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Australian Government
Department of Immigration
and Citizenship

Submission

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For information

ExecCorro Reg. Number

To **Minister**

Subject **Infrastructure Report on Nauru**

Timing 25 January 2012

Recommendations

That you:

1. Note the Information Brief noted / please discuss

Minister

Signature..... **Date:**...../...../2012

Key Issues

1. This version updates the original CB2012-00071 now that updated costings are available (Attachment A).
2. Departmental officers travelled to Nauru to inspect the two previous processing centres on Nauru on 3-4 January 2012. The sites are known as Topside and State House. A map of Nauru is at Attachment B. Photos of the sites as originally provided are available if required..
3. The staff were accompanied by the Australian High Commissioner to the Republic of Nauru during the site inspections.
4. The inspection identified that neither site would be available for immediate use and would require significant works to become operational. In addition to this, consultation would be required with the Nauru Government in regard to the relocation of various government offices, a primary school, a women’s shelter and the Nauru Rehabilitation Corporation (NRC) that currently have a presence at the sites.
5. The best approach to establishing accommodation quickly is to focus on one site initially. State House is in a better state of repair and could be operational earlier then the Topside site.
6. It is anticipated that the timeframe to have State House operating and provide limited amenity for detainees and staff would be a minimum of 12 weeks from any decision. This is subject to the availability of tradesmen, labourers and materials. Much of this would need to be brought in from the Australian mainland given there is a shortage of skilled

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labour and materials on Nauru. The wet season in Nauru runs from November to the end of February.

7. Timing of commencement of works at the Topside site would be dependent on availability of sufficient tradesmen and materials to work on both sites.

8. The site assessment indicates that Topside could accommodate up to 150 persons and State House up to 250. This is lower than the original capacity of these sites, which was 500 for Topside and 1000 for State House, as that would require placement of four individuals in one room. Crowding would lead to tension and behavioural issues in the facility very quickly. In addition to this, a number of accommodation buildings have been removed from the site and have been used as houses.

9. Detainee accommodation and amenity could be increased with the installation of additional buildings, but it would take some time to procure and transport these to Nauru and then install them at the relevant sites.

10. Operating the sites at their former capacity would only be possible with additional land that, on the basis of the inspection, would not be available.

11. Staff accommodation is also problematic, with little suitable amenity on island. Negotiation with the Nauru Government would be required in order to refurbish existing motels to the appropriate standard to ensure compliance with occupational health and safety requirements.

12. There is an issue with the water supply on the island, and at least one additional reverse osmosis water treatment plant would be required to support any increased demand on the island.

13. IT services on the island are well established through the local service provider Digicel. Television coverage is limited.

Background

Topside

14. Topside is the smaller of the two sites and is currently occupied by the NRC. They occupy all the existing administration buildings.

15. The NRC employs 270 workers in the rehabilitation of phosphate fields around the island. They have set up Topside with a large greenhouse in the middle of the complex for the propagation of plants.

16. Major issues at this site include no ablution blocks, no permanent water supply, no shade, no recreational facilities and no operating waste water treatment plant.

17. The accommodation buildings that have not been removed from the site have all been uplifted and sat at the back of the site. They are not installed or connected to services. All buildings need refurbishment, ranging from replacement of broken windows, repair of water leaks, installation of air conditioners, and replacement of floors and ceilings. A number of buildings have had walls removed and in some cases floors removed. Most have all electrical fittings removed.

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18. Accommodation buildings currently on the site total 11 x 5 room old style bunk houses, and 10 newer buildings. Capacity at Topside would be approximately 150 after major works.
19. After refurbishment the buildings need to be installed and connected to power with breezeway arrangements to allow clients relief from the hot and often inclement conditions.
20. All rooms are bare of any furniture and fittings, and this would need to be addressed as part of any refurbishment.
21. The site provides limited administration support and no client amenity buildings. A number of buildings would need to be shipped to the island to provide these services.
22. The site has reasonable kitchen and dining facilities. Additional cooking equipment would be required if the site became operational.

State House

23. State House is the larger of the two sites and is located closer to the urban area of Nauru. It is in better condition than Topside in most aspects, except for the kitchen and dining facilities.
24. As with Topside the majority of all buildings will require refurbishment. The buildings, however, are in better general condition.
25. The site has access to water, power and has a waste water treatment plant on-site. The condition of the waste water treatment plant would need to be assessed by appropriately qualified persons.
26. State House previously had a 750 KVA back up power generator. The island utilities manager advises that this will be returned if we resume use of the site.
27. The site is currently occupied by a primary school that relocated after fire destroyed a section of their school, a women's refuge, and other Nauru Government agencies.
28. Based on current configuration, capacity would be in the order of 250 (though this would be dependent on client caseload mix).
29. The site has limited recreational activities. Internet rooms, phone rooms and general recreational rooms would need to be put in place.
30. The current kitchen arrangements at State House would not meet any food handling certification without major works. The current cooking area is under an un-vented iron roof with no walls and very basic floor. This issue could be resolved by installing a temporary kitchen. The kitchen is currently cooking meals for the hospital, so other arrangements would need to be negotiated with the Nauru Government.
31. There is a large warehouse with pallet racking that was constructed at State House. This is now being used as the supply office for the Nauru Government.

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General Issues

32. For reasons of consistency, security has been costed at both sites on the assumption that Australian IDC security standards would apply (including CCTV, EDDS fencing etc). When previously operated, both sites were open centres with detainees able to leave the centres between 6am and 6pm daily. If repeated, this could result in reduced security requirements. The attached costings estimate security at \$38.5m (\$12.5m for Topside and \$26m for State House).

