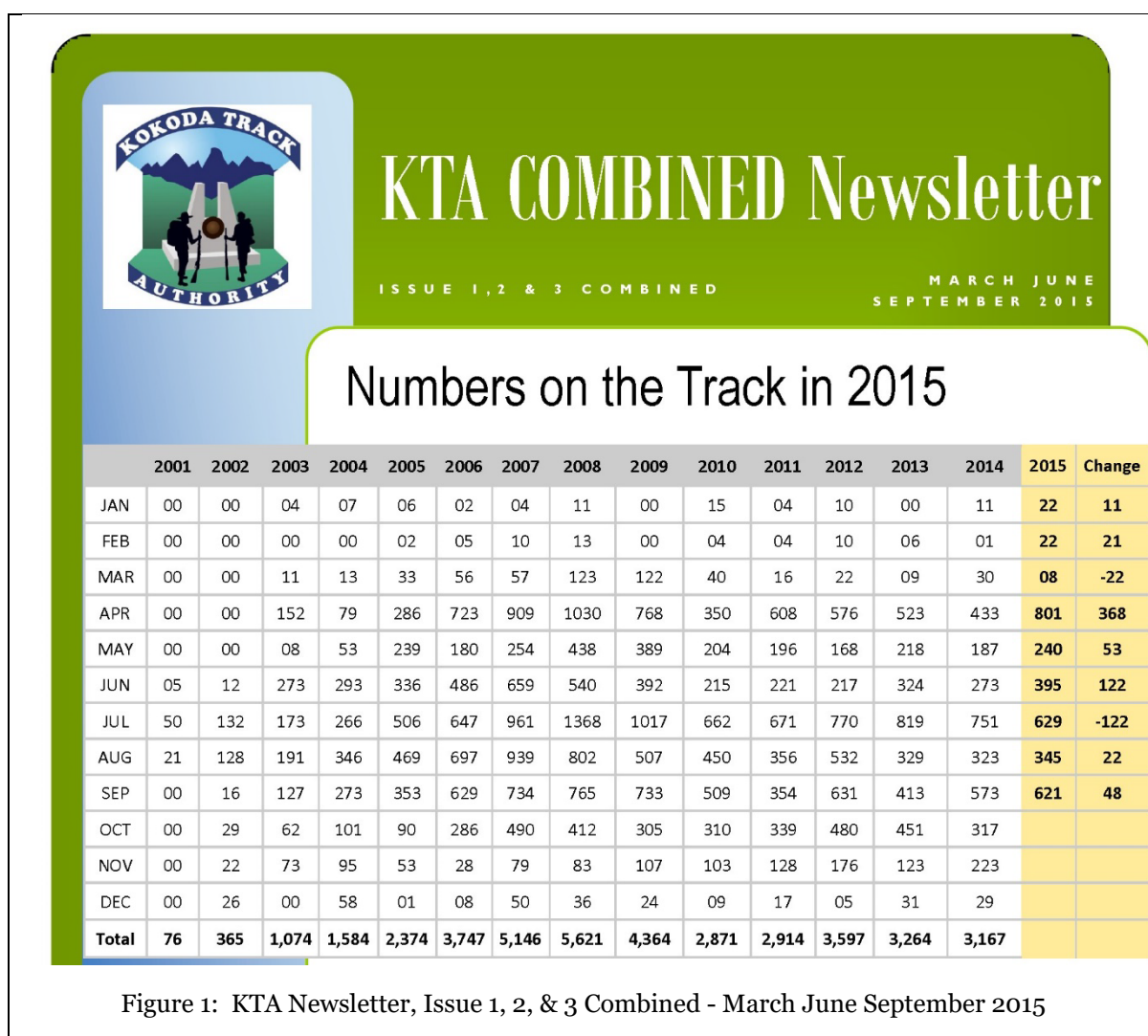


CHAPTER 28: Database Evaluation of the Kokoda Trekking Industry: 2003-2019¹

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¹ Data based on official records published by the Kokoda Track Authority

