

A Discussion Paper
for the
Proposed Review of the Structure
of the
Kokoda Track Authority
for the
Sustainable Development Plan
Scoping Study

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INTRODUCTION

Due to political disagreements in 2000, the Kokoda Track/Trail was declared closed and negotiations took place between the Governments of Papua New Guinea and Australia and landowner leaders, local and provincial governments, tour operators and other stakeholders to have the track re-opened.

After much deliberation, a local-level government authority was considered the best option for Kokoda Track.

The Kokoda Track Local-level Government Special Purposes Authority (Kokoda Track Authority) or (KTA) was established by National Executive Council (NEC) Decision 20/03, dated 28 May, 2003 and proclaimed by the Governor General on 11 June, 2003 pursuant to Sections 42 and 43 of the *Local-level Government Administration Act 1997*.

It was established for the general purpose of assisting the implementation of the functions of the –

- (i) Koiari Rural Local-level Government; and
- (ii) Kokoda Rural Local-level Government

Its purpose is to focus on the significance of the Kokoda Track due to its part in World War II and promote this legacy for present and future generations and promote tourism related activities.

Its jurisdiction applies to six (6) Wards of the Koiari LLG and eight (8) Wards of the Kokoda Local-level Government through which the Kokoda Track traverses in its 96km length from Owers' Corner to Kokoda including adjoining areas at each end of the Track.

In establishing the Authority, the NEC did not consider any funding arrangements for the Authority, apart from income being derived from Trek Permit Fees as set by Kokoda Track Trek Permit Fee Laws of the Koiari and Kokoda LLGs. The Secretary of the Department of Provincial & Local Government Affairs on 22 November, 2004 did approve for the Oro and Central Provincial Administrations and KTA to negotiate and have in place Agreements relating to the funding arrangements for the Authority.

The Authority Interim Management Committee commenced the operation of the Authority on 7 May, 2004 and the committee was sworn in on 9 December, 2004. The term of office of the management committee is three (3) years expiring on 9 December, 2007. The term of the Authority is for five (5) years and shall be revised within five years from the date of establishment of the Authority (from 28 May 2003).

The Authority has ten committee member positions, of which only 8 are filled:
1 member representing the Koiari LLG and 1 representing the Koiari landowners
1 member representing the Kokoda LLG and 1 representing the Kokoda landowners
1 member representing the District Administrator Kairuku-Hiri and 1 representing Sohe
1 member representing PNGTPA, 1 for NCC, 1 for RSL, 1 for Tour Operators.

There are nine (9) approved positions on the staffing structure but funding restraints restrict the employment of a suitable management team.

CONSTRAINTS AGAINST KOKODA TRACK AUTHORITY

1. Landowner communities expect all Trek Fee income to be used for community projects. With no financial assistance from the Government for recurrent expenditure, proportion of trek fee income is required for recurrent expenses and qualified administrative staff are difficult to attract for employment.
2. The Executive Officer is therefore forced to attend to the routine activities of KTA, receiving Trek permit Applications and funds and issuing permits, attending to community and tour operator/trekker enquiries and attending to all accounting matters. It has become extremely difficult to find the time or incentive to attend to KTA developments and the recommendations of various workshops and plans.
3. The Kokoda Track communities rightfully claim that they have poor representation on the board of KTA and that insufficient trek fee income is getting to community projects but wasted on unnecessary management committee expenses.
4. LLG appointed management committee members are too involved in daily administration and political intrigue and the expenses that go with it. Such has destroyed good governance and credibility with the stakeholders.
5. Kokoda & Koiari LLGs expect KTA to fund their meeting allowances, accommodation, transport for meetings in respect of KTA matters. For KTA budgets to be approved by the LLGs and Trek permit Fees set by LLG Law, the LLG Assembly Members demand community benefits for all the wards in their LLG and not just those wards forming the KTA proclamation.
6. Central and Oro Provincial Administrations have failed to provide any budgetary support to KTA, but have requested KTA fund some of their expenses.
7. Insufficient awareness patrols or meetings are being conducted to keep communities informed of KTA activities, projects and finances.
8. KTA funds have been misappropriated due to political and peer pressures by leaders and management committee members.
9. Landowners are lodging numerous (many false) claims with KTA office for track clearing, bridge replacement, medical (welfare) expenses, education, aircraft and road transport, vehicle hire, community meetings, etc.
10. City dwellers are lodging claims for benefits without reference to their village communities.
11. Landowners are clearing unnecessary lengths of the track without reference to KTA and expecting payment. Many bridge replacement claims are duplicated.
12. Camping grounds are being established without reference to KTA and on the Track causing further destruction to the tree canopy. Imita Base now has four adjoining camping grounds developing into a slum area. Approved camping grounds should be located off the Track with a sign-posted short track to the site.
13. There is dishonesty amongst clan and family members over guest house and camp ground payments, particularly with absentee landlords. Camping grounds facilities are not being maintained and some pit toilets located in unsanitary locations near streams.

