

Providing Basic Transport Access

The Budget preparation for 2012 is well in progress. There is already wide public concern over administration of the 2011 Budget, particularly with respect to the K4 billion Development Budget, including Trust Funds from past 'windfall revenue' and recent sources. If public accountability is weak this year, it's feared the situation will worsen next year, when the pressures of the forthcoming Election building up.

A major focus for public expenditure should be transport infrastructure, but this requires far more effective planning and coordination between all agencies to ensure funds are spent on real priorities, which are then maintained, rather than on ad-hoc political projects, which are never completed or sustained.

Basic road access, or, if too remote, air, sea or river access, is critical to enable communities and households to obtain basic services and market opportunities. Lack of reliable access is a major and often the major determinant of poverty. Some may be able to live a semi-idyllic existence remote from major human centres, but for most, access to schools, health facilities, or outlets for produce and other income-earning opportunities is essential for an improved life-style, food security or obtain occasional life-saving treatment. Such access is desperately sought by communities across PNG (and beyond), even if bringing some troubles as well as benefits.

Major centres provide the greatest outlet for farm produce, as well job opportunities and service provision. The further from main centres the less opportunities exist, with produce deteriorating and costs rising the further there is to travel on bumpy tracks or foot, until it's not worth farmer's time and effort. Most commodity prices have been resurgent in recent years, extending opportunities further from main centres, except that fuel and transport costs have also risen. In the past, rural health and banking outlets and smartly-dressed young police were centred in districts and even sub-districts, but many of these facilities no longer exist, partly as roads have deteriorated or airstrips closed or barely used, and with them the air/sea government charters.

Even after ten years of robust economic growth, particularly with recent high commodity prices and major commercial projects, GDP per capita has only just returned to the level at Independence. With higher transfers overseas and a more skewed income distribution than 36 years ago there are many clear losers; these are likely to be households in more remote rural areas, many of whom have been lured, or driven out to the towns in search of income and services.

It is cheaper for the State to provide public services and let households also access some from private outlets in the towns. There are limits to what infrastructure and services the State can afford to construct and maintain, and some rural outposts must accept that a road may never be affordable or justified, and that equal economic opportunities cannot be created. However, the State does have an obligation under the Constitution to ensure that opportunities are provided reasonably equitably to all provinces and communities, in more remote locations as well as main centres. At the moment, for example, NCD is a

‘ghetto of privilege with little in common with the rest of the country’ in terms of educational and other human development opportunities, and economic potential. Yet it also has poverty and poor services.

During recent years the State’s revenue has grown substantially and particularly the mis-termed ‘Development budget’. Many are asking what there is to show for it, and cannot understand the urgency of ‘front-end loading’, when that seems to entail shifting funds hurriedly from public accounts into trust accounts. There has been an overdue, though inadequate, allocation to less-well funded provinces under the Reform of Inter-Governmental Financing, which includes a portion for roads and other services. In the 2011 Budget the national road maintenance allocation doubled, but from a paltry K30 million to a still paltry K60 million, which remains inadequate for more than a small portion of the country’s main roads. There is also some funding from road tax for the National Roads Authority for maintaining stretches of highway. The end result of severely inadequate transport infrastructure maintenance funding has been roads continuing to deteriorate, with some provinces divert their limited road maintenance funds, meant for provincial/access roads, for maintaining highways.

Most provinces have been dependent upon the Development Partners, notably AusAID, ADB and World Bank, for restoring/sustaining major stretches of highway, together with tax credit contributions, notably from oil/mining companies. With respect to DSIP, a few Districts have had effective JDP&BPCs, with MPs encouraging expenditure on genuine agreed priorities, including the Kundiawa-Gembogl District with their MP, late Joe Mek-Teine, but too many districts have seen no real consultation or prioritisation in relation to need, and either the work hasn’t been done or funds have been spent on somewhat ad-hoc activities.

There are certainly too many agencies responsible for transport planning and management (including safety aspects); nevertheless, over recent years there have been useful exercises developing inventories, leading to a national transport strategy. This should provide the basis for prioritisation and allocations, linked also with local level planning from wards upwards. Unfortunately, there seems little linkage between plans, Budgets and final expenditure; with somewhat ad-hoc road projects determined from Waigani or NCD hotels, but also funds budgeted for certain legitimate purposes, like rural air freight for remote areas (or even for industrial centres) seemingly diverted to fund a private airline.

There is more money in the public purse now than ten years back, but the need is also larger, with the population having grown over the decade from around 5.2 to 7 million, half of whom are under 19 and needing education and opportunities. The number of operational airstrips around the country have fallen steadily and now stand below the 300 mark, having been twice that number; some may no longer be needed, but most are vital lifelines. Over many years airstrips slipped into a gap, unbudgeted at national or provincial level, and maintained largely by the operating 3rd level airlines at their own expense, together with local communities. The third level airlines, like MAF, are taxed, including on aircraft, but receive no grants for the valuable services provided. Likewise,

churches and NGOs and some companies, provide most other essential services in remoter areas, with public funds absorbed unduly or diverted to administrative overheads or major projects, some selected oddly, un-tendered and/or uncompleted. Now we're told that hundreds of millions have been diverted to trust funds for unexplained causes.

If government concentrates upon core service delivery functions there are enough public funds available, particularly as revenue grows; there is not enough available for extravagancies and waste, which have become prevalent in recent years, encouraged by weak government management systems, accountability, checks and balances and penalties, excessive compensation demands (often by bogus claimants), overlap of politicians into service delivery roles and a belief that public funds are unlimited.

Concentrating upon ensuring basic transport access even to remote communities provides the greatest service available to empower them to participate in PNG's economy, address food security and poverty issues and access basic services. Much more is expected of the State, but this is the fundamental building block needed by the whole community, without which teachers, health facilities and medicines cannot be provided and cash income and supplementary food (e.g. during shortages) is unavailable. Concentrate on maintaining, but where necessary (the much costlier task of) restoring or upgrading main and access roads, rural ports and airstrips, overseeing standards (widely inadequate), notably with private contractors (including logging roads), providing government air/sea charters or subsidising certain freight or essential public services to remoter locations as a legitimate welfare, employment generating and economic stimulation contribution. This should not be so hard! ICT provides rural communities many, but not all, the services provided by roads, ships and planes. Mobile phone providers have opened up these services since 2007. It's now time for the State to show it can perform too, during this "Year of Implementation".

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