



**ECONOMIC AND DEVELOPMENT BENEFITS TO PNG
OF THE REGIONAL RESETTLEMENT ARRANGEMENT
AS AT 20 MARCH 2015**

HIGHLIGHTS

EMPLOYMENT

- 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 a **70% increase in the number of formal jobs in the Manus economy or around 1000 extra jobs for Manusians.**

PURCHASES

- The RPC purchases approximately **PGK 1.14 million worth of goods and services from 24 PNG companies** per week.

INFRASTRUCTURE

- Australia's Department of Immigration and Border Protection (DIBP) 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, **new houses** for the PNG Defence Force and **new facilities** at Lombrum and East Lorengau in Manus.

EAST LORENGAU TRANSIT CENTRE

- Construction of the East Lorengau Transit Centre was completed on 24 October 2014 and officially opened by representatives of the PNG and Australian Governments on 16 December 2014.
- As at 20 March, eleven refugees were residing at the East Lorengau Refugee Transit Centre.

AID TO MANUS PROVINCE

- Australia is providing additional aid to Manus Province valued at \$38 million. **This is \$12 million more than originally committed by Australia.**

JOINT UNDERSTANDING – ADDITIONAL AID

- Under the terms of the Joint Understanding, Australia has committed **\$420 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 20 MARCH 2015

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

- As at 27 February, approximately 864 PNG citizens were employed to provide services at the Regional Processing Centre (RPC) at Lombrum – around 699 of these PNG citizens were 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.
- 68 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

- As at 27 February, 24 PNG companies, including five Manus companies, provide goods and services to the RPC, with an average worth of PGK 1.14 million per week.



- Companies providing goods and services to the RPC are: Total Food Network Ltd, Puma Energy Png Limited, Spic N Span, Chauka Car Rentals, Digicel Png Ltd, Hipowa Lae Limited, Manus Transport & Logistics Ltd, Air Niugini Ltd, Contract Control Pacific Ltd, Denjau Seafood, Coca-Cola Bottlers, Puliu Pusungop Poultry, Rheys Ltd, Ela Motors Limited, Manus Provincial Fisheries, Pure Water, Coastal Fuel Ltd, SPG Ltd, Salasia Tyre Service, JDA Wokman Ltd, Bng Trading Co Ltd, Coral Sea Hotels, Hornibrook NGI Ltd and IUDI Technologies.

Investment in infrastructure

- Australia's Department of Immigration and Border Protection (DIBP) 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, new houses for the PNG Defence Force and new facilities at Lombrum and East Lorengau in Manus.

Lombrum Naval Base construction works

- Works at Naval Base are ongoing. These works include security upgrades, assembling of the medical centre, dining room modules and logistics hub.
- As at 27 February 2015 there were 352 persons working on the Lombrum project. Of these, 199 employees were from Manus and a further 70 from Papua New Guinea.
- 76 percent of hours worked on the project have been worked by PNG citizens.
- There have been 60 subcontract packages awarded on the Lombrum project. Of these 28 have been awarded to PNG companies.
- Remediation works to the Lombrum-Momote road were undertaken in January 2015. This is part of ongoing remediation works to the road.

Harbourside Hotel, Manus

- The Harbourside Hotel has been refurbished and expanded with funding from Australia's Department of Immigration and Border Protection. The total cost of the refurbishment was approximately PGK9.5 million.
- The additional facilities at the Harbourside Hotel were formally handed over to the Manus Provincial Government by representatives of the Australian Government on 16 December 2014.
- The refurbishment includes:
 - 18x4 bedroom ensuited air conditioned accommodation buildings, providing an additional 72 beds with decks and awnings;
 - a fully equipped commercial kitchen and dining room;
 - commercial grade automatic washing machines and clothes dryers;
 - a waste water treatment plant and Reverse Osmosis plant; and
 - a 500KVA generator providing power to the refurbished areas.

Gifting of infrastructure in Manus

- Following the completion of the East Lorengau Transit Centre, 14 temporary buildings used in the construction phase have been made available for use in Manus.



PNG Immigration transit centre in Port Moresby

- The Australian Department of Immigration and Border Protection is assisting the PNG Immigration and Citizenship Authority to build an immigration transit centre at Bomana in Port Moresby. A tender process for a head contractor commenced in February 2015.



**REGIONAL PROCESSING CENTRE ON MANUS: ECONOMIC AND AID UPDATE
FACT SHEET 2 – DEFENCE COOPERATION
AS AT 20 MARCH 2015**

- 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) personnel and their families.
 - An Invitation to Register (ITR) for the tender process was released publicly to the PNG market on 5 January 2015. As part of the ITR, industry briefs were held in Lae and Port Moresby on 15 and 16 January respectively.
 - Works are scheduled to commence in June 2015 and be completed in late 2015.
- The Australian Government is funding upgrades to the Lombrum Naval Base including repair 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 maintains 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 20 MARCH 2015

- Australia is providing additional aid to Manus Province valued at approximately \$38 million.
 - This is \$12 million more than originally committed by Australia.

Loirengau Market redevelopment

- The market was jointly opened by the Governor of Manus and Australian High Commissioner on 13 January 2015. The market redevelopment includes:
 - an increase in the number of stalls (from 480 to 740) and provision for 8 small shops
 - new female toilet and refurbished existing female and male toilets
 - realigned and painted perimeter fence
 - security lighting
 - refurbished police outpost
 - children's playground
- The certificates of occupancy and completion were handed over to the Manus Provincial Government on 2 March 2015. The Provincial Government is currently developing a market management plan.
- The project also provided an upgrade to the Manus Provincial Technical Services Division (PTSD) office with new IT infrastructure including VSAT, and improved office space.

