



# Transparency International (Papua New Guinea) Inc.



**ANNUAL REPORT 2007**



**OUR VISION**

*PNG is an independent country in which government, politics, businesses, civil society and the daily lives of people are free of corruption.*



## Transparency International (PNG) Inc.

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TI PNG engaged 128 civil society observers during the 2007 general elections.

*Pictured: Domestic Observer Sharon Mua of Alotau interviewing a female voter.*

## Chairman's Report

Dear Members and Contributors of Transparency International (PNG) Inc. (TIPNG),

A recent headline of one of the PNG daily papers (11th March 2008) stated that about 30% was being paid to public servants in order to be able to get paid for work done or services provided. Almost daily we read of tens of millions of kina being stolen from Government Departments, tender systems being ignored, and worst of all, the alarming decline in the provision of essential services to ordinary Papua New Guineans.

In 2007 we had one of the most difficult elections in PNG's history, money was the basis of many campaigns, the polling process was largely ineffective in many places especially in the Highlands and that money allegedly came into play during the formation of the Government after the elections. TIPNG was involved in election awareness work along with the Ombudsman Commission and the Electoral Commission. Sadly this awareness had little or no effect due in part to the timing of the delivery, block voting was rife, in some electorates no one cast their own votes, the roll was largely irrelevant and one candidate was reported to have received 95% of the primary vote despite the fact that there were eleven other candidates.

If TIPNG is to have any effect it has to start awareness campaign before the end of this year and carry it out until the 2012 elections. There are no quick fixes for corruption, it entails a change in the attitude of the whole community, this means electing leaders who will serve the people and not themselves; it means demanding that parties have policies to which they are committed; it means a justice system that works from the police to the Correctional Services and all the components in between. It means catching and punishing corrupt politicians, public servants and bribe payers. Many people ask what effect does TIPNG have on the level of corruption in PNG and the answer is not very clear. One thing we do is articulate the concerns of the vast majority of Papua New Guineans who do not accept corruption and with our Community Coalition Against Corruption we have been able to prevent some of the more obvious abuses of power. Our priorities remain civic education and awareness.

We were encouraged by the fact that over 1,000 Papua New Guineans turned out for the Walk Against Corruption. This battle is a long term one, we have to persuade the people to stand up for their rights, we have to educate them about what their rights are and who should be providing the services they are not getting. They have to understand the direct links between corruption and lack of services. We have to persuade them that their wantok who suddenly arrives with a new dark glass Land Cruiser on a public service salary should be shunned instead being treated like a hero. We have to persuade politicians that corruption is unacceptable and they should practice what they preach. All of this will be difficult but someone has to do it and that is the role for TIPNG and its coalition partners.

Financially we have been supported by a number of donors during 2007, AusAID, UNDP, UNDEF, TI Secretariat, NZAid, British High Commission and the US State Department and we are deeply grateful for their support. We currently have 280 individual members of TIPNG, 35 corporate members and 4 community service groups. Without them we would have no legitimacy and I urge you all to maintain your support for this cause, even though it sometimes seems an impossible task. Remember that we can't give over the ground to the crooks and allow them to have their way without a fight.

In conclusion I would like to thank my fellow Board members and Emily Taule and the staff of TIPNG. All have given freely and willingly of their time and effort and it is greatly appreciated. Finally, I want to remind you our motto **"The only thing necessary for evil to triumph is for good people to do nothing"**.



**Michael Manning, OL, OBE**  
Chairman



*Mr Michael Manning*  
*TI (PNG) Chairman*

## Executive Director's Report

Welcome Members and Supporters of TIPNG,

This is my second annual report to you as the Executive Director of TIPNG and I am extremely pleased to report that 2007 brought about some interesting and often times trying challenges for our organisation to deal with.

Our organisation has been at the fore front of some key projects and programs dealing with the National Elections in 2007. I am quite satisfied to say that we have done ourselves proud in the manner in which we as an organization have risen to meet the challenges head on. It is also the year in which we celebrated our 10<sup>th</sup> Anniversary and presented us with an ideal opportunity to review and reflect on the decade of progress as a civil society organization since the date of incorporation.

Internally, TIPNG continues to undergo changes in personnel which for a small organisation can be quite challenging at times. Despite the shortage of capacity the remaining core and project staff, have performed admirably in taking on added responsibilities above and beyond their normal duty requirements which exemplify individual acts of commitment and passion that are indeed worthy of commendation and praise. It is also showcases that sound investment in internal training programs are beginning to bear fruit by patiently developing our human resources to a proficient and competent level.

From an external perspective, TIPNG continues to realize new horizons in developing partnerships and networks with the public and private sectors, donors and community at large. TIPNG continues to be utilized by international organisations such as the European Union, World Bank, ADB and other visiting Delegations. This, I believe, is the cornerstone of sustaining our organisation's operations in the country. In 2007, the National Elections presented opportunities for TIPNG to really forge and strengthen partnerships and I believe the rapport that we have developed will go a long way towards ensuring that the fight against corruption remains the principle agenda for all like minded citizens of PNG. The need to keep people abreast with timely and relevant information is the essence of a well organized and effective awareness and education campaign. This is and will continue to be TIPNG's main thrust in the years to come.

Suffice to say, 2007 is the year in which many of our programs and projects have been concluded successfully and much of the credit must go to our Board Directors, Management & Staff, volunteers, Donor Partners, Coalition Partners and our individual/grassroots members in the communities for their unequivocal support, for without it, we would not have come this far. It would also be remiss of me not to acknowledge the efforts of former staff who also contributed in many ways towards enhancing the work of TIPNG namely Kristen Leschke Narara, Joyce Sabbath, Donna Talvat and Jerry Bagita. I thank you all for your selfless and unyielding commitment towards TIPNG's efforts and endeavours in sustaining the fight against corruption on all fronts. I look forward to your continued support and assistance in 2008 and beyond.



*Emily George Taule*  
Executive Director

**Emily George Taule**  
Executive Director

## Strategic Direction

### Vision, Mission and Values

The vision of TIPNG “is an Independent Nation in which government, politics, business, civil society and the daily lives of our People are Free of Corruption”

Our mission is to reduce corruption and create a better future for our children by:

- Promoting honest and good leadership;
- Supporting active public involvement; and
- Informing and educating the public on anti-corruption culture.

In committing itself to this mission, TIPNG is guided by an absolute adherence and commitment to the values of:

- Honesty
- Integrity
- Transparency of thought and action
- Freedom of Expression
- A caring and sharing society
- Accountability
- Good governance
- National Unity
- Effective communication



### 2007 Strategies

TIPNG’s performance is evaluated by the continued relevance and content of key messages and programs delivered to our beneficiaries – the people of Papua New Guinea.

TIPNG consistently builds upon lessons learnt from past years to enhance its strategic approach to strengthening the partnerships it has developed in the “war against corruption”. The yardage gained in 2006 has enabled TIPNG to take a greater hold of key issues in 2007 focusing on educating voters to be more responsible –choose wisely and for the right reasons. 2007 has been the year in which TIPNG has enjoyed tremendous coverage of all the critical issues, essential for sound nation building.

In 2007, TIPNG worked towards:

- Strengthening and enhancing the networks between all coalition partners – next steps after the successful convening of the national forum.
- Vigorously pursuing the efficient delivery of the democratic governance programs
- Encouraging greater community participation in debates, talk-back shows and forums on development issues of national significance
- Providing moral leadership by educating the youth on ethical behavior and responsibility through Youth Against Corruption Association (YACA)
- Selectively identifying and obtaining funding for anti-corruption educational projects and;
- Maintaining our membership drive.



**TIPNG Mission:**  
**To reduce corruption  
 and create a better  
 future for our children**



TIPNG implemented the three-fold focus in 2007:

**Electoral Awareness, Good Governance & Anti-Corruption Education & Building Coalitions and Civic Education**

## Internal Strategic Direction

TI PNG moved from strength to strength in 2007 under the directorship of the Executive Director, Emily George-Taule.

Capacity building continued to be the major internal focus for TI PNG with assistance from volunteers and AusAID's Community Development Scheme (CDS) and NZAID.

TI PNG staff and management achieved the following outcomes in 2007:

- Continued involvement of Board members who gave adequate time and effort in providing strategic policy direction to Management.
- Four staff members successfully attained a diploma and three certificates in Front Line Management program conducted by Education Milne Bay Limited and funded by AusAID through CDS
- TI [PNG] appointed Avia Koisen to the Board replacing former Board member Fr. John Glynn.
- In addition to the PGK2 million funding in 2006, TIPNG obtained further funding of PGK19, 000 from TI Secretariat for marketing and fundraising purposes, PGK670, 000 and PGK55, 000 in project funding from UNDEF & US Department of State respectively.
- Additional funding in the vicinity of PGK213, 000, was received from various organizations including NZAID, UNDP, TI Secretariat, Singapore Ministry of Foreign Affairs, British High Commission, PNG SP Brewery and PNGFM to fund our 10th Anniversary activities.



In 2007, TI PNG welcomed Chennish Pulei Finance Officer (back right), Joyce Sabbath PR Officer (front right), Guim Kagl Program Manager (front left) and Daniel George Admin /Project Assistant (back center)

TI PNG staff movement included the departure of:

- Program Manager for 2007 Electoral Reform and Awareness Project (ERP) Dorke de Gedare who was replaced by Jerry Bagita.
- ERP Project Assistant Paul Mokiri who was replaced by Daniel George.
- Finance Officer Donna Talvat who was replaced by Chennish Pulei.
- Recruited Joycelyn Mark Sabbath as Public Relations Officer who worked under the Communication Advisor, Ms Kristen Leschke Narara whose contract expired in July 2007.
- Kristen was instrumental in setting up the Communications Strategy for TI PNG and successfully managed a major component of TI's Electoral reform and awareness program.
- In August, the Good Governance and Anti-Corruption Education project (GGACE) was launched and Program Manager, an educationist in Ms Guim Kagl, was recruited.

