

NATIONAL AGRICULTURE QUARANTINE
& INSPECTION AUTHORITY



2008

ANNUAL REPORT



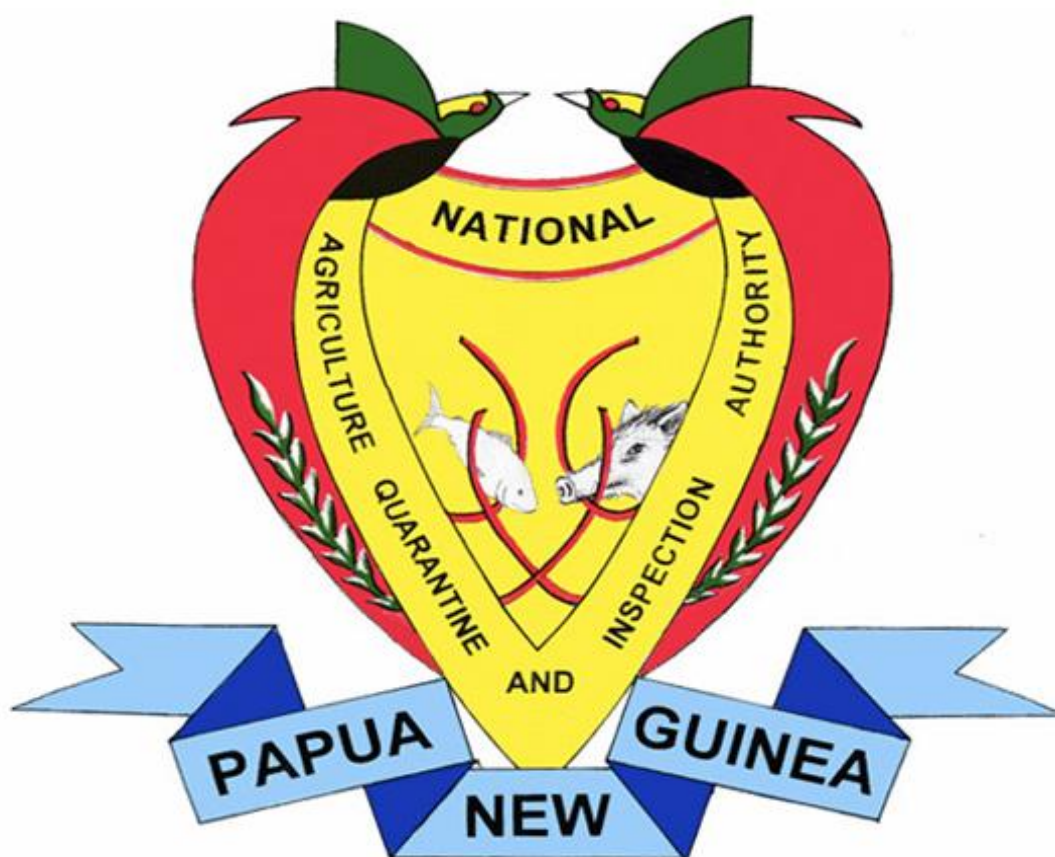


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Forward – The Chairman NAQIA Board



Calendar year 2008 has been a challenging one for the National Agriculture Quarantine and Inspection Authority (NAQIA) and throughout the year we experienced some highs and lows. Most pleasing of all the Board and Management has strengthened the financial performance of the authority and NAQIA is in a sound financial state which is evidenced by the financial statements attached.

The Board has also sought to strengthen corporate governance within the authority and during the year a number of codes of conduct were developed. We were also fortunate to have an Australian Business Volunteer (ABV) John Rae spend almost four months assisting the Finance Section to develop its systems and processes.

Unfortunately exotic pests and diseases remain serious threats to Papua New Guinea and throughout the year NAQIA battled with Newcastle Disease, Cocoa Pod Borer and an invasion of little fire ants from the Solomon Islands. The Board and Management are seeking to increase our capacity to combat these pests and disease outbreaks.

In 2008 NAQIA launched its' first Corporate plan and for the first time since 1997 the Board presented our Minister with a set of unaudited accounts for the year just finished. I am pleased to advise that the unaudited accounts presented for 2007 in the annual report are shown here as audited accounts for that period.

In 2008 NAQIA embarked on a computer networking project that sees Port Moresby linked with a number of larger NAQIA offices. In 2009 we will further roll this network out and we plan to have in place by mid year the first NAQIA website. NAQIA in 2008 employed a properties officer and a review of all NAQIA assets including housing and other buildings has been conducted. In 2009 a plan for refurbishing these assets will be developed and work will commence.

Stakeholders will notice that all NAQIA staff are now wearing new uniforms and we have started to renew our ageing fleet of vehicles. In 2009 we plan to upgrade (at significant cost) waste sterilizer facilities and incinerator facilities at Jackson's airport and the incinerator at Lae Port.

One of the issues that the Board has set as a very high priority for 2009 is the ability of the authority to recruit and retain high quality staff. To be able to do this we need to be able to reward staff appropriately for their work and we need to be able to release people who are not performing. To this end the Board is looking for a pathway to develop our own remuneration and benefits system. Accordingly we may seek to change the legal structure of the Authority. There is still much to do and I am very grateful for the assistance that NAQIA receives from our donor partners and from our stakeholders in the private sector that are the users of NAQIA services.

The goal of the Authority is to become the premier Quarantine Agency in the South Pacific that protects the bio-security and future of Papua New Guinea and assists with developing international trade into and out of the country.

I commend my Board, the Management and Staff on what we have achieved in 2008 and I look forward to a successful 2009 for the Authority and all its stakeholders throughout Papua New Guinea.

Geoffrey Fahey, ML

Board Chairman.

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OVERVIEW BY THE MANAGING DIRECTOR



Calendar year 2008 has been another challenging one for the Authority. Trade and investment and traffic of goods and people into and out of Papua New Guinea continued to increase. These increased movements posed the highest risk pathways for the introduction of exotic invasive pests and diseases of plants and animals into the country. The experiences of trying to eradicate and or contain the spread of Cocoa Pod Borer in East New Britain Province, Aitape, and Bogia; New Castle Disease of Chickens in Rabaul and Little Red Fire Ants in Wewak has taught us the real lesson that it is better to protect and prevent the entry of the exotic and invasive pests and diseases of plants and animals from the entry points rather than battling to control and contain once they have established themselves in the country.

I am pleased to report that despite the increased high risk pathways Papua New Guinea remains free of many of the most devastating pests and diseases of plants and animals including; Bird Flu and Influenza Flu Pandemic, Foot and Mouth Disease, Hog Cholera, Coffee Berry Borer, Sugar cane Smut, Banana Blood Disease and a range of other pests and diseases.

I am pleased to report that our efforts to be vigilant and proactive are well captured in NAQIA's 2008 - 2013 Corporate and Business Plans officially launched by Hon. John Hickey, CBE, MP, and Minister for Agriculture and Livestock in December 2008. We have now moved further in translating the business plan into annual work plans and we will be framing our annual Budgets based on these annual work plans.

NAQIA's financial position continues to be healthy and gives us the confidence that we can now progress to move forward in building, improving and strengthening the Authorities' capacity and capabilities for achieving our goals, mission and vision enshrined in our Corporate Plan.

Our collaboration with key stakeholders and development partners has also continued to strengthen and demonstrated with confidence that NAQIA is the internationally recognised competent bio-security authority for Papua New Guinea.

We are now more focused and have set ourselves clear direction to go forward in achieving our mandated responsibilities. We stand together, committed to building stronger alliances with existing and new national, regional and international development partners and collaborators in protecting PNG's plant, animal and human health through mobilising NAQIA's resources to its maximum potential.

The leadership and commitment of the NAQIA Board has been exceptional. The collaboration and cooperation from key stakeholders, [government departments, statutory agencies and institutions] has been far-reaching. The funding and technical support received from the development and donor partners in particular, AusAID [AQIS/NAQS/ACIAR] and SPC has been very dramatic and beneficial. The understanding, patience and cooperation accorded by the business clients have been most appreciative. I commend them all.

Finally the Management and staff of NAQIA placed all their heart and energy to their duty in serving our country; Papua New Guinea. I commend each and every one of you for your loyalty and commitment. I stand with you committed in facing together the challenges ahead.

Andrew Yamanea, MBE.
Managing Director

The National Agriculture Quarantine and Inspection Authority Act (1997), Section 17 provides that:

“The Board shall furnish to the Minister on or before 15 March in every year, a report on the progress and performance of the Authority for the previous year; and such other reports in relation to the functions of the Authority as are required by the Minister. As soon as practicable after he has received the report referred in Subsection (1) (a), the Minister shall forward the report to the Speaker for presentation to the Parliament”.

1. THE AUTHORITY

The National Agriculture Quarantine and Inspection Authority (NAQIA) is a public funded institution under the Ministry of Agriculture and Livestock by an Act of Parliament. The Act defines NAQIA’s function in summary is to perform the role in the protection of Papua New Guinea from infectious pests and diseases that have the potential to seriously harm our unique animal and plant life and affect economic growth. These functions are performed in inspection of imported animal and plants products and providing quality assurance for agricultural exports.

1.1 Vision

NAQIA is recognized as a professional organization that contributes to the prosperity of Papua New Guineans through the protection of plant, animal and human life.

1.2 Mission

The mission of NAQIA is to: protect animal, plant and human life from pest and diseases through the provision of quality quarantine services and to assist in the international trade through supportive trade facilitation services and programs for the benefit of the people of PNG.

1.3 Objectives

As stated under the NAQIA Act, the primary objective of creating the Authority is to conserve and sustain Papua New Guinea’s rich bio-diverse natural resources including agriculture and promote trade by certifying for high quality of agriculture exports.

Six main objectives for quarantine and each of these objectives has several strategies to be progressed over the next five years are:

1. Prevent and minimize the risk of entry and spread of exotic pests, diseases and weeds, although the entry of disease-free animal and plant materials is essential to improve agricultural, pastoral, fishery and forestry development in the country.
2. Improve collaboration with other countries on animal and plant health and quarantine matters to protect domestic industries and ensure high quality of products for domestic and overseas markets.
3. Maintain high quality product of agricultural exports in order to ensure products meet the required standards for overseas markets.
4. Maintain high quality standards for food imports for the health and safety of Papua New Guineans.
5. Protect and promote sustainable agricultural development by reviewing, developing and instituting appropriate legislation on agricultural quarantine, import and export quality assurance, and environmental aspects of safe agriculture and livestock industries.
6. Strengthening institutional capacity including manpower levels, human resource development and quarantine infrastructure and facilities.

1.4 Functions

The National Agriculture Quarantine and Inspection Authority Act 1997 defines our functions.

In summary we:

- Provide quarantine inspection for international passengers, cargo, mail, animals, plants and animal or plant products arriving in PNG.
- Inspect and certify exports to ensure compliance with international quarantine standards.
- Facilitate the export of PNG agriculture by providing information, inspection and certification to meet overseas country requirements.
- Inspect and treat vessels, aircraft, vehicles, equipment and machinery used in importing and exporting animals, fish and plants.
- Regulate the movement of animals and plants within PNG to control and prevent the spread of pests and diseases.
- Undertake quarantine surveillance and monitoring at borders and within PNG.
- Monitor, assess and carry out tests on animals, fish and plants that are introduced into PNG to ensure they are free from pests and diseases.
- Provide analysis and identification of animal, fish and plant samples and pest and disease specimens.
- Respond to and control invasive pests and disease incursions.
- Raise public and industry awareness of quarantine and export requirements.
- Deliver general awareness programs and animal health extension services to rural communities.
- Establish and maintain links with government and industry clients and stakeholders.
- Liaise with other countries and international agencies in developing policies, strategies and agreements relating to quarantine matters.
- Recover the cost of providing services through a User Pay program.
- Provide policy and legislative advice to the Minister and Government on quarantine matters.

2. NAQIA IN 2008

2.1 Board

The current Board, was constituted in May 2007 and consists of elected representatives as described in section 7 of the NAQIA Act 1997. It includes member of PNG Livestock producers, processors, growers and the fishing industry. Government Departments are represented by Agriculture and Livestock (DAL), Commerce and Industry, National Fisheries Authority (NFA) and the Independent Consumer and Competition Commission (ICCC).

The Board has continued working closely with management to address many previous problems with the authority including the financial state, corporate governance, service delivery and staff and organizational capacity.

