



**Papua New Guinea
Human Resource Institute**

PNG Country report

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The Papua New Guinea Bird of Paradise

APFHRM Report: Hong Kong Meeting

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This report is from the Human Resources Institute of Papua New Guinea.

1. National HR Issue

- **Economic Future Bright for the next 40 years**

Despite the global financial crisis, PNG's GDP growth has been about 8% last year on back of major resource boom that could result in PNG becoming one of the leading gas producers in the region. Exxon is developing one massive gas project while Interoil is developing another world record gas project. Talisman is advancing the development of the third gas project. These gas projects will be in operation for over 50-100 years and will significantly the development of the country.

The Exxon lead US\$40 billion project is now into the advanced construction phase. Prices of goods have jumped in the last 12 months. The country is now experiencing an explosive growth in number of visitors; housing and real estate prices have increased three to four times as accommodation is becoming scarce.

- **Mining Boom in PNG**

Major mining operations and discovery of significant world class nickel, copper and gold deposits continue to attract foreign investment. The country underpinned by income from the resource sector has shield the country from the effects of the global economic meltdown. PNG is fortunate to be unaffected by the global recession.

2. HIV AIDS a Major threat to PNG

HIV AIDS continue to be a problem. Papua New Guinea is battling the spread of HIV. Despite report that last year, there was significant decline in new cases reported. This is one of the country's major social issues and has been of great concern to the successive governments of the country. Compounded by high incidence of TB attributed to poor government management of the public health sector. The UNDP human development index has placed the country far below that of other neighbouring Pacific Island Countries even though income per capita is very high, the distribution of income continuous to be a problem.

- **High Level of School Drop Out due to Fewer Tertiary Institutions**

With educational reforms introduced in recent years, the country still has a high drop out rate. There are not enough tertiary institutions to cater for the significant increase in school leavers. There are more school leavers compared to number of jobs being created thus posing high risk of social instability.

- **Corruption is widespread but contained now in many sectors**

While the equitable distribution of wealth needs to be seen, a few well to do businessmen and politicians are benefiting the most. Corruption is perceived to be thriving in all sectors of the government.

- **The political Leadership.**

The currently government evaded a possible vote of no confidence recently. The political rumbling continues on. Services delivery has been very poor in most areas of the country.

Many new elected leaders have no management experience and are on a steep learning curve in the first two years in office. This creates the breeding ground for abuse and corruption. The average turnover of politicians is between 30-60%. With the lacking political leadership at all fronts, the public service machinery service level is still wanting. There are incidents where a number of politicians have come so low that they were indeed driving projects as civil servants are supposed to perform.

Now nearing election year in 2012, the political climate has again become tense and charged. A lot of political horseplay continues.

- **Economic and Political Stability in the last nine years**

Despite all of the above, the country for the first time in its 35 year history has political and economic stability over the past eight years. The country's first Prime Minister in 1975 has been in politics for more than 40 years. The Prime Minister has been in power for the past eight years and now responsible for the turn of positive events.

The country has turned the corner economically in the last few years. The country is one of the few developing countries not affected by the global economic meltdown. With improved central bank control of the financial institutions and appointment mechanism in place, the country has positive gains in all fronts.

3. **PNG Human Resource Institute update**

The Papua New Guinea Human Resource Institute was incorporated formally in 1999 after being informally established as a society since the early 1970's. The institute is independent of government and its operation is supervised by independent professional members of the council.

PNGHRI is comparatively very small compared to all our other colleagues in the region. We have a long way to go and look forward to learning from the experiences from our neighbours.

- **HR Degree Program**

The University of Papua New Guinea through the support of PNGHRI has introduced the first ever degree program in the country since independence 43 years ago. Over 40 HR Degree students have graduated so far since 2008. The HR Course is proving to be very popular. In partnership with the country's premier university, PNGHRI is looking forward to seeing the offering of Masters in HR programs and will continue to support it.

- **Membership**

Membership continues to grow with the largest most significant growth experienced in 2010. More than 560 professional members registered. More than 100 corporate members are now active members and supporters. The country has about 5000 HR practitioners. PNGHRI has a turnover of about K1,000,000 per annum (US\$330,000). Strong support from the business community is needed. HR as a profession is gaining momentum. There is significant growth in the number of members across all categories.

- **Continuing Professional Development Programs**

Any help in terms of resource and assistance in developing other specialised HR courses and programs will be much appreciated. PNGHRI is still small financially thus outsource training to specialist professionals from the fraternity, university and private partners to run programs.

- **Monthly Professional Development Seminars**

The recently introduced monthly seminars on topical subjects and core HR competency areas have proven successful. These are short 4 to 8 hour sessions. Outreach activities out of the capital has commenced with some programs running out of Lae, our industrial capital and second biggest city in the country.

- **Annual National HR Conferences.**

PNGHRI traditionally holds an annual national conference. Last years conference had record attendance. We are hoping to have another conference this coming October. This is the pinnacle of all our programmes during the year and usually ends with the AGM and election of new council members.

- **Special AGM.**

2010 books have been audited and will be presented to members in a special AGM schedule for March 17 2011. PNGHRI is proud to be one of the few professional bodies in the country that has its books audited by independent professional accounting firms.

4. **Greatest HR Challenge in Papua New Guinea**

- HIV AIDS and TB continuous to be a major threat.
- Land owners of project areas causing fear and intimidation and stalling major development projects of the country.
- Lack of skilled professionals for the major mining and petroleum projects
- Law and order issues in some parts of the country
- High percentage of school push-outs after secondary level education as tertiary and vocational institutions are limited
- Growing problem of drug abuse and alcohol abuse and associated social disturbances

4. **Projects requiring WFPMA aid**

- HR Competency based professional development programs for use in the country. PNGHRI does not have the capacity and financial resources to development them
- Assistance for a PNGHRI resource centre, conference centre, networking centre and office dedicated to HR development in the country.