KEY FACTS

- Prior to the 50th anniversary of the Kokoda campaign in 1992 fewer than 100 Australians trekked across the Kokoda Trail each year. They did not have to pay any fees and were self-sufficient with their own camping gear and ration packs.
- Apart from employing one or two local guides, and buying some fresh food, there were few economic benefits for local subsistence villagers. Their only opportunity for earning some income was through the sale of fresh fruit and vegetables which were delivered to Port Moresby by MBA Airlines which conducted a thrice weekly 'milk-run' along the Trail.
- In 1992 the combined annual income for all villagers across the Trail was estimated to be in the region of K60,000 per year.
- Public interest in trekking Kokoda began with a cover story in the national 'Bulletin with Newsweek' magazine titled '[Kokoda: A Walk on the Wild Side](#)' which coincided with Prime Minister Paul Keating's Anzac Day visit in 1992.
- A later national television special, '[The Angry Anderson Kokoda Challenge](#)', featuring a group of celebrities was screened in 1996. It was the highest ever rating show for the Channel 9 'A Current Affair' and attracted almost 3 million viewers.
- On the 60th anniversary of the Kokoda campaign in 2002, Prime Minister's John Howard and Sir Michael Somare opened a significant memorial at the Isurava battlesite.
- The publicity from these events led to an increasing interest in trekking across the Trail.
- At the same time, local villagers began to agitate for a more reasonable share of benefits from the emerging Kokoda trekking industry.
- In 2003, the Kokoda Track (Special Purpose) Authority (KTA) was proclaimed by the Minister for Intergovernmental Relations, Sir Peter Barter, to help meet their needs.
- A former kiap, and long-term PNG resident, Warren Bartlett, was appointed CEO of the KTA on a salary of K25,000. He was assisted by a part-time secretary. The organisation was required to be self-funding as neither government, Australia nor PNG, were willing to provide any financial support at the time.
- Mr Bartlett requested financial assistance from [Adventure Kokoda](#) who advanced K25,000 to the fledgling organisation until income from the new trek fee of K200 was realised.
- Under the new Kokoda Track Permit Law, 20% of income from Trek Permits was to be allocated for administration purposes and 80% allocated for community development projects across the Trail.
- During this period Mr Bartlett processed 19,546 trek permits, maintained the VHF radio system across the trail, issued toilet pans, generators, mowers, etc to village communities, administered the only ever all-inclusive workshops conducted on the Kokoda Trail, and did his best to meet the demands of 80 trek operators, more than 100 landowners, and corrupt elements within his own KTA Board of Directors.

The challenges he had to deal with during this period included

1. Landowner communities expected all trek fee income to be used for community projects. With no financial assistance from the Australian/PNG Governments for recurrent expenditure, a proportion of trek fee income was required for recurrent expenses. It was not possible to engage suitably qualified administrative staff. All the work was therefore left for Mr Bartlett.
2. Mr Bartlett was required to attend to the routine activities of KTA - process Trek Permit applications, account for all funds, attend to community and tour operator/trekker enquiries, and attend to all accounting matters. It was almost impossible for him to manage the required developments to support the needs of local communities and the trekking industry.
3. Kokoda Trail communities were aggrieved that they were not properly represented on the board of the KTA. They were not satisfied that they were receiving their fair share of trek fee income for community projects and that the board was squandering money on unnecessary management committee expenses. Their complaints were fully justified but could not be addressed because of the Board structure and the apathy of the Australian/PNG Governments.
4. The Koiari and Kokoda Local Level Government appointees on the management committee were too involved in daily administration and political intrigue with the expenses that supported their activities. It was not possible to control their pillage of trek fees and they lost the respect of the people they were supposed to represent. For example, they demanded the KTA fund all their meeting allowances, accommodation, and transport expenses for meetings in respect of KTA matters even though they were paid by their respective Provincial Governments.
5. KTA budgets could not be approved without the support of the Local Level Government members. With any eye to their own political futures, they demanded community benefits be distributed to all the wards in their Local Level Government Area well beyond the confines of the Kokoda Trail.
6. Central and Oro Provincial Administrations failed to provide any budgetary support to KTA. They reversed their onus of responsibility to support the fledgling trekking industry and pressured the KTA to fund some of their expenses.
7. KTA funds in excess of K1 million were misappropriated due to political and peer pressures by *wan-tok* leaders and management committee members.
8. Landowners lodged many false claims with the KTA for track clearing, bridge replacement, medical (welfare) expenses, education, aircraft and road transport, vehicle hire, community meetings, etc. It was impossible for the KTA to assess or supervise these claims however many had to be paid to prevent disputes leading to trek closures.
9. Koiari and Orokaiva villagers living in Port Moresby settlements continually lodged claims without reference to their village communities.
10. Significant portions of tree canopy were destroyed as campsites were established without reference to the KTA.

11. It was not possible to fund any ‘awareness patrols’ or village workshops across the Trail due to funding restrictions. This led to a great deal of discontent within local communities along the trail.

Many of these issues were due to government apathy, an institutional neglect to ensure Board members were properly aware of their responsibilities, and a failure to institute proper checks and balances. Despite these shortcomings the experience provided valuable lessons in developing proper procedures and structures to harness the potential of a wartime trekking industry.

