

The following is a revised submission and supersedes my previous submission dated 16<sup>th</sup> January 2011 to the Review Committee of AusAID which is to be discarded.

### Submission Highlights

- AusAID has not been getting down to an operational level that is actually helping the average Papua New Guinean (PNG) person.
- Before any aid future program is commenced, a change in direction must be made.
- AusAID must detail what ongoing skills transfer via local training programs has been achieved and how this has been assessed.
- Existing expertise in each local area is to be canvassed and incorporated into program design and operational implementation.
- Local Level Governments (LLG's) Non Government Organisations (NGO's) and local Church Organisations should be included in service delivery projects.
- Local stakeholders are to be established and incorporated into any rural aid program implementation to ensure ongoing ownership and value adding.
- Simplicity, transparency and appropriate training in all documentation.
- Review and initial auditing of any program can be carried out in Australia without the need for overseas staff to be located on site. 'Virtual Office' technology to be used to initially monitor funded programs via the internet.

### Background

Australia's overseas aid program seems to some to be traditionally evaluated only on 'Inputs'. This strategy encompasses a total dollar figure that can be quoted and audited on a macro monetary level seemingly without apparent regard for achievement of purpose and micro objectives. Before any review can evaluate the efficiency and effectiveness of a system or process, agreed evaluation benchmarks to be used must clearly be determined and publically advertised.

### Objectives

1. Propose a simple method to ensure AusAID monies reach those people in rural areas.
2. Design a cost effective, workable system of accountability for acquitting these funds.

### Small, Aid Money Grants

PNG's Local Level Governments (LLG's), are directly linked to the local populace. LLG's are the equivalent of Australia's Local Government Councils. In Australia, volunteer bodies and Non Government Organisations (NGO's), currently apply for small monetary grants to enable the provision of services for their community.

Why not have AusAID extend this accepted process to PNG?

Grant Application Forms (See Suggested Application Format at Attachment 3) would contain a legally binding accountability statement.

Training programs in how to complete a grant application must take place in each Provincial Centre and those trained then take their skills bank to their local areas.

### Long term benefits

In addition to actually achieving desperately needed work in rural areas, direct financial assistance to PNG rural Councils would allow aid funds to be spent in local communities and so directly help the rural economy. Local people are essentially the stakeholders for rural education, health services and many other government services. By ensuring essential maintenance work is completed by the local people, AusAID grants will create ownership and pride in achievement. This will in turn give renewed hope to those who have the greatest need and help ensure continued interest in preserving what local people have worked for.

### Utilising Existing Expertise

There are many who have had PNG experience and those with practical experience should be canvassed when programs are designed. Websites such as 'PNG Attitude', 'Ex kiap.net' and 'PNGAA' have many readers from both PNG and Australia who could offer suggestions based on first hand, practical experience. This advice could be requested in a voluntary capacity.

Recent, Beneficial, AusAID Initiatives.

Some recent initiatives by AusAID have been very well received. Two of these reported initiatives that seem to be a good start in the right direction are:

- a. the funding of school students attending Primary Schools and the provision of school text books, and
- b. an initial medical patrol into rural areas like the Central Province.

The effectiveness of paying for Primary school fees could well be negated however by the inability of the PNG government to support rural teachers and a realistic maintenance program for all PNG schools. Schools are being helped by the provision of school text books but other school equipment in rural areas is either woefully inadequate or merely non existent. Without teachers and proper maintenance of school buildings and facilities, those textbooks supplied will quickly deteriorate.

Payment of teacher salaries and entitlements is also a constant problem and has caused many rural schools to close as teachers refuse to live where they cannot access even the most basic of services including banking and leave entitlements.

\*See Attachment 2 - PNG news items from (a.) The National dated 18<sup>th</sup> January 2011 titled 'Teacher Crisis looms' and (b.) an Editorial in the PNG Post Courier dated 21<sup>st</sup> January 2011 titled 'PNG, where education is a worry'.

In regard to the provision of medical services to rural areas in PNG, a similar situation exists to that confronting education.

Prior to 1975, there were a network of Aid Posts and Health Centres throughout rural PNG that supplied basic health services to 95% of PNG's population. A network of Hospitals existed and managed the distribution of medical services and basic pharmaceuticals to rural Aid Posts. Each Aid Post had a trained Aid Post Orderly who was responsible for the provision of health services in their area and who would routinely report on the health of local people.

Education and health services were continually monitored by a dual network of reporting systems. The Education system had District Inspectors who toured rural schools and conducted reviews. Health services were monitored by senior District Health officials.

