Australian Government
Department of Foreign Affairs and Trade
Overseas Property Office and Services

REFURBISHMENT OF AUSTRALIAN HIGH COMMISSION STAFF RESIDENTIAL COMPOUND

KONEDOBU, PORT MORESBY, PAPUA NEW GUINEA

STATEMENT OF EVIDENCE FOR PRESENTATION TO THE PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS

SUBMISSION 1.0

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We acknowledge the Traditional Owners and Custodians of Country throughout Australia and their continuing connection to land, waters, and community. We pay our respects to them, their cultures, and Elders past and present.

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1 EXECUTIVE SUMMARY

1.1 Executive Summary

1.1.1 The Australian High Commission (AHC) in Port Moresby, Papua New Guinea (PNG), is Australia's diplomatic presence supporting and protecting Australians and Australia's national interests in PNG. The Pacific is one of Australia's highest foreign policy priorities. Australia's focus is to ensure the Blue Pacific remains peaceful and prosperous. As the closest of neighbours, true friends, and now allies, Australia recognises the fundamental importance of our relationship with PNG and our shared commitment to our region. This is underpinned by guiding documents including the Comprehensive Strategic and Economic Partnership, Bilateral Security Agreement, Development Partnership Plan and Mutual Defence Treaty.

1.1.2 The Department of Foreign Affairs and Trade (DFAT), through the Overseas Property Office (OPO), seeks approval from the Parliamentary Standing Committee on Public Works (PWC) to refurbish the AHC Staff Residential Compound (SRC) in Konedobu, Port Moresby in PNG.

1.1.3 The SRC is a Commonwealth-owned asset providing secure, family-oriented housing with communal amenities. The project involves internal refurbishment (fit-out) of thirty-nine (39) residences to update the original 1993 build, align with market standards, reduce maintenance costs, and extend the asset's useful life.

1.1.4 The Project is funded by the OPO Overseas Property Special Account (OPSA), with a total out-turn budget of **$37.3 million** (all Project costs including local PNG Value Added Tax (VAT)).

2 IDENTIFICATION OF THE NEED

2.1 Project Objectives

2.1.1 The Project refurbishment works will focus on internal fit-out works with the objective to:

(a) **Extend asset life:** The residences are over 30 years old and have not undergone any significant refurbishment beyond routine maintenance and periodic repainting. Key components including kitchens, bathrooms, building services, and most interior linings and finishes remain original, and are now at or beyond their expected service life. A comprehensive refurbishment is required to address functional obsolescence, improve amenity, and ensure compliance with current Australian building standards.

(b) **Achieve functional and compliant design:** Deliver a contemporary and functional design that meets the requirements of the Commonwealth and minimises ongoing maintenance costs through a comprehensive and cohesive approach that utilises locally maintainable products and materials. Compliance with relevant standards and codes is an obligation under Commonwealth policy and a key departmental policy to provide a safe and secure presence.

(c) **Improve staff retention and wellbeing:** A property solution that attracts and retains DFAT and Commonwealth Government officers by providing safe, secure family housing that meets contemporary standards and aligns with local market conditions.

(d) **Deliver longevity and quality:** The fit-out will comply with Australian or PNG Building Codes and Standards and align with DFAT's overseas property strategy, which prioritises sustainability, resilience, and cost efficiency. It is designed to extend the asset's life by at least 20 years.

(e) **Maintain safety and security:** Works will be staged to keep the compound operational, safe and secure throughout delivery.

2.2 Background

2.2.1 The Konedobu SRC is a Commonwealth asset of critical strategic value and the only secure, family-oriented compound in PNG. It is highly sought after by DFAT and other Australian Government agencies due to its location, security features, and amenities, which support staff wellbeing and retention and ensure operational continuity in a challenging environment.

2.2.2 It is located approximately 3 kilometres (km) north of Port Moresby's CBD in an elevated area. Built in 1993, it comprises 45 residences in a mix of townhouses, duplexes, and apartments with three- and four-bedroom layouts. Townhouses are two storeys, and apartment buildings range up to seven (7) levels, connected by external stairs to suit the site's topography. Construction uses concrete blockwork, concrete, and timber framing. The SRC spans 11,315 square metres (m^2) of built area within 31,000m^2 of landscaped grounds and includes communal amenities, recreation areas, security features, open spaces, playgrounds, and essential services such as potable water tanks and backup generators.

2.2.3 A 2016 property review commissioned by DFAT, confirmed the residences were structurally sound but dated, with finishes typical of the 1990s era. A subsequent 2023 audit identified multiple building services at end-of-life, requiring urgent replacement to maintain compliance and functionality.

2.2.4 Due to the age of the asset, there are also legacy issues where ad-hoc repairs have been carried out on an as-needs basis. This has resulted in various standards across the compound, including inconsistent internal finishes, varying floor and wall finishes (utilising what is locally available) and disparate mechanical and electrical systems, all contributing to inefficiency in maintenance costs.