As a result of these efforts NAQIA is now able to operate its role as a standalone statutory authority from that of a government department and delivers adequate protection of PNG's bio-security and delivers a premium service to importers and exporters. The aim of the Board is that NAQIA will be the premium quarantine agency in the South Pacific.

2.2 Management

NAQIA's management team comprises the Managing Director and 3 General Managers for Operations, Technical and Advisory Services and Corporate Services divisions.

The Management of NAQIA endeavors to provide effective and efficient management role for the Authority through good governance and best business practice conventions. This has enabled the Authority to continue maintaining vital quarantine services throughout the year.

2.3 Operations Division

Operations Division is responsible for border management and implementation of the provisions of the NAQIA Act to ensure that quarantine services are delivered in the most effective manner possible in accordance with sanitary and phytosanitary standards thereby minimizing the risk of entry and spread of .invasive pest species in PNG..

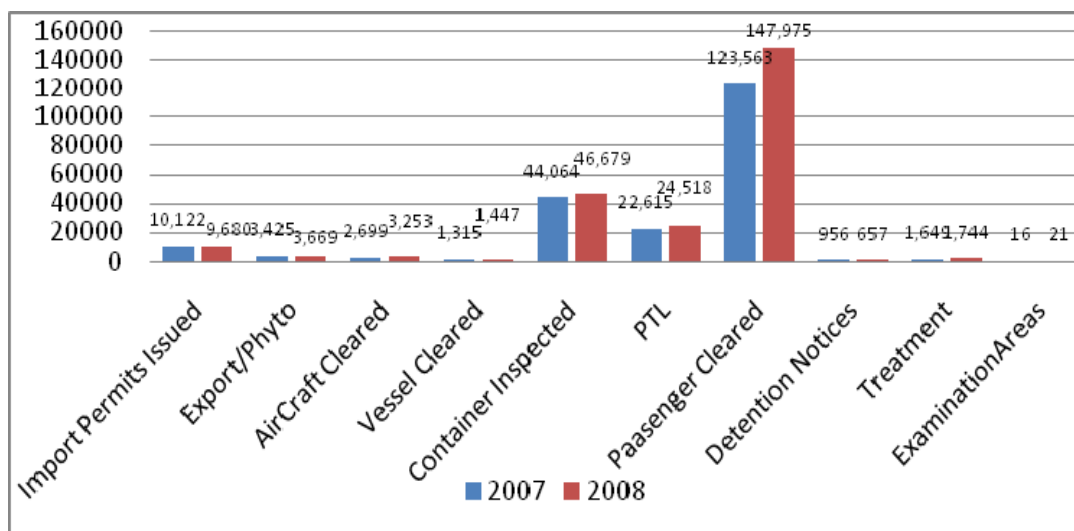
On the same token, the Division in consultation with the Technical Division and other line agencies facilitates inspection and certification of agricultural commodities and plant and animal products to ensure these goods meet the importing standards of our trading partners in consistent with IPPC and WTO trade guidelines.

The Operations has a total of 63 gazette officers conducting quarantine inspections and activities throughout the country.

The Division in 2008 facilitated trade in imports, exports and quarantine inspection and certification of agriculture commodities.

The number of imports and exports inspected by NAQIA in 2008 is shown below:

KEY INDICATORS



2.4 Technical and Advisory Services Division

The Technical and Advisory Division is responsible for plant and animal health services which comprises the National Veterinary Laboratory (NVL) and Veterinary Field Services. The Plant Health Service is only located in Port Moresby while the Veterinary services are established in Port Moresby, Lae, and Rabaul.

Activities undertaken by the Technical Services division include import risk analyses, development and progression of technical market access requests, pest and disease monitoring and surveillance, domestic meat and stock inspection activities, pest and disease detection, identification, reporting and pest and disease incursion response activities for animal and plant requirements.

2.4.1 Animal Plant & Disease Control

Bird Flu



In 2008, the animal and plant health protection services continues to be the primary function of NAQIA. The Division extensively collaborated with international and national industries during the year in surveillance and monitoring activities. These include collaborations in the areas of: -

In 2008 we continued with Monitoring and Surveillance and Public Awareness programs of the Avian Influenza (Bird Flu) disease. Work done on these included clinical and laboratory tests from samples collected from chicken and birds from routine programs such and the Newcastle Disease Eradication Program in Rabaul, the NAQS program and reported dying birds suspected of having symptoms of the disease

Q uarantine



Newcastle Disease.

The Newcastle Disease (ND) was declared under quarantine in December 2006. NAQIA Technical Officers conducted delimiting surveillance and provided technical input into other response activities like awareness, containment and diagnosis. NAQIA also trained provincial personnel in ND Operation to stamp out chickens in the areas identified in the East New Britain Province.

The emergency disease response activities have slowed down since the depopulation exercise in hotspots in June 2007. All containment procedures were maintained at airports and seaports under the Cocoa Pod Borer containment program. Inward movements of poultry and poultry products have been lifted, however, out-bound movements remain restricted. Restocking of depopulated villages are continuing but has been slow due to the capacity of the incubator which limits production of day old chicks.

We anticipate that restocking will end in March/April 2009. The Regional Veterinarian and technical team continue to monitor disease occurrence and reports. Several samples of diseased chickens were tested and results were all negative for the Newcastle disease virus.

An exit plan which entails final sampling strategies to declare freedom and establish provincial mechanisms to maintain monitoring and surveillance activities were drawn up. Proper implementation of the exit plan awaits central funding and a proposal was submitted to Treasury Department and still awaiting outcome.

Cocoa Pod Borer



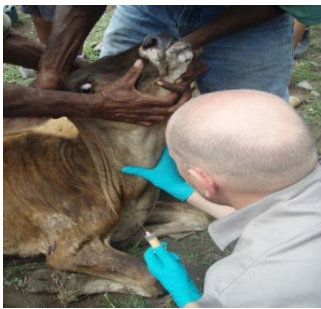
The cocoa pod borer (*Conopomorpha cramerella*) (CPB) is an invasive and destructive pest of cocoa. The first report of CPB outbreak in PNG was in 2006 in East New Britain and Sandaun Provinces. In both incursions, NAQIA declared the affected areas as a state of emergency to combat the CPB outbreaks and to prevent the spread of the pest to neighboring provinces. Work on this included establishing Emergency Response Units (ERU) to co-ordinate all CPB activities in the provinces and maintain Exit Points to minimize the likely spread of the pest to unaffected areas as part of the Eradication exercises.

It is now discovered that to eradicate the pest is not economically viable and therefore containment management strategies to live with the pest has been develop.

Exit points in ENB have been maintained to minimize risks for spread of the Cocoa Pod Borer (CPB). Current points maintained included Tokua Airport, Kokopo beach front and the Rabaul coastal wharves. Awareness is continuing for CPB in Vanimo, Aitape and Buka Contingency arrangement with Cocoa Pod Borer (CPB) operations in ENB Province to cover for Newcastle Disease at its check points is being done.

NAQIA met with stakeholders in Madang to develop containment strategies on the recently reported Cocoa Pod Borer pest and included in this meeting was discussion on the coconut disease outbreak in the Bogia area.

NAQS Sentinel and Annual Surveillance and Monitoring



The Surveillance and monitoring program jointly conducted by PNG and Australia (through its Northern Australia Quarantine Strategy (NAQS) program) is an ongoing activity at strategic locations along the border areas. Sentinel sampling done quarterly with a maximum of 10 samples from species of cattle, pigs, chickens, crocodiles and dogs and tested for selected diseases.

Samples from cattle are tested for Blue Tongue virus, Trypanosoma evansi (Surra) Foot & Mouth virus. Pig samples are tested for Classical Swine Fever, Porcine Reproductive & Respiratory Syndrome Virus, Swine Influenza, Aujeszky's Disease and Transmissible Gastro enteritis virus. Chicken samples are tested for New Castle Disease Virus and Avian Influenza virus. Crocodile samples are tested for Trichinella worm and dog samples are tested for Ehrlichiosis.

NAQS samples from chickens, pigs, and cattle in Lae, Vanimo, Kiunga and Daru coastal were received and dispatched to Australian Animal Health Laboratory (AAHL), to test for High Pathogenic Avian Influenza (HP AI), Newcastle Disease Virus, Surra, Blue Tongue Classical Swine Fever (CSF), Swine Influenza, Porcine Respiratory and Reproductive Syndrome (PRRS), Transmissible Gastro-enteritis (TGE) and Aujeszky's diseases.



Dog samples from Vanimo and Bosset village in the Western Province were included to test for Ehrlichiosis as there were sporadic cases of dogs dying in these areas. All 15 samples (6 for Vanimo and 9 from Bosset) returned NEGATIVE for Ehrlichiosis. Cause of these deaths is still unknown. All sentinel surveillance sites (Lae, Vanimo, Kiunga and Daru coastal) completed in November. Sentinel herd surveillance in PNG to be reviewed under new NAQS contract in September 2009.

Installation of a new ELISA machine will now enable us to periodically monitor level of vaccine in chickens (especially from New Guinea Tablebirds) which will include the Newcastle Disease Virus.

2.4.2 Other activities undertaken by the Technical Services Division

Varroa Mite Response

Since the detecting of pathogenic Varroa Mite in European honey bees in Goroka in June, a Provincial Task Force and a National Task Force has been established. The Provincial Task Force has been extended to a Regional Task Force because of the occurrence in mite beyond the Eastern Highlands Province.

The National Task Force has the Chief Veterinary Officer (CVO) as the interim chairperson with membership from DAL, NARI, LDC, Highlands Farmers and Settlers Inc.

The pathogenic varroa problem has now been confirmed to be an endemic mite that has turned pathogenic. It appears to be widespread in the Highlands region and therefore it is an endemic pest.

NAQIA's approach to this situation is that it is no longer a response to an incursion of a foreign pest but rather one of control of an endemic pest, that is, endemic pest under quarantine control.

Outbreak of Coffee Weevil in Simbu Province

A reported outbreak of weevils, *Oribius* spp. (Coleoptera: Curculionidae) were reported in the Simbu Province coffee growing areas, destroying coffee cherries feeding on cherries and foliage of the coffee plant.

At the request of the Coffee Industry Corporation (CIC), NAQIA and NARI Entomologists in September assisted with the investigations.

The investigations revealed that the *Oribius* spp were causing scarring of fruits while the major suspected insects causing severe damage consistence with sunken and empty cherries were bugs *Antestia semiviridis* (Hemiptera: Pentatomidae) and *Helicoverpa clavipes* (Hem.: Miridae). These insect pests are endemic and now a problem in coffee cherries.



- *Sunken damage on coffee cherries showing empty seeds when cut open.*

Suspected bugs causing severe damages to coffee cherries. Sucking mouth parts (proboscis). in red circles.



Helicoverpa clavipes (Hem.: Miridae)



Antestia semiviridis (Hem. Pentatomidae)

Coffee Berry Borer (CBB) Investigation in Sandaun Province

An investigation on a reported suspect of Coffee Berry Borer (CBB) caught in attractant traps set by CIC entomologist in Pasi Agriculture station and Bewani LLG – Sandaun Province was carried out in September. Results on the investigation in the Pasi and Bewani reported cases was that there was no damage or insects in the coffee cherries, therefore, it was not CBB.



*- Coffee cherries damaged by rodents
Overgrown Robusta coffee trees provides
for pests incursions & establishments.*



*-
reservoir*

Bogia Coconut Disease Investigation

An unknown disease killing mature coconut trees was first reported to NAQIA in November 2007.

The results of a survey conducted at that time showed that the disease was present in one of the local level government areas in the Bogia district of Madang Province.



The AQIS team and CPPO travelled to Madang to investigate the disease. In October 2008 and sent to the United Kingdom for phytoplasma testing.

Tests carried out in both Australia and United Kingdom indicated the presence of phytoplasma in some of the diseased samples. Because of the likelihood of bacterial contaminations in samples sent to Australia and UK, more samples need to be collected and sent abroad for further tests to verify the results.



Heart tissues prepared for disease laboratory diagnosis in Australia

Samples of inflorescence and heart tissues (or apical meristems) from diseased palms were collected and sent to Australia to screen if phytoplasma or virus/viroid was associated with the disease. Tests were carried out by the Northern Australia Quarantine Strategy (NAQS) quarantine plant health laboratory at James Cook University. Further samples of apical meristem from diseased and health trees were collected

2.5 Corporate Services Division

NAQIA's Corporate Services Division is responsible for human resources, information management, policy and planning, property services and finance and administration.

