



ECONOMIC AND DEVELOPMENT BENEFITS TO PNG
OF THE REGIONAL RESETTLEMENT ARRANGEMENT
AS AT 7 NOVEMBER 2014

HIGHLIGHTS

EMPLOYMENT

- **Approximately 720 people from Manus are employed to provide services** at the Regional Processing Centre (RPC) at Lombrum.

PURCHASES

- The RPC purchases approximately **PGK1.4 million worth of goods and services from PNG companies** per week.

INFRASTRUCTURE

- Australia's Department of Immigration and Border Protection is spending an **estimated \$513 million to upgrade infrastructure in PNG**
 - this includes **expanded office accommodation** for PNG's Immigration and Citizenship Services Authority in Port Moresby and **new facilities** at Lombrum and East Lorengau in Manus.

AID TO MANUS PROVINCE

- Australia is providing additional aid to Manus Province valued at \$37 million. **This is \$11 million more than originally committed by Australia.**

JOINT UNDERSTANDING – ADDITIONAL AID

- Under the terms of the Joint Understanding, Australia has committed **\$420 million over four years in additional aid** to PNG for:
 - redevelopment of **Lae ANGAU Hospital**, deployment of **Australian Federal Police**, rehabilitation of infrastructure at the **University of PNG** and scoping and design work for the **Lower Courts complex** in Port Moresby and **Madang – Ramu highway**.



REGIONAL PROCESSING CENTRE ON MANUS: ECONOMIC AND AID UPDATE FACT SHEET 1 – ECONOMIC OPPORTUNITIES AS AT 7 NOVEMBER 2014

Manus economy study

- An economic study of the Manus economy, released in September 2014, found the Regional Processing Centre (RPC) and related construction activities, including development assistance, have resulted in:
 - ✓ 70% increase in the number of formal jobs in the Manus economy or around 1000 extra jobs for Manusians.
 - ✓ 60-200% increase in sales by Manus businesses and 25% increase in the number of people they employ.
 - ✓ 30% more savings deposits to Manus financial institutions.
 - ✓ increased air and sea links with the rest of PNG – 55 commercial ship arrivals in 2013, compared to 30 arrivals in 2012.
- The study, conducted by Adam Smith International, is available on Australian High Commission website <http://www.png.embassy.gov.au/pmsb/media.html>.

Employment

- Approximately 1068 PNG citizens are employed to provide services at the RPC at Lombrum – around 720 of these PNG citizens are from Manus.
- Services at the Lombrum centre are delivered by Transfield Services and International Health and Medical Services (IHMS)
 - all service providers are required to maximise employment of PNG citizens wherever possible.
- 71 percent of all service provider staff employed at the centre are PNG citizens.
- Staff employed to carry out work at a RPC are paid wages commensurate with other locally available job opportunities
 - employees who travel from other parts of PNG may have their wages supplemented with an allowance for living away from home while working.
- Service providers are helping their PNG national staff to build capacity and develop skills including:
 - training in first aid, advanced security, including incident response and leadership for supervisory and management roles.

Purchases of goods and services

- Currently 18 PNG companies, including five Manus companies, provide goods and services to the RPC, with an average worth of PGK 1.4 million per week.
- Examples of companies providing goods and services to the RPC include: Total Food Network Ltd, Islands Petroleum Limited, Panariu Building Maintenance, Spic N Span, Chauka Car Rentals, Agility Limited, Kingfisher Hire Cabs, Juromo Wholesale, Pest Care Limited, Island Fresh Product, Hipowa Lae Limited, Manus Transport And Logistics, Air Niugini Ltd, Loda Security and Tactical Security International.



Investment in infrastructure

- The Australian Department of Immigration and Border Protection is funding infrastructure upgrades in PNG worth around \$513 million. This includes a new office for PNG's Immigration and Citizenship Services Authority in Port Moresby and facilities at Lombrum and Lorengau in Manus. Construction works at Lorengau are complete.
- Work is underway in Manus to expand and upgrade the Lombrum RPC including associated infrastructure and permanent staff accommodation.
- Decmil Australia is the Managing Contractor for this project.

Lombrum construction project

- As at 31 October 2014 there were 314 persons working on the Lombrum project. Of these, 141 employees are from Manus. There are an additional 84 PNG citizens employed on the project.
- 77 percent of hours worked on the project have been worked by PNG citizens.
- There have been 52 subcontract packages awarded on the Lombrum project. Of these 23 have been awarded to PNG companies.
- Six trade packages are expected to commence at the Lombrum construction project in the next two months.
- Tenders are currently open through the existing EOI list for three packages on the Lombrum construction project. These packages include: signage supply and install; structural steel and racking and shelving. Those wishing to tender for these packages should forward an EOI to 10143Manus@decmil.com.au.