2.2.5 In June 2025, a six (6) residence pilot refurbishment (Pilot) was delivered as a due diligence exercise to test local market capability, material availability, logistics, and pricing. Lessons learned have informed cost modelling, risk mitigation, and staging strategies for this Project. Critically, the Pilot was timed to coincide with the rare availability of off-site leased accommodation in Port Moresby, a market where secure housing is extremely limited and highly competitive. This temporary housing solution enabled the relocation of residents during works, proving the feasibility of staged delivery without compromising security or operational continuity. The experience highlighted the importance of aligning refurbishment phases with lease availability, as such opportunities are infrequent and essential for maintaining compound occupancy throughout the program.

2.2.6 This SRC refurbishment is a standard mid-life upgrade essential to preserving the asset value, ensuring compliance, and sustaining the compound's role as a secure, strategic housing solution for Commonwealth staff. Without intervention, the property risks falling below Commonwealth (and market) standards, triggering costly emergency or reactive works or loss of revenue due to vacancy.

Need

2.2.7 The AHC in Port Moresby is critical to advancing Australia's national interests in PNG. Secure, compliant housing for AHC staff and their families is essential to sustain this mission. However, the Konedobu SRC residences have deteriorated significantly after more than 30 years of service, having received only routine maintenance and repainting.

2.2.8 The residences are increasingly unfit for purpose, with building services at end-of-life and internal fittings and finishes worn or inconsistent. Materials and spare parts to suit the current state are not available in-country and contributing to inefficient and costly repairs and maintenance. The tropical climate has further contributed to condensation and mould growth.

2.2.9 Key internal components that are beyond expected service life and require refurbishment include kitchens, bathrooms, wall and floor finishes. Additionally, all 39 residences are multi-storey and have internal staircases. The stair treads and balustrades require upgrading to improve fall protection and ensure compliance with modern safety standards for occupants and their families.

2.2.10 Condensation and moisture damage has worsened due to ageing air-conditioning units, degraded insulation, and deteriorated pipework. Replacement and upgrade of mechanical services are essential to address these problems and improve indoor air quality. Electrical, fire, and hydraulic services will also be upgraded where they are non-compliant, at end-of-life, or for energy-efficiency improvements. Compliant systems will be retained where possible to manage costs without compromising safety.

2.2.11 The current state of the Konedobu SRC poses risks to staff wellbeing, undermines the attractiveness of the Post for families, and imposes rising maintenance costs that are unsustainable. Without intervention, the compound will fail to support DFAT and the Commonwealth Government's operational requirements and strategic presence in PNG, given its role as the 'Family Compound'.

2.2.12 Retaining and refurbishing the DFAT-owned SRC is the most cost-effective and secure solution for staff housing in Port Moresby, given the high-risk security environment. The refurbishment will restore functionality, enhance amenity, ensure compliance, and extend the asset's useful life by at least 20 years.

2.3 Current Leasing and Owned Arrangements

2.3.1 The Konedobu SRC is a critical Commonwealth asset that will be retained as part of the long-term property portfolio. It is highly sought after by Commonwealth agencies, with occupancy consistently at 100%, underscoring its strategic importance and the need to maintain its functionality and appeal.

2.3.2 To facilitate Pilot refurbishment works, 6 residences were temporarily vacated and occupants relocated by the Post to leased accommodation. For this Project, these 6 refurbished apartments will be leveraged as staging to enable a rolling program of works. This approach minimises disruption to residents, maintains compound security, and significantly reduces the need for additional leased housing, a major advantage in the constrained rental market in Port Moresby where secure family accommodation is scarce and costly.

2.4 Proposed Leasing Arrangements

2.4.1 6 off compound apartments have been leased by the Post for the Pilot. These leased apartments will continue to be utilised by Post, where necessary to meet operational requirements. No new additional leasing of temporary accommodation is required for this Project.

2.5 Options Considered

2.5.1 Three (3) options were identified:

(a) **Option 1 – Business as usual- take no action:** Under this option, the Compound would continue operating as is, with refurbishment deferred. Deferring critical works would lead to further asset deterioration (critical assets already at end-of-life), escalating maintenance costs, declining suitability for families, and increased operational risk. Construction costs would rise by about 7% annually, making this option financially unsustainable. While temporary accommodation is currently confirmed, in a tightening leasing market there may not be sufficient appropriate offsite accommodation available in the future if urgent interventions or temporary relocations become necessary, adding further risk.

(b) **Option 2 – Refurbish existing residences**: Comprehensive refurbishment of the existing residences to improve habitability, safety, and maintainability while retaining the current compound layout. Refurbishment would address end-of-life building services, resolve legacy issues, and ensure compliance with contemporary standards. By improving safety and functionality, this option supports staff attraction and retention and mitigates operational risks associated with aging infrastructure.