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.
 - School kits have been 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 were constructed by a PNG company (Pacific Development Contractors) following an international tender process. Local communities have participated in the construction of the schools.
 - All buildings have been finished to a point of practical completion. The contractor continues to verify quality assurance at some remaining schools.
 - A team of water and sanitation experts has consulted with the 20 school communities to ensure their water and sanitation needs are being met by the new infrastructure.
- Manusians have benefited from the Australia Award program
 - four people living and working in Manus received an Australia Award to study in Australia in 2015.
 - nine people from Manus received an Australia Award to study in PNG in 2015 in the health sector (community health work, nursing and midwifery).
 - four candidates have also been nominated from Manus to undertake an Australia Awards Fellowship in Project Management.



- The Australian Government has supported the establishment of a PNG-Australia Alumni Association (PNGAAA) chapter in Manus. The chapter was launched in Manus by the PNGAAA President and Australian Deputy High Commissioner with the Manus Provincial Administrator.

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 re-tender for construction works closed on 20 February 2015. Construction is scheduled to be completed in mid-2015.

Lorengau Hospital

- Lorengau Hospital Master Plan has been finalised. Australia's contribution to implementing the Master Plan is to provide assistance for staff housing, including rehabilitation of some existing housing. The tender for the Contract Management and Supervision services has been awarded to Tulait Consulting.
- The Australian Government renovated the dental clinic and ablution blocks at Lorengau Hospital in 2013-14. A range of medical and dental equipment was also provided 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.

Road and bridge maintenance and rehabilitation works

- Australia is funding road and bridge rehabilitation projects in partnership with the PNG Department of Works (DoW) and the Manus Provincial Administration. Following an international tender process, the contract was won by Shamrock Civil Pty Ltd, a civil construction firm based in Queensland. Mobilisation commenced in January 2015 and the works are anticipated to be completed by 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
- ✓ 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 and Nuwok Bridges

- ✓ Installation of new high strength bolts, nuts and washers to replace corroded ones, as determined by a survey of the bridge steelwork and engineering calculations
 - ✓ Replacement or repainting of steel posts, rails and baseplates on the bridge
 - ✓ Application of new protective coating suitable for exterior marine environment
 - ✓ Upgrading of pedestrian access making crossings easier and safer for people with disabilities and all pedestrians Installation of new traffic barriers and approach guardrails
- Shamrock is developing a traffic management plan aimed at minimising the disruption to traffic flow and access to the market during road and bridge works.

Lorengau Police Station

- The Australian Government will rebuild the Lorengau Police Station under Australia's Law and Justice program. The estimated cost of this project is \$5 million.
- Alexander & Lloyd has been contracted to undertake the design of the police station and undertook the first community consultation on the design at the end of January 2015. Key dates in the project schedule include:
 - April – community presentation of the approved design concept in Lorengau
 - End of June – construction documentation completed
 - July – tenders called
 - September – construction contract awarded with commencement of construction to follow
 - December 2016 – police station scheduled for completion.

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.
 - Radio Manus will use the equipment to provide training in radio production techniques and live presentation.

Community grants

- The Australian Government is working with the Community Development Division of the Provincial Administration on 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, has employed four advisers to assist Manus with community activities in the areas of:
 - sports and recreation;
 - income generation;
 - community development; and
 - drug and alcohol awareness.
- The Manus Support Community Development (MSCD) Project Steering Committee met on 5 December 2014 and 5 March 2015. To date, the MSCD Steering Committee has endorsed:
 - a new sports strategy for Manus and K753,000 to support its implementation. The strategy will support the establishment of the Manus Sports Council, the new peak body for sports in the province; strengthen sports associations at the local and ward level, with a focus on increasing the participation of women and people with a disability; improve sporting infrastructure; and up skill athletes. The sports strategy has been developed in partnership with the provincial sports office and has been submitted to the provincial government for its endorsement.
 - K1,080,000 to upgrade the Manus Training Centre through the construction of a new classroom, ablution block and security fencing, and the purchase of workshop and classroom equipment.
 - K500,000 to strengthen financial institutions and services in the province, through the provision of a management information system to the Manus Savings and Loans Society, and financial literacy training for members of the village banks. Manus Savings and Loans Society currently has over 7500 members, and the province's 84 village banks operate across 131 wards and serve around 1600 members.
 - K1,000,000 to support the establishment of a food security and climate adaptation facility in partnership with National Agricultural Research Institute and the Manus provincial government. The facility will train local farmers in livestock husbandry and crop production for food and income generation; supply livestock and plant material at competitive rates; undertake research to test productivity and resilience of plant materials and livestock; collect data; and provide province-wide agricultural extension services.
 - K930,000 to strengthen the capacity of ward development committees in nine wards in Pobuma and PNKA LLGs to improve service delivery and support livelihood projects.
- Thirteen local sports facilities for athletics, basketball, hockey, netball, soccer and volleyball will be upgraded in 2015 through funding grants of PGK 4,000 to PGK 10,000.
- In 2014, 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).



Private sector skills

- The Australian Government is funding workshops in Manus to support the development of business skills.
- The first workshop series “Supporting Manusians get business opportunities” was held in Manus on 15-16 July 2014.
- A second workshop series was delivered by Queensland TAFE (QTAFE) on 10-12 February 2015. 193 participants attended (114 males & 79 females). This series delivered training modules including: Introduction to Business; How to Manage a Business; and How to Grow a Business.
- Further business workshops took place from 16-18 March 2015. These workshops built on the previous modules delivered in February 2015.



REGIONAL PROCESSING CENTRE ON MANUS: ECONOMIC AND AID UPDATE FACT SHEET 4 – EXISTING MANUS PROVINCE AID PACKAGE AS AT 20 MARCH 2015

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 in 2014 from 9 to 11 March, 30 July to 2 August and 30 October to 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.

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.