East Lorengau facility

- Construction was completed at the end of October. The facility is now available for use.



**REGIONAL PROCESSING CENTRE ON MANUS: ECONOMIC AND AID UPDATE
FACT SHEET 2 – DEFENCE COOPERATION
AS AT 7 NOVEMBER 2014**

- Under the Defence Cooperation Program, the Australian Defence Force Exercise Halivim Poroman has refurbished married quarters at the Lombrum Naval Base. The project, valued at over PGK 2.5 million, used contractors, supplies and equipment from PNG for the work which was completed in December 2013.
- The Australian Government is building 42 new married quarters on Lombrum Navy Base in the area known as Upper Paradise. These new married quarters will be for PNG Defence Force (PNGDF) sailors and their families. Site preparation and design work is underway with construction to commence in 2015.
- The Australian Government is funding upgrades to the Lombrum Naval Base including repair and grading of roads, repair of the water supply, repair of power, upgrade to sewerage systems, new warehousing and erection of fencing.
- The renovation of existing buildings at the Lombrum Naval Base and the building of new structures in support of the Regional Processing Centre will provide the PNGDF with infrastructure that will benefit the base and the Defence Force over the long-term.
- The Australian Government is upgrading the ablution blocks at the Lombrum Navy Base School (see Fact Sheet 3 for further details).
- Australia has supplied and maintained four patrol boats in Manus. These boats support PNGDF in conducting patrol activities in support of fisheries and customs
 - Four Australian Naval personnel are posted to PNG to support this capacity.
 - In addition, training teams from the Royal Australian Navy have commenced on the Lombrum Navy Base. These teams are assisting the PNGDF Maritime Element in all areas of Naval operations including seamanship, communications, navigation and maintenance. The teams will continue through 2015 and their aim is to assist the PNGDF Maritime Element to patrol PNG waters.



REGIONAL PROCESSING CENTRE ON MANUS: ECONOMIC AND AID UPDATE FACT SHEET 3 – ADDITIONAL ASSISTANCE TO MANUS AS AT 7 NOVEMBER 2014

- Australia is providing additional aid to Manus Province valued at approximately \$37 million.
- This is \$11 million more than originally committed by Australia.

Lorengau Market upgrade and refurbishment

- Construction is expected to be completed in December 2014.
- Minor works: Demolition of the main roof and structures is complete; re-alignment and maintenance of fencing is complete; construction of a new female toilet is complete; and maintenance of existing toilets is complete.
- Major works: Installation of roofing is continuing. Installation of frames for the main thoroughfare is complete while work is continuing in the fish and meat market wing. Work is progressing on the concrete floor slab.
- This project has included an upgrade to the Manus Provincial Technical Services Division (PTSD) office.
- The Lorengau Urban Local Level Government has set up temporary market sites in seven wards around Lorengau to assist local vendors while the main market is closed for renovation.

Education

- Assistance includes infrastructure school kits for an additional 10 schools (doubling the pre-existing commitment), which include construction of a double classroom, an administration office, teacher house and ablution block. The schools were selected by the Manus Provincial Division of Education, in consultation with the National Department of Education.
 - Schools kits are being constructed at 20 sites in Manus: Bipi, M'buke, Baso, N'dilou, N'yada, Harangan, Lau, Pateku, Metyih, Mouklen, N'drehet, Lundret, Likum, Metepong, Nohang, Waratalai, Andra, Lomoei, Aua and Wuvulu.
 - These school kits are being constructed by a PNG company (Pacific Development Contractors) following an international tender process. Local communities participated in the construction of the schools.
 - Quality assurance is underway. A contractor is visiting all 20 schools to ensure all buildings are finished to a high standard.
 - A team of water and sanitation experts is conducting consultations with the 20 school communities to ensure their water and sanitation needs will be met by the new infrastructure.

Road and bridge maintenance and rehabilitation works

- Australia is funding four road and bridge projects. Australia is working with the PNG Department of Works (DoW) and the Manus Provincial Administration on these projects.
- Road and bridge works will create job opportunities for Manusians and PNG citizens.