(c) **Option 3 – Redevelopment of existing site:** Redevelopment would require demolition and replacement of the existing asset. This option is not considered viable due to significantly higher costs, major tenant disruption, and a substantial reduction in leased revenue for the Commonwealth over a five-year period. The difficult terrain of the site would also require extensive and costly preparation works. Furthermore, all residents would need to vacate the compound to enable efficient and safe delivery, adding complexity and risk to operations. This would necessitate securing many additional offsite leased properties to accommodate displaced staff, further increasing costs and logistical challenges.

2.5.2 **Option 2 is the preferred solution** as refurbishing the existing residences at the Konedobu SRC is the only viable solution to maintain a secure, family-oriented compound that is critical to the Commonwealth's operations in PNG. The refurbishment will extend the asset's life by at least 20 years, address end-of-life building services, and ensure compliance with Australian Building Codes and Standards.

It will significantly reduce escalating maintenance costs caused by inconsistent finishes and outdated systems, while improving environmental efficiency and operational resilience. Safe and secure, contemporary and functional housing is essential for attracting and retaining DFAT and partner agency staff in a challenging location, directly supporting whole-of-government objectives. Compared to the high cost and scarcity of secure leased accommodation in Port Moresby, refurbishment offers the best value for money, lowest risk profile, and preserves the strategic integrity of the Commonwealth's property portfolio.

2.5.3 As a Commonwealth-owned asset, the Project will be fully funded through the DFAT Overseas Property Offices' Overseas Property Special Account (OPSA) with no additional government appropriations required.

2.5.4 Further budgetary detail is provided in the Confidential Cost Estimate (Submission 1.1).

2.6 Details of Organisations Consulted

2.6.1 The scope for the Project has involved extensive consultations with key AHC stakeholders and residents in Port Moresby.

3 TECHNICAL INFORMATION

3.1 Context, Location and Climate

3.1.1 Papua New Guinea occupies the eastern half of the island of New Guinea, located about 150 km north of Australia and just 4 km at its closest point across the Torres Strait. Covering a landmass of approximately 462,840 km² and encompassing hundreds of islands, PNG is strategically positioned between Indonesia to the west and the Solomon Islands to the east. Its capital, Port Moresby, sits on the Gulf of Papua and is one of the largest cities in Oceania outside Australia and New Zealand (refer **Annexure 6.1**).

3.1.2 PNG and Australia share deep historical and geographic ties, reinforced by key agreements including the Bilateral Security Agreement (2023) and the 'Pukpuk' Treaty (Mutual Defence Treaty 2025). Our leaders and ministers are in close and regular contact, including through an Annual Leaders' Dialogue and the Australia-Papua New Guinea Ministerial Forum. These frameworks underpin a strong security and economic partnership essential to regional stability.

3.1.3 The coastal tropical climate, combined with high humidity and salt-laden air from the Coral Sea, accelerates metal corrosion and material degradation. These impact building services, structural components, and external and internal finishes, increasing maintenance costs and reducing asset life. Over time, the effects of moisture compromises safety, increases maintenance costs, and shortens asset life.

3.1.4 To ensure durability and reduce lifecycle costs, the refurbishment must incorporate, moisture-resistant materials (e.g., stainless steel, fibre cement lining, marine grade ply); protective coatings and sealants for exposed metal surfaces; ventilation and moisture control to limit condensation in enclosed spaces; regular maintenance protocols for air conditioning, plumbing, and electrical systems. Failure to address condensation and moisture related issues will result in premature asset deterioration, higher operational expenditure, and safety risks.

3.1.5 The Konedobu SRC is strategically located between Port Moresby's CBD and Waigani Government District, home to the AHC, providing secure and convenient access for staff to both locations.

3.2 Scope of Work

3.2.1 The scope of work comprises the internal refurbishment (fit-out) of 39 residences. No work to building externals, compound amenities, site services or recreation areas are included.

3.2.2 The scope of works proposed includes:

(a) Demolition of internal surfaces and fittings and removal of redundant services.

(b) Removal and treatment of mouldy plasterboard walls and ceilings.

(c) New walls and ceiling linings.

(d) Full refurbishment of wet areas (laundry & bathrooms) including preparation of floors and walls, waterproofing, relocation of services as required, supply and fit new tiles and new fittings and fixtures.

(e) Supply and install of new kitchen, appliances, tiling and storage cupboard joinery.

(f) Preparation of floor for new tiles noting that each residence has inconsistent floor levels (including removal of trip hazards and standardising design and layouts).

(g) Replacement of light fittings, electrical outlets, ceiling fans and controls, and inclusion of surge protection.

(h) Replacement or upgrade of electrical distribution boards as required.

(i) Replacement of existing air-conditioning with new energy-efficient refrigerated air conditioning systems and new bathroom and laundry exhaust fans.

(j) Replace or upgrade non-compliant fire services configuration to meet code compliance.