33. This advice indicates accommodation capacity much less than was formerly operated. It is difficult to see how the larger numbers could be accommodated on the basis of our visit other than moving to high accommodation density (4 per room). Experience in operating in crowded Christmas Island conditions suggests this density would inject significant tensions and rapidly lead to difficulties in managing the sites. This density would be contrary to Australian immigration detention standards which are not enforceable at law. However, with Australian workers involved it is likely that Australian regulatory authorities (including Comcare) could find breaches in duty of care if the centres were operated at such high risk levels leading possibly to criminal sanctions for breaching the duty.

34. Discussions were held with the manager of utilities on Nauru. The manager confirmed that there is adequate power to cater for the additional load if the sites were operated to full capacity.

35. There is an issue with water supply at the island, and the manager advises that at least one additional reverse osmosis water treatment plant would be required to meet additional demand.

36. The island average rainfall per year is 1000mm. A number of large rainwater tanks will need to be installed to supplement the town water supply at both sites.

37. Neither site has a fire suppression system, no hydrants nor fire hose reels.

38. Unlike Manus Island, there do not appear to be any hazardous materials present in the buildings.

39. The supply vessel services Nauru on a rotation of 5 weeks. The fuel vessel services the island on a needs basis, roughly every three to four months.

40. Fuel supply for charter planes should not be an issue as the island has large certified aviation fuel storage tanks.

41. Staff accommodation will pose an issue. There is limited accommodation on Nauru. The Menen Hotel is suffering from lack of ongoing maintenance. From a visual observation, it appears most of the handrails are in a dangerous condition, having rotted or rusted out as a legacy of the tropical climate. Unsafe electrical wiring was observed around the hotel.

Client service implications

NA

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Consultation – internal/external

The department consulted with the Australian High Commissioner for the Republic of Nauru, the Commissioner of Nauru Police Force (AFP secondee) and the manager of utilities for Nauru (Ausaid funded position).

The Financial Strategy and Services Division have been consulted.

Financial/systems/legislation implications

NA

Attachments

Attachment A Revised costings

Attachment B Map of Nauru

Authorising Officer,

REDACTED - DIAC CONTACT OFFICER
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Minister/Parliamentary Secretary's Comments

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Overview of Nauru Costs and Capacity Issues

Capacity

In September 2011 you were provided with indicative estimated capital and operational costs for the establishment of a facility in Nauru. These were based on the assumption that 600 beds would be available at Topside, and 1500 beds at State House. This was consistent with numbers of people accommodated previously at the sites.

The estimated costs also assumed a mainland style detention model operated by a detention service provider.

The total estimated costs provided to you were:

	600 beds \$'million	1500 beds \$'million
Capital Costs	238.81	435.08
Operating Costs (over 4 full years of operation)	478.54	979.44
Total (over 4 years)	717.35	1,414.52

Revised estimates as at January 2012

Following a site visit, it was clear that it would be inappropriate to replicate the original accommodation numbers at those sites as:

- They were based on four people per room (9^{m2} in size), which is inconsistent with the detention accommodation standards. Experience also indicates that this creates increased client tension quickly, resulting in non-compliant behaviour.
- Some land and accommodation buildings originally used by the department are no longer available as they are being used for disability housing.
- The original site layout only provided basic client amenity and recreation areas.
- The new workplace safety legislation requires an increased focus on duty of care.
- The estimate of capital works incorporates security at the level currently in place at mainland facilities in Australia.

On this basis, we estimate that Topside can accommodate up to 250 people and State House up to 500. This model would have two people sharing a room (around 14^{m2}), and would include appropriate recreational space and amenities.

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We have revised the cost estimates on the basis of these new accommodation numbers.

	250 beds Topside	500 beds State House	Staff Accommodation	TOTAL COST
	\$'million	\$'million	\$'million	\$'million
Buildings and fit-out	41.093	51.693		92.786
Infrastructure utility services and security	36.000	68.600		104.600
Other	44.024	55.089		99.113
Staff Accommodation			20.000	20.000
TOTAL CAPITAL COSTS	121.117	175.382	20.000	316.499
OPERATING COSTS (over 4 years)				1,677.799
Total (Capital & Operating)				1,994.298

As indicated in Submission CB2012/00071, Topside could accommodate up to 150 people with some initial refurbishment work at the site, and State House could accommodate up to 250. This capacity could be increased to 250 and 500 respectively once additional buildings are transported to Nauru and installed.

The above capital costs do not include:

- Any refurbishment of the Nauru Hospital;
- Refurbishment of the fire damaged primary school and
- Any works to be done outside the footprint of both sites.

The operating costs do not include;

- The costs of any Memorandums of Understanding entered into with Nauruan government services such as police, immigration, customs and education for the provision of services; and
- Any aid payments to the Nauruan Government

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ASSUMPTIONS

Capital Expenditure

- The time line for the stand-up for an initial 500 at State House is at least 5 months from announcement and subject to availability of buildings, materials and tradespeople.
- A major issue is the provision of safe accommodation for staff - Menen Hotel is not safe, there are various occupational health and safety issues that will need to be addressed before staff could be allowed to stay there.

Operational Costs

- The operating cost estimate related to DIAC only.
- The facility would be operated by a detention services provider in conjunction with DIAC staff.
- Processing will be similar to that undertaken in Australia and clients will be provided with assistance in preparing their claims.
- An independent review of adverse decisions will be available

Why is the estimate of operational costs significantly higher than the previous estimate on a pro rata basis

- estimate of service provider costs reflects projections for a high risk caseload;
- indication that services providers are risk averse and passing on risk to the Commonwealth
- Previous costings were based on a less complex and lower risk caseload
- Costing assumptions are conservative and savings may be achieved in contract negotiation. However, any savings would be consumed by other Commonwealth agency costs or contracts negotiated with the Government of Nauru