



# Papua New Guinea Human Resource Institute

## PNG Country report

August 2012



The Papua New Guinea Bird of Paradise

APFHRM Report: Melbourne 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 30-100 years and will significantly affect the development of the country.

The Exxon lead US\$40 billion project is now into the completion phase of the project with first gas anticipated in 2013. 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.

The country for the first time in its 35 year history has political and economic stability over the past eight 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 improve 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 shield the country from the effects of the global economic meltdown. PNG is fortunate to be unaffected by the global recession.

- **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 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.**

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 political challenges experience earlier this year, the new government of reconciliation and unity 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 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 120 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.

Intensive two year professional degree program has been introduced for experienced professionals and the selection for the second intake has progressed. PNGHRI now has a partnership arrangement with the country's largest university to run the professional degree program. Efforts are progressing to develop a Master in HRM degree also with the same university.

- **Membership**

Membership continuous to grow with the largest most significant growth experienced in 2012. More than 800 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 K1,200,000 per annum (US\$400,000). 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 seven 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.

- **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 two active student chapters in the country now associated with the two 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 October and hope to have over 600 attendees. This is the pinnacle of all our programmes during the year and usually ends.

- **Governance.**

2011 audited financial statements have been audited successfully by independent auditors without any qualifications. 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.

- **PNGHRI Constitutional Changes.**

At the recent AGM the member have resolved to review the constitution and is now preparing votes by members to changes some parts of the constitution. Some changes anticipated including changing the name from Papua New Guinea HR Institute to Papua New Guinea HR Development and Management Institute. Other changes include ex-officio membership from Government stakeholders and national employers and union bodies.

### **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