**Capacity building of TIPNG management and staff is an integral strategy to achieving better outcomes. TI [PNG] is committed to this very promising approach.**

*Former Staff & Volunteers*

**In 2007, TI PNG took messages of good leadership and responsible citizens out to the provinces.**

- TIPNG continued to work closely with international electoral education specialist Simon Jenkins, from New Zealand, in the development and evaluation of voter and civic education programs.
- Under the MOU with the Progressive law Students' Association of the University of Western Australia, 2 legal volunteer students in Michael Geelhood and Kate Walawski were attached to TI PNG to assist with legal research work such as drafting of the ICAC legislation, contributions to the TI Global Corruption Reports, Complaints matters and commentary on the National Anti Corruption Strategy.
- TIPNG engaged Adrian Fyfe a volunteer from the Australian Business Volunteer (ABV) to carry out Policy and Media research assignment.

TIPNG continued to reach a greater level in administrative sustainability in the improvement and strengthening of internal systems and processes.

**2007 Highlights**

- Conducted the first ever Civil Society Domestic Election Observer Program.
- Invited to participate in the 2007 National Parliament Induction Program.
- Staged the inaugural Walk Against Corruption (WAC) in June, raising more than PGK90, 000 and attracting participation from many corporate organizations and individuals. The WAC was led by the Governor General Grand Chief Sir Paulias Matane, GCL, GCMG, KSt.J.
- Celebrated TIPNG's 10th anniversary of fighting corruption in PNG.
- Held an international Public Forum themed " Fighting Corruption as a means of alleviating Poverty"
- Launched the inaugural Siaguru Integrity Award which was presented to the Chief Ombudsman Ila Geno, OBE, QPM for his exceptional courage and outstanding leadership in the fight against corruption.
- Individual membership increased from 114 in 2006 to 280 in 2007.



*Donna Tahvat*



*Kristen Leschke-Narara*



*Jerry Bagtia*



*Paul Mokiri*



*Michael Geelhood*



## National and Regional Work

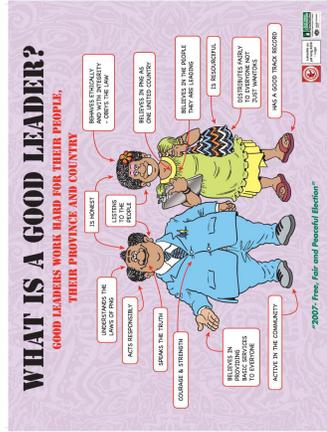


### National

In 2007, TI PNG continued to implement its three fold strategic approach adopted in 2006 in the priority program areas of Electoral Awareness, Governance and Anti Corruption Education and Building Coalitions.

### Electoral Awareness

- The key objective was to educate eligible voters in the Highlands region on the underlying principles of democracy as well developing a basic understanding the LPV system, VEDGAP was a pilot project and given the timing of delivery, would not have an immediate impact on the inherent socio-political and cultural philosophy of the voting culture of the voting population in the Highlands Region. In practical terms, the impact of a project of this nature would be seen over time provided there was a second phase to reinforce the concepts that were introduced during the pilot phase. VEDGAP to an extent was able to separate men from women into focus groups and educate them to understand the importance of care and responsibility in determining their choices under the LPV. On a positive note, LPV awareness was effectively delivered through VEDGAP however the key messages dealing with leadership qualities, voter responsibilities and gender equality did not eradicate the stereotype perception of women being nothing more than good homemakers. The short-term impact pilot project has the potential to develop into a full scale program that in the long term will cover all regions of PNG. The project was completed in August 2007.



- The Provincial Elections Awareness Seminars funded by AusAID's Electoral Support Program and Media for Development Initiative was carried out in all 20 Provinces. The principle objective of the program was to saturate the PNG market with communication activities containing messages of good governance and good citizenship in the lead up to the National Election in mid-2007. Materials that were used included teaching kits and posters of the LPV. The program was conducted under a tri-partite agreement between the PNG Electoral Commission, the Ombudsman Commission of Papua New Guinea and TIPNG.



- A total of 118 civil society members were trained under the Domestic Election Observer Phase Two program. Training sessions were conducted in Lae, Alotau, Rabaul, Goroka and Port Moresby. The project received a funding of PGK 20, 000 from AusAID (ESP2) and was successfully implemented. The program aimed to empowering the civil society to take ownership of the electoral process.



*Monase participants trained as Observers in Lae, April 2007.*

**Good Governance and Anti-Corruption education**

TI PNG launched the Good Governance and Anti-Corruption Education project (GGACE) in August 2007. The 2 year project funded by UNDEF specifically targets the lower secondary and upper primary schools in PNG with the objective of developing and implementing nationwide civic education materials for use by teachers. The project held its first training workshop in November 2007 where teachers representing the 4 Regions of the country participated.

**Youth Democracy Camp (YDC)**

In September 2007, TI PNG obtained funding for a YDC from the US Department of State in Port Moresby. The YDC is aimed at implementing a democracy and advocacy skill building camp for youths in Papua New Guinea with the objective of engaging youths to participate in activities of democracy, good governance, transparency advocacy and good leadership skills. The camp will be staged at Kefamo, Eastern Highlands Province in June 2008.



*TI PNG Executive Director Emily Taule & representative of the US Embassy in PNG cement a project agreement by way of signing documents.*

**Building Coalitions**

- A national Community Coalition Against Corruption forum was held in April, 2007 in Lae and attended by representatives from all 4 regions. The key focus was moving forward as a unified coalition. The outcome of the forum was to utilize all existing networks and to further strengthen partnerships within different NGOs, private sector and church organizations for the future of CCAC and to encourage more citizens to join the coalition in the fight for good governance in PNG.
- TI PNG continued to support the activities of the Youth Against Corruption Association (YACA). YACA held twelve youth seminars and workshops in Port Moresby. The objective was to empower youths with the knowledge and capacity to identify and be aware of issues that lead into corrupt practices and or corruption in general. YACA also celebrated its 5th anniversary with the Governor General as guest of honor.



**Regional**

- Much of the TI Morobe Sub Chapter's activities focused around the national elections. In 2006, TI Morobe together with students from Unitech carried out electoral awareness & education campaigns in various council wards in preparation for the 2007 National Elections. The TI Morobe Sub Chapter activities have been temporarily put on hold due to staffing issues.



## International Visits

### Honiara

In March 2007, TI PNG Chairman Mike Manning and Executive Director Emily Taule attended a three-day TI Pacific Regional Conference in Honiara, Solomon Islands. The conference called for more promotion of good governance to be given the highest priority by Pacific Governments, civil society organizations and citizens of countries. The call was made by the six Pacific chapters of Transparency International from PNG, Vanuatu, Fiji, Solomon Islands, Australia, and New Zealand to increase efficiency in combating corruption in the Pacific. The outcome: Honiara Communiqué was established enabling the Pacific Chapters to call for more open decision-making processes in government so citizens are better informed about the way their countries managed.



Following the Honiara meeting, the Regional Director for Asia Pacific of the Transparency International Secretariat, Pascal Fabie, and Program Coordinator Nikola Sandoval visited Papua New Guinea in April 2007. At a press conference held on the 4<sup>th</sup> April, Mr Fabie congratulated the PNG Government for ratifying the United Nations Convention Against Corruption (UNCAC) on the 1<sup>st</sup> of May 2006 and commended TIPNG for its persistence in pressuring the Government to comply with the requirements of this Anti Corruption Convention.



### Bali

TI Board Director Peter Aitsi and Executive Director Emily George-Taule attended the Annual Members Meeting (AMM) in Bali, Indonesia in September 2007. TIPNG was one of the 4 international chapters who were invited to share their experiences in anti corruption strategies following regime change. Among the key issues discussed were the 5 year Global and Regional Strategic Priorities, UNCAC, Asset Recovery and establishment of Advocacy & Legal Advisory Centers. A significant achievement was the successful re-election of TIPNG's Chairman Mike Manning as a committee member of the Members Accreditation Committee (MAC). Mr Manning has served on the MAC since 2004 and will serving his 2nd term. A major responsibility of MAC has been in rewriting policies for chapter and individual member accreditation and re-accreditation.



Ms Drashna Anjiniaya, the newly appointed Senior CEO for TI Fiji visited PNG from the 8<sup>th</sup> to the 16<sup>th</sup> September, 2007 on a "inter-chapter Attachment" program with TIPNG. The program is funded by NZAID through TI-New Zealand, with the key purpose of visiting other TI Chapters to see how their operations are managed with particular interest in TIPNG's membership and coalition building activities.

# The Year It Was in Pictures



Walk against Corruption (WAC) 2007



National CCA Forum



2007 National Election



Visiting Australian Parliamentary delegation



TI witnesses launch of 'The Voice'



TI speaks at Oxfam youth conference



YDC Project agreement

## TI (PNG) in the News

**By CHRIS TABEL** International Transparency (TI PNG) launched the anti corruption barometer 2007 on Friday at the government state function as its 10th anniversary celebrations.

Chairman Mike Manning said while PNG is not included in the Global Corruption Barometer, it is an important document.

He said that the report reflects the findings of a public opinion survey that looks at the extent of corruption in 60 countries and territories.

It also explores the issue petty bribery, the most common form of corruption, identifying the sectors most affected by corruption and highlighting people's personal views on how much individuals must pay.

It also asks how people see corruption in PNG and what efforts to fight it.