- A works contract is expected to be awarded during week of 10 November following a competitive tender process
 - The contractor is expected to begin mobilising in December 2014.
 - Completion of the works is anticipated within 12 months (December 2015).
- The scope of the works on roads and bridges, valued at approximately PGK36 million, includes the following:

Momote to Lorengau Road

- ✓ Earthworks for enhancement of flood resilience
- ✓ Construction of retaining wall and seawalls
- ✓ Repair, rehabilitation or reconstruction/replacement as necessary of road pavement and drainage structures
- ✓ Pavement sealing/resealing
- ✓ Installation of road signage
- ✓ Line Marking

Lorengau Market Square road and drainage

- ✓ Earthworks to establish adequate grades for storm-water flows across paved areas
- ✓ Repair, rehabilitation or reconstruction/replacement as necessary of road pavement and drainage structures
- ✓ Pavement sealing/resealing
- ✓ Installation of road signage
- ✓ Line Marking

Loniu Bridge

- ✓ Instillation of new high strength bolts, nuts and washers to replace corroded ones, as determined by a survey of the bridge steelwork and engineering calculations for safe removal
- ✓ Replacement or repainting of steel posts, rails and baseplates on the bridge
- ✓ New protective coating application

Nuwok Bridge

- ✓ Installation of new traffic barriers and approach guardrails
- ✓ New protective coating application.

Lorengau Hospital

- Australia will provide assistance for staff housing, including rehabilitation of some existing housing. The design phase for the new housing is scheduled to commence in late November 2014.
- Refurbishment and maintenance of existing ablution blocks at the hospital has been completed.
- Australian Government has undertaken works on the dental clinic in 2013-14.
- A range of medical and dental equipment has been delivered and installed at a cost of \$400,000. The equipment included:
 - a new digital dental X-ray device – a first for a PNG public dental clinic – which replaces the need for film processing;
 - a machine to test blood samples quickly; and
 - an incubator for premature infants or infants in intensive care.



- Lorengau Hospital Master Plan has been finalised.

Lorengau Police Station

- The Australian Government has agreed to work with RPNGC to rebuild the Lorengau Police Station under Australia's Law and Justice program (estimated to be approximately \$5 million). The rebuild of the police station will create job opportunities for Manusians and PNG citizens
- The design has been contracted and is now underway.
- Key dates:
 - September 2014 – February 2015 – design and scoping undertaken by PNG-based firm Alexander & Lloyd Pacific Ltd
 - March – June 2015 – construction tender process
 - July 2015 – contractor mobilisation
 - August 2015 – construction scheduled to commence
 - December 2016 – police station scheduled for completion.

Community grants

- The Australian Government is working with the Community Development Division of the Provincial Administration on Manus youth activities, in line with the Manus Provincial Youth Policy (2012-16). This work is underpinned by an MOU with the Manus Provincial Administration signed in November 2013. The activities focus on supporting sport, income generation and livelihood opportunities for at risk youth, vulnerable women and children, and communities adapting to climate change. Australia, in consultation with the Manus Provincial Administration, is engaging four advisers to assist Manus with community activities:
 - sports and recreation adviser;
 - income generation adviser;
 - community development advisor; and
 - drug and alcohol awareness adviser.
- The following 16 sports associations received funding grants of PGK 13,000 to PGK 19,900 for sporting activities in Manus:
 - Manus Amateur Athletics Association, Manus Amateur Basketball Association, Manus Body Building Association, Manus Amateur Boxing Association, Manus Amateur Swimming Association, Manus Amateur Volleyball Association, Manus Darts Association, Manus Hockey Association, Manus Karate Association, Manus Netball Association, Manus Para Sports Association, Manus School Sports Association, Manus Table Tennis Association, Manus Triathlon Association, Manus Soccer Association and Manus Va'a Sport Association (Canoe).
- These funds supported the associations prepare for the Manus Games in July and will assist in preparations for the PNG Games in 16-29 November 2014.
- 13 local sports facilities for athletics, basketball, hockey, netball, soccer and volleyball will be upgraded through funding grants of PGK 4,000 to PGK 10,000. Work on the upgrade is expected to start by December 2014.
- The Australian Government will provide support to increase the capacity of the Manus Provincial Administration to support community development and to enable the Community Development Division to house expanded staff numbers.



Private sector skills

- The Australian Government is funding workshops in Manus to support the development of business skills.
 - The workshop series “Supporting Manusians get business opportunities” was launched in Manus on 15-16 July 2014. Over 190 participants attended (63 percent women).
 - A second series of business workshops is expected to commence in December.

Lombrum Naval Base Primary School

- The Australian Government will build new ablution blocks and water tanks at the Lombrum Naval Base Primary School.
 - The scope and design phase of the project was completed in October. This was undertaken by a PNG company, Tulait Consulting Architects.
 - The tender for construction works is expected to be released in end of November. Construction is anticipated to be completed in early 2015.

Mayor’s office

- The Australian Government has supported the office of the Mayor of Lorengau by providing technical drawings for the refurbishment of the Mayor’s office.

