



**Papua New Guinea**

**Human Resource Institute**

# **Papua New Guinea Country Report**

**August 2011**



**Gas Flaring – InterOil Gas Project in the Highlands of PNG**

**APFHRM Country Report:**

**By Jerry Wemin – President**

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

## 1. National HR Issue

- **PNG Growth Rate High on the back of a Resource Boom**

The development of the Exxon Mobil World class Gas project has helped the country weather the global economic storm so far this year. PNG has continued to achieve more than 8% GDP growth per year. The major resource boom 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 downturn.

### 1. HIV AIDS a Major threat to PNG

HIV AIDS continue to be a problem. Papua New Guinea is battling the spread of HIV. 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.

- **Introduction of Universal Education**

The government has now introduced universal education up to year 10 level and 75% subsidy for year 11 to 12. This new policy will create false expectations of employment security as number of jobs compared to school leavers is significantly low. 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.**

After 9 years of political stability, the government has gone through a sudden change. The political rumbling continues on. Services delivery is still non existent in most areas of the country. The next General Election is 8 months away and there are bound to be problems.

## 2. 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 introduce 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 continuous to grow with the largest most significant growth experienced in recent years. 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.

- **AGM.**

21<sup>st</sup> of July 2011 PNGHRI had an AGM and new directors were appointed. The new directors will hold office until July 2012.

- a. Jerry Wemin – President
- b. Naomi Kedea – Deputy President
- c. Gima Kepi – Treasurer
- d. Dr Laka – Secretary
- e. Dean Kuri
- f. Geoff Waterhouse
- g. Tom Gesa
- h. Bernard Tokuau
- i. Rebecca Luluaki
- j. Professor Subarao

- **Constitution Change.**

The AGM has endorsed revision of constitution to include government officials as ex-officio members of the Board.

Other minor amendments will be made and presented at a special AGM.

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

- New Government Educational Reforms must be sustainable and realistic or young people dropping out of the system may pose a serious social problem to the country.
- HIV AIDS and TB continue 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 develop them