

4 July 2002

Submission to:

**Senate Foreign Affairs Defence and Trade References Committee**  
**Inquiry into Australia's relationship with Papua New Guinea and other Pacific Island Countries.**

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### **General**

As far as is known the Inquiry has not been advertised within Papua New Guinea.

The writer became aware of the Inquiry through an advertisement placed in the June edition of Pacific Magazine.

The appropriate organisations within PNG that should (may) have made submissions to the Committee are the 'PNG Institute of National Affairs' and the 'Business Council of PNG'.

The writer is an Australian citizen who has lived and worked in PNG from 1976-1977, from 1987 –1993 and from 1995 – present. Since 1995 he has been Executive Director of the PNG Institute of Banking and Business Management.

Observations are personal and based on this experience in PNG.

### **Specific**

**This submission relates primarily to Paragraph (c) Development cooperation relationships with (Papua New Guinea), including the future direction of the overall development cooperation program.**

If one considers the billions of dollars of both direct and project aid funding that has been provided by the Australian Government to PNG over the past ten years and the level of improvements that have been effected, it is abundantly clear that the **funds have**, in a word, **been squandered**.

Where are the improvements in law and order, health, education, governance, infrastructure, reduced poverty, social indicators etc. for which these funds have been utilised?

The Police Projects are classic examples.

The one recognisable improvement would be the Bougainville political situation.

The only people to have gained anything are:

- the consultants and consultant groups that have - and continue to – prosper from what is locally referred to as 'the gravy train',
- the considerable number of bureaucrats of the Australian public service that are employed by AusAID, both in Canberra and in PNG,

- a limited number of Papua New Guineans who have had horizons broadened by overseas travel.

Undoubtedly reports will show that projects have been completed successfully. Numbers will add-up and balance, it will have been said that objectives/outcomes have been achieved, there will have been smiles and congratulations all round. But the net achievement for Papua New Guinea and the people of Papua New Guinea has in reality been close to zero.

Out of costly feasibility studies, the same consultant groups have won lucrative project contracts. In many instances arising from these contracts are further contracts. Many Consultants/Specialists/Experts are heavy with degrees and doctorates – but light on experience and real world achievement.

A further recurrent waste of aid funds is in respect to training and education.

Funds for training and educational activities are made available without any form of training needs analysis or career path planning having been carried out.

In many instances, staff of Government Departments have been funded to undertake overseas training or postgraduate studies, only to find that, on their return to PNG, they had no job or that their position had been made redundant.

Where are the records of successes? What percentage of the investment in these trainees has been reinvested in PNG?

Indeed when applying for AusAID funds to carry out an in depth **training needs analysis** within a number of PNG Government Departments, my organisation was advised that *'the proposal will not directly improve individual and organisational performance'* and the proposal *'should be reconstituted to provide training needs analysis followed by delivery of a set of demonstrably required training programs'*! The evaluator of the proposal clearly did not comprehend that the purpose of training needs analysis is to identify 'demonstrably required training programs.

Why do these things happen? Clearly the root causes of problems in PNG are not being addressed.

The root problems of PNG are the same as problems anywhere. They are **management problems**.

But none of the Australian aid funds has been specifically made available for developing management skills.

The extensive 'institutional strengthening' activities have not produced Managers – just the need for more consultants!

An application that my organisation put to the Australian Government to establish a School of Advanced Management in PNG, received the response '...we appreciate the need for this training in PNG. Unfortunately the establishment of this School is outside the agreed scope of the PNG-Australia aid program...'

PNG has unlimited potential for development as a strong Nation. However without Managers, this potential will never be realized.

And for how long can Australia continue to support PNG in this unproductive fashion.

Signed:

Anthony Raymond Clark