Staff are responsible for planning and administering corporate functions. Corporate Services is committed to ensure ongoing strategic planning and development within the organisation is progressed. The senior manager responsible for the Corporate Services Division will ensure the division progresses the capacity strengthening priorities in a strategic manner to support the operation of the Authority.

The Division is responsible for consolidating the administrative functions into the Corporate Services Division to allow administrative activities are undertaken by dedicated administrative officers to support the technical and operational staff dedicated to their duties for which they have been trained and placed.

2.5.1 Corporate Plan



The NAQIA Corporate Plan 2008-2012 developed, with the assistance of AusAid. Consultancy was launched by the Minister for Agriculture and Livestock in November. The Corporate Plan represents a commitment to improve planning and provides the framework for the development of business, work area and individual performance plans.

The strategic outcomes outlined in the NAQIA Corporate Plan fully support the Objectives of the National Agriculture Development Plan and the Government's 2005 to 2010 Medium Term Development Strategy

2.5.2 Capacity Review

From the formal cooperative partnership that was established in March 2007 between the Australian Quarantine and Inspection Service (AQIS) and NAQIA, under which this agreement, the Papua New Guinea-Australia Quarantine Twinning Scheme (PAQTS) is funded by AusAID to build on the capacity developed under the AQSP project, recommendations that have been accomplished included, recruitment of a Property/Asset Officer in February, staff trainings (AFAS Fumigation and Audit, Animal Disease Recognition and Control, Biosecurity knowledge and skills workshop etc), computer network and email communications progressed commencing with head office, draft PNG Biosecurity Information Facility Manual.



2.6 Human Resources



NAQIA continues to develop human resource requirements through training and placement of qualified and skilled personnel in key functional areas of the Authority. From the formal cooperative partnership that was established in March 2007 between the Australian Quarantine and Inspection Service (AQIS) and NAQIA, under which this agreement, the Papua New Guinea-Australia Quarantine Twinning Scheme (PAQTS) is NAQIA conducted a number of short term training workshops which included the budget preparation workshop, the Australian Fumigation Accredited Scheme (AFAS) in Port Moresby and Lae by NAQIA trained personnel for Quarantine Officers to build competency of officers in conducting and supervising fumigation. Personnel from fumigation companies also participated in this training.

NAQIA sent staff to attend other short term trainings overseas and in-country with assistance from PAQTS, SPC, PRIPPP, ACIAR, NAQS, NFA, Government of the People's Republic of China.

Staff attended trainings in; bio-security knowledge and skills in Melbourne, serology training in Townsville, prevention and treatment for animal epidemics and commodity inspection and product quality and food safety in China, live fish exports, avian influenza preparedness and planning in workshop, PNG National Phytosanitary Evaluation workshop, residue monitoring and containment, IATA dangerous goods regulations, animal disease recognition control, import risk analysis and animal survey workshop and also in-house Accpacc training for our Finance/Accounts staff.

In 2008. One officer graduated from Queensland University with Masters in Entomology. Four other officers, two males and two females are undergoing various Masters Degrees in Australia and United Kingdom, whilst one female officer is undergoing her final year in the Bachelor in Agriculture Science program at the PNG University of Technology.



2.7 Information Technology (IT) in NAQIA

The Information Technology (IT) in NAQIA is responsible for all IT related issues which included; Network Support, PC (Computer) Support, Application Support, General IT Support & Advise and Biosecurity Information Facilitation (BIF) activities associated with the Secretariat of the Pacific Community (SPC). Apart from the purchase and upgrading of computers, NAQIA's Local Area Network (LAN) was installed. A new Accpac server was also purchased and installed, which was followed by the migration of AccPac data into the server.

Also, the following draft policy manuals were completed; the Network Security and Administration policy and the PNG Biosecurity Information Facility (BIF) manual.

2.8 NAQIA Financial and Audit Report

The NAQIA Draft Financial Statements for 2008 has been completed in accordance with Public Finance Management Act of 1997, awaits the final Audit report by the Auditor General's Office. Management of NAQIA endeavors to provide effective and efficient financial services in the corporate section to meet operational conveniences.

Major sources of NAQIA's funding are from direct GoPNG budgetary allocation and Internal Revenue collection through the User Pay Policy quarantine fees and charges and other Donor organizations. The Unaudited Financial Report for 2008 is provided as at the time of producing this report the Auditor General's Office is yet to conduct annual audit inspection of the Authority's books for 2008.

3. Appendixes

3.1 DIRECTOR'S REPORT

The Director's present their report on the National Agriculture Quarantine & Inspection Authority's un-audited accounts for the year ended 31st December, 2008 and the state of affairs of the Authority at that date.

PRINCIPAL ACTIVITIES

The principal activity of the National Agriculture Quarantine & Inspection Authority during the year continues to be that of provision of National Agricultural Quarantine and surveillance services.

OPERATING RESULTS

1. The Authority recorded a net surplus of K 4,571,307 for the review year ended 31st December 2008 compared to a net surplus of K4,697,698 for the same period last year in 2007.
2. The Directors, state that, the net surplus is not a trading profit and therefore this figure must be read in conjunction with the notes to and forming part of the accounts for the year then ended.

Subject to the above, the Directors state in their opinion:

1. The results of the Authority's operation for the year under review have not been materially affected by items of an abnormal character.
2. No circumstances has arisen which render adherence to the existing method of valuation of the assets or liabilities misleading or inappropriate.
3. No contingent liabilities have arisen since the balance date of the accounts and the date of the report.
4. No contingent liability has become enforceable or is likely to become enforceable within twelve months from the date of the report which will materially affect the Company in its ability to meet its obligations as and when they fall due.
5. The Balance Sheet is drawn up so as to exhibit a true and fair view of the state of affairs of the Company as at 31st December, 2008. And further that the annexed Profit and Loss Statement is drawn up so as to give a true and fair view of the results of the business of the Authority for the year then ended.

Signed in accordance with a resolution of the directors on behalf of the Board

.....
Chairman

.....
Director

Declared at Port Moresby, PNG

This..... day of Feb 2009

3.2 MANAGEMENT'S DECLARATION

The management of the National Agriculture Quarantine and Inspection Authority, in accordance with Section 63 of the Public (Finances) Management Act 1986 as amended do solemnly and sincerely declare as follows: -

1. That the foregoing financial statements were prepared in accordance with generally accepted standard of accounting principles (International Accounting Standards).
2. The accounting treatment applied, to record the financial transactions of the Authority during the period under review are consistent and in conformity with the International Accounting Standards (adopted by the PNG Institute of Accountants).
3. The financial transactions of the Authority were conducted in accordance with the provisions of the Public Finance Management Act 1986 as amended.
4. The accompanying Balance Sheet and the Statement of Revenue and Expenditure of the said are, to the best of our knowledge fairly stated and correct.

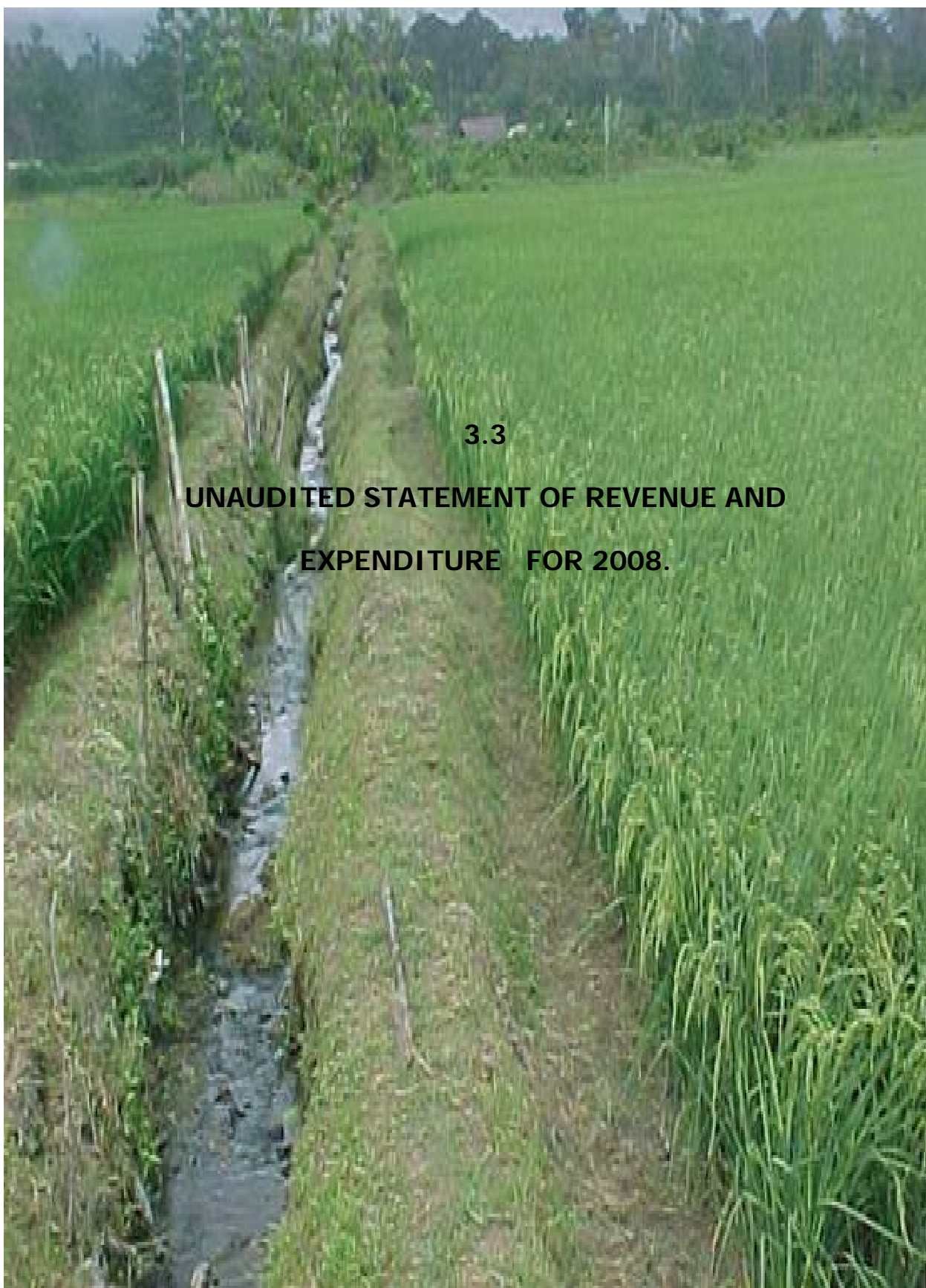
And we make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths, Affirmations and Statutory Declarations Act, Chapter 317 of the Revised Laws of Papua New Guinea.

Declared at Port Moresby, PNG

Mr Andrew Yamanea, MBE

MANAGING DIRECTOR

This day of Feb, 2009



3.3

UNAUDITED STATEMENT OF REVENUE AND EXPENDITURE FOR 2008.