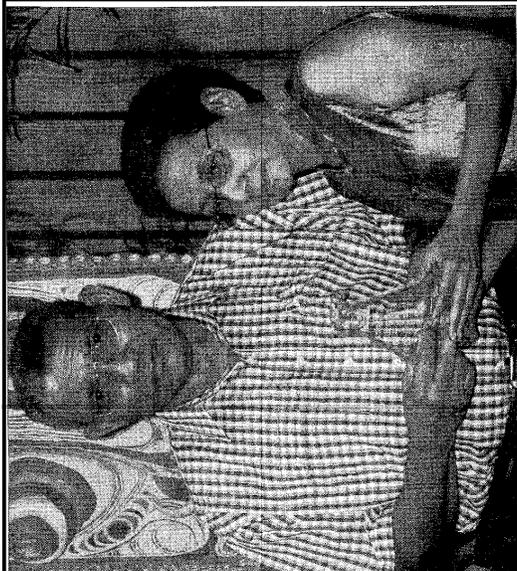
Transparency also launched the inaugural Stigura integrity award to mark its 10th anniversary celebrations.

In launching the award, Chairman Mr Manning said the inception of TI PNG and its being established to purposely honour individuals and organisations that have demonstrated leadership in fighting corruption.

Mr Manning said the presentation was meant to mark the legacy of the esteemed founder Sir Anthony Stigura who with other luminaries Richard Kassarman, Dr John Nangor and Dame Meg Taylor started TI (PNG) 10 years ago.

He said the award is a memorial to the work he started in trying to curtail the spread of corruption in PNG.

The award was given to Ombudsman Commissioner Ila Geno.



Lady Miss Stigura awarding the inaugural Stigura award to Chief Ombudsman Ila Geno.

The award, the frist of its kind, is given in recognition of an individual who has worked steadfastly worked against, exposed and brought to light corruption at all levels.

In announcing the recipient of this years award, Mr Manning said he congratulated the Ombudsman Chief Ombudsman Commissioner Ila Geno.

"Join us in giving due recognition to the recipient of his determination and bravery.

Mr Manning said the award is given in recognition of an individual who has worked steadfastly worked against, exposed and brought to light corruption at all levels.

He is a man with a distinguished public career, beginning 24 years of police work, six years as chairman and commissioner of the Ombudsman and is at present serving his 7th year in the Ombudsman Commission.

"I am proud to have an individual of his determination and bravery.

Mr Manning said the award is given in recognition of an individual who has worked steadfastly worked against, exposed and brought to light corruption at all levels.

## Corruption stifles development, forum told

**By CHRIS TABEL** Government Corruption Forum in Singapore on Friday said corruption in both the public and private sectors of the country is stifling development and increasing poverty.

The forum theme, "fighting corruption as a means to alleviate poverty" featured a panel of prominent international anti corruption speakers and a discussion of corruption and its link to poverty.

The speakers included: New Zealand MP Senior Government Minister, Mr Tim Barnett, Consultant with the Corruption Control, Crime Control & Security in Singapore, China, Chai Yuk, David Dunn, PNG Chief Ombudsman Ila Geno, PNG Ombudsman former MP and Secretary for Police and Internal Security, Chief Ombudsman Ila Geno, highlighting that poverty alleviated corruption and complemented a good means of informing people and getting them involved in the fight.

Mr Dunn said the overall onus is on the country thus contributing to an environment conducive to cultivating a culture of integrity.

Mr Geno said the overall onus is on the country thus contributing to an environment conducive to cultivating a culture of integrity.

Mr Geno said the overall onus is on the country thus contributing to an environment conducive to cultivating a culture of integrity.

9/12/07 ps

Stigura award

## TI PNG: Our poll awareness reached voters

**By HARLYNE JOKU** 7/06/07 ps

TRANSPARENCY International PNG has claimed in a recent telephone survey report that its election awareness drive has reached all of the country's voting population.

The report released yesterday was based on election awareness seminars held in the 19 provinces which were attended by community leaders, the public, church leaders as well as candidates.

The "training of trainers" approach was used in the seminar and the drive proved successful in which each of the 5,000 individuals was to have reached and shared the knowledge about the coming elections with 800 others.

"On average, each participant surveyed reached approximately 4,895," the report said.

"Taking into consideration that a total of 796 attended the NGI and Highlands seminars, and assuming this average was applicable to all participants, it could be assumed that a total of 3,896,420 citizens have been reached in the two regions alone."

The report said the estimate was "quite realistic" Empowering slogans like "our vote our future", and "your vote is power" had been widely talked about with survey participants reporting huge public interest in concepts of voter responsibility and power in democratic elections.

# TI condemns Wenge's comments

**TRANSPARENCY International** Papua New Guinea (TI PNG Inc) strongly supports former judge Don Sawong and Post-Courier in condemning the re-elected Morobe Governor Luther Wenge over his "racist" comments made publicly immediately after his declaration.

TI PNG Secretary Richard Kassarman said Mr Wenge's call for restrictions on the rights of naturalised citizens to hold public office undermines the principles of democracy that are enshrined in the Constitution of PNG.

"These comments are best described as racist, devoid of integrity and unbecoming of a man in his position," Mr Kassarman said.

He noted that the comments followed a very close election contest which saw nearly 100,000 people vote for Sir Bob Sinclear.

"Sir Bob Sinclear is a law abiding and a proud citizen of Papua New Guinea. He and every other citizen has the right to contest elections as well be considered for any public office or appointment based on merit irrespective of race, colour and creed.

"PNG as a member of the global community is a party to various conventions that are dedicated to the eradication of racism and segregation and comments of this nature reflect a lack of respect for the very fundamentals of basic human rights," said Mr Kassarman.

He said Sir Bob Sinclear has contributed significantly to the development of this country and especially in Morobe province and he should be accorded a great deal of respect from Mr Wenge instead of being harshly criticised by the Governor elect.

Addressing the re-elected Governor directly Mr Kassarman stated: "Sir Bob has humbly accepted his defeat and has congratulated you (Mr Wenge) while at the same time urged you to give prominence to vital services much needed in the province."

TI (PNG) in the News

# Corruption destroying judiciary - TI

*Post Courier Pg 6 28/06/07*

CORRUPTION is causing Papua New Guinea's judicial system to break down and become ineffective.

Secretary of Transparency International PNG, Richard Kassarman said this last week when launching the Global Corruption Report 2007 which focuses on corruption in the judicial system.

"Mr Kassarman said the purpose of the report was not to point fingers but to discuss the core problems in the judicial system which are being ineffective.

"We recognise that capacity and systemic issues cause problems for our judicial system.

"The key people in our judicial system also have an enormous part to play.

"This includes the ministers, MPs, public servants, lawyers, police and the public," Mr Kassarman said. He said with recent allegations in the PNG judicial system, TI PNG's report focused on solving this pillar.

"The answer to the problems experienced in the PNG legal system are due to political neglect and abuse," Mr Kassarman said.

"What we need to overcome is the pursuit of vested interests over the national interest. Ultimately, the legal system is there to protect the innocent and punish the guilty, not to be used for political interest or personal gain."

He said the report was compiled in May last year and submitted with the approval of the PNG Law and Justice Committee.

*11/12/07 Pg 9 Post C.*

## Corruption report

TRANSPARENCY International-Global (TI) PNG launched the Global Corruption Barometer 2007 to mark the UN Anti-Corruption Day which was on Sunday.

Chairman of TI PNG, Mr Mike Manning said while PNG was not included in the Global Corruption Barometer which he described as unfortunate, TI PNG as a chapter of Transparency International was showcasing this important document.

"The report reflected the findings of the public opinion survey that looks at the citizen's perception and experience of corruption in 60 countries and territories.

"It explores the issue of petty bribery in greater depth than ever before, identifying the factors most affected by corruption and highlighting people's personal experience of bribery, its influence and how much individuals must pay. It also asks how people see corruption evolving in the future and how effectively they rate their government's effort to fight it.

# TI investigates Immigration

*Post Courier*

By PEARSON KOLO

TRANSPARENCY International PNG is conducting its own investigation into allegations from the Department of Foreign Affairs involving the selling of PNG citizenship to foreigners.

Transparency International (TI) PNG chairman Richard Kassarman said this is a serious matter that needs to be looked into.

"We are conducting our own investigation on it. This is a serious allegation and we need to look into it."

He urged the people to make good choices during the elections.

and select leaders who are accountable and God fearing will do the best for the country and its people.

Serious allegations were made that senior officers in the Department of Foreign Affairs are selling PNG citizenship to foreigners who paid thousands of kina.

However, Foreigners Affairs Minister Paul Tiensten said last week he was aware of no such thing but stated he was not in a citizenship and passport visa.

# TIPNG poll survey

*8/06/07 Pg 9 Post Courier*

SURVEY conducted by Transparency International PNG (TI) PNG has highlighted the importance of community involvement and NGO leaders, along with increasing awareness in PNG.

TI PNG, joined by AUSAID's Electoral Support Program II (ESPII), conducted awareness seminars in each provincial centre from November 2006 to February this year, in partnership with the PNG Electoral and Ombudsman Commissions. The seminars were targeted at community church and NGO leaders, along with participants that reached an average of almost 300 citizens since the seminars, distributing material and conducting formal and informal awareness sessions with their communities with practical and clear information on good leadership, responsible citizenship and how to vote under the new system.

A recent telephone survey of Highlands and NGL participants indicated each seminar participant had reached an average of almost 300 citizens since the seminars, distributing material and conducting formal and informal awareness sessions with their communities.

The empowering messages which TI PNG had been spreading since the launch of the election program in November had been widely talked with survey participants, including huge public interest concepts of voter responsibility and power in democratic elections.

"According to the survey, voters have the notion that voters have the right to elect leaders in elections has been common to most citizens." It said

# TI PNG in support of new police watchdog

*6/06/07 Pg 33*

WATCHDOG Transparency International PNG (TI PNG) has expressed its support for the agreement between the Ombudsman Commission and Police Force for the Police Complaints Ombudsman.

