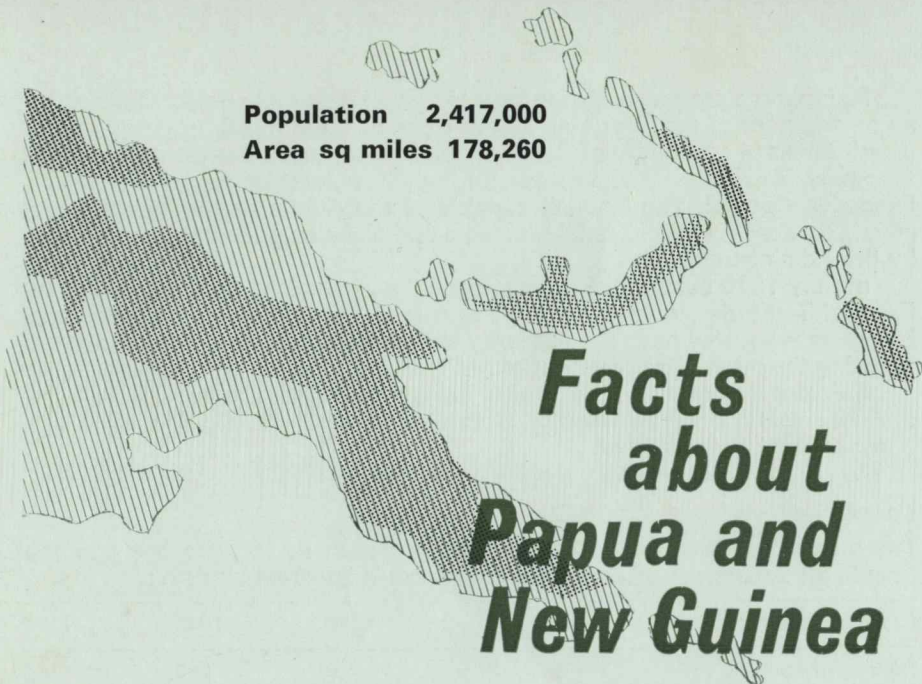




Population 2,417,000

Area sq miles 178,260

Facts about Papua and New Guinea

1965-70

PAPUA AND NEW GUINEA has entered a new and important period in its development.

There has been a significant shift of responsibility from Australia to the Territory on its road to self-government. Local ministerial office holders, who are the elected representatives of the people, now have considerable powers covering a wide range of subjects.

There have been other major developments. In 1970, the first Papuans and New Guineans graduated from the University of Papua and New Guinea, and the Institute of Technology awarded its first four diplomas.

These developments are being matched by rapid economic progress. The World Bank Mission report, accepted in 1965 as a basis for economic planning, was used as a guide for a development programme from 1964-65 to 1968-69. The Administration's five-year development programme, 1968-69 to 1972-73, is being revised due to changing opportunities particularly the Bougainville copper development.

This leaflet summarises the main developments from 1965 to 1970. Figures for 1955, or the nearest subsequent year, have been included in the statistical tables to extend the period of comparison.

POLITICAL

In 1966 the Australian Government amended the Papua and New Guinea Act to increase the House of Assembly, which replaced the Legislative Council in 1964, from 64 to 94 members—84 elected and 10 official. At the second general election in 1968, the 84 members were elected from 69 open and 15 regional electorates. Each regional electorate consists of two or more open electorates and candidates for them were required to have a minimum educational qualification of Territory intermediate certificate standard.

Following a recommendation by a House of Assembly Select Committee, an amendment of the Papua and New Guinea Act in 1968 provided for the appointment of seven Ministerial Members and up to 10 Assistant Ministerial Members from the elected members of the House, and for an Administrator's Executive Council. The Council consists of the Administrator, three official members, the seven Ministerial Members and one elected member nominated by the Administrator.

In July 1970 substantial powers previously exercised by the Minister for External Territories were transferred to Ministerial and Assistant Ministerial Members who now have full authority and responsibility for specific matters affecting the internal government of the Territory.

A Select Committee of the House of Assembly is to prepare by 1971, for the consideration of the House, proposals to serve as a guide for future constitutional development.

Local Government Councils

The growth of local government councils, begun in 1950 to bring to the people an awareness of political institutions, is illustrated below:

<i>Local government councils at 30 June</i>	<i>1955</i>	<i>1965</i>	<i>1970</i>
Number of councils	9	109	145
Number of councillors	211	3,013	4,135
Population covered	38,124	1,188,165	2,050,232

THE PUBLIC SERVICE

The Public Service has a key role in the social and economic development of the Territory. Since the Public Service was reconstructed in 1964, the proportion of Papuan and New Guinean staff employed under the Public Service Ordinance has increased from 21 to 67 per cent. However, professional and technical staff from outside the Territory are still required to help implement development plans.