Statement of Revenue and Expenditure For The Year Ended December 31, 2008

	Notes	2008 PNGK	2007 PNGK
REVENUE:			
Government Subsidized Grant	2	2,675,713	2,492,413
Fees and Charges		8,466,605	7,825,664
Total Revenue		<u><u>11,142,318</u></u>	<u><u>10,318,077</u></u>
 EXPENDITURE:			
Annual Audit Fees		33,000	38,800
Annual Insurance Premium		193,702	159,734
Board Expenses		114,709	43,570
Consultancy/Professional Charges		38,119	87,422
Depreciation Charges		481,696	378,022
HRM - Recruitment Costs		12,013	17,652
HRM - Training Costs		52,215	28,308
Management Costs		173,222	70,899
Motor Vehicle Expenses		443,771	354,782
Operational Supplies	4	527,725	372,431
Public Relations/Awareness		86,188	82,797
Repairs & Maintainance		294,477	131,371
Residential & Office Rental Leases	4	365,125	321,476
Staff Costs	4	4,240,063	4,045,711
Duty Travelling & Subsistence	4	478,567	344,688
Utility Expenses	4	440,411	352,158
Total Expenses		<u><u>7,975,003</u></u>	<u><u>6,829,821</u></u>
Earnings/(Losses) from Operations		<u><u>3,167,315</u></u>	<u><u>3,488,256</u></u>
Government Special Project Funding:			
Government Grant	2	1,753,544	1,601,606
Government Grant Expenditure		296,575	504,588
Government Unexpended Grant		<u><u>1,456,969</u></u>	<u><u>1,097,018</u></u>
External Donor Funding:			
Donor Grant	2	471,058	567,334
Donor Grant Expenditure		524,036	454,910
Donor Unexpended Grant		<u><u>(52,978)</u></u>	<u><u>112,424</u></u>
 Net Earnings/(Losses)		 <u><u>4,571,306</u></u>	 <u><u>4,697,698</u></u>

To be read in conjunction with the notes thereto

Balance Sheet Statement

As at 31st December, 2008

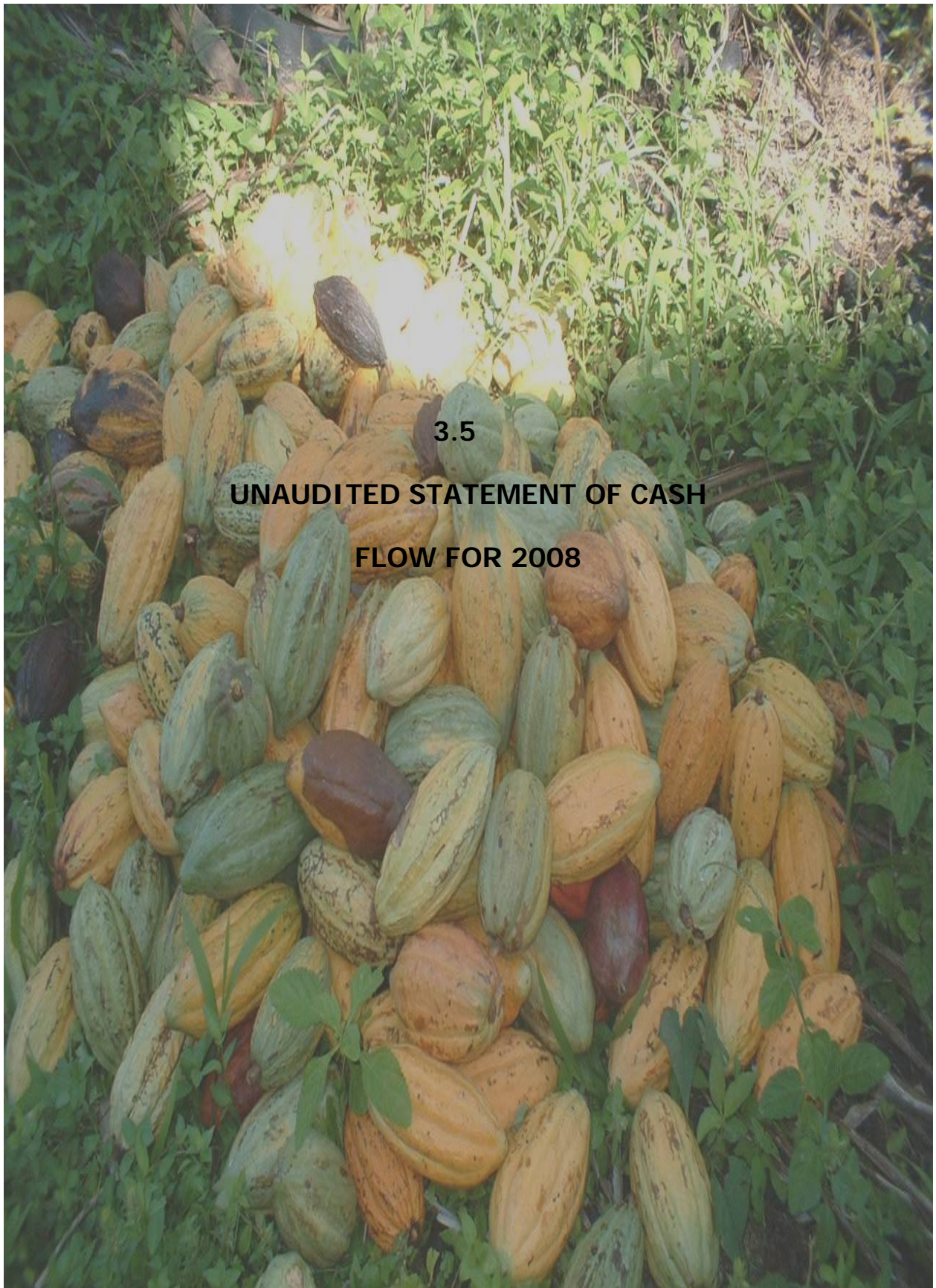
	Notes	2008 PNGK	2007 PNGK
Current Assets			
Cash in Bank & on Hand	3	2,598,594	5,398,081
Interest Bearing Deposit [IBD]	5	12,644,123	6,243,083
Trade Debtors & Prepayments	3	475,249	549,427
Total Current Assets		15,717,966	12,190,591
Non Current Assets			
Property, Plant & Equipment	10	5,609,808	5,344,158
Total Non Current Assets		5,609,808	5,344,158
Total of Assets		21,327,774	17,534,749
Current Liability			
Trade Creditors & Accruals	3	392,596	394,169
Total Current Liability		392,596	394,169
Long Term Liability			
Training Bond	3	-	-
Total of Liabilities		392,596	394,169
Net Assets		20,935,178	17,140,580
Represented by:			
Capital Account			
Retained Earnings Account	3	18,608,035	14,813,437
Asset Revaluation Reserve	3	2,327,143	2,327,143
Accumulated Capital		20,935,178	17,140,580

To be read in conjunction with the notes thereto



Statement of Cash Flow
For the Year Ended 31st December 2008

	2008	2007
	PNGK	PNGK
Operating Profit After Income Tax	4,571,306	4,697,698
Less: Interest Received	(275,345)	(111,448)
Less: Net Other Donor Grants	(1,403,991)	(1,209,442)
Add/(Less): Prior year adjustments	(776,709)	(644,246)
Add: Non Cash flow Item		
Depreciation	481,696	378,022
Loss/(Gain) on disposal of Fixed Assets	72,241	20,746
Total funds from Operations	2,669,198	3,131,330
Add/(Less): Changes in Assets & Liabilities		
Trade & Other Debtors: (Increase)/Decrease	74,178	(53,380)
Trade Creditors & Accruals: (Decrease)/Increase	(1,573)	76,204
Net Movement in Assets & Liabilities	72,605	22,824
Cash flow from Operations	2,741,803	3,154,154



3.5

**UNAUDITED STATEMENT OF CASH
FLOW FOR 2008**

Notes 1 Statement of Significant Accounting Policies

The following explains the significant accounting policies, which have been adopted in preparation of the Authority's accounts.

The National Agriculture Quarantine & Inspection Authority adopted a breed of commercial (accrual) and government (cash) accounting system beginning in 1999 in the preparation of the financial accounts of the Authority.

Principal Accounting Policies

a) Cash Basis and Accrual System of Accounting

Cash and accrual basis was used to record revenue and expenditure accounts. This means that expenditure was recorded when incurred or paid, while the revenue was recorded upon receipt of cash or issuance of invoice to customer.

b) Accounting Convention

The financial statements are prepared following the historical cost convention.

c) Accounting Standards

The financial statements are prepared in accordance with (as applicable) the Papua New Guinea Institute of Accountants/International Accounting Standards and make the fullest disclosure of material facts relating to the accounts.

d) Depreciation of Assets

All depreciable assets of the Authority are depreciated every year. The applicable depreciating rates used are those allowable by the Internal Revenue Commission. The diminishing value method is used to depreciate property and assets. Depreciation starts in the year of acquisition and on a prorated basis. The rates used are;

Depreciation	Applicable Rate
Furniture's & Fittings	7.5%
Motor Vehicles	20.0%
Plant & Equipment	7.5%
Computers	20.0%
Buildings	2.0%

e) Public Finance Management Act 1986 as Amended

The National Agriculture Quarantine & Inspection Authority is a statutory body of the government, thus the financial activities of the Authority are conducted in line with the provisions of the Public Finance Management Act of 1986 as amended.

f) Capital Assets

Assets acquired with useful or economic lives that will exceed one year and that the amount is not less than K500 are capitalized in the year of acquisition and charged to the capital account in the balance sheet.

g) Cost Recovery Model

The National Agriculture Quarantine & Inspection Authority as a national government agency implemented the Government “User-Pay –Policy” by charging fees for quarantine services rendered. The basis for the imposition of fees and charges levied to its clients for the supply of quarantine service is on cost recovery model.

h) Income Tax

NAQIA being a government entity is exempted in the filing and payment of income tax under the Income Tax Act 1959.

i) Operating Surplus/(Deficit)

The operating surplus/(deficit) is determined after charging;

Expenditure	2008 PNGK	2007 PNGK
Audit Fees	33,000	38,800
Depreciation	481,696	378,022
Consultancy/Professional Fees	38,119	87,422
Chargeable Interest	_____	_____

j) Going Concern

The National Agriculture Quarantine and Inspection Authority is a non profit government statutory organization. The Authority is expected to have a perpetual life and conduct business in accordance with powers accorded by the legislative Act. The viability and sustainability of the Authority's operations is dependent on receiving continued Government budgetary support whilst it uses the "User-Pay-Policy" to raise funds to facilitate shortfalls and sustain its day to day operations.

Note 2

Donor Grants

The Authority acknowledges budgetary support it receives from the government of PNG to fund the Authority's recurrent and development programs including development partners and donor agencies for the support given, which are tied to specific quarantine and bio-security projects of mutual benefit to giver and the recipient.

Donor Agency	2008 PNGK	2007 PNGK
Government Grants:		
Government Grant - Salary Item	2,675,713	2,492,413
Additional Special Project Funding		
Cocoa Pod Borer	-	-
New Castle Disease	-	1,000,000
NAQIA New Castle Disease	-	250,000
Avian Influenza	1,000,000	-
PIP [Public Investment Programs]		500,000
Subtotal	<u>1,000,000</u>	<u>1,750,000</u>
Grant transfers to Line Agencies	<u>(50,000)</u>	<u>(730,175)</u>
Balance afetr line agency transfers	950,000	1,019,825
Add: Carry Over Funds - Special Project Funding		
Cocoa Pod Borer	-	-
New Castle Disease	63,053	(92,912)
Avian Influenza	461,695	674,693
PIP [Public Investment Programs]	278,796	-
Subtotal Carry Over Funds	<u>803,544</u>	<u>581,781</u>
Total Reconciled to Income Statement	<u>1,753,544</u>	<u>1,601,606</u>
Grand Total - Government Funding	<u>4,429,257</u>	<u>4,094,019</u>
External Donor Grants		
SPC Commission	59,981	242,603
IPPC - IPPC/ISPMC Activities	1,599	7,034
NAQS Border Survey	122,944	190,592
NAQS Sentinetal	257,890	118,898
ACIAR Banana Fusarium Wilt	-	5,225
New Castle Disease	16,280	-
Other Donors	12,364	2,982
	<u>471,058</u>	<u>567,334</u>

	2008 PNGK	2007 PNGK
3.1 CASH AT BANK AND ON HAND		
Westpac Trust Account	1,421,494	803,545
BSP Bank Operating Account	(94,754)	(103,376)
BSP Bank Revenue Account	892,427	4,216,301
BSP Bank Donor Imprest Accounts	368,723	480,761
BSP Bank Monase Imprest Accounts	9,854	0
PCF Headquarters	850	850
	<u>2,598,594</u>	<u>5,398,081</u>
3.2 TRADE & OTHER DEBTORS CONTROL		
Trade Debtors Control	357,747	397,469
Other Debtors & Prepayment Account	117,502	151,958
	<u>475,249</u>	<u>549,427</u>
3.3 TRADE CREDITORS & ACCRUALS		
Trade Creditors Control	-	-
Other Creditors & Accrued Expenses	392,596	394,169
	<u>392,596</u>	<u>394,169</u>
3.4 RETAINED EARNINGS ACCOUNT		
Retained Earnings	14,813,437	10,759,983
Profit (loss) for period	4,571,307	4,697,698
Add/(Less) Prior Year Adjustment	(776,709)	(644,244)
Asset Revaluation Reserve	2,327,143	2,327,143
	<u>20,935,178</u>	<u>17,140,580</u>
3.5 ASSET REVALUATION RESERVE		
<p>The asset revaluation reserve is the differential in historical and market value of property [buildings] as valued by professional valuer based on market conditions, practices and property profile relating to properties that NAQIA has certified title ownership.</p>		

Note 3 **Explanatory notes on Balance Sheet Statement of Accounts**

The following are explanatory notes to notes accompanying the balance sheet and the statement of revenue and expenditure.

