

Government systems, information and service delivery

Several important reports have been released in recent days on decentralised government, public expenditure and basic service provision.

The Public Sector Reform Advisory Group (PSRAG), released their second report on “improved decentralisation”. PSRAG sees the current system of decentralised government as deeply flawed, and needing a radical overhaul, to make it more answerable to the community and better able to fulfil its infrastructure and service delivery responsibilities.

The other reports released last week, during a CIMC workshop on public expenditure and service delivery, are less radical in focus, but far reaching in their implications. A major study undertaken by the World Bank and NRI in 2002 addressed education expenditure and whether funds ever reached their target, whilst NEFC provides hard evidence over grant fund release to provinces and its utilisation.

PNG has considerable natural and human resources, yet has very low social indicators by world standards and the lowest in the Pacific region (poor life expectancy and health, literacy and education, per capita income etc.). Whilst there has been recent positive economic growth, largely thanks to good commodity prices and some sound reforms, the benefits largely benefit a small portion of the population. Studies in PNG have shown how poverty generally increases with remoteness from markets and services, and the deterioration of roads and services across the country over recent decades has severed much of the population from the modern economy or accessing basic services. For example, in a recent workshop on the coffee industry, concerned over years of industry stagnation, it was highlighted that there is great enthusiasm to grow coffee, but it is pointless without market access. Many cases were described of buyers trying in vain to reach major growing areas by road.

NEFC’s earlier analysis showed the inadequacy of funds allocated for basic services, such as health, particularly for some provinces, with only administration fully funded. Minister Puka Temu, who launched the CIMC workshop, gave an example of the high cost of restoring education infrastructure in his constituency alone, after many earlier years of neglect. When multiplied to all constituencies and other services the backlog comes to thousands of millions of kina.

The economic improvement and recent “windfall” has enabled Government to allocate funds to MTDS priorities, and start addressing this backlog. To make any real impact, however, requires careful prioritising of expenditure and prompt and effective utilisation. We cannot afford waste on extravagant electoral gimmicks, and there is a need to embrace community contributions for local infrastructure and services to complement government funds to achieve a lasting impact. PNG must move away from what Minister Abal noted, where many people now see cash handouts as development, rather investment in establishing and maintaining public goods and services.

PSRAG argues the need for constitutional change to make planning of local infrastructure and services directly answerable to the community. It argues the

sidelining of local governments thirty years back was a major mistake, and that Organic Law amendments in the 1990s, putting national MPs in charge of Provincial and District funding and blurring distinctions between legislature, executive government and public service, were worse.

The team argues the need to simplify and reduce the cost of government, removing provincial governments (but not provincial administration), strengthening management at all levels, including restoring effective training for core public service functions, clarifying roles and functions and empowering the wider community towards greater self-reliance and oversight of government at all levels, but especially the local level.

Not all recommendations in this report will be universally accepted, and in PNG there may be a role for different systems, as with Bougainville's already reinstated direct provincial elections. Nevertheless, there are many sound recommendations, including no national MP to sit on sub-national governments or control local funding arrangements, District boundaries not (necessarily) coinciding with electorates, removal of political patronage and roles and responsibilities clearly distinguished.

Demand for services has increased considerably since independence, in line with population growth. There are now over 1.5 million school age children, and growing 3% annually. In 2002 about a million were enrolled in education facilities, and whilst intake doubled from 1992 to 2002, school numbers more than doubled, but teacher numbers increased markedly less. The relatively high initial attendance, notably for boys at elementary school, progressively declines even before entering primary school, with a small minority reaching secondary school and by grade 10 only 30% of remaining students are female.

The 2002 education expenditure tracking study found only about two thirds of teachers on the payroll were actually available to teach, and 15% student absentee rate. Although many factors contributed to poor attendance and performance, the study found active parental and community involvement encourages lower teacher absence, less leakage of government subsidies and higher student attendance.

School funding comes from fees, subsidies and grants from different sources. The study found grants both unreliable and distributed very unevenly, with 94% going to a third of schools, and the worst-off third getting none. Uncertainty over funding is a major constraint for schools and adhoc commitments to "free education" in the last months before the 2002 Election (or now), are disruptive unless properly planned and sustainable, undermining local accountability. Parental contributions provide needed and reliable school income and encourage greater accountability, but need complementing with effective subsidies to worse off areas and households and allowing in-kind contributions for equitable opportunities.

NEFC's 2005 review of functional grants (for priority goods and services – not administration) of a sample of 14 provinces found funds now being released fully, and mostly and on time to provinces (unlike development funds which remain bottlenecked in Waigani). However, 11% of these grants (for education, health and transport infrastructure) were unspent, with a few provinces much worse than others (notably Morobe, Southern Highlands and, less so, WHP, Central and East Sepik).

Some provinces, often those less-well resourced, spent their grants promptly, such as Simbu for education (6 weeks) and transport grants (8, ENB: 5), whereas others were extremely slow, notably Western Highlands for education (23), New Ireland health (22) and transport (39).

Half the provinces sampled spent their education grant for intended purposes, with only Morobe and Central seriously misusing funds. In health a few provinces, e.g. ENB, seriously misused grants, notably on wages, whereas grants for priority road maintenance was misused by most sampled provinces, in many cases seriously. Apparently one province close to NCD used the bulk on its Governor's house.

Despite inadequate overall funding, major issues arise from these reviews, including, notably the need to prioritise and stick to priorities, not funding funeral expenses for example from health grants, whilst other funds must be available for essentials, such as teachers fares, to prevent grants being reallocated for this purpose.

Access to accurate and timely information is critical, for national policy makers but especially for local programme managers, other stakeholders and the wider community. A reliable and timely process of monitoring, reporting and information sharing is essential, empowering all participants, including school boards, managers and the wider public.

There is a strong case for reforming government systems, as proposed by PSRAG, to become more answerable, but it is also critical to make the current systems work by making all participants accountable. This requires timely release and dissemination of information, effective independent watchdogs and public oversight.