The Public Service Board (comprising a chairman and three members) is responsible for the personnel management of the service. The Chairman and one member are Papuans and New Guineans. A Localisation Section has been established within the Board to ensure the adequate training of local officers and their advancement to all levels of the Public Service.

<i>Staff employed in the Public Service at 30 June</i>	<i>1965</i>	<i>1970</i>
Under Public Service Ordinance—		
Overseas	5,289	7,161
Local	3,967	14,584
	9,256	21,745
Other staff—		
Students and trainees	1,128	1,941
Apprentices	312	493
Other	18,661	18,561
Total	29,357	42,740

SOCIAL

Health

The Administration has established 117 hospitals, including five major base hospitals, aid posts and rural health centres. Preventive medicine schemes include malaria eradication which now covers 53 per cent of the population. Expenditure on health services in 1969–70 was \$15.2m compared with \$11.7m five years ago.

Education

Expenditure on education is expected to almost double from \$18.3m in 1965–66 to \$35.4m in 1970–71. A two-fold increase in secondary enrolments and a five-fold increase in the annual out-turn of indigenes from tertiary institutions is expected under the five-year development programme. The scope of education has broadened and institutions opened in the last ten years include the University of Papua and New Guinea, the Institute of Technology, the Goroka Secondary Teachers' Training College, the Vudal Agricultural College, the Bulolo Forestry School, the Public Service Training Centre, the School of Nautical Training and the Papuan Dental College.

<i>At 30 June</i>	<i>1960</i>		<i>1965</i>		<i>1970</i>	
	<i>Primary</i>	<i>Post Primary</i>	<i>Primary</i>	<i>Post Primary</i>	<i>Primary</i>	<i>Post Primary</i>
Number of schools—						
Administration	267	38	435	62	501	84
Mission	920	38	1,359	60	1,119	60
Total	1,187	76	1,794	122	1,620	144
	<i>Indi- genous</i>	<i>Total</i>	<i>Indi- genous</i>	<i>Total</i>	<i>Indi- genous</i>	<i>Total</i>
Number of pupils—						
Primary	88,696	92,029	182,247	186,212	208,420	215,258
High	1,821	1,947	7,113	7,529	17,737	18,713
Technical and Vocational	576	576	2,606	2,606	4,706	4,715
Teacher Training	814	814	1,027	1,065	1,860	1,865
Total	91,907	95,366	192,993	197,412	232,723	240,351
Number of teachers—						
Primary	1,449	1,918	4,619	5,795	5,427	6,439
High	20	102	31	384	110	807
Technical and Vocational	3	39	49	191	88	300
Teacher Training	3	39	4	107	16	194
Total	1,475	2,098	4,703	6,477	5,641	7,740

Housing

A Territory Housing Commission begun in 1968 is giving priority to low-cost and self-help housing for indigenes and at the end of June 1970 had completed 397 houses. The total value of new government and private houses and flats completed rose from \$5.7m in 1964–65 to \$11.2m in 1968–69. The value of all new buildings completed during the 12 months ended 30 June 1969 was \$30.5m.

ECONOMIC

There was a dramatic rise in the level of economic activity during 1969–70. Gross monetary sector product increased by nearly 25 per cent. Over the preceding four years the average annual rate of growth was about 14.8 per cent. The table below gives estimates of Territory national income, gross product, total market supplies and total market expenditure for selected years.

<i>Year ended 30 June</i>	<i>1961</i>	<i>1965</i>	<i>1969</i>	<i>1970p</i>
TOTAL MARKET SUPPLIES				
Monetary Sector (\$m)—				
Wages, Salaries and Supplements	56.3	89.7	139.9	174.0
Primary Production Income	25.6	37.6	59.2	68.5
Company Income	6.6	14.0	34.0	41.3
Operating Surplus of Public Authority				
Business	—	0.7	0.4	1.0
Other Income	5.9	11.8	18.9	27.0
Monetary Sector Income	94.4	153.8	252.4	311.8
Allowance for Depreciation	4.6	6.9	16.1	17.9
Gross Monetary Sector Product at Factor Cost	99.0	160.7	268.5	329.7
Indirect Taxes less Subsidies	4.7	8.1	17.4	23.9
Gross Monetary Sector Product at Market Prices	103.7	168.8	285.9	353.6
Imports and Other Payments for Goods and Services	67.2	110.9	187.6	264.3
Market Supplies of Monetary Sector	170.9	279.7	473.5	617.9
Subsistence Sector Income	154.5	174.8	188.7	190.0
Total	325.4	454.5	662.2	807.9
TOTAL MARKET EXPENDITURE				
Monetary Sector (\$m)—				
Consumption Expenditure	72.1	101.8	161.6	187.6
Net Current Expenditure	34.5	57.4	99.2	110.6
Gross Domestic Capital Formation	30.8	65.2	120.2	209.0
Gross Monetary Sector Expenditure	137.4	224.4	381.0	507.2
Exports and Other Receipts for Goods and Services	33.5	55.3	92.5	110.7
Market Expenditure of Monetary Sector	170.9	279.7	473.5	617.9
Subsistence Sector—				
Consumption Expenditure	119.2	134.4	144.4	144.7
Private and Community Investment	35.3	40.4	44.3	45.3
Subsistence Sector Expenditure	154.5	174.8	188.7	190.0
Total	325.4	454.5	662.2	807.9

