



## PROVINCIAL FINANCIAL LITERACY TRAINING PROGRAM

Province	Kundiawa, Simbu	Venue:	Mt Wilhelm Tourist Hotel
Region:	Highlands	Date	04 - 05 Oct 2021
Training Code: FLT0721			

### REPORT



22 October 2021

**Mr. Peter Michael**  
Program Officer – NJSS Officers

## **INTRODUCTION/OVERVIEW**

Establishing a feeling of control over the available scarce financial resources at disposal is the genesis of alleviating poverty and achieving financial freedom. Financial literacy gives the benefit of making a choice that builds greater life satisfaction and eases financial stress. It is a tool that can empower the local economy if financial literacy concepts are well grasped and seriously executed

The PNG Centre for Judicial Excellence Board under the leadership of the Chief Justice has approved this Financial Literacy Training (FLT) to be delivered in all 22 provinces of Papua New Guinea within a 12-month period commencing in late July 2021.

The Financial Literacy Training is designed to assist officers of the National Judicial Staff Services (NJSS), the Magisterial Services (MS) and Department of Justice and Attorney General (DJAG), who are the stakeholders of PNGCJE. This short training is designed and intended to help officers, especially, the stakeholders of PNGCJE to better manage their financial resource (fortnightly salary) and to reduce the habit of living on borrowed (loan) money year in year out. The program was developed upon observations on the lack of proper financial management skills exhibited by officers. Personal testimonies received from officers and the Human Resource Division records on staff loans with financial lenders/institutions had prompted the design and delivery of this training.

It is anticipated that this training will relieve staff from the yearly routine of embarking on trips to financial institutions for loans, and over a period of time will produce and build financial capability of staff in the respective organizations through tapping into investment and SMEs.

## **ABOUT THE COURSE**

The Financial Literacy Training (FLT) delivered through the centre is entirely a PNGCJE product developed and delivered by the Finance Manager, Mr. Gitu Lago. A course book/material for this training has been developed and is in the process of editing and printing to go along with the delivery of this program. The program is currently developed to be delivered in one whole day, but this approach of delivery may change to include additional days as demanded or desired

## **TRAINING OBJECTIVES**

The overarching aim of the FLT training is to assist the NJSS, MS and DJAG Officers to carefully and confidently manage scarce financial resources at their disposal and loans for maximum benefit without financial stress.

Identifying the different types of loans and techniques of using debt/loan to generate income are emotionally stimulating objectives which participants highly value and appreciate. Tips for proper budgeting of fortnightly salary is an important focus and emphasized as the basis and road to financial freedom.

Personal finance budgeting techniques and exploring the simple financial tricks in obtaining loans from lending financial institutions are complimentary to the main objective.

## **OUTCOME(S)**

The participants are expected to appreciate the content and delivery of the training in the following manner:

- a) Do proper budget of their fortnightly salary;
- b) Save up money from salaries for tuition fees, traditional obligations, etc. instead of running to the financial institutions for loans for such events year in year out;

- c) Proper management of existing (if any) small SMEs, like trade store and other sales outlets;
- d) Venture into mini-SME opportunities to earn extra money;
- e) Make investments/buy shares in already existing companies; and
- f) Get more loans to fund economic activities without it affecting the fortnightly salary

## **DESIGN & DELIVERY**

The program is designed to accommodate three (3) segments into one day which previously had been delivered in phases. Segment one covers the financial education and awareness component. It deliberates on the personal financial budgeting techniques and types of loans offered by financial institutions and calculation method for each loan type.

The second segment explores the different types of legal income that officers can consider to service their financial obligations whilst still working as employees of their organizations - an overview of transcending into a business owner, a self-employer or an investor.

The third segment comprises of a practical group project to ensure the concepts covered theoretically are implemented and materialized on the basis of their available financial capacity.

Education and awareness of prudent financial management either for personal or corporate viability is vital for a sound economy.