RESTUCTURE OPTION

The present Kokoda Track Authority be replaced by a corporation structured as follows:

1. **Kokoda Track Development Corporation Limited** (KTDC) (or other suitable name) be incorporated with shareholding of one share per village community and held in trust by the Village Chief. A genealogy would be required to be conducted of each community and the population numbers (both resident and absentee) recorded. The suggested shareholding could be as follows:

PROVINCE	COMMUNITY	VILLAGES	POPULATION	SHARE
Oro	Asimba	6	527	1
	Kovelo	4	405	1
	Amada	4	667	1
	Kokoda Station	1	611	1
	Kebara	5	1,167	1
	Abuari	4	234	1
	Alola	3	133	1
	Waju	5	<u>806</u>	<u>1</u>
			<u>4,550</u>	<u>8</u>
Central	Depo	4	353	1
	Vesulogo	4	390	1
	Boridi	4	341	1
	Kagi	4	332	2
	Efogi	3	291	1
	Menari	7	439	2
	Edevu	2	<u>200</u>	<u>1</u>
		<u>2,346</u>	<u>9</u>	
Total			<u>6,896</u>	<u>17</u>

2. The first meeting of shareholders after incorporation would appoint directors to the KTDC. It is suggested that there be three from Oro communities and three from Central communities, all of which should be normally resident in the community. A representative of each Kokoda and Koiari LLG could also be a possibility for a directorship to keep the two LLGs informed of Kokoda Track activities and developments.
3. To ensure governance, accountability and transparency and to set policy guidelines, procedures, standards for the Kokoda Track and other similar trekking and environmental tourism areas of PNG, a National Government Corporation be established (say **PNG National Track Foundation Limited**) (PNGNTF). This would be established under the Companies Act and by a National Government Act, similar to Post PNG Limited, PNG Power Ltd, etc.
4. The PNGNTF would perform a similar role to PNG Sustainable Development Program Ltd or Nasfund and would be the management contractor for KTDC and any other substantial trekking destinations that open up in the country. This includes Mt Wilhelm, Mt Victoria, Black Cat, Bulldog, Gabagaba, Shaggy Ridge, etc.
5. Trek Permit Fees would be set by the PNGNTF in consultation with the trek location communities via their Corporation or Association (KTDC). The present rate of K200 per International Trekker could be justifiably increased to a more realistic international

level. Applications for trek permits with payment as well as the trek itinerary would be received by the PNGNTF at least one week in advance of the proposed Trek. Trek Permits for Kokoda Track would be issued by the PNGNTF and funds deposited in a Trust Account in respect of Kokoda Track.