"It is important for the people of PNG to have faith in an institution such as the Royal PNG Constabulary. Over the years, there have been numerous reports of abuse of power, assaults or even unlawful shootings allegedly committed by members of the police, where the complaints have never been properly investigated," TI PNG said in a statement yesterday.

"The fact that the investigations conducted by (police) internal affairs officers will now be overseen by the Police Ombudsman and should make people more confident they will not be ignored. Transparency and honesty are an important part of any Government body and the RPNGC is no exception to this."

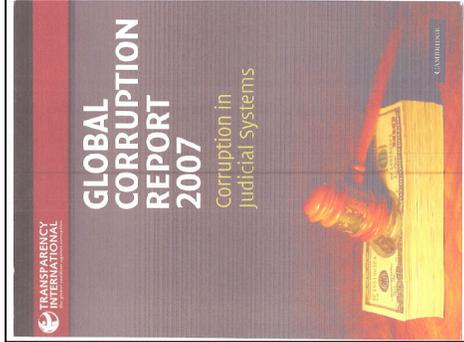
According to TI PNG, the RPNGC has a wonderful and proud history interwoven with the development of this country.

## Where PNG Corruption Is Globally?



### Global Corruption Report 2007 (GCR)

On the 25th May 2007, TIPNG launched the Global Corruption Report 2007 (GCR), which focused on corruption in the judiciary system. The Report was the first full contribution by PNG to date, and was compiled in May 2006 in consultation with the Law and Justice Sector Agencies and other key stakeholders. The purpose of the TIPNG report was to discuss the core problems that are causing our judicial systems to break down and be ineffective. Through the report, TI PNG recommended that the PNG legal system needs both the government and citizens to develop a kind of political will or determination that will support positive reform for the short, medium and long-term future of our nation.



### Corruption Perception Index (CPI)

The TI Corruption Perception Index (CPI) is a composite survey, reflecting the perceptions of business people and country analysts, both resident and non-resident, ranking countries in terms of the degree to which corruption is perceived to exist among public officials and politicians.

The CPI of 2007 ranked PNG as 162 out of 180 countries surveyed around the world. This ranking was a dramatic drop by 32 places compared to the 2006 CPI survey. TIPNG reckoned that the worsening result was largely due to outstanding and current issues facing the past and present Governments that have not been properly addressed or resolved.

PNG made no major improvements in the control of corruption in 2007, dropping from 130 position to 162 ranking of 180 in the CPI.

*Transparency International PNG actively works to promote good leadership and governance. It strives to inform and educate the people on anti-corruption. Without transparency and accountability in government, the business environment, economic and humanitarian conditions in Papua New Guinea cannot improve.*

**TI (PNG) staff**



**Emily George Taule  
Executive Director**

Mrs Emily Taule, BEM joined TI (PNG) in early 2006, having worked for more than 20 years in the Government, private and NGO sectors in Papua New Guinea. Emily has worked at a senior level for more than 10 years and is a prominent and well-reputed female leader in the PNG business sector. Emily's human resource and organizational management experiences are a great asset at this integral time for TI (PNG).



**Guim Kagi  
Program Manager—GGACE**

Ms Guim Kagi is from Simbu Province. She taught in various high schools and international school and lectured at PNG Education Institute before joining TIPNG in August 2007. She is now managing the Civic Education Project funded by UNDP. She is also organizing the National Youth Democracy Camp sponsored by US Embassy.



**Joycelyn Mark - Sabbath  
Public Relations Officer**

Mrs Joycelyn Sabbath comes from Trobriand Islands, Milne Bay Province. Joycelyn joined TIPNG in March 2007 after 9 years of Television presenting. Joycelyn manages all external communication activities, including the strengthening of TI PNG's coalitions through ongoing community relations activities and programs.



**Chennish Pulei  
Finance Officer**

Mr Chennish Pulei is from Manus Province. Mr Pulei joined TIPNG in September 2007 after 7 years with the Bank of PNG. Mr Pulei manages the day to day administration of TI (PNG), including the management of finance, project acquittals, budgets and payroll systems. He also manages all TI (PNG) membership related activities, including annual renewals and ongoing relationship management, including donor management



**Daniel George  
Admin / Project Assistant**

Mr Daniel George joined TIPNG in May 2007 as part time admin assistant officer Voter Education & Good Governance Awareness Project (VEEdGAP). He is now the Project Assistant for the Good Governance & Anti-corruption Education funded by United Nation through UNDP.



**Angus Ali  
Information Officer / Youth Coordinator**

Mr Angus Ali is from Central Province. Angus manages the information systems required for the continuous improvement of the day to day administration of TI (PNG). In 2006, Angus was appointed as Youth Coordinator, and is responsible in coordinating the ongoing activities of the Youth Against Corruption



**TI PNG staff with Consultant Simon Jenkins and Volunteer Kate Walawski**

## Board of Directors

### Michael J. Manning, OL, OBE - Chairman

Michael Manning has until recently been the Director of the Papua New Guinea Institute of National Affairs, a privately funded research institute based in Port Moresby. Prior to that he was the Executive Director of the PNG Growers Association and had his own agricultural consultancy business, which still operates. He has a Bachelor of Economics degree from the Australian National University. He has recently left the INA to pursue a career as a private consultant based in Kokopo, East New Britain. Michael has been a director of a number of private and government Boards in PNG including Andersons Foodland Ltd, Agmark Pacific Ltd, East New Britain Development Corporation, PNG Development Bank, Investment Promotion Authority, National Roads Authority, the National Superannuation Fund, the Mineral Resources Authority, and the Government's Right Sizing Working Group. He has managed an agricultural development and trading company and was a senior public servant in the PNG government. Mike is also on the international accreditation board for Transparency International (Secretariat).

### Paul Nindipa – Treasurer

Paul Nindipa is a Bachelor of Commerce graduate from the University of Otago, New Zealand. He is an Associate Member of the PNG Institute of Accountants (PNGIA), Paul is the vice president and treasurer of the Badili Club of PNG, and a member of the PNG Australia Friendship Association. Paul currently holds the position of Director for Guim PKF.

### Richard Kassman

Richard is a dynamic executive manager with experience built over 28 years predominantly within the insurance & risk management industry. He is qualified with a Senior Associateship, Australian New Zealand Institute of Insurance & Finance (ANZIF). Mr Kassman has served as a Director on a number of industry and professional boards & institutes and also on commercial government entities, such as Director of Air Niugini, the Independent Public Business Corporation, industry bodies: PNG Insurance Council, PNG Institute of Directors, and the International Education Agency.

### Peter Aitsi

A media manager with over a decade of experience managing and operating two national radio broadcasting services and an event management company operating under the holding company PNGFM Ltd. His professional associations include a long serving director and now deputy chairman of the City Mission PNG, and the founding president of the Badili Club of PNG 1997. Peter and fellow TI (PNG) Board member, Ms Sisa Kini, have recently established Leadership PNG, an NGO which focuses on training and providing professional development opportunities to new and upcoming PNG leaders.

### Kible Bonga

Kible Bonga is Manager, Business Development with Mineral Resources Development Company. He holds an Economics Degree from UPNG & Diploma in Economic Policy Analysis from IASER. He is the immediate-past President of the Badili Club of PNG (Professional Club), member of the World Futures Studies Federation, permanent member of the Pakistan Futures Studies Federation, and member of the American Planners Association.

### Leon Buskens

Leon Buskens the Managing Director of Public Officers Superannuation Fund (POSF). He is a graduate of the University of Technology, PNG, where he studied a Bachelors of Commerce. He also completed a Masters Degree in Finance at the Royal Melbourne Institute of Technology. Mr Buskens was the first person appointed on merit bases process as POSF managing director, under the superannuation reform model. He sits on a number of investee company boards such as, Brian Bell Ltd, Arnotts Biscuits, SP Brewery, Marsh Insurance, and Credit Corporation. He is an independent director of the

### Anne Kerepia

Anne Kerepia's affiliations have been with the NWS Board, Community Development Scheme Advisory Committee and the Board, YMCA Port Moresby.

### Avia Koisen

Avia Koisen is a private lawyer and a strong advocate for civil society issues. Her commitment to principles of justice for all and good governance society responsibilities such as President of the PNG Australia Alumini Association, Member of the Human Rights Draft Bill Committee and Director of Media Development Initiatives in PNG.

### Sisa Kini

Sisa Kini is the Executive Director of CDI Foundation which is an initiative of Oil Search in PNG. The Foundation runs four main programs including Public Health, Training and Education, Agriculture and Capacity Building. She 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 United States, Africa and the Pacific. Sisa has an enormous input to TI PNG's strategic planning, monitoring and evaluation frameworks, and organisational development.

### Iva Kola

Iva Kola works within PNG's Law and Justice Sector and is the former Deputy City Manager of the National Capital District Commission – the governing body for Port Moresby. She is a highly respected female professional with a strong commitment to the values of honesty, transparency and accountability in all areas of commercial and public administration.

### Michael McWalter

Michael McWalter is an oil and gas sector specialist who first came to Papua New Guinea as a volunteer with the British Voluntary Services Overseas programme in 1976. He is currently a staff consultant to the Asian Development Bank, Port Moresby Resident Mission, Energy Advisor to the Cambodian National Petroleum Authority and Technical Advisor to the National Petroleum Agency of D.R. Sao Tome and Principe.

### Dr John Nonggorr

Dr John Nonggorr is a graduate of the University of Sydney, Australia, Post Graduate Legal Training Institute, PNG, University of London (UK), and University of PNG. He has worked in PNG, Australia, Indonesia, Vanuatu, Solomon Islands and Fiji. Dr Nonggorr specialises in university level teaching and research in constitutional law, indigenous laws, mining and natural resources law in PNG, PH.D. research on mining law and contracts in PNG. He has published books and articles on some of these topics. Among other positions, Dr Nonggorr has tutored at the University of Sydney, UPNG, been the Dean of the Law School, UPNG, and a Legal Officer with the Office of the Solicitor General, Department of Justice (PNG).