p Preliminary.

Emphasis is being placed on building the capacity of Papuans and New Guineans to develop and manage their own enterprises so that self-determination for the Territory is accompanied by economic self-reliance to the greatest degree feasible. In addition to installing new productive capacity, the building of necessary infrastructure such as roads and ports, telephone and telegraph links, and electric power is proceeding apace. The aim is to accelerate production in all sectors and ensure maximum involvement by indigenes in employment, management and ownership.

Development Programme

Key targets for the second five-year development programme, 1968-69 to 1972-73, include:

- Total new plantings of coconuts, cocoa, rubber, tea and oil palm of about 280,000 acres
- An increase of more than 50 per cent in annual plantings of major tree crops by indigenes
- A three-fold increase in timber production and exports
- A doubling of manufacturing output
- An increase in beef cattle production from an estimated \$1m in 1967-68 to about \$2.3m in 1972-73.

Achievements in the individual sectors of the economy during the first two years were broadly in line with the objectives. There were shortfalls in agricultural plantings and forestry production while production of coffee and tea exceeded expectations. The development programme is being reviewed. In particular it will incorporate the impact of the Bougainville Copper Project on the economy.

Minerals

Prospecting authorities in force more than doubled from 51 at 30 June 1969, totalling 25,617 square miles, to 103 at 30 June 1970 totalling 57,820 square miles. Twenty companies are engaged in petroleum exploration. Objectives of the mining development programme are to attract increasing amounts of foreign capital for large-scale mineral and petroleum exploration and development.

At present the most important mining operation in the Territory is the \$300-\$400m Bougainville Copper Project, at Panguna, with a deposit containing about 900,000,000 tons of ore of grade 0.48 per cent copper and 0.4 dwt gold a ton. It is proposed to mine at a rate of 30,000,000 tons of ore a year to produce concentrates for export containing about 150,000 tons of copper metal, 500,000 ounces of gold and 1,000,000 ounces of silver. The operation will be one of the largest copper mines in the world and can be expected to provide export income in excess of \$100m annually, more than doubling the Territory's projected export income in 1972-73.

Agriculture

Increasingly subsistence farmers are participating in commercial production thus helping to raise farm incomes and rural living standards. New highland

industries, tea and pyrethrum insecticide, have been established. Three commercial tea factories are operating and the industry should be producing about 6,000 tons a year by 1974–75. An oil palm industry is being developed in the Hoskins area. The export value of palm oil and kernels from the nucleus estate and associated smallholders is expected to total \$3m by 1974–75.

<i>Production of principal commercial crops (tons)</i>	<i>1958–59</i>	<i>1964–65</i>	<i>1968–69</i>
Indigenous			
Copra	19,800	33,602	43,801
Cocoa beans	280	5,119	5,833
Coffee beans	18	3,950	14,942
Rubber	3	27	26
Non-indigenous			
Copra	77,954	85,034	89,115
Cocoa beans	835	14,327	18,134
Coffee beans	98	3,390	6,196
Rubber	3,623	5,183	5,850

Indigenous production of copra in 1968–69 was 33 per cent of the total, of cocoa 24 per cent and of coffee 71 per cent.

Forestry

High rainfall and tropical conditions have produced dense forests which cover about 70 per cent of the land. There are approximately 30 million acres of commercial forests. Some 8.4 million acres have been surveyed and are estimated to contain in excess of 25,000 million super feet of merchantable timber. Re-forestation will ensure that timber resources are not exhausted and to date over 25,000 acres have been planted.

Production has increased from 10 million super feet of logs a year in the early 1950s to 185 million in 1969–70 with a total value of \$14.2m.