#### The Current Problem of Aid Money Distribution

The current distribution of services is controlled by the PNG central government. The PNG government controls the public servants who are responsible for service delivery. Yet the PNG Public Service is not being held accountable for service delivery. Even the PNG Prime Minister is on record as saying his PNG Public Service is corrupt.

Inefficiency is a significant problem when urgently needed medical supplies are either left to deteriorate in warehouses and pharmaceuticals expire past their use by date due to being left on the wharves and undelivered. Urgently needed drugs at hospitals apparently disappear and are being sold on the black market. Clearly the wrong people are involved in the process. Actual stakeholders must be involved in all levels of service delivery and operations to ensure ownership.

It is acknowledged that PNG is a sovereign country and any overseas aid program must be approved by the PNG government. Any aid distribution system must involve government however there are a number of organisations already in place in PNG that are and have been delivering services to the people.

#### Alternative Non Government Organisations (NGO's) as Service Providers

Missions and church funded organisations have been delivering education and health services for over half a century. Service clubs and organisations are in place and already handle donations from their overseas contacts. 'Medicine Without Frontiers' (MSF) is a good example of where an alternative to government delivered services actually works in practice. Many of these NGO's could be directly funded to provide much needed services.

Local businesses have often directly contributed to the provision of services. A problem can occur however when there is a perceived conflict of interest e.g. provision of services to local landowners in return for implied support for the nature of the activity of the business.

#### Service Delivery

Teacher training, salaries and allowances are national government responsibility. Teacher accommodation and their living and working conditions should be looked at however. AusAID should quarantine some funding specifically so that teachers and health workers could apply for assistance. Examples where this would be beneficial are:

1. Travel assistance when limited access to roads is a problem.
2. Special conditions where security may be a problem.
3. Extra leave and relief officers in very isolated areas.
4. Extra assistance to local schools as required. Applications could be vetted by at least two local authorities.

### Application Forms and Checklists

A suggested simple Application Form is at Attachment 3. This Application Form (one side in English, the reverse in Tokpisin), is designed to be a draft 'one size fits all' for:

1. Applying for an AusAID Grant including why the project is important (i.e. a benchmark to be met), and detailing who are the relevant stakeholders,
2. Support for the Grant Application from the relevant Local Level Government,
3. A checklist containing a legally binding statement for auditing and accountability.

### Responsibility and Reporting

In response to a Grant Application, AusAID funds can be made available directly to the Local Level Government (LLG) i.e. Councils that are the closest elected representatives and directly accountable to the people in their area. There is less opportunity for corruption to occur if the local people know who has the funds and what they have been provided for.

Using AusAID grant money, LLG's can arrange for local tenders can be called to provide the following for example:

1. Construction and maintenance of school buildings, grounds and facilities including security for students and teachers.
2. Construction and maintenance of a local area Aid Post/Health Centre.

LLG's can then decide on who should get the work. Community groups, Service Organisations, Missions and NGO's could all compete for the work. After the work or purchase has been completed, the grant would be acquitted using the suggested Application Form and the process authorised by the Council before the Form is sent to AusAID.

PNG national and provincial government departmental officials would therefore not actually be controlling any AusAID Local Level Grant projects.

Legally binding statements on Application Forms could be followed up if false declarations are made.

### Staffing

There is no requirement for large numbers of overseas staff to be permanently based in PNG. Initial training for LLG staff, NGO and organisations (e.g. Church staff), could be carried out in major centres and then use a 'cascading' training program in each Province.

Original Local Level Grant Application Forms and audit reports can be completed locally and then be reviewed in Australia using posted or faxed copies or those sent via the internet.

The use of local volunteer staff or part time staff should be considered by AusAID. Service organisations and recognised churches have educated and literate people who can help. These organisations would be expected to have access to fax machines, the internet and telephones.

### Internet Reporting

An Internet portal entitled 'AusAID Funded Projects' must be set up and available for all to access. This website would detail all AusAID funded project information by country, benchmarks for success, successful tenders and end results.

This freely available information would then remove the need to publish any further AusAID project information in both PNG and Australia. It would also provide for transparency, honesty and integrity of Grant payments. Any payments made in a fraudulent or improper manner could be challenged and reported on by stakeholders and the media. Legal proceedings could be commenced if fraud was detected or reported.

Given the nature of the Internet, there is no reason why the website could not be operated using a 'virtual office' and possibly operated by volunteer staff (e.g. Transparency International), with minimum paid supervision. Tenders should be called to develop and operate the website on a fixed period basis.