Note 4 **Explanatory notes on Income and Expenditure Statement**

4.1 **Staff Costs**

Salaries including other employee benefits are paid to all employees of NAQIA through: (1) National Computer Center - NCC and; (2) manual or internal payroll payment to employees not on the government payroll including the salary differential.

The Authority runs a dual payroll through the government Concept payroll and the internal payroll to pay employees with respect to the salary component. This is because the salary rates for NAQIA as approved by DPM/SCMC are higher than the normal public service level due to its technical nature. The differential is funded from internal sources within the Authority's capacity.

In 2008, the Board directed the management salary review team to review the NAQIA staff remuneration level, which was not done since 1998 with a view to enable comparability and competitiveness with the industry and statutory levels relative to the market practice. This was completed and a decision is pending to be decided by the Board.

4.2 **Board Expenses**

Board expenses relate to costs incurred to hold the full and statutory board meetings for the four quarters in 2008 compared to only one board meeting held in 2007. Also the Managing Directors cost for an overseas trip relating to a representative meeting to the value of K23,294.86 was included.

4.3 **Management Costs**

Management cost included expenses incurred for ACCPAC software upgrade, information technology in respect of replacement server installation, and legal costs incurred in the on-going legal case relating to staff terminations.

4.4 Motor Vehicle Expenses

Motor Vehicle expenses include running costs such as fuel, repairs and maintenance, vehicle hire, third party insurance and registration incurred in the normal course of doing business. The increase in vehicle costs in 2008 was attributed to high fuel costs and general service including repairs and maintenance for the aging fleet.

4.5 Operational Supplies

Operational supplies or goods and services relate to other operational expenditures such as office and operational supplies and materials, veterinary drugs/chemicals, staff uniforms and many others not categorically classified under the expenditure disclosures. The increase in the cost of operational supplies in 2008 was attributed to purchase of staff uniforms and bulk supplies.

4.6 Repairs and Maintenance

Repairs and maintenance costs are incurred for the improvement of facilities, equipment, plant and infrastructure which includes renovation to staff houses and office buildings to improve working conditions for staff and provide safety first work environment

4.7 Office & Staff Residential Rental

Rental expenses incurred are in respect of rented accommodation provided to contract officers of the Authority in accordance with the terms and conditions of the employment contract and for the office leases from the PNG Ports Corporation Ltd.

4.8 Duty Travel and Subsistence

Expenses incurred for duty travel and subsistence are for travel by officers of the Authority on official business. It includes costs such as airfares, accommodation, transport hire, per diem and clothing allowances incurred for Officers of the Authority to attend to cases of disease incursions and border surveillance including coordinating logistical support.

4.9 Utility Expenses

Utility expenses included telephone, electricity, water and sanitation charges incurred in the normal business of NAQIA. Increase in utility costs was attributed to high volume consumption in telephone usage for business related purposes and high utility rates.

Note 5 Strategic Capital Development Fund

In accordance with “NAQIA Act 1997”, the Authority has continued to build up strategic capital reserves from expenditure savings and marginal over recoveries made in fees and charges through prudent management. This is to progress the infrastructural and capital development programs of the Authority that are necessary to enhance the delivery of the bio-security services and the facilitation of international trade beneficial for the socio-economic development of the country including meeting compliance requirements of the international WTO SPS regulatory standards.

Shot-term Interest Bearing Deposit	2008	2007
	PNGK	PNGK
Credit Corporation Ltd	1,420,893	2,451,338
First Investment Finance	810,353	1,142,136
Kina Finance	792,927	1,713,831
ANZ Bank PNG Ltd	428,626	420,876
Westpac Bank PNG Ltd	527,471	514,902
Bank of South Pacific Ltd	8,663,852	-
IBD Funds held as at 31st December	12,644,122	6,243,083

The source of the increase in term deposits during the year ended December 31st, 2008 was attributed to net cash provided from operations, income from investing activities and conversion of cash funds from prior year to term deposit.

Note 6 Asset Growth

NAQIA plays a vital role to protect and maintain bio-security measures for the sovereign state of PNG. The Authority's capacity and capabilities to deliver effective and efficient bio-security service depend on continued funding through government appropriation grant. Any decline in funding support may in the long-term have detrimental effect to trade facilitation, protection of the environment for sustainable agriculture, and also the protection of the health of plant and animal life including food safety for human consumption

Asset Growth	2008 PNGK	1997 PNGK
Net Asset Growth	20,935,178	226,040

Note 7 Asset Revaluation

The International Accounting Standards IAS 16 is used in valuation of property, plant and equipment with respect to timing of its recognition as an asset, the determination of the carrying value of these assets and the recognition of the depreciation charge. The Authority adopts a flexible policy to revalue certain classes of assets in line with prevalent market conditions to recognize the fair and realisable or the carrying value of the asset.

Note 8 Manage Risks and Insurance

The NAQIA management conducts its business in accordance with international best business management practices to minimize risks of losses that may arise from property damage, personal work related injuries by ensuring a safety first working environment and in addition provides insurance cover for property and personnel. All properties and personnel were insured with the professional risk management company, Pacific Assurance Group, on an annual basis.

NAQIA also manages risks of entry, establishment and spread of undesirable pest and diseases of plant and animal origin from both within and outside of the country by maintaining effective surveillance and monitoring at border posts and at inspection contact points like airport, seaport and postal services in strategic locations

	2008 PNGK	2007 PNGK
Annual Insurance Premium	K193,702	K159,734

The following insurance policies are covered;

Motor Vehicle	MV
Industrial Special Risks	ISR
Marine Hull	MH
Public Liability	PL
Board & Officers Liability	B&O
Personal Accident [Executive Staff]	PA
Medical & Repatriation [Exec Staff]	M&R
Medical & Repatriation [National Staff]	M&R

Note 9 Reconciliation of Cash flow from Operating Activities

Statement of Cash Flow		
For the Year Ended 31st December 2008		
	2008	2007
	PNGK	PNGK
Reconciliation of Cash Flow Movement		
Cash flow from Operating Activities		
Receipts from Customers	8,466,605	7,825,664
Add: PNG Government Grants - Salary Item	2,675,713	2,492,413
Less: Payments to Suppliers & Employees	<u>(8,400,515)</u>	<u>(7,163,923)</u>
	<u>2,741,803</u>	<u>3,154,154</u>
Cash flow from Investing Activities		
Purchase of Fixed Assets	(819,586)	(249,179)
Interest Received on IBD	<u>275,345</u>	<u>111,448</u>
Net Cash Provided by Investing Activities	<u>(544,241)</u>	<u>(137,731)</u>
Movement in cash Balances		
Net Increase/(Decrease) in Cash Held	2,197,562	3,016,423
Add: Net Funds from Donor Activities	1,403,991	1,209,442
Add: Cash at Beginning of the Year	<u>11,641,164</u>	<u>7,415,299</u>
Total Cash at End of Year	<u>15,242,717</u>	<u>11,641,164</u>
Reconciliation of Cash Position		
Balances held in bank accounts and on hand	2,598,594	5,398,081
IBD Balances held with Financial Institutions	<u>12,644,123</u>	<u>6,243,083</u>
Grand Total Cash on Hand and at Bank	<u>15,242,717</u>	<u>11,641,164</u>

For the purposes of this statement of cash flows, cash includes;

- (1) Cash on hand & deposits with financial institutions & net of bank overdrafts
- (2) Investments in money market institutions maturing within less than two months

Note 10 Assets, Property and Equipment

No.	Description	Opening Balance	Additions at Cost	Asset Revaluation	Disposals at Cost	Historical Total Cost	Depreciation			Net Book Value
							Opening Bal	Charge	Ending Bal	
		01/01/2008	31/12/2008	31/12/2008	31/12/2008	31/12/2008	01/01/2008	31/12/2008	31/12/2008	31/12/2008
1	Veterinary Clinic	1,000	76,167	-	1,000	76,167	7,974	5,115	13,088	63,079
2	Furniture & Fittings	410,984	48,095	-	5,325	453,755	154,234	20,841	175,076	278,679
3	Office Equipment	209,755	24,822	-	5,306	229,271	55,647	11,646	67,293	161,978
4	Plant & Machinery	231,011	4,091	-	76,167	158,934	70,349	1,546	71,895	87,040
5	Land & Buildings	4,237,157	-	-	-	4,237,157	632,711	40,692	673,403	3,563,754
6	Communication	201,557	7,589	-	-	209,146	63,384	14,538	77,922	131,223
7	Computers	439,413	95,349	-	17,522	517,240	192,598	56,593	249,191	268,048
8	Motor Vehicles	2,038,614	563,472	-	-	2,602,087	1,372,771	173,310	1,546,080	1,056,006
	GRAND TOTAL	7,769,491	819,586	-	105,321	8,483,756	2,549,668	324,281	2,873,949	5,609,808



AUDITOR-GENERAL'S OFFICE

TELEPHONE : 301 2200
FAX : 325 2872

P. O. BOX 423
WAIGANI
PAPUA NEW GUINEA

The Managing Director
National Agriculture Quarantine & Inspection Authority
PO Box 741
PORT MORESBY
National Capital District

Date: April 27, 2009
Our Reference: 31-12-4
Action Officer:
Designation:
Your Reference:
Date:

Dear Sir,

AUDIT REPORT ON THE FINANCIAL STATEMENTS OF NATIONAL AGRICULTURE QUARANTINE & INSPECTION AUTHORITY - 2007

I enclose a copy of the Auditor-General's report together with a copy of the certified financial statements for the year ended **31 December, 2007**.

In accordance with *Section 63(2) of the Public Finances (Management) Act 1995* please ensure that your organization furnishes to the Minister a report of your operations during the year ended 31 December 2007, together with the financial statements in respect of that year and the Auditor General's report thereon for tabling in Parliament as required under *Section 63(5) of the Public Finances (Management) Act 1995*. A copy of such report when furnished to the Minister, should also be forwarded to this Office.

Kindly take note that *Section 63(6) of the aforementioned Act* also requires that when a report or financial statement of a Public Body is reproduced for publication or for other purposes, the report of the Auditor General shall be included in the reproduction

Yours faithfully,

SINGER PRATHABAN
Assistant Auditor-General
(Statutory Bodies Branch)
FOR: AUDITOR-GENERAL



National Agriculture Quarantine & Inspection Authority
Office of the Managing Director

30th April 2009

Hon. John Hickey, CBE, MP
Minister for Agriculture and Livestock
Monian Tower
Level 5
Port Moresby
National Capital District.

My dear Minister

Subject: AUDITOR GENERAL'S REPORT FOR 2007

Sir, I attach herewith certified report for year 2007 on the Authority's books and letters pertaining to the report from the Auditor General confirming the completion of the audit.

The certified audit report will be included as attachment to the unaudited financial statements of 2008 in the annual report.

For your information the 2008 records are yet to be inspected by the auditors at the time of writing this letter and as such we have included it as unaudited version in the 2008 annual report.

I humbly submit the attached documents for your information.

Yours faithfully

ANDREW YAMANE, MBE.
Managing Director

P. O. Box 741, Port Moresby, Papua New Guinea
Phone: (675) 311 2100/311 2113/ 311 2114/ 311 2755 Facsimile: (675) 325 1674/325 1673
LOCATION: Tropicana Building, Waigani Drive.
Email: naqia@dg.com.pg

Sustaining Development through better Plant and Animal Health



Level 6, Tisa Haus
P.O. Box 423, WAIGANI, Papua New Guinea.
Phone: (675) 301 2200 Fax: (675) 325 2872
Email: agopng@ago.gov.pg



The Honourable John Hickey, MP
Minister for Agriculture & Livestock
Department of Agriculture & Livestock
PO Box 2033
PORT MORESBY
National Capital District

Date: *April 27, 2009*
Our Reference: *30-82-4*
Action Officer
Designation:
Your Reference:

Dear Sir,

AUDIT REPORT ON NATIONAL AGRICULTURE QUARANTINE & INSPECTION AUTHORITY FOR THE YEAR ENDED 31 DECEMBER 2007

In accordance with Section 8(4) of the *Audit Act, 1989 (as amended)*, I have audited the accompanying financial statements of the **National Agriculture Quarantine & Inspection Authority** for the year ended **31 December, 2007** as set out on pages 5 to 16, submitted by the Institute under Section 63(4) of the *Public Finances (Management) Act, 1995*. The Authority's Board is responsible for the preparation and presentation of these financial statements and the information contained therein. I have conducted an independent audit of these financial statements in order to express an opinion on them.

