts as at and for the year ended 31 December.

	2011 K	2010 K
GGACE Project		
Balance brought forward	7,256	7,314
Receipts	-	72
Expenditure	(5,033)	(130)
Balance carried forward	2,223	7,256
YDC Project		
Balance brought forward	33,174	71,091
Receipts	268,546	175,008
Expenditure	(232,998)	(212,924)
Adjustments	(23,841)	-
Balance carried forward	44,881	33,174
CPS Ausaid Project		
Balance brought forward	84,680	438,524
Receipts	249,623	6,985
Expenditure	(303,229)	(360,829)
Adjustments	(22,275)	-
Balance carried forward	8,799	84,680
ALAC Project Account		
Balance brought forward	75,781	173,639
Receipts	273,148	139,144
Expenditure	(214,384)	(285,138)
Adjustments	(14,010)	48,136
Balance carried forward	120,535	75,781
FGI Project Account		
Balance brought forward	10,932	44,065
Receipts	260,439	171,467
Expenditure	(258,622)	(204,600)
Balance carried forward	12,749	10,932
UCTD Project Account		
Balance brought forward	125,645	512,183
Receipts	512,950	6,949
Expenditure	(576,441)	(393,487)
Adjustments	(8,142)	-
Balance carried forward	54,012	125,645

FINANCIAL REPORTS

Transparency International Papua New Guinea Inc.

Notes to the financial statements

UNSPENT PROJECT FUNDS (continued)

	2011 K	2010 K
DGTP Project Account		
Balance brought forward	(3,380)	2,167
Receipts	10,790	45,218
Expenditure	8,531	(52,095)
Adjustments	(8,691)	1,331
Balance carried forward	<u>7,250</u>	<u>(3,380)</u>
ESP3 Project		
Balance brought forward	-	-
Receipts	384,106	-
Expenditure	(100,000)	-
Balance carried forward	<u>284,106</u>	-

Adjustments in the prior period relate to reconciliation of projects during the period to determine the final unspent liabilities. The relevant donors have been informed of the final unspent liabilities for either final payment or reallocation of funds for future approved projects.

12. EMPLOYEE PROVISIONS

	As at 31/12/11 K	As at 31/10/10 K
Annual leave	9,118	17,764
Long service leave	29,168	14,458
Total employee provision	<u>38,286</u>	<u>32,222</u>

13. OTHER EXPENSES

	Year ended 31/12/11 K	Year ended 31/12/10 K
Donation to Siaguru endowment fund	107,050	250,000
Miscellaneous expense	6,823	7,041
Total other expenses	<u>113,873</u>	<u>257,041</u>

14. CONTINGENT LIABILITIES

The Association has previously been granted approval as a charitable body under Section 25A of the Income Tax Act by the Internal Revenue Commission (IRC), and as a result is exempt from income tax. The period of exemption expired during the year. The Association is in discussion with the IRC to extend the exemption with retrospective effect. As the Association considers it probable that this extension will be granted, no liability for income tax has been recognized in the financial statements at 31 December 2011.

FINANCIAL REPORTS

Transparency International Papua New Guinea Inc.

Notes to the financial statements

15. PRIOR PERIOD ADJUSTMENTS

The Association restated the beginning balance of the 2011 members' fund account balance to reflect adjustments pertaining to prior years amounting to K 102,240 (increase in member's funds). These adjustments were identified as a result of further detailed analysis and reconciliation of the unspent funds accounts during the year.

ACKNOWLEDGEMENTS

The staff and Board of Transparency International PNG Inc. would like to sincerely thank the following who have supported us throughout 2011:

- All our 2010 individual and corporate members for your undying financial support and ongoing commitment towards the fight against corruption in PNG
- Our media and community partners involved in the Community Coalition Against Corruption
- New Zealand Aid for significant funding and support for TIPNG and other Pacific TI chapters under the Pacific Institutional Network Strengthening Program (PINSP)
- Our major donors who fund our important projects. They are:
 - AusAID through Strongim Pipol Strongim Nesen (SPSN) and Electoral Support Program 3 (ESP3), Transparency International Secretariat, European Union, British High Commission, Norwegian Agency for Development Cooperation (NORAD), US Embassy, Department of International Development, PNG Sustainable Development Program, Esso Highlands Ltd
- The Institute of National Affairs (INA), Consultative Implementation & Monitoring Council (CIMC), Family & Sexual Violence Action Committee (FSVAC), PNG Chamber of Commerce, Business Against Corruption Alliance (BACA) and the National Research Institute, PriceWaterhouse Coopers honorary auditors and KPMG fund managers for being supportive partners
- All the organising committee members, volunteers and participants of the Sir Anthony Siaguru Walk Against Corruption in Port Moresby, Kokopo, Kimbe, Madang, Kavieng and Alotau
- All citizens of PNG who be continue to fight for and believe in a PNG democracy that prospers on the principles of justice, equality, transparency and accountability



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PAYMENT METHOD

By Cheque: Post to **Transparency International, P. O. Box 591, Port Moresby, NCD** together with the completed application form

By Account Transfer: Make transfer to **TIPNG BSP Account # 1000038232** then post your deposit butt to us or fax to 3202189

NOTES