### Auditing

Audits can be conducted on an annual basis by contracted, independent, professional PNG organisations already in place. There is no reason why a simple but effective auditing team in each province could not be recruited, trained, and managed by LLG authorities using established Risk Management procedures. The acquittal of Grant Money Applications should be signed off by at least two public notaries and/or stakeholders (School principals, Councillors, Magistrates, Police OIC's, Church leaders, Service Club members, etc.).

Copies of completed Application Forms would then to be kept with the financial records held by each Local Level Government and available to be audited as required.

While some 'on site' audits must be conducted, digital photographs sent over the internet could easily be used to evaluate many program objectives. (e.g. A digital photo of the school building before and after the work taken on a mobile phone). Again, 'virtual office' techniques could be used to help reduce overall costs wherever possible.

### Conduct a Trial Process

A trial of this process should first be conducted in a rural area. Once any problems are identified, the process can then be modified and expanded.

### Public Support

Once the local PNG people actually see a successful operation underway there will be significant public acceptance and desire to have this system of service delivery operating in their own area.

A final observation from website: <http://devpolicy.org/delivering-good-aid/>

"AusAID does not have an overarching strategy on implementing the aid effectiveness agenda and has not clarified how to report against aid effectiveness principles. It needs a strategy for

reporting that sets out benchmarks and targets for country and regional programs in terms of aid effectiveness principles.”

#### Recommendations

- Determining and involving the actual stakeholders at the lowest level in the implementation of any future program.
- Publically reported audits of any aid program initiative in both Australia and PNG
- Skills transfer and training programs to be reported on and assessed with predetermined benchmarks.
- Bypass corruption at many levels above those who need the services.
- Canvass and involve local expertise both in PNG and in Australia.
- Direct involvement by NGO's and Church organisations in future service delivery.
- Involve Local Level Government (LLG) in the implementation and monitoring of service provision. This will provide a direct link between aid recipients and those who are responsible for proving the funding.
- Closely monitor all programs with at least two or more reporting structures and established Risk Management procedures. Digital photographs and the internet can be used to evaluate many programs.
- All project benchmarks, funding and achievements to be published on an independently monitored Internet website.
- Wherever possible, use of 'virtual office' technology to reduce costs.
- A suggested Flowchart for Program Implementation is at Attachment 4.

(signed)

Paul Oates

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#### Attachments:

1. Author's background
2. News Articles titled 'Teacher Crisis Looms' dated 19<sup>th</sup> of January 2011 from the PNG newspaper 'The National' concerning problems being experienced by local PNG teachers and an Editorial in PNG's Post Courier newspaper dated 21<sup>st</sup> January 2011 titled 'PNG, where education is a worry'.
3. Suggested Format for an Application for an AusAID Grant and Checklist for Auditing
4. Suggested Flow Chart for Implementing the AusAID Grant Program.

Attachment 1

Author's background

Paul is a former Papua New Guinea (PNG) Kiap from 1969 to 1975. His field postings in the Morobe District were Pindiu, Mindik, Kabwum, Yalumet, Aseki, Wau, Sialum, Finschhafen and then as a Training Officer in Port Moresby. Born in Parramatta, NSW, he was educated at The Kings School Parramatta. Prior to working in PNG, Paul was a member of an Army Reserve Unit (affiliated with the Black Watch) in North Sydney. Returning from PNG, Paul's Public Service career continued between 1976 and 1997 with Commonwealth Departments including Defence (attended RAAF Staff Collage Fairbairn 1982 as a civilian), Administrative Services (including working for the Royal Commission into Aboriginal Deaths in Custody), Parliamentary Services, and Taxation (Part Time Convenor for Merit Promotion and Review Agency (MPRA) and Territories (Deputy and a/Administrator Cocos (Keeling) Islands 1990/91). He then transferred from the Commonwealth to the Queensland Department of Emergency Services where he worked between 1997 and 2004. His last full time position managed state wide recruitment for the Queensland Ambulance Service. Paul and his wife Sue now look after a small Droughtmaster cattle stud in SE Queensland and Paul is involved with a number of local volunteer organisations. Maintaining a keen interest in Papua New Guinea, he regularly contributes articles and stories about PNG on a number of websites and blogs. Paul maintains ongoing contact with many people in PNG on a regular basis.

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Attachment 2

## Teacher crisis looms

Source: PNG's The National newspaper - Wednesday, January 19, 2011

**By DULCIE OREKE**

THERE is a crisis looming for the Education Department with the 2011 school year just a fortnight away.

There are vacancies for 11,000 teachers nationwide and, with only 1,200 leaving teachers colleges to join the service, there would be a massive shortage of teaching staff, the PNG Teachers Association said yesterday.