My audit was conducted in accordance with the *International Standards on Auditing* as promulgated by the International Federation of Accountants, to provide reasonable assurance as to whether the financial statements are free of material misstatements. My audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, the assessment of the policies used and significant accounting estimates, and the overall presentation of the financial statements. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly and in accordance with generally accepted accounting practice, which also requires, amongst other things, compliance with *International Financial Reporting Standards and Statements of Accounting Standards of the Certified Practising Accountants of Papua New Guinea*, and other statutory requirements so as to present a view which is consistent with my understanding of the Authority's financial position and the results of its operations. I believe that my audit provides a reasonable basis for my opinion.

The audit opinion expressed was formed on the above basis and this report contain the following qualifications.

“QUALIFICATION

1. FIXED ASSETS

The accounts and records of the fixed assets have not been properly maintained by the Authority. The fixed assets register did not capture detail description and the location of various assets amounting to K 246,307. Further, there was no proper inventory report maintained for certain assets therefore, I could not verify nor ascertain the accuracy, valuation and existence of the assets at the year end.

2. EXTERNAL DONOR GRANTS - K567,334

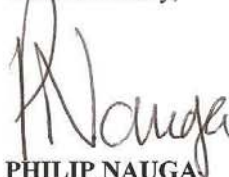
The Authority received K 567,334 during the year as grants from various donor Agencies. I was not able to verify the total receipts from donor Agencies due to lack of supporting documentation. Further, I was not able to sight the memorandum of understanding or agreements with the donor agencies. Due to the limitation on the scope of my examination, I was unable to confirm the accuracy of the total grants received during the year.

QUALIFIED AUDIT OPINION

In my opinion, except for the effects of the matters referred to in the qualification paragraphs above:

- (a) the financial statements of the Authority are based on proper accounts and records; and
- (b) the financial statements are in agreement with those accounts and records, and show fairly the state of affairs of the Authority as at 31 December, 2007, and the results of its financial operations and cash flows for the year then ended”.

Yours faithfully,



PHILIP NAUGA
Deputy Auditor-General
(Statutory Bodies Branch)

Delegate of the Auditor-General



Level 6, Tisa Haus
P.O. Box 423, WAIGANI, Papua New Guinea.
Phone: (675) 301 2200 Fax: (675) 325 2872
Email: agopng@ago.gov.pg



The Honourable John Hickey, MP
Minister for Agriculture & Livestock
Department of Agriculture & Livestock
PO Box 2033
PORT MORESBY
National Capital District

Date:

April 27, 2009
30-82-4

Our Reference:

Action Officer

Designation:

Your Reference:

Dear Sir,

AUDIT REPORT ON NATIONAL AGRICULTURE QUARANTINE & INSPECTION AUTHORITY - 31 DECEMBER 2007

In accordance with Section 8(2) of the *Audit Act, 1989 (as amended)*, I have inspected and audited the accounts and records of financial transactions, and the records relating to the assets and liabilities and assets in the custody of the **Authority** for the year ended **31 December, 2007**.

My report in terms of Section 8(4) of the *Audit Act, 1989 (as amended)*, on the Institute's financial statements for the year ended *31 December, 2006* was forwarded to you under separate cover on even date. My report did not contain any comments.

“QUALIFICATION

1. FIXED ASSETS

The accounts and records of the fixed assets have not been properly maintained by the Authority. The fixed assets register did not capture detail description and the location of various assets amounting to K 246,307. Further, there was no proper inventory report maintained for certain assets therefore, I could not verify nor ascertain the accuracy, valuation and existence of the assets at the year end.

2. EXTERNAL DONOR GRANTS - K567,334

The Authority received K567,334 during the year as grants from various donor Agencies. I was not able to verify the total receipts from donor Agencies due to lack of supporting documentation. Further, I was not able to sight the memorandum of understanding or agreements with the donor agencies. Due to the limitation on the scope of my examination, I was unable to confirm the accuracy of the total grants received during the year.

QUALIFIED AUDIT OPINION

In my opinion, except for the effects of the matters referred to in the qualification paragraphs above:

- (a) the financial statements of the Authority are based on proper accounts and records; and
- (b) the financial statements are in agreement with those accounts and records, and show fairly the state of affairs of the Authority as at 31 December, 2007, and the results of its financial operations and cash flows for the year then ended”.

OTHER MATTERS

1. TITLE DEEDS TO PROPERTIES

The Authority did not provide copies of title deeds to forty-five (45) of its total properties that are located nationwide. The Authority does not have legal ownership over these properties and accordingly has not complied with *International Accounting Standard 16 (IAS 16)*. I brought this matter to the Authority’s attention and it responded to my observation as follows:

“NAQIA took over assets and properties previously owned by Department of Agriculture and Livestock for the Quarantine section. This was when the quarantine function was separated from the Department; all Quarantine lands and buildings were transferred to NAQIA however relevant certificates authorizing occupancy and title deeds still held by the department.

NAQIA applied to the Department of Lands for the transfer of all lands and properties and only some were approved by the Lands Board whilst most lands were still held by the Department. There are properties purchased by Authority directly from various property owners which title deeds are in possession of the Authority.

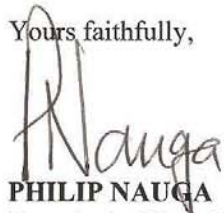
Management continues to follow up with Department of Lands & Physical Planning (DLPP) to have the CAO's and title deeds transferred for all quarantine land from the Department of Agriculture and Livestock"

2. NON COMPLIANCE WITH GOODS & SERVICES TAX

The financial statements disclosed net GST amount of K269,231 at the year end. The Authority could incur penalties under the GST Act sections 63-66, section 85(1) and 95 which requires returns to be submitted within 21 days from the end of a taxable period (end of each month). The Authority, as a GST registered entity did not comply with the provision as stipulated in the Act.

I recommended management to observe and comply the GST Act and the management concurred with my recommendation and agreed to clear the arrears.

Yours faithfully,



PHILIP NAUGA
Deputy Auditor-General
(Statutory Bodies Branch)

Delegate of the Auditor-General

NATIONAL AGRICULTURE QUARANTINE & INSPECTION AUTHORITY Statement of Revenue and Expenditure For The Year Ended December 31, 2007

	Notes	2007 PNGK	2006 PNGK
REVENUE:			
Government Subsidized Grant	2	2,492,413	1,847,946
Fees and Charges		7,825,664	7,733,003
Total Revenue		10,318,077	9,580,949
EXPENDITURE:			
Annual Audit Fees		38,800	31,980
Annual Insurance Premium		159,734	181,958
Board Expenses		43,570	110,029
Consultancy/Professional Charges		87,422	79,077
Depreciation Charges		378,022	330,755
HRM - Recruitment Costs		17,652	17,953
HRM - Training Costs		28,308	50,084
Management Costs		70,899	74,220
Motor Vehicle Expenses		354,782	369,148
Operational Supplies	4	372,431	421,897
Public Relations/Awareness		82,797	103,049
Repairs & Maintainance		131,371	153,507
Residential & Office Rental Leases	4	321,476	358,329
Staff Costs	4	4,045,711	3,375,388
Duty Travelling & Subsistence	4	344,688	353,602
Utility Expenses	4	352,158	352,972
Total Expenses		6,829,821	6,363,948
Earnings/(Losses) from Operations		3,488,256	3,217,001
Government Special Project Funding:			
Government Grant	2	1,601,606	-
Government Grant Expenditure		504,588	-
Government Unexpended Grant		1,097,018	-
External Donor Funding:			
Donor Grant	2	567,334	1,292,382
Donor Grant Expenditure		454,910	610,028
Donor Unexpended Grant		112,424	682,354
Net Earnings/(Losses)		4,697,698	3,899,355

To be read in conjunction with the notes thereto



Sustaining Development through better Plant and Animal Health

NATIONAL AGRICULTURE QUARANTINE & INSPECTION AUTHORITY

Balance Sheet Statement As at 31st December, 2007

	Notes	2007 PNGK	2006 PNGK
Current Assets			
Cash in Bank & on Hand	3	5,398,081	1,284,388
Trade Debtors & Prepayments	3	549,427	496,047
Interest Bearing Deposit [IBD]	5	6,243,083	6,131,635
Total Current Assets		12,190,591	7,912,070
Non Current Assets			
Property, Plant & Equipment	10	5,344,158	5,493,021
Total Non Current Assets		5,344,158	5,493,021
Total of Assets		17,534,749	13,405,091
Current Liability			
Trade Creditors & Accruals	3	394,169	297,316
Total Current Liability		394,169	297,316
Long Term Liability			
Training Bond	3	-	20,649
Total of Liabilities		394,169	317,965
Net Assets		17,140,580	13,087,126
Represented by:			
Capital Account			
Retained Earnings Account	3	14,813,437	10,759,983
Asset Revaluation Reserve	3	2,327,143	2,327,143
Accumulated Capital		17,140,580	13,087,126

To be read in conjunction with the notes thereto



Sustaining Development through better Plant and Animal Health

NATIONAL AGRICULTURE QUARANTINE & INSPECTION AUTHORITY

Notes to and forming part of the Accounts for the Year Ended 31st December, 2007

Statement of Cash Flow For the Year Ended 31st December 2007

	2007	2006
	PNGK	PNGK
Operating Profit After Income Tax	4,697,698	3,899,355
Less: Interest Received	(111,448)	(83,695)
Less: Net Other Donor Grants	(1,209,442)	(749,565)
Add/(Less): Prior year adjustments	(644,246)	-
Add: Non Cash flow Item		
Depreciation	378,022	330,755
Loss/(Gain) on disposal of Fixed Assets	20,746	-
Total funds from Operations	<u>3,131,330</u>	<u>3,396,850</u>
Add/(Less): Changes in Assets & Liabilities		
Trade & Other Debtors: (Increase)/Decrease	(53,380)	(659,674)
Trade Creditors & Accruals: (Decrease)/Increase	76,204	(115,850)
Net Movement in Assets & Liabilities	<u>22,824</u>	<u>(775,524)</u>
Cash flow from Operations	<u>3,154,154</u>	<u>2,621,326</u>

To be read in conjunction with the notes thereto



Sustaining Development through better Plant and Animal Health

NATIONAL AGRICULTURE QUARANTINE & INSPECTION AUTHORITY

Notes to and forming part of the Accounts for the Year Ended 31st December, 2007

Notes 1 Statement of Significant Accounting Policies

The following explains the significant accounting policies, which have been adopted in preparation of the Authority's accounts. The National Agriculture Quarantine & Inspection Authority adopted a blend of commercial (accrual) and government (cash) accounting system beginning in 1999 in the preparation of the financial accounts of the Authority.

Principal Accounting Policies

a) Cash Basis and Accrual System of Accounting

Cash and accrual basis was used to record revenue and expenditure accounts. This means that expenditure was recorded when incurred or paid, while the revenue was recorded upon receipt of cash or issuance of invoice to customer.

b) Accounting Convention

The financial statements are prepared following the historical cost convention.

c) Accounting Standards

The financial statements are prepared in accordance with (as applicable) the Papua New Guinea Institute of Accountants/International Accounting Standards and make the fullest disclosure of material facts relating to the accounts.

d) Depreciation of Assets

All depreciable assets of the Authority are depreciated every year. The applicable depreciating rates used are those allowable by the Internal Revenue Commission. The diminishing value method is used to depreciate property and assets. Depreciation starts in the year of acquisition and on a prorated basis. The rates used are;

Depreciation	Applicable Rate
Furniture's & Fittings	7.5%
Motor Vehicles	20.0%
Plant & Equipment	7.5%
Computers	20.0%
Buildings	2.0%



Sustaining Development through better Plant and Animal Health

NATIONAL AGRICULTURE QUARANTINE & INSPECTION AUTHORITY

Notes to and forming part of the Accounts for the Year Ended 31st December, 2007

e) Public Finance Management Act 1986 as Amended

The National Agriculture Quarantine & Inspection Authority is a statutory body of the government, thus the financial activities of the Authority are conducted in line with the provisions of the Public Finance Management Act of 1986 as amended.

f) Capital Assets

Assets acquired with useful or economic lives that will exceed one year and that the amount is not less than K500 are capitalized in the year of acquisition and charged to the capital account in the balance sheet.

g) Cost Recovery Model

The National Agriculture Quarantine & Inspection Authority as a national government agency implemented the Government "User-Pay-Policy" by charging fees for quarantine services rendered. The basis for the imposition of fees and charges levied to its clients for the supply of quarantine service is on cost recovery model.

h) Income Tax

NAQIA being a government entity is exempted in the filing and payment of income tax under the Income Tax Act 1959.

i) Operating Surplus/(Deficit)

The operating surplus/(deficit) is determined after charging;

Expenditure	2007 PNGK	2006 PNGK
Audit Fees	38,800	31,980
Depreciation	378,022	330,755
Chargeable Interest	-	-
Consultancy/Professional Fees	78,422	79,077

j) Going Concern

The National Agriculture Quarantine and Inspection Authority is a non profit government statutory organization. The Authority is expected to have a perpetual life and conduct business in accordance with powers accorded by the legislative Act. The viability and sustainability of the Authority's operations is dependent on receiving continued Government budgetary support whilst it uses the "User-Pay-Policy" to raise funds to facilitate shortfalls and sustain its day to day operations.



