



# Papua New Guinea Human Resource Institute

## PNG Country report

March 2014



PNG Couple painting faces and ready for traditional dance. PNG has 800 languages and a diverse culture.

APFHRM Report: New Zealand 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 completing a massive us\$20 billion gas project with first gas scheduled for June 2014. The whole country is excited by this achievement. Total, France petroleum and gas company is now preparing to develop the second Elk Antelope gas project which has one of the largest gas deposits in the world.. Talisman is advancing the development of the third gas project. These gas projects will be in operation for over 30-100 years and will significantly change the economic scenery of the country.

The country in its 35 year history has political and economic stability over the past twelve years. 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.

### • **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 shielded the country from the effects of the global economic meltdown. PNG is fortunate to be unaffected by the global recession.

With the lower metal prices world wide the development of major mines has slowed down a bit.

### • **TB a major Killer**

TB has become one of the major killers in PNG. Global fund has provided some funds few weeks back to combat the spread and prevalence of TB. The government is also looking into this area and will be a new frontier of medical battle in the years ahead. The prevalence of TB has dramatically dropped in 2013 and 2014.

### • **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 of 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 continues to be a problem.

With the recent introduction of compulsory free education policy and free basic health services in the country, the country is poised to see dramatic improvement in the quality of life in the country.

- **Major international events in PNG**

PNG is hosting both the APEC meeting and the South Pacific Games in the country. The government has spent many millions of Kina in the development of infrastructure. There is a major economic boom in the country.

- **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.**

Just recently the country had a National General Elections that has been peaceful. The new parliament has been elected and the new speaker and Prime Minister elected through a very democratic and transparent manner without much trouble.

Despite the brief political upheaval in 2012, the new unity government of reconciliation promised stability, hope and good governance. Despite the 800 different languages and ethnic grouping in the country, the country is politically stable and has a robust democratic system.

## 2. 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 Masters Degree Program**

The University of Papua New Guinea through PNGHRI has introduced the first ever Masters Degree in Human Resources Program in the country since independence in 1975. 20 professionals have registered and now attending classes after hours.

- **Professional HR Degree Program**

The University of Papua New Guinea through PNGHRI has introduced the Bachelor Degree in Human Resources Program also and the third batch of 40 students have enrolled are currently attending classes. This program is aimed only for the professionals in the work place and the students have registered and now attending classes after hours.

- **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 1992. Over 250 HR Degree students have graduated so far. The HR Course is proving to be very popular.

- **HR undergraduate Graduate Internship Program for 50 students annually for 3 months**

PNGHRI now has a partnership arrangement with the country's largest university to run the professional degree program.

- **Graduate Training Program**

PNGHRI with a sponsorship of Air Energi has offered scholarships to 22 top HRM graduates and providing professional training and practical experience with pay for 6 months. A second intake has commenced and will be graduating in May this year.

- **Membership**

Membership continues to grow. More than 1000 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 K3 million per annum (US\$1.5). Strong support from the business community is growing. HR as a profession is gaining momentum. There is significant growth in the number of members across all sectors of the country.

- **Continuing Professional Development Programs**

PNGHRI has now got eight professional development programs running. Interest is high and seeing good return to the institute. PNGHRI has strategic alliances with other third parties to provide training and other services to its members. Professional development programs include the following:

- HRM level 1. Certificate
- HRM Level 2. Advance Certificate
- HRM Level 3. Very Advance/Diploma Level
- PNG HRM Laws Certificate
- PNG HRM Laws Advance Certificate
- Supervisory and Management Development
- Train the Trainer
- OHS

- **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.

- **Student Chapter**

PNGHRI has four active student chapters in the country now associated with the four major universities in the country. With over 200 student membership, the future development of the HR professionals in the country is now guaranteed. The national body provides annual prize awards and financial grants for student chapter activities from time to time.

- **Annual National HR Conferences.**

PNGHRI traditionally holds an annual national conference. Last years conference had record in excess of 450 attendance. We had over 30 speakers over three day sessions. We are hosting another conference this coming May 2014 and hope to have over 500 attendees. This is the pinnacle of all our programmes during the year and usually ends.

- **Governance.**

2013 financial statements are now being audited. The books are audited by independent and certified professionals without any qualifications for many years now. PNGHRI is proud to be one of the few professional bodies in the country that has its books audited by independent professional accounting firms annually.

### **3. Greatest HR Challenge in Papua New Guinea**

- HIV AIDS and TB continuous to be a major threat.
- 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
- Ever increasing prices of goods and services
- Human smuggling issues due to unrest in the middle east