(k) Replacement of solar hot water systems.

(l) Refurbishment of staircase and new handrails and balustrades, eliminating fall from height concerns for children.

(m) New paint throughout.

3.2.3 The following are out of scope and exclusions for the Project:

(a) Building exteriors: including balconies, façades, lighting stairs and landscaping etc

(b) Delivery of works to common areas and recreational facilities.

(c) Security alarm systems (existing retained)

Indicative site plan. Refer to Annexures for additional information.

3.3 Codes and Standards

3.3.1 All works will comply with Australian and PNG building codes and standards, applying the stricter standard to ensure safety and performance. DFAT will monitor compliance through technical audits and an onsite representative during construction, who will enforce safety and quality protocols and address any deviations. Any departures will be documented and justified based on site-specific constraints or local requirements.

3.4 Architecture

3.4.1 The refurbishment will upgrade existing residences using durable, climate-appropriate materials that can be sourced and maintained locally or within the region. The design will standardise layouts and finishes, improve maintainability, and apply a repeatable "kit-of-parts" approach to enable interchangeable components and efficient repairs. No structural changes are proposed because the buildings are structurally sound and functionally adequate. Major alterations were assessed as low value for money and are outside the project scope. The focus remains on internal refurbishment to improve compliance, safety, and amenity without impacting the existing structural integrity.

3.4.2 Concept design renders provided at Annexure 6.2 illustrate the intended approach but may evolve as the design progresses through development stages.

3.5 Materials and Finishes

3.5.1 Materials and finishes will be durable, low-maintenance, and mould-resistant to suit Port Moresby's tropical climate, including moisture-resistant linings, paints, solid benchtops, and tiled floors. Where possible/ practical, materials will be sourced locally in PNG or from Australia to ensure quality, timely supply, and long-term availability for maintenance. A neutral colour palette with timber accents will provide a consistent, practical design that aligns with the compound's existing character and ensures the aesthetic remains contemporary and does not date over time.

3.6 Mechanical Services

3.6.1 The design ensures suitability for a tropical climate and prioritises systems that can be maintained locally or within the region, reducing reliance on imported components, minimising repair downtime, and lowering whole-of-life costs.

3.6.2 Cooling will be provided by individual wall-mounted, reverse-cycle air conditioning units for cost efficiency and redundancy, with programming to limit condensation. A ducted system was ruled out due to cost and insufficient ceiling space. New exhaust ventilation will be installed in kitchens, bathrooms, and laundries, replacing window-mounted fans with efficient wall or ceiling-mounted units. Ceiling fans and controls will also be replaced.

3.7 Hydraulic Services

3.7.1 The design ensures suitability for a tropical climate and prioritises systems that can be maintained locally or within the region, reducing reliance on imported components, minimising repair downtime, and lowering whole-of-life costs.

3.7.2 In wet areas, new water-efficient fixtures and fittings will be installed. Existing domestic hot water units will be replaced with energy-efficient solar systems to reduce running costs and reliance on local power. Supply and drainage pipework will be replaced where inconsistent or non-compliant, while compliant sections will be retained.

3.8 Electrical Services

3.8.1 The design ensures suitability for a tropical climate and prioritises systems that can be maintained locally or within the region, reducing reliance on imported components, minimising repair downtime, and lowering whole-of-life costs.

3.8.2 PNG power supply can be unreliable, so new electrical distribution boards with integrated surge protection will be installed to prevent damage to appliances and electronics. All internal cabling will be replaced to meet current standards, and equipment will be selected for durability and local availability. Energy-efficient LED lighting will be used throughout, with a minimal range of standard fixtures to simplify maintenance and reduce costs. All equipment will be selected for longevity and reliability to minimise the need for maintenance and with local availability for replacements should repairs be required. Internal cabling is being replaced where required, with new power cabling to ensure compliance with current standards.

3.9 Fire Protection

3.9.1 Key design principle is ensuring it can be maintained locally or within the region, reducing reliance on imported components, minimising repair downtime, and lowering whole-of-life costs.

3.9.2 Each residence is provided with a smoke detection system linked to the main Fire Indicator Panel (FIP). Where necessary systems will be updated for compliance, otherwise will remain as is or relocated to suit updated layouts.

3.10 Security

3.10.1 DFAT security requirements are incorporated into the physical design of the existing Compound. No additional security works are being undertaken as part of the refurbishment works.

3.11 Civil and Landscape Works

3.11.1 No civil or landscape works are required for this scope of works.

3.12 Operations, Maintenance and Warranties

3.12.1 Operation and maintenance manuals, including equipment data, supplier details, specifications, and warranties, will be provided by the contractor as part of the handover documentation. Post will also receive operational instructions on the efficient use of air-conditioning and natural ventilation to minimise condensation and mould, which are common issues in tropical environments.