Association general secretary Ugwalubu Mowana said that there had also been a huge flight of teachers from the service, with 1,700 teachers resigning last year.

He said rural-based schools would be the hardest hit as teachers preferred to teach in urban schools.

Mowana said the teaching services commission and the government must take responsibility for the flight of teachers and the plight of the education system.

He said most of them were leaving because of poor terms and conditions and the government's careless attitudes towards the needs of the teachers.

He said the flight of teachers had to do with difficulties in transportation to and from schools, poor infrastructure including accommodation, high cost of living and long delays in processing payments for teachers.

Mowana said last year, 1,751 teachers resigned from the teaching service. This is 500 more than new graduating teachers.

He said the government's universal basic education (UBE) initiative depended upon the availability of teachers and that the policy might have a still-birth unless this situation was arrested and soon.

Teachers faced tough conditions in some of the remotest parts of the country where, often, they were the only face of the government.

Often, they went without pay for up to six months at a time and when they arrived in towns to collect their pay, it would either be stolen or misplaced.

"If government wants to see reform reach remote areas, they must improve teachers' terms and conditions," Mowana said.

A senior teaching services commission official agreed that there were insufficient teachers to fill current vacancies.

TSC commissioner Rose August said yesterday that most of the vacancies were located in remote parts of PNG.

According to August, about 43,000 teachers nationwide would know the status of their 2011 teaching posts soon.

She said postings were the responsibility of individual provincial education boards (PEB) which would inform its teachers at the end of last year.

## **PNG, where education is a worry!**

It is the time of the year when parents are frantically running around trying to find money for their children's school fees. For many, they have children in secondary schools as well as tertiary institutions. And the fees are high, ranging from K900 minimum to K7000. People who have a job may find this easy but for some 80 per cent of the population of this country, the fees are high, for they are subsistence farmers whose gross income annually is much less than the fees charged for one child at any of the universities here.

The school fee problem is not the only issue that confronts parents in this country. There are so many issues that worry parents. The other major problem that comes to mind is the shortage of teachers. This country is faced with an acute shortage of teachers that, as parents, they are concerned that even if they were to pay the fees, their children may end up in classrooms with no teachers. Of course, temporary arrangements will be made at schools for teachers to step in and take the classes but that is not the same as having a full time teacher for every classes. The students deserve to get the best education and a teacher that is going to divide his or her time between two or three classes will definitely not give the best to the students. The parents know that their children do not deserve this. Coupled with these, there is also the concern over the infrastructure at the schools. It is well publicised that infrastructure in the national high schools, particularly Kerevat, Aiyura and Passam are very bad. In fact Kerevat has been shut down for this year. Many high schools, secondary schools, primary schools and technical and vocational schools are in the same situation. There are classrooms that are falling apart, there are not desks for the students to sit on and learn, toilets have broken down and teacher's houses have fallen to pieces. And yet the classes continue among these ruins. We are also told that the Outcome Based Education curriculum is proving to be difficult because the schools and teachers are not equipped to implement this new curriculum. Teaching aid and materials are not available for the teachers to use to teach the students under the OBE. On top of that, the skills and knowledge of the teachers have to be upgraded to move into OBE. We know for a fact that the OBE is forcing many teachers to resign from their jobs, even when PNG is faced with a shortage teachers' number.

The fifth problem is space in schools. The universal education policy of the government has seen more children going to the lower schools. And many of them are making their way to grade 10 and 12. After secondary education, the students are all vying for places in the existing tertiary institutions. We have more secondary schools but there has not been a corresponding increase in the number of tertiary institutions like universities. And the existing universities and colleges have not undertaken a major capacity building exercise to take on all the students that are coming out of secondary schools. As a result, there are many bright students, who are missing out on opportunities to gain a college or university education. The Government has focused on the technical and vocational training for these students but who wants to go there? That is the question we ask. Many of these students are bright and they see these institutions as inferior.

The selection of students to attend the tertiary institutions has been completed and the notifications have gone out to those that are lucky. For the unlucky ones, they are having a real battle with their parents, who think that they are failures. Are they? We think otherwise. The system has failed them. The education reform was implemented to give every child in this country the opportunity to education. This is working well to some extent at the lower level, but at the secondary and tertiary levels, there is a lot more work to be done. Education Minister James Marabe is most probably one of the best education ministers this country has had in a long while. With the support of his department, he is seen to be doing everything he can to address these issues but it is certainly an uphill battle. How do we address these issues? That is the question in the minds of the parents and their children right now.

Attachment 3

Application for AusAID Grant Funding and Auditing Checklist (English)

Part 1. Application

1. Project Funding sought: .....

2. Project Name: .....

3. Stakeholders: 1.....

2.....

