

30 November 2022

## GHD SUBMISSION FOR THE NEW INTERNATIONAL DEVELOPMENT POLICY

As a company which cares deeply about the welfare and well-being of people in our neighbouring countries, GHD is pleased to make this submission on ideas to inform the new international development policy being written in consultation with stakeholders.

By way of background, GHD is a global professional services company that leads through engineering and architectural skills and experience. Established in 1928, we remain wholly employee-owned. We are 10,000+ diverse and skilled individuals working across 200 offices in Australia, Asia, the Pacific region, North and South America and Europe.

Amongst a vast range of work done for hundreds of clients, GHD Australia is actively engaged in some significant activities which inform this submission. These include:

- Managing and implementing three major programs under contract with DFAT: the Transport Sector Support Program (TSSP) in PNG, Water for Women (being implemented by Civil Society Organisations in 15 countries across the Indo-Pacific region), and “Team Up”, the Australian Sports Partnerships Program, being implemented by local sports organisations in several countries across the Pacific;
- Setting up the **GHD Foundation** in 2020, which has raised \$4.5 million for 36 grants across 9 countries to provide better access to science, technology, engineering, arts, and mathematics (STEAM) education and employment for under-represented populations;
- Establishing and growing our own GHD office in Port Moresby, doubling the number of Papua New Guinean professional and technical staff over the past year, investing in the employment and professional development of PNG graduate engineers (including women), and setting up a Young Professionals program for our PNG staff.

With this background in mind, we propose three things for the International Development Policy team to take into consideration:

1. Use Australia’s vast strength, experience and technical capabilities in WATER as a priority sector for investment in international development programs
2. Use Australia’s vast strength, experience and technical capabilities in ENERGY as a priority sector for investment in international development programs
3. In addition to the traditional aid program model, look at how to de-risk the operating environment in PNG in the short-term to enable private sector organisations to BUILD LOCAL CAPACITY in the long-term

A brief case for each of these is provided below.

### 1. WATER

The health of our planet is inextricably linked to how well we manage our water resources. From extreme water scarcity to rising sea levels, from crippling drought to flooding rains, all have an increasing impact on people and places in every part of the world. We are all under increasing pressure to deliver positive water outcomes that respect nature and nurture communities. While Australia is experiencing challenges in management of water, we have technical experts and experience to deal with the issues, and plenty to share with others in the region. We urge the International Development Policy team to include water as a

separate and important sector for investment where Australia has a comparative advantage in the extent and diversity of our knowledge, experience and skills.

## **2. ENERGY**

The global energy sector is transforming, and Australia has considerable technical expertise and experience here. All over this country, local and state governments, as well as private sector firms are using Australian expertise in: hydrogen; microgrids/ hybrids; energy storage, transmission and distribution; climate change and carbon accounting; oil and gas decarbonisation; bioenergy and biofuels; pumped hydro; and wind and solar. We have technical experts and experience in all this and more, and plenty to share with others in the region. We urge the International Development Policy team to include energy as a separate and important sector for investment where Australia has a comparative advantage in the extent, diversity, relevance and currency of our knowledge, experience and skills.

## **3. BUILD LOCAL CAPACITY VIA A FLOURISHING PRIVATE SECTOR**

One of the most enlightening experiences we have had is the growth of our Port Moresby office, which we have done at our own initiative, at our own cost, and with no assistance whatsoever from the Australian Government. This is in stark contrast to our role as a Managing Contractor for TSSP in PNG, which is established and run with DFAT funding under contract.

We established GHD's PNG office so that we could quickly and efficiently access local professionals to work on projects requiring engineering, geo-tech and environmental and social impact work, initially for private sector clients in PNG, but more recently expanding to government/donor clients.

We have doubled the number of PNG staff in the office over the past 12 months or so to meet increasing demands (e.g. Defence projects including redevelopment of Lombrum Naval Base on Manus Island, electrification work for MFAT NZ).

As a result of this we have a small, thriving, and growing local office in PNG, with engineers, environmental scientists, ecologists, and administrative staff. The team has been managed by an Australian manager out of Queensland, but as a succession plan, we have identified one of our PNG staff as having the leadership capabilities to take on this role.

Our PNG team are treated exactly the same as the other 10,000 GHD employees with permanent jobs, access to opportunities, and signing up to the values and conduct and standards expected of all our staff. They all undertake mandatory induction training, attend regular GHD staff meetings via 'Teams', work on our robust financial systems, access our corporate health, safety and environment material, participate in our diversity and inclusion events, and have access to guidance and mentoring from GHD's considerable stable of experts. Two of our PNG engineers have been brought to Australia to do some work on the Snowy Hydro project, and one is currently working in our WA office on significant energy projects.

In contrast, the PNG staff on our DFAT project (TSSP) are fixed-term employees, funded by DFAT, engaged within the budget and other resourcing constraints of the project. Although GHD has invested energy into including some of the project staff in our Young Professionals network, and has invested in Career Trackers (an internship program for young Indigenous Papua New Guineans, modelled on the same program for Indigenous Australians) to work with TSSP with the approval of DFAT – this is within the confines of a program approach, which is, at best, a medium-term timeframe.

In the Philippines, our several hundred Philippines staff are working across three GHD office locations on hundreds of projects for dozens of clients. It has been observed by the Philippines Ambassador that GHD has been responsible for building the professional capacity of staff there, and has a vision for industry collaboratively building capacity across the Philippines in the same way. It doesn't make sense for GHD to send highly-paid consultants from Australia to work on projects in the Philippines – it makes much more sense for GHD to develop a workforce in the Philippines.

We can also see that this could work in a country like PNG. We would very much like to see a flourishing PNG business, with hundreds of professional Papua New Guineans as GHD employees taking on leadership roles, and GHD nurturing and growing talented young people in this country. Imagine if hundreds of other companies had the same thought.

As Australia's nearest neighbour, with needs across all sectors, the traditional 'programming' approach has its limitations. This is not to say that programs should be discontinued as a modality (as TSSP and other programs are doing well, and this work is needed into the future) – but rather that other whole-of-Australia approaches should be considered. When GHD looks at the constraints to us expanding our office in PNG, the biggest constraint is the ability to work directly to the Government of PNG without taking on considerable risks. As a private company, our survival depends on how we manage risk, and a high-risk project with an unreliable client is not something that companies are willing to take on.

A future where Australian private sector organisations are investing in PNG requires a less risky environment where they can work for PNG clients where the client is reliable. We have heard DFAT say that we need to share the risks, i.e.. Australian government and Australian private sector – but it doesn't work that way.

We urge the new International Development policy to include the incentivisation of the business sector to invest in capacity building through de-risking the business environment. De-risking the business environment would require a multi-faceted approach around ensuring GoPNG capability (to be good clients at national and local levels) and financial assurances (e.g. through use of trust funds, or under-writing), and the Australian Government being open to wear more risk to give business the confidence that their long-term investment in PNG human capital can be sustained.