### Lawrence Stephens

Lawrence Stephens works with the PNG Sustainable Development Program Ltd in PNG. A previous coordinator of the Catholic Bishops Conference in Port Moresby, Lawrence is able to link PNG with its church-based coalition members. He is also active in providing valuable policy advice to TI PNG on current issues.

### Ian Tarutia, MBE

Ian Tarutia is the Chief Operating Officer of NASFUND (Superannuation Fund for private sector workers) where he has worked for over 18 years. He also serves as Chairman of the NASFUND Contributors Savings & Loan Society and is a Director on the Board of Ramu Sugar Ltd, Amalpack Ltd, TI (PNG) and PNG Institute of Directors. He has professional affiliations with the Australian Institute of Company Directors as a Fellow and the Australian Institute of Securities, Finance and Banking. He is also President of the Badili Club of Papua New Guinea, a networking association of professionals from across the business and government circles.

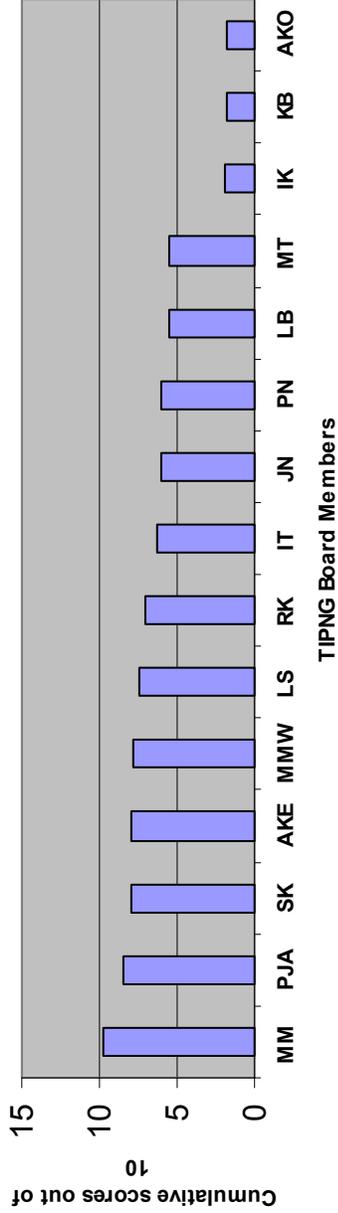
### Mel Togolo, CBE

Mel Togolo is a foundation board member of TI (PNG). He is a graduate of the University of Papua New Guinea, University of Leeds (UK) and University of Hawaii (USA). He works as General Manager, Corporate Affairs, for Placer Dome, one of the largest gold mining companies in the world. Mr Togolo is on the board of Westpac Bank and NASFUND, the Council of the Institute of National Affairs, private sector research organisation and Jesus Centre Halfway House, a rehabilitation centre for street and homeless children. He is also a past President of the Business Council of Papua New Guinea.



## Board Performance

Board member Attendance at Official Board Meeting



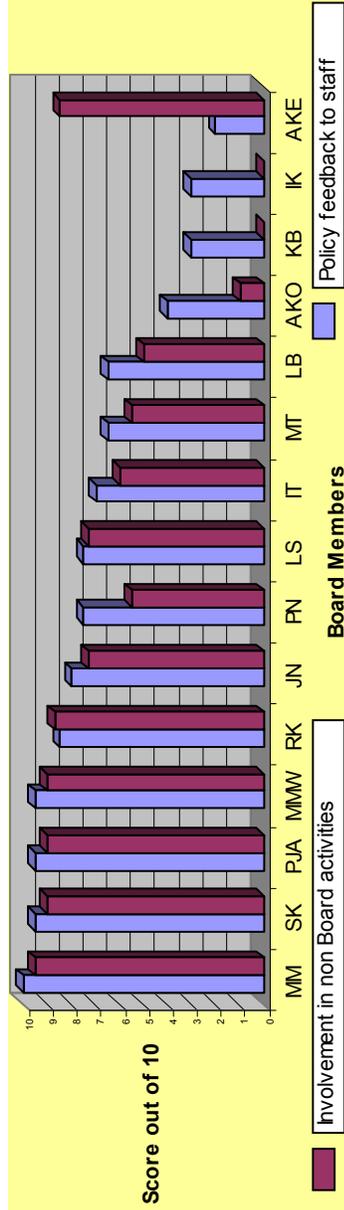
A total of 11 Full Board and Sub-Committee meetings were held over the 2007 period, including 2 Special Board Meetings.

Mike Manning (MM), Richard Kassman (RK), Paul Nindipa (PN), Peter Aitsi (PA), Kible Bonga (KB), Leon Buskens (LB), Avia Koisen (AKO), Anne Kerepia (AK), Sisa Kini (SK), Iva Kola (IK), Mick McWalter (MMc), John Nonggorr (JN), Lawrence Stephens (LS), Ian Tarutia (IT), Mel Togolo (MT).

TI PNG Board Members voluntarily give of their time and expertise to ensure the reputation and image of TI PNG is maintained both internally and externally.

Board Members are appraised on their contribution of time, feedback and liaison with management and involvement in non-board activities as representatives of TI PNG.

Board Performance 2007/08



## Donations

### Individual Member Donations

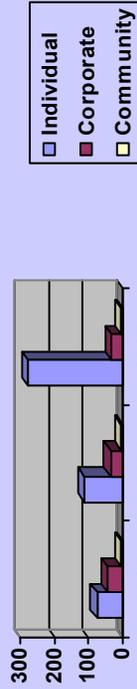
A total of **PGK13,815.38** was donated by the 280 individual members who contributed in 2007. The average amount donated by individual members was **PGK49.00**, however more than 65% of individual members contributed the minimum fee of **PGK5**.

### Corporate AND Community Service Member Donations

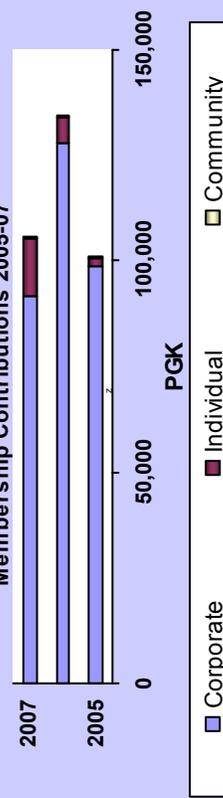
A total of **PGK121, 675** was donated by the 35 Corporate and 4 community service Members who contributed in 2007 .

The average amount donated by these members was **PGK2,600** however **only 50% of corporate members contributed more than PGK1000**.

TI-PNG Financial Members 2005 -2007



Membership Contributions 2005-07



**A total of PGK135,490.38 was contributed by corporate and individual members in 2007, a increase by 35% in only 12 months**

### Up to PGK1,000

- Allen's Arthur Robinson
- Kenmore Limited
- CDI Foundation Limited
- Kina Securities
- KPMG Chartered Accountants
- Kokonas Industry Koporeesen
- Internal Revenue Commission
- LJ Hooker
- ANZ Group Limited
- NASFUND Limited
- City Pharmacy
- PNG Ready Mix
- Coffee Industry Cooperation
- PNG Teachers Services & Loans
- Deloitte Touch Tomatsu
- Post PNG Limited
- Helifix Investment Limited
- Honibrooks NGI Limited
- Telikom PNG Limited
- ICC

### Between PGK1,000 and PGK 5,000

- American Home Assurance Co.
- Rio Tinto
- Johnston Pharmacy Limited
- Westpac Bank (PNG)
- Pacific MMI Insurance
- WR Carpenters (PNG) Limited
- Ramu Sugar Limited
- Trukai Industry Limited
- Remington Technologies

### Between PGK5,000 and PGK10,000

- Bank South Pacific
- South Pacific Brewery
- Barrick Limited
- OK Tedi Mining Limited

### More than PGK10,000

- Bank of Papua New Guinea

## Financial Data

Project Income	PGK
<b>AusAID Income</b>	
CDS - Towards 2007 project	11, 224
- Coalition building	77, 127
- Towards 2007 – Phase 2	46, 280
ESP2 – Civic Education & Communications project	298, 429
- Domestic Observer Training	14, 123
MDI - Dissemination of Information	31, 364
<b>UNDP Income</b>	
VEDGAP Funds	250, 494
UNDEF- GGACE Funds	100, 600
<b>Total Project Income</b>	<b>829, 641</b>

Balance Sheet	PGK
<b>Total Assets</b>	<b>460, 060</b>
<b>Total Liabilities</b>	<b>167, 167</b>
<b>Net Assets</b>	<b>292, 293</b>

In our Opinion the financial report fairly presents in all material respects the financial position of TIPNG as at 31 December 2007 and its results for the year ended in accordance with the accounting practices described in note 1 to the financial report.

We confirm that:

- In our opinion proper accounting records have been kept by the organization, so far as appears from our examination of those records.
- We have obtained all the information and explanations we have required; and
- In conducting our audit we followed applicable independence requirements of Certified Practising Accountants Papua New Guinea.