Sustaining Development through better Plant and Animal Health

NATIONAL AGRICULTURE QUARANTINE & INSPECTION AUTHORITY

Notes to and forming part of the Accounts for the Year Ended 31st December, 2007

Note 2 Donor Grants

The Authority acknowledges budgetary support it receives from the government of PNG to fund the Authority's recurrent and development programs including development partners and donor agencies for the support given, which are tied to specific quarantine and bio-security projects of mutual benefit to giver and the recipient.

Donor Agency	2007 PNGK	2006 PNGK
Government Grants:		
Government Grant - Salary Item	2,492,413	1,847,946
Cocoa Pod Borer	-	-
New Castle Disease		
PNG Government New Castle Disease	1,000,000	-
NAQIA New Castle Disease	250,000	-
PNG Government Carry Over Funds	(92,912)	-
Grant transfers to Line Agencies	(730,175)	-
Subtotal - New Castle Disease	426,913	-
Add: PNG Government Avian Influenza	674,693	-
PNG Government Public Investment Program	500,000	-
	1,601,606	-
Total	4,094,019	1,847,946
External Donor Grants		
SPC Commission	242,603	45,014
ACIAR/RBMC	-	13,578
SPC Parthenium Weed Eradicate	-	13,980
AIGIF Sandaun Border Survey	-	87,820
FAO Plant Protection Extension & Awareness	-	9,148
IPPC - IPPC/ISPMC Activities	7,034	-
NAQS Border Survey	190,592	355,497
NAQS Sentinetal	118,898	-
ACIAR Banana Fusarium Wilt	5,225	-
[Proj. PG3] Avian Influenza	-	720,000
Other Donors	2,982	47,346
	567,334	1,292,383



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Sustaining Development through better Plant and Animal Health

NATIONAL AGRICULTURE QUARANTINE & INSPECTION AUTHORITY

Notes to and forming part of the Accounts for the Year Ended 31st December, 2007

Note 3 Explanatory notes on Balance Sheet Statement of Accounts

The following are explanatory notes to notes accompanying the balance sheet and the statement of revenue and expenditure.

	2007 PNGK	2006 PNGK
3.1 CASH AT BANK AND ON HAND		
Westpac Trust Account	803,545	581,781
BSP Operating Account	(103,376)	(331,913)
BSP Revenue Account	4,216,301	619,709
BSP Donor Imprest Accounts	480,761	413,961
PCF Headquarters	850	850
	<u>5,398,081</u>	<u>1,284,388</u>
3.2 TRADE & OTHER DEBTORS CONTROL		
Trade Debtors Control	542,618	297,119
Trade Debtors Clearing Account	(145,148)	-
Other Debtors Account	118,511	45,804
Staff Advances	9,594	15,204
Cheque Clearing Account	-	68,483
Rental Security Bond	20,546	20,545
Nominated Staff Medical Reimbursement	3,305	3,308
Prepaid Insurance Account	-	45,584
	<u>549,426</u>	<u>496,047</u>
3.3 TRADE CREDITORS & ACCRUALS		
Trade Creditors Control	-	7,819
Accrued Expenses	32,446	-
Accrued Audit Fees	31,250	83,000
Accrued Salary/Wages	31,634	-
GST Eligible Income	924,793	468,184
GST eligible Purchases	(655,562)	(310,797)
Withholding Tax	29,608	49,010
Payroll Clearing Account	-	100
	<u>394,169</u>	<u>297,316</u>
3.4 STUDY BOND FEE		
Study Bond Fee	-	<u>20,649</u>
3.5 RETAINED EARNINGS ACCOUNT		
Retained Earnings	10,759,983	6,860,629
Profit (loss) for period	4,697,698	3,899,354
Add/(Less) Prior Year Adjustment	(644,244)	-
	<u>14,813,437</u>	<u>10,759,983</u>

Prior year adjustment to retained earnings account related to journal entries passed to record unused donor grants carried forward from prior years as unrealised grant in 2008. Adjustment was made to the following accounts: Avian Influenza [K569,186]. PIP Grant [K62,463] and New Castle Disease [K12,595]. Total prior year adjustment of K644,244.

3.6 ASSET REVALUATION RESERVE

Revaluation reserve is the differential in historical and market value of property [buildings] as valued by professional valuator based on market conditions, practices and property profile relating to properties that NAQIA has certified title ownership.



Sustaining Development through better Plant and Animal Health

NATIONAL AGRICULTURE QUARANTINE & INSPECTION AUTHORITY

Notes to and forming part of the Accounts for the Year Ended 31st December, 2007

Note 4 Explanatory notes on Income and Expenditure Statement

4.1 Staff Costs

Salaries including other employee benefits are paid to all employees of NAQIA through: (1) National Computer Center - NCC and; (2) manual or internal payroll payment to employees not on the government payroll including the salary differential.

Staff Costs	2007 PNGK	2006 PNGK
Staff costs Salaries and Wages	K 2,837,102	K 2,675,694
Staff costs Annual Leave payments	K 91,560	K -
Staff costs HDA & Other allowances	K 457,400	K 41,798
Staff costs Overtime Wages/Salaries	K 114,743	K 72,969
Staff costs Employee Super fund	K 28,250	K 4,840
Staff costs Long Service Leave	K 4,948	K 14,949
Staff costs Gratuity payments	K 234,516	K 271,397
	K 3,768,519	K 3,081,647
Composed of:		
Government Payroll	K 2,492,413	K 1,847,946
NAQIA Internal Payroll	K 1,276,106	K 1,233,701
	K 3,768,519	K 3,081,647
Add: Other Staff Costs		
Staff costs Annual fares	K 230,704	K 249,581
Staff costs Housing allowances	K -	K -
Staff costs Vehicle allowances	K 585	K -
Staff costs Education allowances	K 10,545	K 15,084
Staff costs Medical expenses	K 35,359	K 29,077
	K 277,193	K 293,742
	K 4,045,712	K 3,375,389

The Authority runs a dual payroll through the government Concept payroll and the internal payroll to pay employees with respect to the salary component. This is because the salary rates for NAQIA as approved by DPM/SCMC are higher than the normal public service level due to its technical nature. The differential between the public service level and NAQIA is funded from internal sources within the Authority's capacity.



NATIONAL AGRICULTURE QUARANTINE & INSPECTION AUTHORITY

Notes to and forming part of the Accounts for the Year Ended 31st December, 2007

4.2 Duty Travel and Subsistence

Expenses incurred for duty travel and subsistence are for travel by officers of the Authority on official business. It includes costs such as airfares, accommodation, transport hire, per diem and clothing allowances which are paid in accordance with the approved DPM/SCMC determination.

4.3 Utility Expenses

Utility expenses included telephone, electricity, water and sanitation charges incurred in the normal business of NAQIA.

4.4 Office & Staff Residential Rental

Rental expenses incurred are in respect of rented accommodation provided to contract officers of the Authority in accordance with the terms and conditions of the employment contract and for the office leases from the PNG Harbors board.

4.5 Operational Supplies

Operational supplies or goods and services relate to other operational expenditures such as office and operational supplies and materials, veterinary drugs/chemicals, and many others not categorically classified under the expenditure disclosures.

Note 5 Strategic Capital Development Fund

In accordance with NAQIA Act 1997, the Authority has and continues to build up strategic capital reserve funds from expenditure savings and marginal over recoveries made in fees and charges through prudent management for infrastructural and capital development programs. The funds are being applied to enhance operational capabilities to meet international bio-security and WTO SPS regulatory requirements necessary for facilitation of international trade beneficial for the socio-economic development and enhance delivery of bio-security service.

	2,007	2,006
	PNG	PNGK
Interest Bearing Deposit		
Credit Corporation Ltd	2,451,338	2,407,425
First Investment Finance	1,142,136	1,124,539
Kina Finance	1,713,831	1,681,919
ANZ Bank PNG Ltd	420,876	412,404
Westpac Bank PNG Ltd	514,902	505,348
	6,243,083	6,131,635



Sustaining Development through better Plant and Animal Health

NATIONAL AGRICULTURE QUARANTINE & INSPECTION AUTHORITY

Notes to and forming part of the Accounts for the Year Ended 31st December, 2007

Note 6 Asset Growth

NAQIA plays a vital role to protect and maintain bio-security measures for the sovereign state of PNG. However due to the national government's economic management constraints, budgetary support for developmental programs continues decline, thus impacting upon the Authority's capacity and capabilities to deliver service, and which may have a detrimental effect in the long-term to trade facilitation, protection of the environment for sustainable agriculture, and also the protection of the health of plant and animal life including food safety for human consumption.

	2007 PNGK	1997 PNGK
Net Asset Growth	17,140,580	226,040

Note 7 Asset Revaluation

The International Accounting Standards IAS 16 is used in valuation of property, plant and equipment with respect to timing of its recognition as an asset, the determination of the carrying value of these assets and the recognition of the depreciation charge. The Authority adopts a flexible policy to revalue certain classes of assets in line with prevalent market conditions to recognize the fair and realisable or the carrying value of the asset.

Note 8 Manage Risks and Insurance

The NAQIA management conducts its business in accordance with international best business management practices to minimize risks of losses arising from property damage, personal work related injuries and from long-term investments. In addition, the Authority maintains internal precautionary and security measures such as fire fighting equipment including anti theft electrical fittings on all vehicles and provision of appropriate safety working tools and uniforms to employees through implementation of safety first policies.

All properties and personnel were insured with the professional risk management company, Pacific Assurance Group, on an annual basis.

NAQIA also manages risks of entry, establishment and spread of undesirable pest and diseases of plant and animal origin from both within and outside of the country by maintaining effective surveillance and monitoring at border posts and at inspection contact points like airport, seaport and postal services in strategic locations.