3.13 Environmental Impact Assessments

3.13.1 As part of the due diligence process, DFAT commissioned contamination studies in 2025 to assess environmental and health risks within the Konedobu SRC. The investigation confirmed no evidence of hazardous contamination, including asbestos, across the site. Further testing during the Pilot reinforced these findings, with all samples returning negative for asbestos. While no additional contamination is expected, precautionary measures will be implemented during refurbishment works, particularly when handling pipework lagging and removing existing floor finishes to mitigate any residual risk and ensure compliance with safety standards.

3.14 Ecologically Sustainable Design (ESD)

3.14.1 The project design aims to achieve best-practice sustainability outcomes, applying Environmentally Sustainable Design (ESD) principles across the entire asset lifecycle. DFAT will prioritise energy efficiency, reduced environmental impact during construction, and simplified long-term maintenance to ensure enduring performance.

3.14.2 Option analysis confirmed that refurbishing structurally sound buildings delivers significant sustainability benefits compared to knock-down and rebuild alternatives. This approach minimises waste, conserves embodied energy and reduces carbon emissions. Where possible, spare parts are salvaged and stored for reuse across the PNG estate, particularly electrical components no longer available locally, extending serviceability until staged refurbishments are complete. Where reuse is not feasible, the growing recycling industry in PNG will be leveraged.

3.14.3 Given the Project location, typology, and delivery method, the design will incorporate practical energy-efficiency improvements wherever possible, including efficient air conditioning systems, and durable, climate-appropriate materials.

3.14.4 The design incorporates the following ESD principles:

(a) Consideration of the local climatic conditions.

(b) Meeting and exceeding Australian building code requirements for energy efficiency where applicable.

(c) Rooftop solar hot water system replacement.

(d) Installation of modern, energy efficient air conditioning units with control settings to enable efficient, cooling and dehumidifying temperature control.

(e) Where possible, sustainable materials that provide improved indoor air quality and are sustainably sourced.

(f) LED long life lighting solutions.

(g) New water efficient fixtures, fittings and appliances are being installed to reduce water consumption.

(h) Removal of gas appliances from residences.

(i) Additional insultation to improve passive efficiency of the buildings.

(j) Surge Protection to distribution boards to protect appliances and electronics from the power fluctuations that are experienced in PNG reducing the number of appliances requiring regular replacement.

3.15 Accessibility

3.15.1 The existing residences at the compound are not considered accessible by Australian Standards. While OPO endeavours to provide accessible accommodation in all locations, the location and topography of the Konedobu SRC make it impractical to adapt the existing residential buildings to achieve full accessibility. However, other residences in Port Moresby can accommodate accessibility needs, ensuring that staff requiring accessible housing have suitable alternatives.

3.16 Heritage Issues

3.16.1 There are no heritage limitations regarding the site or existing buildings on the site.

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3.17 Work Health and Safety

3.17.1 Compliance with Work Health and Safety (WHS) standards is of high importance to OPO as the building owner. In accordance with the Work Health and Safety Act 2011, considerable attention has been and will be given to this aspect during the detailed planning of the project and continued preparation of the contract documentation.

3.17.2 WHS will be particularly important during the demolition and construction stages of the Project. The Construction Contractor is required to implement a stringent project specific WHS Management Plan including safety induction training for all workers and visitors on site and ensure that it is adapted to incorporate DFAT policies and requirements.

3.17.3 Additional Project requirements will be implemented including strict project working hours and limited delivery hours to manage and minimise the risk of incidents noting the staged approach to the works and limited site access due to the operational nature of the Konedobu SRC.

3.18 Authorities and Local Industry Consultation

3.18.1 Given all refurbishment works are internal to the buildings (fit-out works only), no government approvals are required during planning, however the Construction Contractor will need to engage with PNG Power and Water PNG throughout delivery of the works.

3.18.2 Local consultant representatives are engaged through the Design Consultant to review and confirm design compliance with Australian/ PNG codes and standards where applicable.

3.18.3 As part of the due diligence process, DFAT undertook a Pilot refurbishment to 6 apartments within the Konedobu SRC. This Pilot included an extensive market sounding exercise to identify construction companies in PNG with the capability and experience to deliver the works. A key objective was to maximise local labour participation, supporting community goodwill, upskilling the local workforce, and showcasing Australian construction practices. This approach strengthens local industry capacity while ensuring project delivery aligns with DFAT's sustainability and social responsibility principles.

3.19 Components that Fall Outside the Scope

3.19.1 Replacement of external glazing is currently excluded from the forecasted Project budget and scope but may be considered later as a below-the-line item, subject to available funding.

3.19.2 The Pilot refurbishment revealed several latent conditions, most notably the deteriorated state of existing windows and glass sliding doors. Evidence of water ingress and damaged frames has led to moisture penetration and internal wall damage. Although major external and structural works are outside the current scope, incorporating double glazing would deliver significant benefits by enhancing thermal efficiency, improving acoustic insulation, and strengthening weatherproofing. These upgrades would reduce long-term maintenance costs and provide better protection for newly refurbished interiors.