## **BACKGROUND INFORMATION**

Observations have indicated that most court officers, if not all, had tough challenges in proper management of financial resources at their disposal. The loan applications submitted to financial institutions each year are a testament that calls for such intervention. Upon realizing the need for staff financial management skills within NJSS, Mr. Lago developed the course and called for interested officers to attend a one-day FLT training. The impressive feedback received supported the continuity of the training. But it was all done in Waigani, until the PNGCJE Board in July 2021 approved and directed this training be delivered in all 22 provinces of PNG and had to be done within 12 months from the time approval was given.

The PNGCJE Board noted the inclusion of the MS and the DJAG staff located in the provincial centres where NJSS was located to be considered for this training where necessary. Hence, the first FLT training commenced in August 2021 covering Wabag, Enga Province and Mt. Hagen in the Western Highlands. Then to Manus Province. After Manus, the training was held in Lae, Morobe Province, Goroka in the Eastern Highlands and Kundiawa in Simbu Province. There are several other provinces yet to be covered. This report presents information on the FLT training in Kundiawa.

## **DATES AND VENUE**

The Lae FLT training was delivered in two days (04 – 05 October, 2021) with participants divided into two groups. One group attended on the first day and the other group on the second day. On each day, the training was scheduled to start at 8:30am and finish at 4:00pm. The training was delivered in a conference room at the Mt Wilhelm Tourist Hotel.

## **FACILITATOR(S) AND PARTICIPANTS**

The training was an initiative of the facilitator and PNGCJE Finance Manager, Mr. Gitu Lago and PNGCJE Program Officer for NJSS, Mr. Peter Michael.

The participants ranged from NJSS and MS officers of Kundiawa, Simbu Province. A total of 24 NJSS Officers and 3 MS Officers attended the FLT training, totaling 39 attendees.

The table below highlights details of participants.

<b>GOROKA FLT TRAINING: 27 – 28 SEPT 2021</b>			
NJSS	Male	Female	Total
		18	6
MS	2	1	3
	<b>19</b>	<b>11</b>	<b>27</b>
<b>Total</b>			

**TRAINING COSTS**

The FLT is a program entirely funded by PNGCJE. Four (4) PNGCJE officers, plus PNGCJE Executive Director Dr. John Carey travelled to Lae to conduct the training. The officers were: Facilitator Mr. Lago, Program Officer Mr. Michael, Research and Editorial Officer Mr. Gideon Kindiwa and Driver Mr. Kori Tolpari. Below is the break-up of the expenditure for the trip from Goroka to Kundiawa, the two-days training in Kundiawa and the trip to Mt Hagen and back to Port Moresby.

No	Particulars	Amount	Supplier
1	Venue hire & catering and Accommodation	K10, 890. 00	Mt Wilhelm Tourist Hotel
2	Vehicle hire	<i>Refer to Lae FLT report</i>	Island Mobil H/Car
3	TA	K3, 826. 00	Mr. Lago, Mr. Michael, Mr. Kindiwa and Mr. Tolpari
<b>Total</b>		<b>K14, 714. 00</b>	

**HIGHLIGHTS OF SESSIONS**

**A. Types of Loans and methods of calculations**

Loan is borrowed money that is expected to be repaid with interest within a specified period of time and is referred to as DEBT or LIABILITY = OBLIGATION

Different loan interest rates, such as unsecured personal loan rate, secured personal loan rate, fixed rate loans and etc., are available and individuals have to choose the best rate. Further, it is wiser to negotiate and to repay at the earliest time possible then to complete the entire loan package in an extended timeframe only to be financially exhausted at the end.

Differentiation and prioritization of needs from wants is an important starting point for a proper budget. If a loan is to be considered, it must be carefully planned so that at least part of the loan is invested in an income generating activity.

Two commonly used methods of loan interest and repayment calculation namely ‘*simple interest*,’ and ‘*compounded interest*’ were explained with examples.

## **B. Budgeting Fortnightly Income**

Fortnightly salary has to be carefully managed as most of the employees may not have additional income generating activities. Listing and budgeting for needs is vital but wants equally play an important role in the economy. Additionally, some wants turn out to be needs at times – *careful consideration is paramount*

In budgeting, it is a bad idea to divert funds to an unbudgeted activity, unless it is economically viable and done with in-depth consultation with financial experts.