Sustaining Development through better Plant and Animal Health

NATIONAL AGRICULTURE QUARANTINE & INSPECTION AUTHORITY

Notes to and forming part of the Accounts for the Year Ended 31st December, 2007

Note 9 Reconciliation of Cash flow from Operating Activities

Statement of Cash Flow		
For the Year Ended 31st December 2007		
	2007	2006
	PNGK	PNGK
Cash Flow from Operating Activities		
Add: Receipts from Customers	7,825,664	7,964,730
Add: PNG Government Grants - Salary	2,492,413	1,847,946
Less: Payments to Suppliers & Employees	<u>(7,163,923)</u>	<u>(7,191,350)</u>
Net Cash Provided by Operating Activities	<u>3,154,154</u>	<u>2,621,326</u>
Cash flow from Investing Activities		
Purchase of Fixed Assets & Disposals	(249,179)	(652,374)
Interest Received on IBD	<u>111,448</u>	<u>83,695</u>
Net Cash Provided by Investing Activities	<u>(137,731)</u>	<u>(568,679)</u>
Movement in cash Balances		
Net Increase/(Decrease) in Cash Held	3,016,423	2,052,647
Add: Net Funds from Donor Activities	1,209,442	749,565
Add: Cash at Beginning of the Year	<u>7,415,299</u>	<u>4,613,087</u>
Total Cash at End of Year	<u>11,641,164</u>	<u>7,415,299</u>
Reconciliation of Cash Position		
Balances held in bank and on hand	5,398,081	1,283,664
IBD held with Financial Institutions	<u>6,243,083</u>	<u>6,131,635</u>
Grand Total Cash on Hand and at Bank	<u>11,641,164</u>	<u>7,415,299</u>

For the purposes of this statement of cash flows, cash includes;

- (1) Cash on hand & deposits with financial institutions & net of bank overdrafts
- (2) Investments in money market institutions maturing within less than two months



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Sustaining Development through better Plant and Animal Health

NATIONAL AGRICULTURE QUARANTINE & INSPECTION AUTHORITY

Notes to and forming part of the Accounts for the Year Ended 31st December, 2007

Note 10 Assets, Property and Equipment

Description	Opening 1/01/2007 PNGK	Additions 31/12/2007 PNGK	Revalue 31/12/2007 PNGK	Disposals 31/12/2007 PNGK	Total 31/12/2007 PNGK	Accum. Depn 31/12/2007 PNGK	Net Book Value 31/12/2007 PNGK
Motor Vehicles	1,973,094	-	-	-	1,973,094	1,174,430	798,664
Plant & Machinery	215,418	15,592	-	-	231,010	70,349	160,661
Office Equipment	181,340	28,415	-	-	209,755	55,647	154,108
Communication	158,777	46,198	-	3,418	201,557	63,384	138,173
Computers	332,312	106,805	-	11,278	427,839	192,598	235,241
Land & Buildings	4,206,466	30,691	-	-	4,237,157	632,711	3,604,446
Furniture & Fittings	389,506	21,478	-	5,325	405,659	153,795	251,864
Veterinary Clinic	1,000	-	-	-	1,000	-	1,000
Balance 31.12.07	7,457,913	249,179	-	20,020	7,687,072	2,342,914	5,344,158
Balance 31.12.06	6,830,629	627,283	-	-	7,457,912	1,964,891	5,493,021



CORPORATE DIRECTORY

PLACE OF BUSINESS	Waigani National Capital District
BUSINESS ADDRESS	National Agriculture Quarantine & Inspection Authority Tropicana Building, Waigani Drive P.O. Box 741 PORT MORESBY, NCD
PHONE/FAX/EMAIL	Telephone: (675) 311 2100 Facsimile: (675) 325 1675 Email: naqia@naqia.gov.pg
DIRECTORS	Geoffrey Fahey, ML Livestock Industries Trevan Clough, OL, MBE Growers Association Andrew Yamanea, MBE Managing Director Anna Kedodoyai Agriculture Processors Vele Kagen, ML Dept of Agriculture & Livestock Aquina Kango National Fisheries Authority Bede Tomokita Dept of Commerce & Industry Joseph Cajetan ICC
MANAGEMENT	Andrew Yamanea, MBE Managing Director David Kanawi General Manager, Operations Raymond Galama Acting GM Corporate Services Vacant Technical Services Division
AUDITOR	Auditor General of Papua New Guinea Tisa Haus, Waigani P.O. Box 423 WAIGANI, National Capital District
LAWYER	Attorney General Department Sir Buri Kidu Haus P.O. Box 591 WAIGANI, National Capital District
BANKER	Bank of South Pacific Waigani Drive P.O. Box 211, WAIGANI, National Capital District

NAQIA EXTERNAL DIRECTORY

PORTS	PHONE	FACSIMILE	POSTAL ADDRESS
Momase Region			
Lae	472 4846 or 4846	472 3262	P O Box 383 Lae
Regional Office- Momase	479 3777	479 3776	P O Box 383 Lae
Lae Vet Office	479 3777	479 3776	P O Box 383 Lae
Madang	852 2193	852 3959	P O Box 44, Madang
Wewak	856 2586	856 2944	P O Box 1222, Wewak
Vanimo	857 1210	857 1427	P O Box 115, Vanimo
Mt Hagen	545 1339	545 1348	P O Box 1823, Mt Hagen
Goroka	732 1669	732 1669	P O Box 1713 Goroka
Islands Region			
Regional Office- Kokopo	982 9605/9821612	982 9606	P O Box 817, Rabaul
Rabaul- Office	982 1608	982 1608	P O Box 817, Rabaul
Kavieng	984 1022	984 1022	P O Box 512, Kavieng
Lihir	986 5632	986 4544	P O Box 88, Lihir
Kimbe	983 5172	983 5946	P O Box 459, Kimbe
Manus	470 9294	479 9294	P O Box 258, Manus
Buka	973 9822	973 9822	P O Box 382, Buka
Southern Region			
Regional Office- Southern	320 0046 or 32	321 0329	P O Box 741,Port Moresby
Daru	645 9480	645 9180	P O Box 5, Daru
Tabubil	548 8100	548 8100	P O Box 501,Tabubil
Popondetta	329 7675	329 7675	FMBS Popondetta
Alotau	641 1365	641 1064	P O Box 442, Alotau
NCD Region			
Air-port Aircargo	325 0467	325 6010	P O Box 741,Port Moresby
Air Port	325 6010 or 324 4718	325 6010	P O Box 741,Port Moresby
Sea- Port	321 4979 or 0751	321 0752	P O Box 741,Port Moresby
Post Office	311 2694	fax phone	P O Box 741,Port Moresby
Kilakila Vet lab	320 0771/320 3802	321 0771	P O Box 741, Port Moresby
Kilakila Food Lab	321 1877	321 4877	P O Box 741, Port Moresby
Kilakila Insect Lab	321 6239	nil	P O Box 741, Port Moresby
Permit Office	3259977/9276/9289	325 9310	P O Box 741, Port Moresby
Kilakila Plant Lab	321 6245	nil	P O Box 741, Port Moresby

Acronyms and Abbreviations

NAQIA	National Agriculture Quarantine and Inspection Authority
AAFF	Australian Agriculture Fisheries and Forestry
ACIAR	Australian Centre for International Research
AQIS	Australian Quarantine Inspection Service
AQSP	Agriculture Quarantine Support Project
BIF	Biosecurity Information Facility
CAC	Codex Alimentarius Commission
DAL	Department of Agriculture and Live Stock
DCI	Department of Commerce and Industry
DoH	Department of Health
DPM	Department of Personnel Management
GST	Goods and Services Tax
IAS	International Accounting Standards
IBD	Interest Bearing Deposit
ICCC	Independent Consumer & Competition Commission
IPPC	International Plant Protection Convention
IRC	Internal Revenue Commission
IT	Information Technology
LAN	Local Area Network
MOU	Memorandum of Understanding
MTDS	Medium Term Development Strategy
NADP	National Agriculture Development Plan
NAQS	Northern Australian Quarantine Strategy
NFA	National Fisheries Authority
NCC	National Computer Centre
OIE	International Office of Epizooties
PNG	Papua New Guinea
PAQTS	Papua New Guinea -Australia Quarantine Twinning Scheme

PRIPPP	Pacific Regional Influenza Pandemic Preparedness Project
SCMC	Salaries and Conditions Monitoring Committee
SPC	Secretariat of the Pacific Community
SPS	Sanitary and Phytosanitary Standards
WTO	World Trade Organization
Government	Through this paper, the “government” shall refer to the National Government of Papua New Guinea
Currency	The form of currency expressed through this document is denoted in PNG Currency rounded off to the nearest Kina

NAQIA BOARD OF DIRECTORS 2008

NAQIA Board of Directors

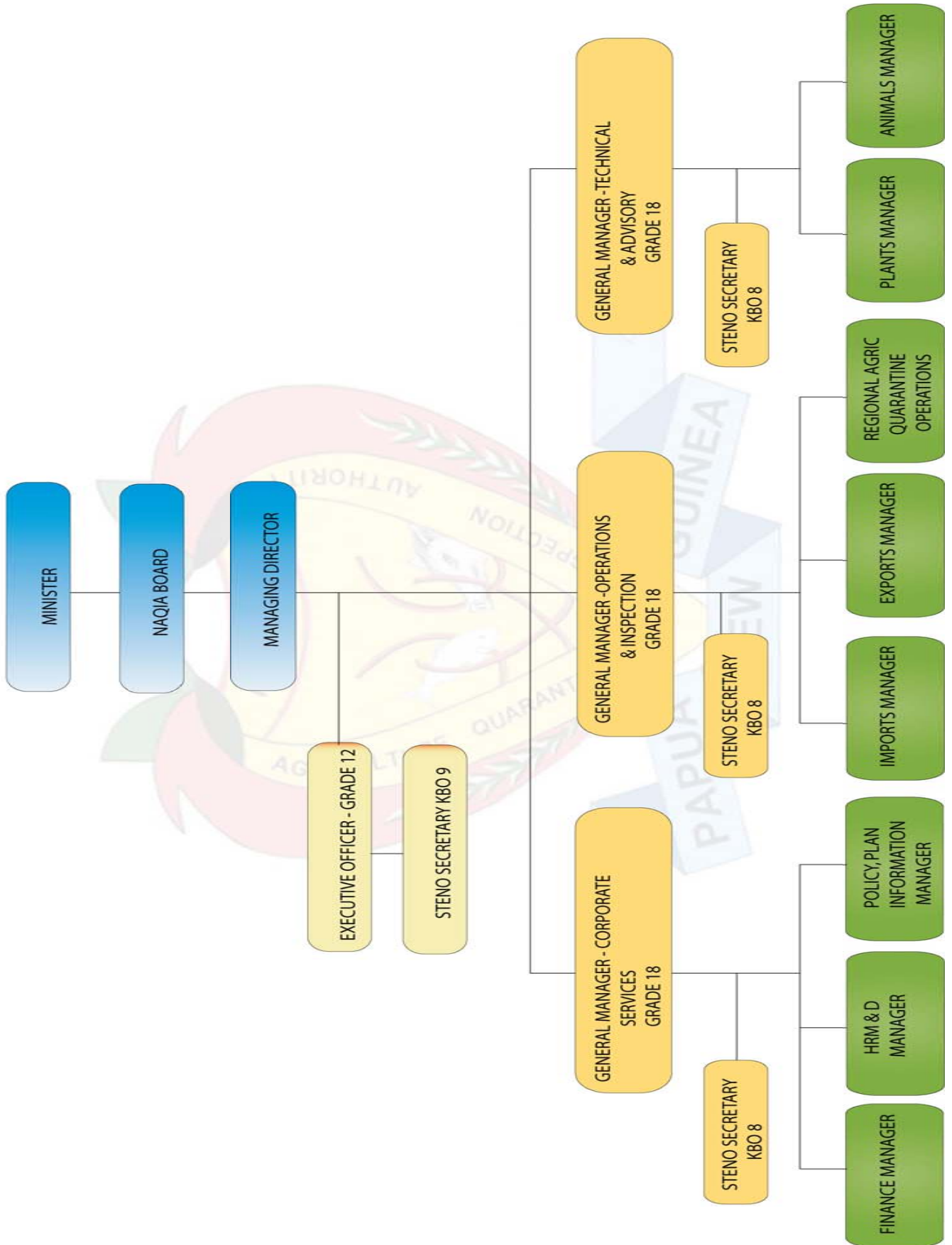


Seated: L to R – **Vele Kagen ML, (Deputy Chairman & DAL), Geoffrey Fahey OL, (Chairman & Livestock Industry), Anna Kedodoyai (Processors), Blaise Paru (Fishing Industry).**

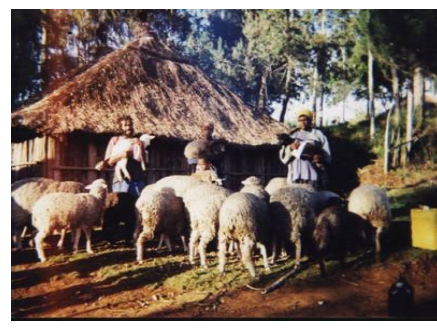
Standing: L to R – **Andrew Yamanea, MBE (Managing Director), Bede Tomokita (DCI), Joseph Cajetan (ICCC) and Trevan Clough OL, MBE (Growers) (Mr. Lawrence Kangwia, ML Senior Magistrate for Swearing In)**

Not Present for Photograph: Acquina Kango (NFA)

NATIONAL AGRICULTURE QUARANTINE AND INSPECTION AUTHORITY
ORGANISATIONAL STRUCTURE



Q uarantine





NATIONAL AGRICULTURE QUARANTINE AND INSPECTION AUTHORITY
PAPUA NEW GUINEA

National Agriculture Quarantine & Inspection Authority
PO Box 741, Port Moresby
National Capital District, PNG
Ph: 311 2100 Fax: 3251673

The logo is a shield-shaped emblem with a yellow center and a red border. It features two birds perched on top, a central figure, and the text 'NATIONAL AGRICULTURE QUARANTINE AND INSPECTION AUTHORITY' around the shield. Below the shield is a blue banner with 'PAPUA NEW GUINEA' written on it. The background of the logo is a landscape with mountains and a blue sky with clouds.