3.....

4. Benefits:

.....  
.....

5. Local Level Government Office: ..... 6. Signature .....

Council /President Clerk

7. Sponsor's Bank Details: .....

8. Provenance: .....

9. Application No: .... / 20...

10. Approved: ..... for AusAID Date:

Title

11. Funds forwarded to Sponsoring Authority: Date:

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Part 2 Accountability and Auditing

12. Acquittal of Funding:

13. Position:

14. Project successfully completed:

Date:

15. Verified by Sponsor:

Date:

16. Sponsor's funds expended: Yes/No

Date:

17. Sign Off by Stakeholders:

Comments:

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.....

18. Audited by:

Date:

N.B. Please note that this Application Form is a legally binding document and making false statements on this Form could make you legally liable to prosecution.

Attachment 3 (continued) – The Reverse Side of the Application Checklist

Aplikasion long kisim AusEID Grent moni na Seklist long ol Ditel (Tokpisin)

Namba Wan Seklist: Aplikasion

1. Yu laikim moni long wonem samting?:

2. Nem bilong dispela wok:

.....

3. Husat ipapamama bilong dispela wok:

1.....

2.....

3.....

4. Dispela wok ihalivim husat?:

.....

.....

5. Lokal Level Gavaman Opis .....

6. Mak bilong Opisa.....

Kausil /President or Kuskus

7. Moni igo long wanem benk: .....

8. Provens: .....

9. Aplikasion No: .... / 20...

10. AusAID Tok olrait: .....Dei / mun / yia:

Husat ibin mekim mak

11. Moni ibin go long Project:

Dei / mun /

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Namba Tu Seklist: Ol Samting Bilong Sekim Wok na Moni

12. Oli bin usim moni:

13, Husat itok:

14. Wok ikamap gut:

Dei / mun / yia:

15. Husat itok olrait:

Dei / mun / yia:

16. Olgeta Moni ipinis: Yes / Nogat

Dei / mun / yia:

17. Papamama bilong wok itok olrait na hamamas olsem :

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18. Husat I Sekim Dispela Eplikasion:

Dei / mun / yia:

Harim gut! Itambu long mekim sampela tok nating long dispela Eplikasion. Sapos yu bin mekim tok nating na makim mak bilo yu olsem yu bin brukim lo na bai em inap yu ken go long kot.

## **Suggested Flow Chart for Implementing AusAID Local Level Grant Program**

1. Quarantine AusAID Funds in each Financial Year (F/Y) for each essential segment of the PNG Aid Program. This includes a small, dedicated AusAID team located in Australia with a very small 'in country' PNG component available for training local staff. Once local PNG staff are trained in Grant Application procedures, there is only a need to send periodic audit staff from Australia.
2. Budget for the design and operation of an independent Internet website to publically make available all AusAID Grant Program information. Maximum use to be made of 'Virtual Office' techniques, faxed documents and digital photographs of work.
3. Quarantine 2011/12 budgets for PNG Education, Health Services as an initial step. All other areas requiring grant funding can follow in the next budgetary round.
4. Conduct an initial 'Test Drive' of the Grant Application in a localised area. This can be done in the latter half of 2010/2011 F/Y. Advertise the results on the public website.
5. Allocate sufficient funding for a localised training program in each Province for LLG, NGO and other interested persons on 'How to complete an Application for AusAID Grants.' This must be completed in the first quarter of 2011/2012 F/Y.
6. Application Forms (as in Attachment 3 above), to be available for downloading on the independent website.
7. Completed Application Forms must be received by AusAID by Second quarter of 2011/2011 F/Y. Forms to be either faxed or posted to AusAID staff in Australia.
8. Grant Applications assessed on a priority basis for each PNG Province. Funding on a Priority basis and lists advertised on the AusAID Grant website. Grants unfunded would still be listed to show where the funds for each Province gave out. Reasons why any Application was not funded to be advertised for positive feedback to those who sent the Application in.
9. All work to be funded under the AusAID Local Level Grant Program to be completed within third and fourth quarter of 2011/2011 F/Y or recipients do not qualify for further funding until acquittal is received.
10. Copies of completed Application Forms with signed off acquittal information to be sent by fax or posted to AusAID for reconciliation of each grant. E.g. signed off acquittals matched up with originals Application Forms. Original Application Forms retained by LLG or NGO Offices for their financial records.
11. Independent sample Audits to be conducted by locally based auditors. Training program to be funded as part of setting up costs each F/Y.
12. Results of all audit reports to be advertised on the AusAID Grant website.