Returns from investments in economic areas come after a lengthy period through proper budget and does not have to be a one-off payment unless enough funds are available

A sample of a facilitator's fortnightly budget was demonstrated to provide an in-depth understanding and a clearer picture of the importance of budgeting personal fortnight salary.

## **C. Six Words of Financial Intelligence**

The six words of financial intelligence that all financial institutions use universally are Assets, Liabilities, Income, Expenses, Cash and Flow. The total amount of money being transferred into and out of a business, especially as affecting liquidity is cashflow.

Further clarifications with demonstrations were made to show how these six financial terms are used and work in an economy.

## **D. Using Debt to Generate Income Without Financial Stress**

The main concept behind this session was that loans be obtained and used to acquire assets that can generate money rather than it being only a liability.

## **E. Seven Types of Income and examples**

- 1) Earned Income: *Employee*
- 2) Profit Income: *Moving from employee to entrepreneur (sales)*
- 3) Interest Income: *Lending money (treasury bills & bonds for government)*
- 4) Dividend Income: *Buying Stock (become shareholder)*
- 5) Rental Income: *Rent from properties*
- 6) Residual and Royalty Income: *Sales of books, videos on youtube, etc.*
- 7) Capital Gain Income: *Real Estate (sales of vehicle purchased through internet)*

The facilitator indicated that his intention was to take the participants through to become self-employed, business owners and investors upon completion of the one-day intensive training. It is obvious that at least a handful of the training participants have been motivated to venture into mini-SMEs with resources available at their disposal. It is anticipated that some good news will follow suit on the success of their mini-SMEs.

## **LESSONS LEARNT**

### **1) Duration of training**

Time frame for the training seemed too short to grasp the valuable information shared. If the course book is completed, approved and printed, it would be desirable to run a second series of training with

use of the financial resource book. Some participants commented that they need practical and detailed information on how to start a business and manage it, which cannot be covered within the short time frame. For instance, samples of business and company registration application forms, step-by-step process on how to start up and register a business or company, how to manage cashbooks, how to pay taxes and get tax rebates from the Internal Revenue Commission (IRC), where exactly to go to and who to see to invest in shares, bonds, or treasury bills, etc.

## **2) Medium of communication**

It was also noted that a handful of participants could not read and write well, especially security officers and groundsmen. Tok Pisin was used as the medium of communication for explanation in the training. The turn-out of completed training evaluations were not impressive due to this reason (*some cannot write*) but we assumed that similar thoughts would have been expressed as these feedbacks received. It is wiser to be considerate and accept the commonly used medium of communication.

## **CERTIFICATE**

Certificates signed by the PNGCJE Executive Director and the facilitator were issued to participants after successful completion of the training at the end of each day. Participants were informed of the importance of the certificate as a bank requirement for SME loans.

## **TRAINING EVALUATIONS**

Training evaluation questionnaires were prepared and distributed to gauge participants' views on the concept and method of delivery. The feedbacks received have been analyzed and used as rectifying tools to improve future trainings (*refer to analysis in the next few pages*).

## **CONCLUSION**

Efficient management of finance is a skill one must master in order to survive with less stress and avoid poverty. Today, knowledge in financial management and entrepreneurship is on high demand where many people pay to learn. Upon careful consideration of financial issues faced by the NJSS staff, the PNGCJE Board has decided to run the FLT training in all provincial centres.

Offering those much-needed knowledge and skills free is a bonus for the participants and the organization at large. It is a matter of discipline and commitment towards the financial plan/budget that can live up to one's desire for financial freedom.

As a Chinese proverb states, '*teach him how to fish instead of giving him the fish to eat*,' the FLT training has the motivational force to convert aspiring entrepreneurs to realize their potentials and can become millionaires in the near future if they can put their minds to it - only time will tell. The completed training evaluation analysis indicates training information disseminated was highly commendable with strong motivation to grasp the details of training a bit deeper and in-depth only if more time was allowed.

## **RECOMMENDATIONS**

The recommendations contained here were either proposed during the discussion or expressed on the evaluation questionnaire.