4 COST EFFECTIVENESS AND PUBLIC VALUE

4.1 Project Delivery Strategy

4.1.1 The Project will be released to the open market through a Request for Tender (RFT) on AusTender as a fixed lump sum (traditional) Construction Contract, ensuring transparency and equal opportunity for both Australian and PNG contractors. This approach maximises competition and provides the best opportunity to achieve value for money.

4.1.2 Responsibility for obtaining local authority and utility supply approvals will rest with the Construction Contractor and their local partners. This arrangement benefits the Commonwealth by consolidating the approval process under the Contractor, reducing administrative burden and limiting Commonwealth involvement to a supporting role rather than direct management.

4.1.3 An experienced Project Management and Contract Administration (PMCA) consultancy will be engaged to deliver contract administration and superintendency services. On-site support will be provided by a security-cleared Project Manager, ensuring compliance with DFAT requirements and adherence to safety and quality benchmarks. This arrangement offers full-time oversight and establishes a critical liaison point for the Post and onsite residents, strengthening governance, communication, safety, and quality assurance throughout the Project.

4.1.4 An independent cost planning consultant has been appointed to review the Project budget and provide expert advice on variations or claims submitted by the Contractor. Turner & Townsend (T&T), who prepared the detailed design cost estimates, will undertake this role to ensure financial integrity and transparency throughout delivery.

4.2 Project Cost Estimates

4.2.1 The total project out-turned cost estimate was developed by T&T and OPO and is based on the 50% Schematic Design Report. This estimate includes demolition, construction of the works and all other related elements such as design consultant fees, project management, supervision, taxes, contingency and escalation.

4.2.2 The estimated out-turn cost of the proposed works is further detailed in **Submission 1.1**.

4.3 Public Value and Local Impact

4.3.1 The Construction Contractor will employ local tradespeople for in-country works to support the development of the PNG construction industry. This approach promotes employment opportunities for individuals undertaking tertiary education and helps build long-term skills for project delivery and ongoing maintenance, reducing reliance on external support.

4.3.2 The Konedobu Compound is in a mixed-use area with residential and commercial properties nearby. No significant impact on neighbours is anticipated due to the SRC secure site arrangements and the pre-planning of all deliveries.

4.3.3 Demolition and refurbishment works will inevitably cause some disruption to the SRC residents. Ongoing consultation with Post and residents will continue throughout all stages to keep stakeholders informed of activities and progress. Appropriate measures will be implemented to mitigate disruption, nuisance, and other potential issues. Site constraints and construction methodologies have been designed to minimise noise and WHS risks associated with working in an active residential compound.

4.3.4 The Contractor is obliged to ensure that an effective traffic management and site management plans are applied and all WHS requirements of the work site and surrounds are carried out and maintained.

5 PROGRAM

5.1 Construction Program

5.1.1 Subject to Parliamentary approval, including resolution of any outstanding requirements, construction is expected to commence in early 2026 and completed in 2029.