Project Expenditure	PGK
<b>AusAID</b>	
CDS - Towards 2007 project	11, 224
Coalition Building	77, 127
Towards 2007 project phase 2	46, 280
ESP2 - Civic Education & Communications project	298, 429
- Domestic Observer Training	14, 123
MDI - Dissemination of Information	31, 364
<b>UNDP</b>	
VEDGAP	250, 494
UNDEF- GGACE Funds	100, 600
<b>British High Commission</b>	
Support—TI PNG 07/08	829, 641
<b>Total Project Expenditure</b>	<b>829, 641</b>

Core Expenses	PGK
<b>See pages 17 of Auditor's Report</b>	
<b>Core Expenses</b>	<b>445, 780</b>
<b>Surplus/ (Deficit)</b>	<b>66, 768</b>

Core Income	PGK
Subscriptions & Donations	135, 490
NZAID Funding	154, 968
Interest Income	1, 380
Project Management fee	155, 224
Reimbursements	42, 398
IPBC -JN Board sitting fee	6, 206
Board Speaking fees	-
GCR Contribution (TIS)	1, 537
Miscellaneous	15, 345
<b>Total Core Income</b>	<b>512, 548</b>

2008 Work Plan



# Transparency International PNG

## WORKPLAN 2008

TO STRENGTHEN DEMOCRACY, GOOD GOVERNANCE AND THE RULE OF LAW IN PNG

### STRATEGIC PRIORITIES

#### Membership & Building Coalitions

To maintain and strengthen an association of like minded groups in the fight against corruption

#### OBJECTIVES

- Building membership numbers especially where they will be active contributors
- Strengthening youth movement
- Strengthen the CCAC.
- Strengthen links with public servants, religious organizations, women groups, NGOs and Chamber of Commerce
- Better communication with member via newsletters, media releases, monthly newspaper columns, website, NPF scoreboard, etc.
- Publish new corporate brochures.

#### Civic & Electoral Education

To promote moral leadership through targeted education and awareness programs

- UNDEF GGACE
- Youth Democracy Camp
- Seek donor support for following initiatives.
  1. School BOM Government Transparency Project
  2. Making Informed Choices Project
  3. Women In Local Level Government [WILL] through Drama

#### Advocacy

To assert the views of civil society in opposing corruption in our society

- ALAC
- Ongoing anti-corruption awareness through media and communications

#### Legislative Initiatives

To help design legal instruments to empower international integrity institutions

- ICAC
- Freedom Information Act
- Forestry & Fishery Sector
- Lobbying for Whistleblower legislation

#### Policy Research

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

- Corruption Survey
- "EITI"—Research on Revenue Issues

### STRATEGIC ACTIVITIES

### INTERNAL CORE OPERATIONS

**BETTER COMMUNICATION MANAGEMENT**

- Capacity building of Communications Officer
- Board liaison on issues arising in the media
- Development and publication of information about ongoing projects, e.g. electoral awareness
- Management of TIPNG website
- Maintenance of existing news networks
- Better relationship management approaches to members, CCAC and other stakeholders

**BETTER FINANCIAL MANAGEMENT**

- Better tracking of expenditure
- Better control of contracts
- Improved financial management oversight and procedures—acquittals and reporting
- Ongoing capacity building of Finance Officer
- Ongoing stakeholder relationship management
- Better board liaison on financial matters
- Better asset management systems
- Increased financial sustainability (SEF)

**BETTER INFORMATION MANAGEMENT**

- Ongoing information management
- On-going updating of the TI electronic information system
- Ongoing capacity building of Information Officer
- Development of database system to manage stakeholder information
- Ongoing handling of complaints and reports of corruption
- Better back-up systems

**BETTER OFFICE MANAGEMENT**

- Increased staff productivity
- Increase staff IT and project management skills.
- Implement new HR structure when funding available
- Increase organizational capacity to source funding and design projects.

**KEY:** Bold –New Activities Normal—current/ongoing activities *Italics –2007 activities pending*

# Siaguru Endowment Fund



For a copy of the full information memorandum, contact the TI PNG Office on +675 320 2188 OR email [tipng@daltron.com.pg](mailto:tipng@daltron.com.pg)

Officially launched on 18 December 2007, the Siaguru Endowment Fund (SEF) has received steady but significant contributions from individuals, business and corporate organisations. These include K250,000 donation from the PNG Sustainable Development Program and K20,000 from Mr Kostas Constantinou. In early 2008, large donations of K125,000 and K250,000 were received from Ok Tedi Mining Limited and Lihir Gold Limited respectively.

The Walk Against Corruption (WAC) event was staged in 2007 to raise further funds towards the SEF. The SEF fundraising committee was established and comprised of dedicated volunteers representing Blake Dawson Lawyers, NASFUND, Kina Group of Companies, Gadens Lawyers, Nambawan Super Fund and the PNG Media Council. The Committee was ably supported by St John's Ambulance, UPNG Medical students and the Port Moresby Hockey Association. The inaugural event attracted over 1,000 participants and raised more than K90,000.

The success of the WAC has now annualised this event with the 2nd WAC being scheduled for the 1st of June this year under the theme **“CRUSADE FOR A LIFE FREE OF CORRUPTION – IT’S YOUR RIGHT”** and will again be led by the Governor General of PNG.



## Key financial information

- K817, 544, 000 raised so far.
- Annual funding from the SEF will comprise of the following components:
  - Interest of 5% earned on the principle investment
  - Principle withdrawals of PGK25,000, increasing by 15% per year
  - A lifespan of 20 years

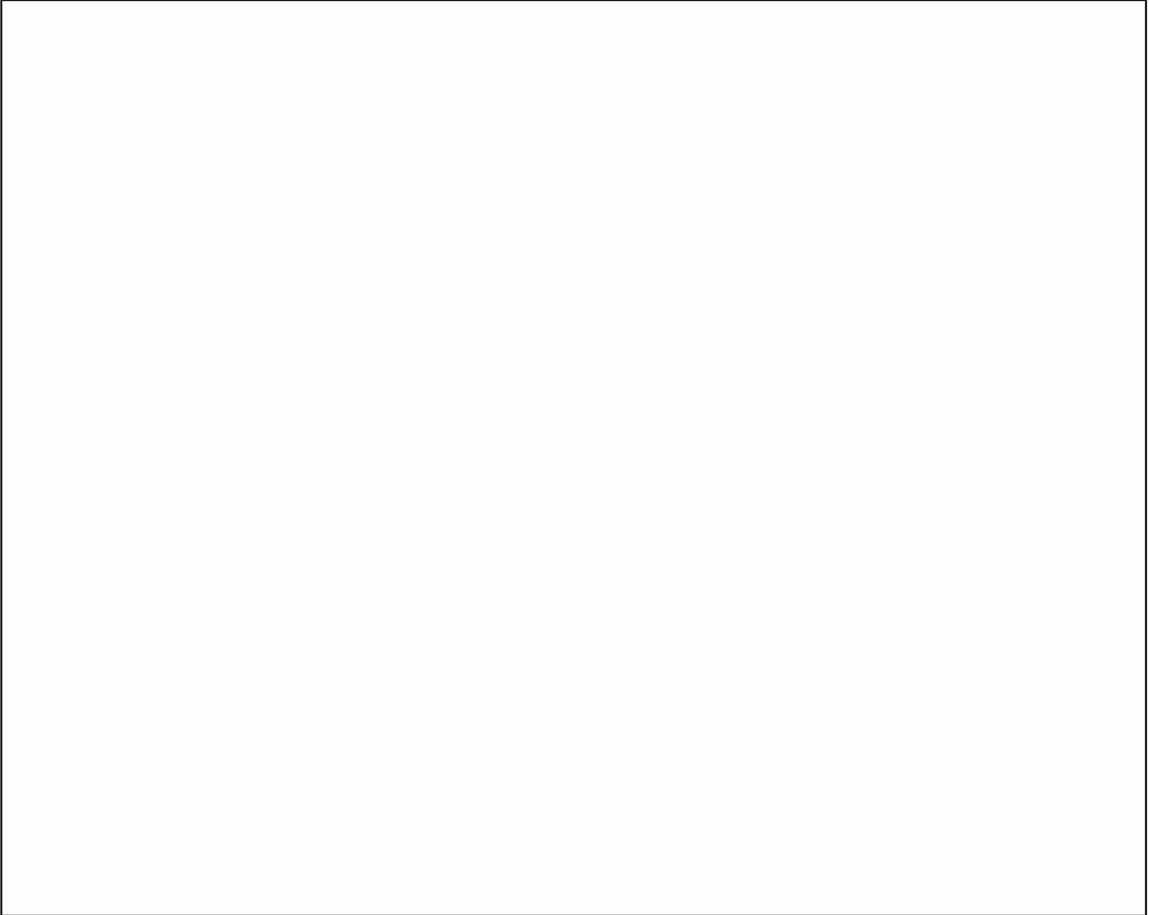
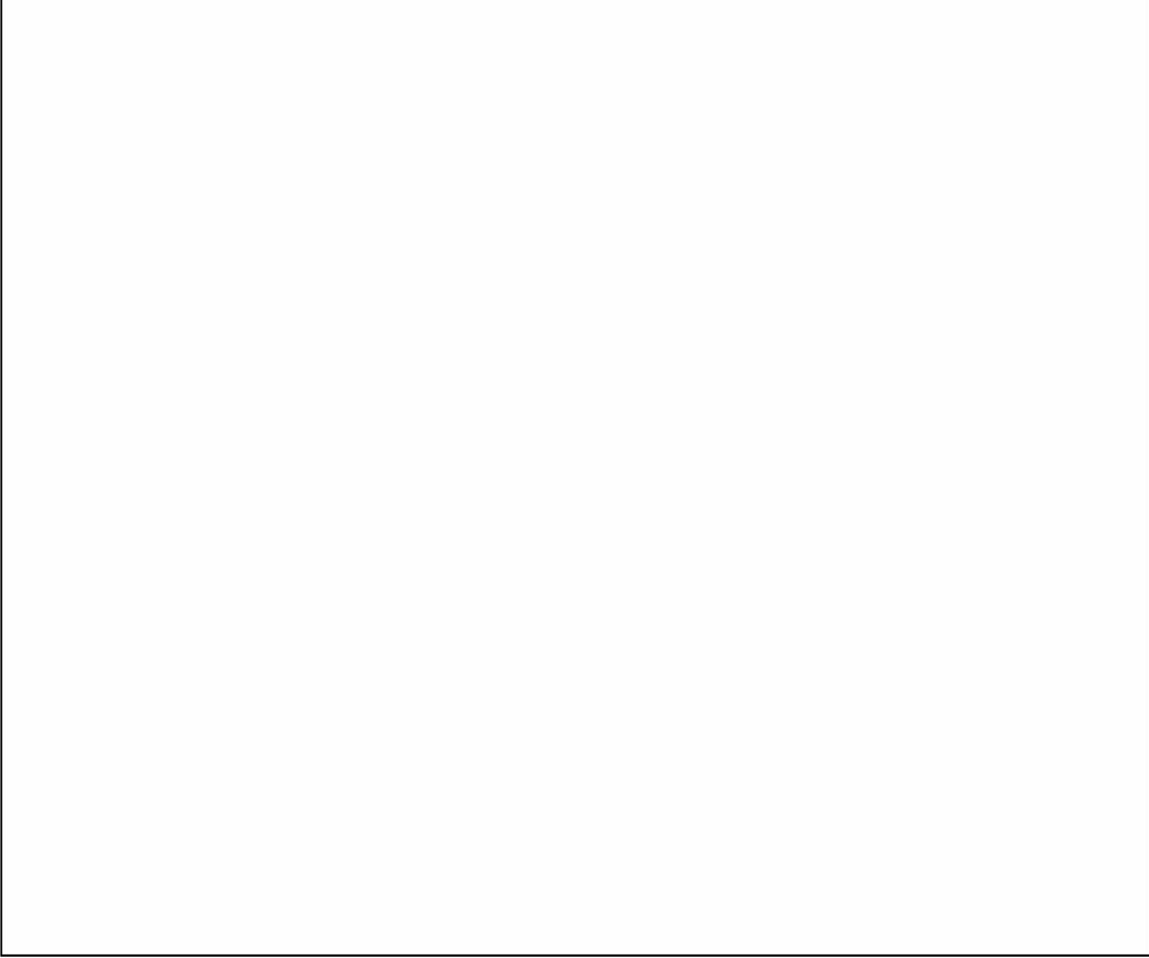
## Key Players