Comments and suggestions raised were analyzed and commonalities in the recommendations were noted. The recommendations put forward after the FLT training in Lae are as follows;

- 1. This training be developed into a course and run for a month and participants be awarded with Diploma**
- 2. Training time be increased to at least two days to cover everything in detail;**
- 3. NJSS could set up a mini finance company so that NJSS officers can get small loans within our own organization to start businesses and grow.**

## EVALUATION ANALYSIS

Of the total number of 27 participants from the Kundiawa FLT training, 24 had completed and submitted their evaluation forms. The workshop evaluations and results have been collected and analysed in the following tables.

### Response to Questions

<b>Question 1:</b> Having completed the Training, how confident do you feel in managing your financial resources?		
<b>Rating</b>	<b>Point /24</b>	<b>%</b>
Less Confident		
Some Confidence	1	4.2%
More Confident	12	50%
Much more Confident	11	45.8%
	<b>24</b>	<b>100%</b>

<b>Question 2:</b> Was the information presented useful and practical?		
<b>Rating</b>	<b>Point /24</b>	<b>%</b>
Not useful		
Limited usefulness		
Quite useful	4	16.7%
Extremely useful	20	83.3%
	<b>24</b>	<b>100%</b>

<b>Question 3:</b> Were the aims of the training clear and were they achieved?		
<b>Rating</b>	<b>Point /24</b>	<b>%</b>
Not achieved		
Reasonably achieved	1	4.2%
Substantially achieved	7	29.2%
Fully achieved	16	66.7%
	<b>24</b>	<b>100%</b>

<b>Question 4:</b> Did you find that the presentation was effective and allowed adequate participation, discussion and practical presentation and interaction?		
<b>Rating</b>	<b>Point /24</b>	<b>%</b>
Not effective		
Limited effectiveness		
Quite effective	8	33.3%
Extremely effective	16	66.7%
	<b>24</b>	<b>100%</b>

<b>Question 5:</b> Overall, were you satisfied with the financial literacy training?		
<b>Rating</b>	<b>Point /24</b>	<b>%</b>
Not satisfied		
Reasonably satisfied		13.8%



Quite satisfied	3	12.5%
Extremely satisfied	21	87.5%
	<b>24</b>	<b>100%</b>

<b>Question 6:</b> indicate your understanding on the cash-flow quadrant		
Rating	Point /24	%
No understanding		
Good understanding	4	16.7%
Strong understanding	13	54.2%
Excellent understanding	7	29.2%
	<b>24</b>	<b>100%</b>

<b>Question 7:</b> Your understanding on types (7) of income		
Rating	Point /24	%
No understanding		
Good understanding	4	16.7%
Strong understanding	13	54.2%
Excellent understanding	7	29.2%
	<b>24</b>	<b>100%</b>

<b>Question 8:</b> Your understanding on when and how to get loans to fund investments or incubate business idea		
Rating	Point /24	%
No understanding		
Good understanding	4	16.7%
Strong understanding	14	58.3%
Excellent understanding	6	25%
	<b>24</b>	<b>100%</b>

<b>Question 9:</b> Your understanding on the process involved to register a business with IPA		
Rating	Point /24	%
No understanding		
Good understanding	9	37.5%
Strong understanding	11	45.8%
Excellent understanding	4	16.7%
	<b>24</b>	<b>100%</b>

*(Questions 10 and 11 were removed as they refer to a more detailed version of the FLT course which is not covered in the training due to time limitations.)*

Comments on questions 12 – 14 are summarized here. Common answers are paraphrased and listed below:

<b>Question 12.</b> List two interesting things you learned out of this training and explain why	
<ul style="list-style-type: none"> <li>• <i>Personal budget – I have never done any budgeting ever since I started working. Will do so now.</i></li> <li>• <i>Ways of making money apart from common salary</i></li> <li>• <i>Prioritizing needs from wants</i></li> <li>• <i>Create pool of funds</i></li> <li>• <i>Plan before obtaining loans to do business</i></li> <li>• <i>Cut down on spending money unwisely</i></li> <li>• <i>Managing and reducing financial stress</i></li> <li>• <i>How to make money whilst still working with NJSS</i></li> <li>• <i>Diversifying investments to cater for rainy days</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Profit income – use of salary to create more business</i></li> <li>• <i>I understood the different kinds of loans and how to calculate them</i></li> <li>• <i>7 types of income</i></li> <li>• <i>Types of loans</i></li> <li>• <i>Compounded interest</i></li> <li>• <i>Life cover insurance</i></li> <li>• <i>How to invest in shares – Dividend income</i></li> <li>• <i>Use loan to acquire assets</i></li> <li>• <i>Assets and Liabilities</i></li> <li>• <i>Using other people’s money to make your own money</i></li> </ul>
<b>Question 13.</b> List two <u>least</u> interesting things you learned out of this training and explain why	
<ul style="list-style-type: none"> <li>• <i>Need more information on IPA and how to go about starting a business.</i></li> <li>• <i>Need more information on regulatory and appropriate records</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Need more information on IRC and how to start a business and manage business tax.</i></li> <li>• <i>Treasury bills – I have no idea what this is and need more information</i></li> </ul>
<b>Question 14.</b> Do you wish to offer any other comments or suggestions for improvements of this training?	
<ol style="list-style-type: none"> <li>4. <i>I have learnt a lot in this training and I am now looking forward to start a small business.</i></li> <li>5. <i>I will be pleased to receive more of such trainings in the future.</i></li> <li>6. <i>I believe one day is not enough. We need 2 days or maybe a week to really get into the inside of the whole financial literacy thing. I feel that it’s only the tip of the iceberg.</i></li> <li>7. <i>I am suggesting if this training can be developed into a course and run for a month and participants be awarded with diplomas.</i></li> <li>8. <i>We wish NJSS could set up a mini finance company so that NJSS officers can get small loans within our own organization to start businesses and grow.</i></li> </ol>	

**A) WORKSHOPS IN PICTURES**

**Team A group photo**



**Team B group photo**





Group activity discussions and presentations



**Presentation of certificates**





## B) PROGRAM – FLT KUNDIAWA



**Papua New Guinea Centre for Judicial Excellence**  
Supreme & National Courts of Justice



### FINANCIAL LITERACY TRAINING for PROVINCIAL NJSS & MS OFFICERS

Location: Kundiawa


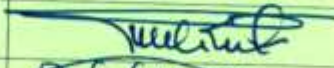
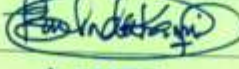

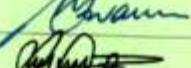



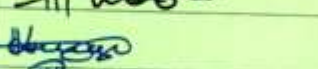
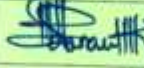
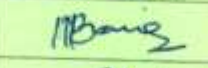

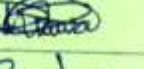
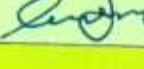
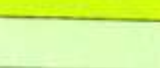
Venue: Mt. Wilhelm Hotel

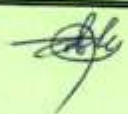
Date: 04 – 05 October 2021

**Program Objective: Participants will be able to manage scarce financial resources and loans for maximum benefit without financial stress**

Session	Time	Topic	Facilitator
	8:00 – 8:30	Arrival of participants	All
	8:30 – 8:45am	Introductory remarks Workshop opening remarks	Peter Michael Hon. Justice Daniel Liosi
1	8:45 – 10:30	<b>FINANCIAL LITERACY SERIES ONE</b> - Financial Liabilities - Types of loans - Interest calculation methods - Needs & Wants	Mr. Gitu Lago
	10:30 – 10:45am	<b>Morning Tea</b>	<b>All</b>
2	10:45 – 12:30am	<b>FINANCIAL LITERACY SERIES TWO</b> - Quadrants - Financial Intelligent & how 6 words of financial intelligent work - 7 types of supplement income you can generation - Regulatory & appropriate records	Mr. Gitu Lago
	12:30 – 1:30pm	<b>Lunch</b>	<b>All</b>
3	1:30 – 2:45pm	<b>FINANCIAL LITERACY SERIES THREE</b> 1) Developing Strategic Business Plan - Creating pool of assets - Investing in opportunities - Create Business ( <i>Business Owner</i> ) - Create wealth ( <i>investment</i> ) - Leverage Business ( <i>loans</i> )	Mr. Gitu Lago
	2:45 – 3:00pm	<b>Afternoon Tea</b>	<b>All</b>
4	3:00 – 3:15pm	Wrap – up and Evaluation	Mr. Gitu Lago & Peter Michael
5	3:15 – 3:30pm	Closing Remarks & Issue of Certificates	Peter Michael Participants rep x 2 Hon. Justice Daniel Liosi
	3:30pm	The End!	