Radio Manus

- Australia has provided recording and editing equipment for Radio Manus, including laptop computers, portable recording devices and headphones.
 - The equipment was presented by High Commission staff to Radio Manus on 30 September.
 - Radio Manus will use the donated equipment to provide a six month training program in radio production techniques and live presentation.
 - This training program aims to broaden the coverage of issues that matter to the people of Manus and provide more youth with a start in a career in journalism.



REGIONAL PROCESSING CENTRE ON MANUS: ECONOMIC AND AID UPDATE FACT SHEET 4 – EXISTING MANUS PROVINCE AID PACKAGE AS AT 7 NOVEMBER 2014

Pre-existing aid to Manus Province

The Australian Government's Development Additional Assistance Package to Manus (see Fact Sheet 3) is in addition to Australia's existing support under the Partnership for Development to Manus Province (approximately \$15 million over 2012-15).

Australia's existing aid package to Manus includes:

Education & Scholarships (approximately \$4.5 million)

- Infrastructure kits for 10 schools (expected to be completed in 2014).
- Delivery of 28,107 primary school textbooks and 1,456 secondary school textbooks (delivered in 2011-2012).
- School fee subsidies for elementary schools in 2012 and 2013, benefitting more than 5,000 children in over 110 schools.
- Three Australia Awards Scholarship Roadshows were held in Manus from 9-11 March, 30 July to 2 August and 30 October – 1 November. These provided information about the Australian Government's in-Australia and in-PNG (health-related) scholarships. More than 1300 people from Manus attended. Four people living and working in Manus have since been selected for an Australia Awards Scholarship for long-term study in Australia commencing in 2015.

Health (approximately \$3.5 million)

- Purchase and distribution of 100 per cent medical supply kits to 62 aid posts, 12 health centres and the Lorengau Hospital.
- Procurement and distribution of emergency obstetric care medical kits to all 12 health centres and the Lorengau Hospital.
- The awarding of seven Australian Awards Scholarships for study in PNG in the fields of midwifery, nursing and community health work (as at July 2014).
- Funding the construction of a health clinic in Lorengau.

Transport infrastructure (approximately \$2.1 million)

- Replacement and upgrading of radio navigation aids at Momote Airport by Australia's Transport Sector Support Program and PNG Air Services Ltd.

Climate Change and Disaster Risk Management (approximately \$2.9 million)

- Strengthening the capacity of communities in Manus to adapt to climate change (approximately \$1.2 million).
- Improving community capacity to sustainably manage forestry and natural resources (approximately \$1.7 million).



Sub-national Governance Program (in 2014 approximately \$0.9 million)

- The Provincial and Local Level Governments Program (PLGP) is providing an adviser to support improved capacity of the Manus Provincial Administration. Assistance includes technical advice on integrated budgeting and planning, internal revenue management and budget execution.
- The adviser is also supporting improved cooperation between Manus Provincial Administration and PNG Government Treasury and Finance departments on public financial management priorities.

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There are 11 SPSN small grants allocated for Manus:

- Dungou Masih Community: water sanitation and hygiene;
- Liwliw Elementary School: classroom;
- Manus Disability Sports Association: Personnel Viability Training for people with disabilities;
- Mbunai Primary School: double classroom;
- Parioi Perelik Ward 4: elementary classroom;
- Pihi Tetidu Womens Group: Pihi Wards resource centre;
- Likum Ward Development Committee: Community Health Worker house and aid post;
- Los Negros LLG: Locha LLG Centre aid post;
- Ndrehet Ward Development Committee: Khehek water supply sanitation and hygiene;
- Pihi Kali Association: Pihi Kali village banking; and
- Pihing Butjou Womens Group: Water supply and sanitation.



**REGIONAL PROCESSING CENTRE ON MANUS: ECONOMIC AND AID UPDATE
FACT SHEET 5 – BIBBY PROGRESS STAFF ACCOMODATION
AS AT 7 NOVEMBER 2014**

- Due to a lack of accommodation, the Australian Government has chartered the Bibby Progress accommodation barge to meet staffing requirements. This is an interim arrangement while new staff accommodation is being constructed.
- The current lease extends until 25 November 2014.
- Rooms on the Bibby Progress accommodate up to five people. The Bibby Progress can currently accommodate up to 635 staff. There are insufficient accommodation facilities in Manus to house these staff.
- Facilities on the Bibby Progress include central kitchen and dining, recreation, laundry and ensuite accommodation. The Bibby Progress is self-reliant, meeting all its own power, water and waste treatment needs.
- Staff will move into new accommodation in November.