- The SEF Advisory Board comprises of Dame Meg Taylor; Professor Ross Garnaut, AO FASSA; Lady Mina Siaguru; Mr Wilson L Kamit, CBE; and Mr Mike Manning, OBE.
- The Trustee to the SEF is KPMG Nominees PNG Limited.

*The Siaguru Endowment Fund, established in memory of Sir Anthony Siaguru, will ensure financial stability for TI PNG over a period of 20 years.*

TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC  
FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2007

	Page No.
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Independent Audit Report to the Members	2
Income and Expenditure Statement	4
Balance Sheet	5
Cash Flow Statement	6
Notes to and forming part of the Financial Statements	7
Unaudited detailed Income and Expenditure Statement	16



TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC  
 INCOME AND EXPENDITURE STATEMENT  
 FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 K	2006 K
<b>Income</b>			
Project funding	4	829,641	958,474
Core funding	4	512,548	329,759
		<u>1,342,189</u>	<u>1,288,233</u>
<b>Expenses</b>			
Project expenses		(829,641)	(920,805)
Core expenses		(445,780)	(328,586)
		<u>(1,275,421)</u>	<u>(1,249,391)</u>
<b>Surplus for the year</b>		<u>66,768</u>	<u>38,842</u>

The above income and expenditure statement is to be read in conjunction with the notes on pages 7 to . 4

**ANNUAL REPORT 2007**

**TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC  
BALANCE SHEET  
AS AT 31 DECEMBER 2007**

	Notes	2007 K	2006 K
<b>MEMBERS' FUNDS</b>			
Members' funds brought forward		225,525	186,683
Surplus / (deficit) for the year		66,768	38,842
<b>TOTAL MEMBERS' FUNDS</b>		<u>292,293</u>	<u>225,525</u>
Represented by:			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	56,818	76,208
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	254,098	474,876
Accounts receivable	7	149,144	32,310
		403,242	507,186
<b>TOTAL ASSETS</b>		<u>460,060</u>	<u>583,394</u>
<b>CURRENT LIABILITIES</b>			
Creditors and accruals	8	49,724	155,881
Unspent core funds	9	3,238	7,883
Unspent project funds	10	110,490	192,379
Employee provisions	11	4,315	1,726
		167,767	357,869
<b>TOTAL LIABILITIES</b>		<u>167,767</u>	<u>357,869</u>
<b>NET ASSETS</b>		<u>292,293</u>	<u>225,525</u>

  
Committee Member

  
Committee Member

Signed in accordance with a resolution of the Association Committee at Port Moresby.

This 27<sup>th</sup> day of March, 2008

The above balance sheet is to be read in conjunction with the notes on pages 7 to .

**TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

**1. ACCOUNTING POLICIES**

**(a) Basis of accounting**

In the opinion of the Chairperson of the Association, Transparency International Papua New Guinea Inc is not a reporting entity because there are no users dependent on general purpose financial reports. The financial statements have been drawn up as a special purpose report for distribution to the members to comply with the rules of the Association and must not be used for any other purpose.

The Balance Sheet and Income and Expenditure Statement have been prepared on a going concern basis using the accruals basis of accounting. They have been prepared on the basis of historical cost they do not take into account changing money values or current valuations of non-current assets. Except where noted, the accounting policies have been consistently applied.

The Association has prepared an unaudited Detailed Income and Expenditure Statement on pages 16 and 17, in addition to the Balance Sheet and Income and Expenditure Statement on pages 4 and 5. The Income and Expenditure Statement has been prepared on an accruals basis.

The Committee has determined that the accounting policies adopted are appropriate to meet the needs of the users of the Association's financial statements and has determined that it is not necessary to include all the detailed disclosures, required by International Financial Reporting Standards and other mandatory professional reporting requirements in Papua New Guinea as these are in excess of legal requirements under the Associations Incorporations Act.

**(b) Revenue recognition**

Revenue is recognised as follows:

**(i) 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.

**(ii) Core funding**

Revenue is recognised when it is received into the bank account except where the terms of the funding agreement require initial recognition of a liability (unspent core funds) which is then reduced as core expenses are incurred.

The financial members of the Association are made up of individuals, volunteers and corporate members. The membership subscription fees are not enforceable to the members. However, the members contribute to the organisation what ever the amount they wish to donate. The association maintains an up to date register of members. Subscriptions and donations income are recognised on cash basis.

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**TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

**(c) Income tax**

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.

**(d) Property, plant and equipment**

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) Cash**

For the purposes of the Balance Sheet cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

**(f) Accounts receivable**

These represents amount recoverable from donors for expenses incurred on operating and managing donor funded programs.

**(g) 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.

**(h) 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.

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**TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**2. INCORPORATION AND PRINCIPAL 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 organisation 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 effectiveness of overseas development initiatives and to disseminate the useful results of any such research; and
- (iii) to support and promote the charitable educational aims and objectives of Transparency International, a not for profit organisation 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 organisations 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 organise 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.

**TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**3. LIABILITY OF MEMBERS**

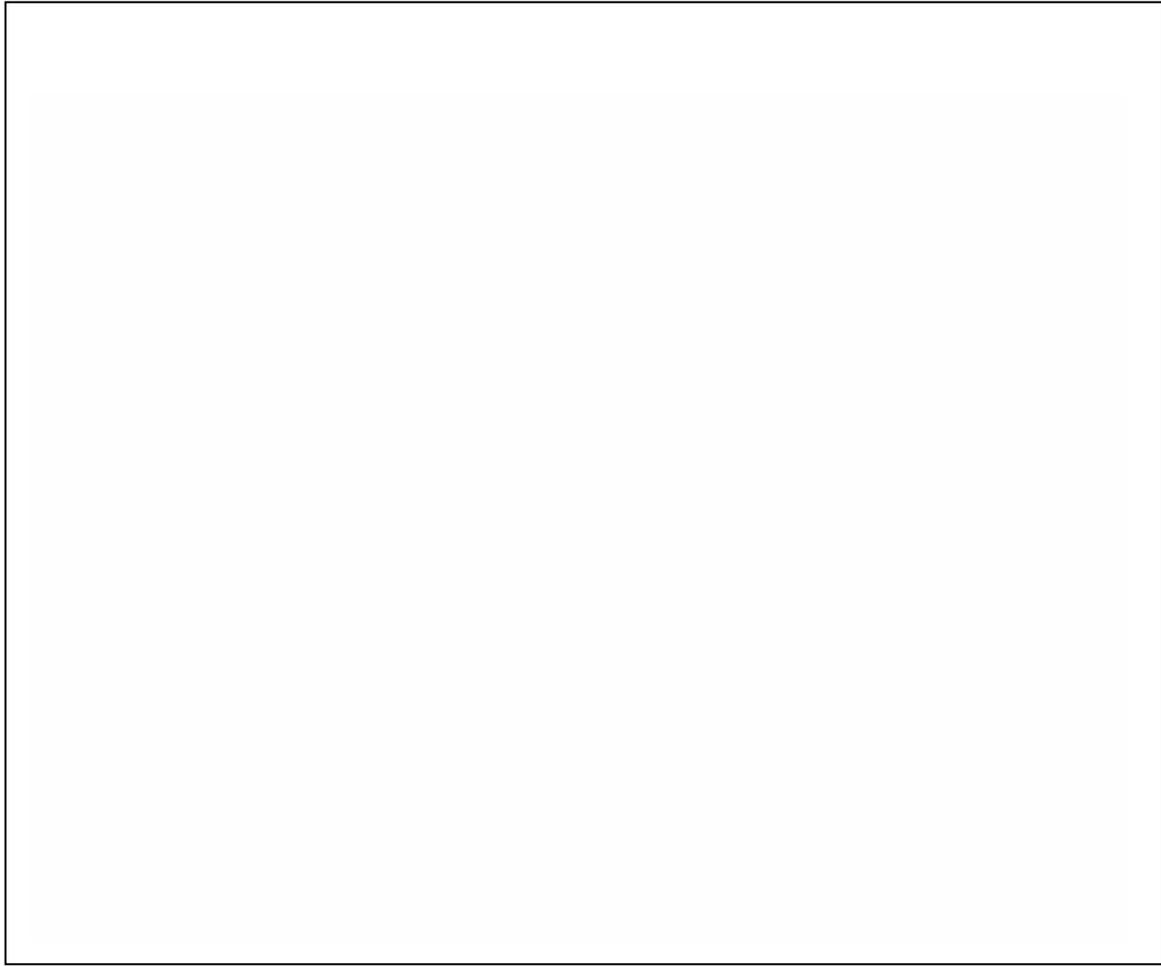
The members of the Association are not liable to contribute toward the payments of the debts and liabilities of the association or the costs, charges and expenses of the winding up of the association.