**C) PARTICIPANTS ATTENDANCE CHECKLIST**

 <b>Papua New Guinea Centre for Judicial Excellence</b> Supreme & National Courts of Justice				
FINANCIAL LITERACY TRAINING - KUNDIAWA: 4-5 SEPTEMBER 2021 PARTICIPANTS ATTENDANCE CHECKLIST				
No	Name	Designation	Division/ Department	Sign: 4 Oct. 21
<b>TEAM A: 4 Oct. 2021</b>				
1	Hon. Justice Daniel Liosi	Justice	National Court	
2	Philex Kints	Assistant Registrar	National Court	
3	Belinda Kami		National Court	
4	Josephine Jureno		National Court	
5	Mondo Waim		National Court	
6	Phynn Kagl		National Court	
7	Peter Bige		National Court	
8	Eric Gabee		National Court	
9	Michael Umba		National Court	
10	Joseph Kerenga		National Court	
11	Mark Papian		National Court	
12	Cecelia Peter		National Court	
13	Harry Kupi		National Court	
14	Rachael K John	Clerk of Court	District Court	
15	John Kaman	Driver	District Court	
<b>FACILITATING TEAM</b>				
16	Mr. Gitu Lago	Finance Manager	PNGCJE	
17	Mr. Peter Michael	Program Officer - NJSS	PNGCJE	
18	Mr. Kori Tolpari	Driver	PNGCJE	

16 - Michael Goipa (observer) NJSS 

17 - Benjamin Kewa

18 - Vero William







**Papua New Guinea Centre for Judicial Excellence**  
Supreme & National Courts of Justice



FINANCIAL LITERACY TRAINING - KUNDIAWA: <sup>4-5 OCT</sup> 4-5 SEPTEMBER 2021

**PARTICIPANTS ATTENDANCE CHECKLIST**

No	Name	Designation	Division/ Department	Sign: 5 Oct 21
<b>TEAM B: 5 Oct. 2021</b>				
16	Joseph Kaman		National Court	<i>[Signature]</i>
17	Kimin Kainam		National Court	<i>[Signature]</i> 05/10/21
18	Marisha Kaupa		National Court	<i>[Signature]</i> 05/10/21
19	Rita Wakai		National Court	<i>[Signature]</i> 05/10/21
20	Vero William		National Court	<i>[Signature]</i> 4/10/21
21	Mauruna Purewa		National Court	<i>[Signature]</i> 5/10/21
22	Benjamin Kewa		National Court	<i>[Signature]</i> 4/10/21
23	Peter Musae		National Court	<i>[Signature]</i> 19/10/21
24	Paul Gants		National Court	<i>[Signature]</i>
25	Emmanuel Nawia		National Court	<i>[Signature]</i>
26	Joe Enn		National Court	<i>[Signature]</i> 5/10/21
27	Felix Bal		National Court	<i>[Signature]</i>
28	Paula Mondo	Secretary/KBO - SPM	District Court	<i>[Signature]</i>
29	Paul Essy	Juvenile Court Clerk	District Court	<i>[Signature]</i>
<b>FACILITATING TEAM</b>				
30	Mr. Gitu Lago	Finance Manager	PNGCJE	
31	Mr. Peter Michael	Program Officer - NJSS	PNGCJE	
32	Mr. Kori Tolpari	Driver	PNGCJE	