5.1.2 Further information regarding the project program is available in **Submission 1.1**.

5.2 Phasing of Works

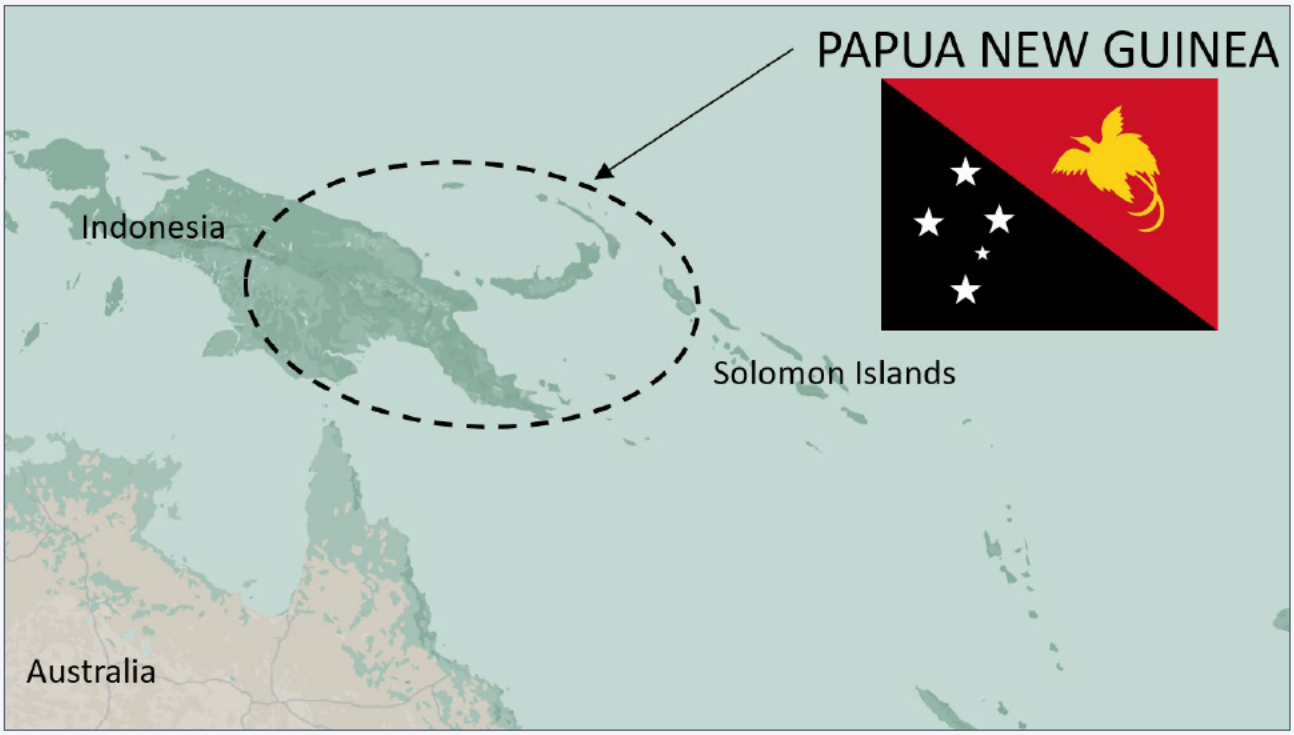
5.2.1 Refurbishment works will be undertaken over 7 stages (**Annexure 6.1.4**) allowing for a rolling program of works of approximately 6 apartments or townhouses in each stage, minimising the temporary accommodation requirements and associated costs in uplifting temporary accommodation to DFAT security standards while the construction works are undertaken.

5.2.2 The staged rolling program ensures minimal impact to the existing residents and allows the movement of residents into completed stages freeing up the next stage of residences for refurbishment works.