During Mr Bartlett’s reign as CEO from 2003 to 2008 the KTA raised K3.9 million from the issue of Trek Permits; K9.8 million was earned by guides and carriers supporting trekkers; K4.8 million was earned by campsite owners; and a further K4.8 million was earned by villagers from the sale of food, souvenirs and local sing-sings for trek groups. See [Table 1](#) below.

Australian Management Results: 2009-2019

A public backlash against a threat to mine the southern section of the Kokoda Trail caused the Australian Government to assist PNG to obtain a World Heritage Listing for the area.

A Joint Agreement, signed in 2008, saw the Australian Department of Environment, Water, Heritage and the Arts (DEWHA) assume responsibility for the management of the emerging Kokoda trekking industry the following year. An Australian CEO was appointed on a salary package of approximately K750,000 and staff numbers increased from one part-time assistant to 15 (10 office workers and 5 rangers).

A DFAT ‘Kokoda Initiative’ was established and embedded within the PNG Conservation Environmental Protection Agency (CEPA) which assumed responsibility for the KTA through the establishment of a Ministerial Technical Working Group. An Australian environmental official was embedded within CEPA as their ‘Strategic Management Advisor’.

The period 2009-2019 saw a decline of 27,140 trekkers which resulted in a cumulative loss of K49.7 million in income for villagers across the Kokoda Trail under the management model imposed by the DFAT ‘Kokoda Initiative-CEPA-KTA Alliance’. The annual decline can be measured against the benchmark of 5621 trekkers under PNG management in 2008 as per [Table 3](#) below.

Summary

During the period 2003-2008 the KTA, under PNG Management, generated a 423% increase in trekker numbers from 1074 to 5621.

During the period 2009-2019 the KTA, under Australian management, resulted in a 46% decline in trekker numbers from 5621 in 2008 to 3033.

The decline, measured against the 2008 benchmark of 5621 trekkers has resulted in a cumulative loss of K49.7 million for villagers along the Kokoda Trail.

Villagers across the Kokoda Trail, who earned zero income from trekking over a 40-year period from 1950-1990, have earned K71.6 million over the past 16 years from the emerging Kokoda Tourism industry.

Conclusion

The decline in trekker numbers from an average of 3258 per year under PNG KTA management to 3178 under DFAT-Kokoda Initiative management resulted in a cumulative loss of K49.7 million is the result of the Trail being managed as an environmental asset by government bureaucrats rather than as a tourism asset on a free-enterprise basis.

This is evident in the fact that the DFAT-Kokoda Initiative has not introduced a single management protocol since 2009. It is therefore not possible to book campsites in advance. There is no trek itinerary management system which leads to confusion and conflict during peak trekking periods. There is no trek auditing system to ensure guides, carriers, personal porters and campsite owners are not exploited. There is no due diligence in the KTA licensing system which has led to a proliferation of trekking companies who do not comply with the IPA Act or their own KTA regulations. No funds have been invested in the development of campsites – there is not a single toilet that meets the most basic of hygiene standards across the Trail. They have not yet developed a database which is the most fundamental management tool of any commercial organisation. They have not invested in the military heritage of any significant site which is the primary reason Australians choose to trek across the Trail. They have never produced an Annual Report or a Financial Statement.

An [expert report in 2015](#) revealed that the Kokoda Trail does not meet the criteria necessary for a World Heritage Listing. There is therefore no justification for continuing to manage the Kokoda Trail as an environmental asset.

The rapid growth in trekker numbers has seen the Trail emerge as PNGs most popular tourism destination. It should therefore be managed as a tourism asset on a commercial basis for the economic and social benefit of village communities between Owers Corner and Kokoda.

The following data supports this conclusion:

1. [Table 1](#): Data for Period 2003-2008 (Under PNG Management)
2. [Table 2](#): Data for Period 2009-2019 (Under Australian Management)
3. [Table 3](#): Data re loss in each category with the decline in trekker number since 2009 against the 2008 PNG KTA benchmark of 5621 trekkers

Table 1: Data for Period 2003-2008 (Under PNG Management)

Calculations for income generated within village economies are based on the following:

1. Trek Permit Fee of K200.00 per trekker;
2. Daily rate of pay of K50 per guide and carrier
3. Average of 10 days employment during each trek (1-day preparation; 8 days trekking; 1-day post-trek admin
4. K20 campsite fee per trekker for an average of 9 nights per trek;
5. K5 campsite fee per guide/carrier/personal porter for an average of 9 nights per trek; and
6. An average spend of K250 per trekker for village purchases (fresh fruit, local sing-sings, bilum bags, etc)

