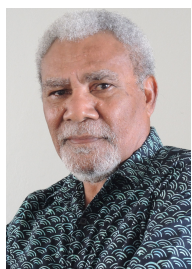


**Public Statement
by Rt Hon Sir Mekere Morauta
Port Moresby, 8 June 2017**

PM should apologise for free education fraud



Prime Minister Peter O'Neill's free education policy is a fraud that is crushing the hopes and dreams of schoolchildren all over the country.

"Analysis of Education Department statistics prove that the funding allocated to TFF is manifestly inadequate in the first place, and some of the funding is being diverted to non-TFF activities," former Prime Minister Sir Mekere Morauta said today.

"When Mr O'Neill boasts about his policy, he is knowingly misleading the public. We should be worried about the Prime Minister. Not only is he misleading people daily, he seems also to be losing his memory.

"Yesterday in Simbu he told people that I did not introduce free education. Perhaps the Treasury Department could make available the Budget brought down in 2001 to him so he can refresh his memory.

"The truth is that O'Neill's TFF is a chaotic failure that is getting worse each year. Mr O'Neill has let children, their parents and teachers down."

Sir Mekere said slightly more than K600 million on average has been allocated to TFF each year from 2012 to 2017. That is now grossly inadequate. To take into account inflation and the increase in school enrolments, Mr O'Neill should have allocated K1.4 billion for 2017.

"Instead he has stuck with his K600-plus million, which is a 30 percent cut in real terms since 2012 and less than half what is needed," Sir Mekere said.

The actual allocation for 2017 is K47 million less than in 2012 (K649 million in 2012 versus K602 million in 2017).

Sir Mekere said the O'Neill Government has also been secretly siphoning off TFF funds to pay for other education requirements. For example Grade 10 and 12 yearly selections were paid for out of TFF funds, as were national high school operational grants.

"This greatly reduces the amount available to pay tuition fees, which is why schools are closing and students are being sent home," Sir Mekere said. "To make matters worse, he also banned schools from raising other fees to cover his TFF shortfall.

"Mr O'Neill owes the people of Papua New Guinea an apology for the TFF chaos alone. But he has also deliberately misled the nation concerning teachers' salaries."

The reason teachers are not being paid their full entitlements either on time or in full is that Mr O'Neill has not allocated enough money in any of his Budgets. For example in 2016 an extra K318 million had to be found, accounting for more than 10 percent of the overall Budget deficit.

This year only K1.1 billion is allocated, even less than the K1.3 billion allocated in 2016. Teachers face another year of hardship and deprivation because of Mr O'Neill.

Sir Mekere pointed out that three provinces – Enga, Western and Southern Highlands, accounted for approximately one-third of the over-expenditure on teacher salaries in 2016. Enga overspent its initial allocation of K35.2 million by 116 percent. Western overspent its allocation of K25.7 million by 79 percent. Southern Highlands overspent its allocation of K54.9 million by 71 percent.

"The public needs to know why this has occurred," Sir Mekere said. "We know that corruption has become rampant under Mr O'Neill, so he needs to explain whether this is a result of ghost schools and teachers or whether it is simply a case of gross mismanagement and waste."

Sir Mekere pointed out these instances are not isolated events within Education. Spending cuts and inadequate Budget allocations are the rule across the board.

He said the corruption, waste and mismanagement he had identified, especially in the critical areas of health and education, highlighted the need for a review of public expenditure and revenue, in association with broader economic, financial and structural reform.

"The O'Neill regime is rotten to the core, and we need to be able to identify the bad bits, cut them out and replace them," he said. "We can start once the head is removed."