**4. REVENUE**

	2007 K	2006 K
<b>Project funding</b>		
CDS – Towards 2007	11,224	271,773
UNDP – VEDGAP Funds	250,494	145,758
ESP2 – Civic Education & Communications Campaign	298,429	533,192
BHCom – Support – TIPNG 06/07	-	3,000
MDI – Dissemination of Information	31,364	4,751
CDS – Coalition Building	77,127	-
CDS – Towards 2007 – Phase 2	46,280	-
ESP2 – Domestic Observer Training	14,123	-
UNDEF – GGACE Funds	100,600	-
	<u>829,641</u>	<u>958,474</u>

	2007 K	2006 K
<b>Core fundings</b>		
Subscriptions and donations	135,490	139,239
Interest income	1,380	993
Slaguru fund proceeds	-	-
Management fees	155,223	9,312
Reimbursements	42,398	30,580
IPBC – JN Board sitting fees	6,206	12,540
NZ Aid	154,967	127,757
Other	16,883	9,338
	<u>512,547</u>	<u>329,750</u>

Total income 1,342,188 1,288,233



TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007

10. UNSPENT PROJECT FUNDS

	2007 K	2006 K
<b>GGACE Project</b>		
Balance brought forward	-	-
Income - UNDEF	108,830	-
Expenditure	(100,600)	-
Balance carried forward	8,230	-
<b>YDC Project</b>		
Balance brought forward	-	-
Income - US	55,433	-
Expenditure	-	-
Balance carried forward	55,433	-
<b>Viewer Education &amp; Democratic Governance Awareness Project</b>		
Balance brought forward	84,878	-
Income - UNDP	167,952	230,636
Expenditure	(250,494)	(145,758)
Balance carried forward	2,336	84,878
<b>Support for Communications Advisor</b>		
Balance brought forward	32,000	35,000
Income - BHC	-	(3,000)
Return of unspent Project Funds	(30,000)	-
Balance carried forward	2,000	32,000
<b>Media for Development Initiative</b>		
Balance brought forward	18,499	23,250
Income	16,349	(4,751)
Expenditure	(31,364)	(4,751)
Balance carried forward	3,484	18,499
<b>TIPNG Capacity Building Project</b>		
Balance brought forward	6,342	30,000
Income - BHC	-	(23,658)
Expenditure	-	-
Balance carried forward	6,342	6,342

TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007

10. UNSPENT PROJECT FUNDS (Continued)

	2007 K	2006 K
<b>CDS - Coalition Building</b>		
Balance brought forward	-	-
Income - CDS	88,182	-
Expenditure	(77,127)	-
Balance carried forward	11,055	-
<b>CDS - Towards 2007 Project Phase 2</b>		
Balance brought forward	-	-
Income - CDS	49,758	-
Expenditure	(46,285)	-
Balance carried forward	3,473	-
<b>CDS - Towards 2007 Project</b>		
Balance brought forward	19,942	77,050
Income - CDS	-	214,666
Expenditure	(11,224)	(271,774)
Balance carried forward	8,718	19,942
<b>Civic Education &amp; Communications Campaign Project</b>		
Balance brought forward	30,718	563,910
Income	278,481	-
Expenditure	(298,428)	(533,192)
Balance carried forward	10,771	30,718
<b>Domestic Observer Training</b>		
Balance brought forward	-	-
Income	8,870	-
Expenditure	(14,123)	-
Balance carried forward	(5,253)	-
<b>Total unspent project funds carried forward</b>	<b>110,490</b>	<b>192,379</b>

## TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC

DETAILED INCOME AND EXPENDITURE STATEMENT (UNAUDITED)  
FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 K	2006 K
<b>INCOME</b>		
<b>Project funding</b>		
CDS - Towards 2007 Project	11,224	271,773
UNDP - VEDGAP Funds	250,494	145,758
ESP2 - Civic Education & Communications Campaign	298,429	533,192
BHCom - Support - TIPNG 06/07	-	3,000
MDI Dissemination of Information	31,364	4,751
CDS - Coalition Building	77,127	-
CDS - Towards 2007 Project Phase 2	46,280	-
ESP2 - Domestic Observer Training	14,123	-
UNDEF - GGACE Funds	100,600	-
	<u>829,641</u>	<u>958,474</u>
<b>Project Expenses</b>		
CDS - Towards 2007 Project	11,224	234,105
UNDP - VEDGAP Funds	250,494	145,758
ESP2 - Civic Education & Communications Campaign	298,429	533,192
BHCom - Support - TIPNG 06/07	-	3,000
MDI Dissemination of Information	31,364	4,751
CDS - Coalition Building	77,127	-
CDS - Towards 2007 Project Phase 2	46,280	-
ESP2 - Domestic Observer Training	14,123	-
UNDEF - GGACE Funds	100,600	-
	<u>829,641</u>	<u>920,806</u>
<b>Net surplus / (deficit) for the year</b>	<u>-</u>	<u>37,668</u>

**TRANSPARENCY INTERNATIONAL PAPUA NEW GUINEA INC**  
**DETAILED INCOME AND EXPENDITURE STATEMENT (UNAUDITED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

INCOME	2007 K	2006 K
<b>Core funding</b>		
Subscriptions and donations	135,490	139,239
NZ Aid funding	154,968	127,757
Interest income	1,380	993
Project management fee	155,224	9,312
Reimbursement of expenses	42,398	30,580
IPBC - JN Board sitting fee	6,206	12,540
Board speaking fees	1,537	1,983
GCR Contributions (TIS)	15,345	884
Miscellaneous	512,548	6,471
	<u>329,759</u>	<u>329,759</u>
<b>Core Expenses</b>		
Advertising	4,920	1,575
Audit fees	-	20,000
Bank charges	409	193
Conference and meetings	3,582	3,985
Depreciation	19,426	11,178
Donations	320	829
EU payments	103,277	-
General expenses	3,969	1,226
Hire of facilities	625	650
Internet charges	22,909	14,238
Insurance	6,801	4,829
Legal costs	350	-
Loss on sale of fixed assets	5,539	2,912
Motor vehicle expenses	15,103	14,785
Office maintenance	831	2,963
Postage	989	6,758
Printing and stationery	9,978	18,708
Recruitment expenses	-	1,674
Rent	34,459	43,996
Salaries and wages	154,691	143,404
SEF Expense	15,610	-
Staff amenities	3,645	1,866
Subscriptions	299	451
Travel and accommodation	24,887	17,928
Telephone and facsimiles	13,161	14,438
	<u>445,780</u>	<u>328,586</u>
<b>Net surplus / (deficit) for the year</b>	<u>66,768</u>	<u>1,173</u>

## Appendix 2—Membership Form

*Tear out or photocopy this page and pass it on to your friends, family and colleagues so they can join us in the fight against corruption.*

**Name:** \_\_\_\_\_  
**Organisation:** \_\_\_\_\_  
**Mailing Address:** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
**Phone:** \_\_\_\_\_  
**Mobile:** \_\_\_\_\_  
**Fax:** \_\_\_\_\_  
**E-mail:** \_\_\_\_\_

### Payment method

**By Cheque:** Post to the above address with the membership form included  
**By Account Transfer:** Make transfer to BSP (Pom Branch) Account Number 1000038232 then post membership form and receipt to the address above.

PLEASE DO NOT SEND CASH IN THE MAIL.

### Post To:

**Transparency International (PNG) Inc.**  
 PO Box 519,  
 Port Moresby,  
 National Capital District  
 Telephone: 320 2188 or 320 2182  
 Fax: 320 2189  
 Email: [tipng@dalttron.com.pg](mailto:tipng@dalttron.com.pg)  
 Website: [www.transparencypng.org.pg](http://www.transparencypng.org.pg)

### Membership & Fees

Individuals, organisations, and businesses are invited to join TIPNG. Within each category of membership, except for government departments, there is a choice in membership fees. Select the category to which you belong and then determine how much you wish to invest in fighting corruption in PNG. Each new member will receive a membership certificate and a quarterly newsletter. Each member is entitled to attend, hold office and vote at the annual general meeting. Each member will be encouraged to take an active role in the campaign against corruption in PNG.

TYPE (TICK TO INDICATE)	ANNUAL FEE RANGE
Individual Members (PNG)	K 5+
Individual Members (International)	K 50+
Community Service (Churches, NGO's)	K 100+
Professional firms, Statutory Bodies and business Corporations	K 1,000+



# 2007 GENERAL ELECTIONS



# IN PAPIUA NEW GUINEA



## Transparency International (PNG) Inc.

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 Port Moresby, NCD  
 Papua New Guinea  
 Ph: 320 2188  
 Fax: 320 2189  
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 Web: [www.transparencypng.org.pg](http://www.transparencypng.org.pg)