SERIAL	YEAR	NO OF TREKKERS	TREK PERMIT FEE	#DAYS PER TREK	PNG WAGES	CAMPSITE FEE:		VILLAGE PURCHASES
						Trekkers	PNG Crew	
1	2003	1074	K214,800	10	K537,000	K193,320	K161,100	K268,500
2	2004	1584	K316,800	10	K792,000	K221,760	K166,320	K396,000
3	2005	2374	K474,800	10	K1,187,000	K332,360	K249,270	K593,500
4	2006	3747	K749,400	10	K1,873,500	K524,580	K393,435	K936,750
5	2007	5146	K1,029,200	10	K2,573,200	K720,440	K540,330	K1,286,500
6	2008	5621	K1,124,200	10	K2,810,500	K786,940	K590,205	K1,405,250

						K2,779,400	K2,100,660	
SUB-TOTALS	19,546	K3,909,200		K9,773,200		K4,880,060		K4,886,500
Average No of Trekkers Per Year: 3258				Total village Income for period 2003-2008: K23,448.960.00				

Table 2: Data for Period 2009-2019 (Under Australian Management)

Calculations for income generated within village economies are based on the following:

1. Trek Permit Fee of K300.00 per trekker increasing to K350 per trekker from 2015;
2. Daily rate of pay of K70 per guide and carrier;
3. Average of 11 days employment during each trek (1-day preparation; 9 days trekking; 1-day post-trek admin);
4. K20 campsite fee per trekker for an average of 10 nights per trek;
5. K5 campsite fee per guide/carrier/personal porter for an average of 10 nights per trek; and
6. An average spend of K350 per trekker for village purchases (fresh fruit, local sing-sings, bilum bags, etc)

No	YEAR	NO OF TREKKERS	TREK PERMIT FEES	DAYS PER TREK	PNG WAGES	CAMPSITE FEE		VILLAGE PURCHASES
						Trekkers	PNG Crew	
1	2009	4340	K1,302,000	11	K3,341,800	K868,000	K651,000	K1,519,000
2	2010	2871	K864,171	11	K2,210,670	K574,200	K430,650	K985,950

3	2011	2914	K874,200	11	K2,243,780	K582,800	K437,100	K1,019,900	
4	2012	3597	K1,079,100	11	K2,769,690	K719,400	K539,550	K1,258,950	
5	2013	3264	K979,200	11	K2,513,280	K651,800	K489,600	K1,142,400	
6	2014	3167	K950,100	11	K2,438,590	K633,400	K475,050	K1,108,450	
7	2015	2712	K949,200	11	K2,088,240	K542,400	K406,800	K949,200	
8	2016	2587	K905,450	11	K1,991,990	K517,400	K388,050	K905,450	
9	2017	3173	K1,110,550	11	K2,443,210	K634,600	K475,950	K1,110,550	
10	2018	3033	K1,061,550	11	K2,335,410	K606,600	K454,950	K1,061,550	
11	2019	3033 ²	K1,061,550	11	K2,335,410	K606,600	K454,950	K1,061,550	
						K6,937,200	K5,203,650		
SUB-TOTALS		34,691	K11,137,071		K26,712,070	K12,140,850		K12,122,950	
Average No of Trekkers Per Year: 3178					Total Village Income Generated: K62,112,941.00				

² Permits and Finance Officer instructed not to provide trek numbers – 2019 figure based on estimate from 2018

Table 3: Data re economic loss for villagers in each category with the decline in trekker numbers against the 2008 benchmark of 5621 trekkers:

SERIAL	YEAR	NO OF TREKKERS	TREK PERMIT FEE	DAYS PER TREK	PNG WAGES	CAMPSITE FEES		VILLAGE PURCHASES
						TREKKERS	PNG CREW	
1	2009	1281	K384,300	11	K986,370	K256,200	K192,150	K448,350
2	2010	2750	K825,000	11	K2,117,500	K550,000	K412,500	K962,500
3	2011	2707	K812,100	11	K2,084,390	K541,400	K406,050	K1,909,950
4	2012	2024	K607,200	11	K1,558,480	K404,800	K303,600	K708,400
5	2013	2357	K707,100	11	K1,814,890	K474,400	K353,550	K824,950
6	2014	2454	K735,000	11	K1,889,580	K490,280	K368,100	K858,900
7	2015	2909	K1,018,150	11	K2,239,930	K581,800	K436,350	K1,018,150
8	2016	3034	K1,061,900	11	K2,336,180	K606,800	K455,100	K1,061,900

9	2017	2448	K856,800	11	K1,884,960	K489,600	K367,200	K856,800
10	2018	2588	K905,800	11	K,1,992,760	K517,600	K388,200	K905,800
11	2019	2588	K905,800	11	K1.992,760	K517,600	K388,200	K905,800
SUB-TOTALS:		27,140	K8,819,150		K20,897,800	K5,430,480	K4,071,000	K10,461,500
TOTAL:			K49,679,930					