<i>Year ended 30 June</i>	<i>1955</i>	<i>1965</i>	<i>1970p</i>
Timber production—			
Logs harvested ('000 super ft)	48,711	107,085	218,000
Sawn timber ('000 super ft)	15,577	31,954	49,000
Plywood ('000 sq ft $\frac{3}{8}$ -in basis)	n.a.	26,828	39,000

Secondary Industry

Manufacturing is helping to expand and diversify the economy. During 1969–70 manufacturing was one of the fastest growing sectors. Taxation concessions provide a stimulus to the establishment of new secondary industries. Forty-three pioneer industries had been declared up to August 1970.

<i>Year ended 30 June</i>	<i>1956</i>	<i>1965</i>	<i>1969p</i>
Factories	123	397	614
Average employment	3,394	9,206	13,287
Value added (\$m)	4.1	17.2	35.0
Value of output (\$m)	8.9	39.7	75.2

p Preliminary.

Trade

Overseas trade is an integral part of the Territory's economic development. Steps being taken to rectify an adverse balance of trade include expansion of export oriented industries, development of import saving industries and encouragement of private overseas investment.

Year ended 30 June (\$'000)	1955	1965	1970 ^p
Territory exports—			
Australia	13,140	23,594	41,342
United Kingdom	11,234	15,069	15,379
Belgium	..	1,101	688
West Germany	98	2,730	7,607
Japan	172	1,785	8,560
Netherlands	32	1,626	4,389
U.S.A.	968	1,348	11,137
Others	129	1,887	4,643
Total exports	25,773	49,140	93,745
Territory imports—			
Australia	22,014	49,660	112,689
United Kingdom	2,642	6,589	12,221
Hong Kong	1,340	3,668	5,502
Malaysia-Singapore	..	1,479	7,289
Indonesia	1,049	678	92
Mainland China	..	1,241	2,216
West Germany	565	2,476	3,850
Japan	1,131	7,404	25,915
U.S.A.	3,555	6,361	22,410
Others	1,801	7,290	19,557
Total imports	34,097	86,846	211,741

Year ended 30 June (\$'000)	1955	1965	1970 ^p
Main exports—			
Coconut products	15,646	19,814	20,959
Coffee beans	150	7,295	20,181
Cocoa beans	1,051	7,049	15,692
Timber products	1,787	3,533	6,531
Rubber	1,907	2,563	2,858

.. Nil or less than half of unit shown.

^p Preliminary.

Labour

In recent years the indigenous labour force has increased rapidly with movement away from subsistence sector towards cash or cash-and-kind employment. The money-raising work force at the 1966 census was: *Indigenous*, employers and self-employed, 60,000; employees, 140,000; helpers, 34,000; total indigenous, 234,000; *Non-indigenous*, 20,000, grand total, 254,000.

A programme of vocational and industrial training assisted by a United Nations Development Programme and a programme of practical training in Australia are helping to increase the skills of the indigenous work force.

PUBLIC FINANCE

Australian Aid

Australian economic aid to Papua and New Guinea increased from \$91.6m in 1967-68 to \$99.4m in 1968-69 and rose to \$114.9m in 1969-70. The estimate for 1970-71 is \$126.1m. The aid comprises a grant to assist the Territory to finance its normal recurrent expenditures, a development grant, payment of the extra expenditure above the cost of local officers incurred in employing overseas officers, expenditure by Commonwealth departments and instrumentalities operating in the Territory and loans for special development projects.

Administration Budget (excludes direct Commonwealth expenditure)

Year ended 30 June	1968	1969	1970	1971 *
RECEIPTS (\$m)				
Territory revenue—				
Customs	16.4	17.7	24.0	32.1
Direct Taxation	14.0	17.2	21.1	26.8
Licences, etc.	9.1	10.3	12.4	14.8
Other receipts—				
Commonwealth grants	77.6	87.3	97.3	(a)70.8
Commonwealth loans	—	—	5.0	11.6
Territory loans	8.4	7.2	20.6	29.6
Total	125.5	139.7	180.4	185.7
EXPENDITURE (\$m)				
Departmental	72.9	79.4	93.7	86.7
Special appropriations	2.8	5.7	5.6	14.0
General	8.0	9.4	10.8	8.3
Works and services	33.1	33.6	42.3	47.7
Institutions	8.6	11.5	15.5	16.5
Investments	—	—	12.5	12.5
Total	125.4	139.6	180.4	185.7

* Estimate.

(a) An additional \$29.2m has been provided by the Commonwealth during 1970-71 for salaries of expatriate officers of the Territory Public Service.

Development Bank

The Papua and New Guinea Development Bank, opened in July 1967, was set up to promote Territory development by providing credit for primary production and for industrial and commercial undertakings for which credit would not otherwise be available on reasonable terms. The Development Bank has approved loans totalling approximately \$16m.

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