6. All Tour Operators should register with PNGNTF so that standards can be set and complied with and information disseminated and enquiries and problems dealt with.
7. The PNGNTF would require funding for its recurrent expenditure from the PNG Government and Australian Government and other donor agencies for specific projects.
8. It is suggested that Rangers be employed by PNGNTF. They would be recruited from the Kokoda Track area and attached to the KTDC for performing ranger, project officer and public relations duties along the track. It would also be advisable for them to perform the duties of community police. It is envisaged that Rangers be trained by institutions in PNG with assistance from Australian Parks & Wildlife institutions and officers and possibly some of the major Tour Operators from their experiences on Kokoda and other international trekking destinations.
9. During 2007 there has been 5,000 trekkers visit Kokoda Track, which brought tourism income to the country of over K25 million. Of this K10 million was in airfares between Australia & PNG on Air Niugini/QANTAS code share and Airlines PNG. K10 million was spent in Port Moresby on hotel accommodation and meals at 2 nights per trekker, airlines transport to Kokoda, Popondetta or Mt. Koiari airstrips, road transport within Port Moresby and to Owers' Corner, trekking food and other supplies purchased in Port Moresby, local tour operator overheads and GST to Internal Revenue Commission. K5 million was spent in the Kokoda Track communities in guide and carrier/porter hire, guest house/campsite accommodation, village food, attractions and entertainment as well as community development projects from KTA and other donors.
10. KTA received over K800,000 in trek fee income in 2007 (some outstanding accounts still being collected) from the 5,000 trekkers at rates of K200 per international trekker, K100 per student and 50% of these rates for PNG residents.
11. The KTDC would require recurrent expenditure funding for its operations including possibly controlled Track maintenance and maintenance of airstrips and the VHF radio network. Such funding is envisaged to come from the PNGNTF as per approved budget and acquittal reports. Airstrip maintenance and possibly track maintenance funding should be available from both Oro & Central Provincial Governments.
12. The village communities registered as shareholders in the KTDC would meet and discuss their budgeted requirements for community development projects to be funded from trek fee income.
13. Assuming the total available trek fee income in 2008 is K850,000, the village communities registered as shareholders in the KTDC (17 shareholders per the above suggested allocation) could budget K50,000 each for community projects. KTDC and/or community shareholding could suggest a different proportion based on population or strategic location. Using the present KTA community projects, some of the suggested headings under which their budget could be compiled are:

Agriculture, airstrip maintenance, church assistance, community buildings, community assistance, commercial enterprise assistance, education buildings, supplies &

scholarships, health buildings & supplies, memorial park & village maintenance, radios VHF maintenance, track maintenance, training, war history celebrations, water supplies, women affairs, youth & sports, welfare, etc.

14. The village communities would need to keep within their budget, and perform budget reviews as appropriate – as the maximum they will receive from trek fee income under this system is K50,000. On the basis that PNGNTF established accounting procedures for the KTDC and its shareholder village communities, funds would be released following strict procedures.
15. The village communities should also be involved in the selection of their students for education scholarships, bearing in mind scholastic ability.
16. PNGTF and KTDC would have close liaison in administering the KTDC and Track administration, projects and other issues. At least two awareness patrols would be conducted along the Track per annum by KTDC accompanied by a Project Officer from PNGNTF. At these village meetings, the community would obtain graphic and printed reports on the communities projects financial situation and progress and on KTDC financial situation and projects. They would be able to discuss matters of concern, mutual benefit and development projects, etc.

SUMMARY

This discussion paper provides ideas for the restructure of Kokoda Track Authority into an organization that will hopefully allow the spirit of the Kokoda Track to develop as a sustainable tourism destination following proper procedures with the necessary funding and administrative structure.

Its contents may be of some benefit for a meeting being held on 14 November, 2007 to discuss the IFC PEP Pacific Draft Report.

Reference should be made for more detailed constraints and strategies in the following reports:

- * Management Options for the Kokoda Track - Paul Mitchell for PNGSDP March 2007
- * Discussion Paper on Kokoda Eco-Trekking Industry - Charlie Lynn September 2007
- * Kokoda Track Plan for Sustainable Tourism - Kokoda Track Foundation September 2007
- * Kokoda Track Sustainable Development Plan Scoping Study Draft Report – Tripp
Consultants for IFC PEP-Pacific September 2007

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