6 ANNEXURES

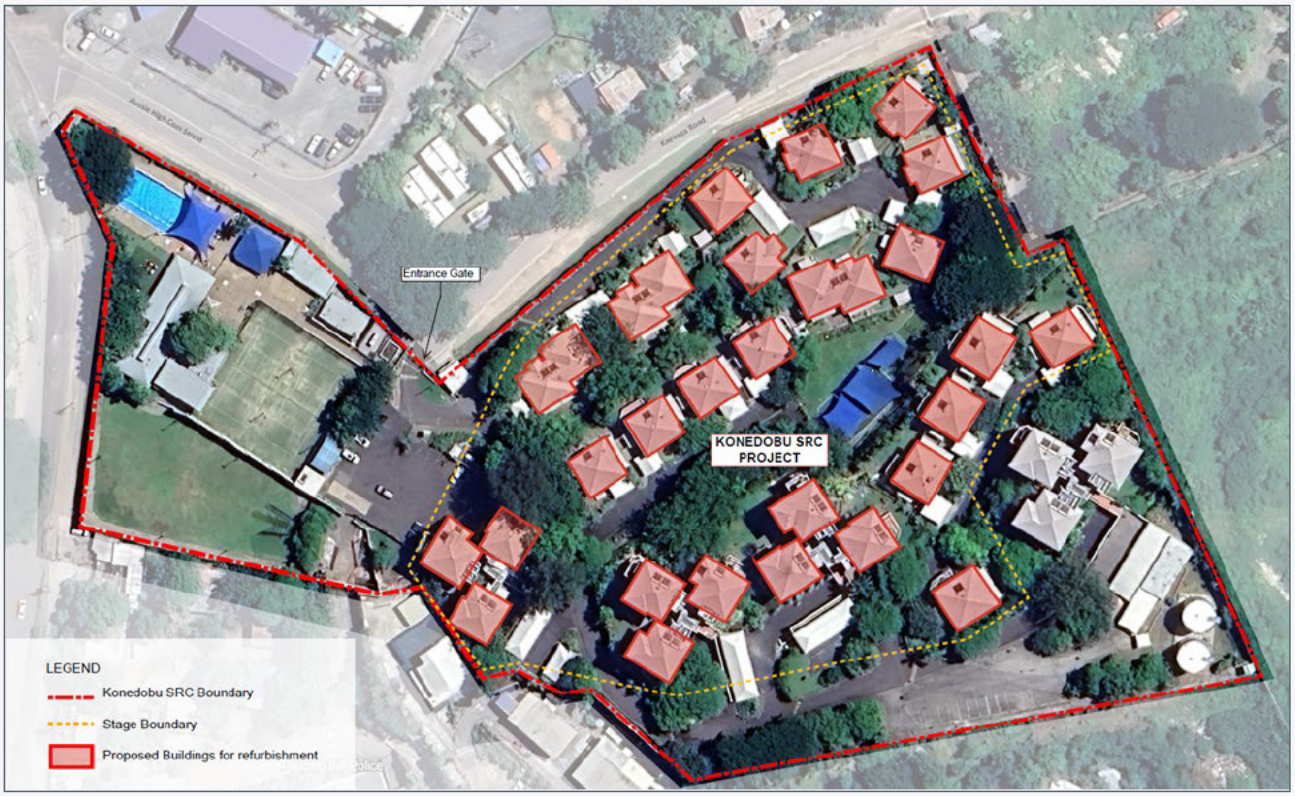
6.1 Maps and Context Imagery

6.1.1 Location Context – Pacific Context

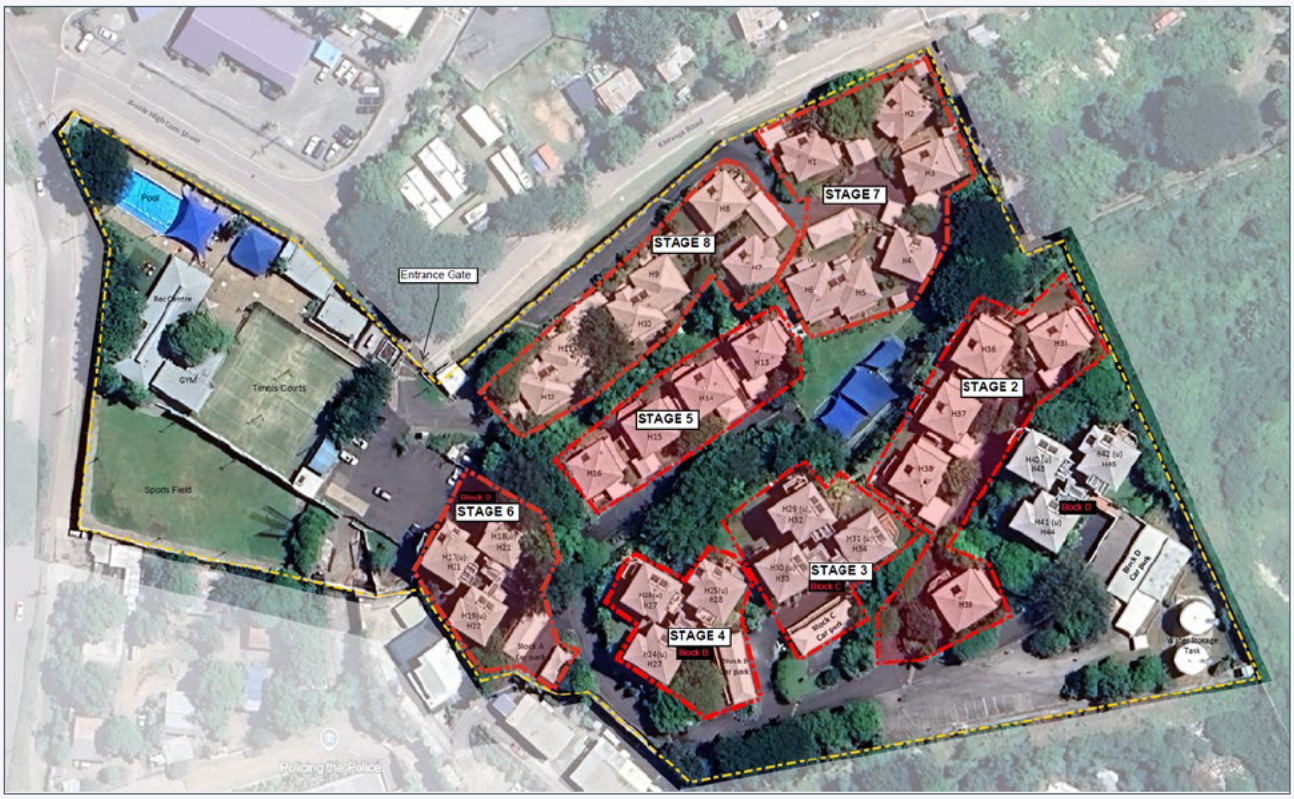


6.1.2 Site Context – Location

6.1.3 Site Context – Site Plan



6.1.4 Context – Staging Plan



6.1.5 Site Context – Images

Konedobu SRC visible from the main road between the CBD and Waigani.

6.1.6 Context – Existing Residences (Exterior)

The base of the compound is relatively flat but the majority of residences are built on a steep hill.

View from the top of the compound.

Change in elevation from adjacent street level.

Typical driveway.

Communal green area on an incline.

Retaining wall showing typical topography.

Detached townhouse.

Apartments form a complex block of several configurations.

Walkways.

Apartments are connected by stairs across 7 levels.

6.1.7 Context – Existing Residences (Interior)

Typical Lounge room.

Timber pelmets have detriorated due to the location and leakage.

Typical Ensuite bathroom.

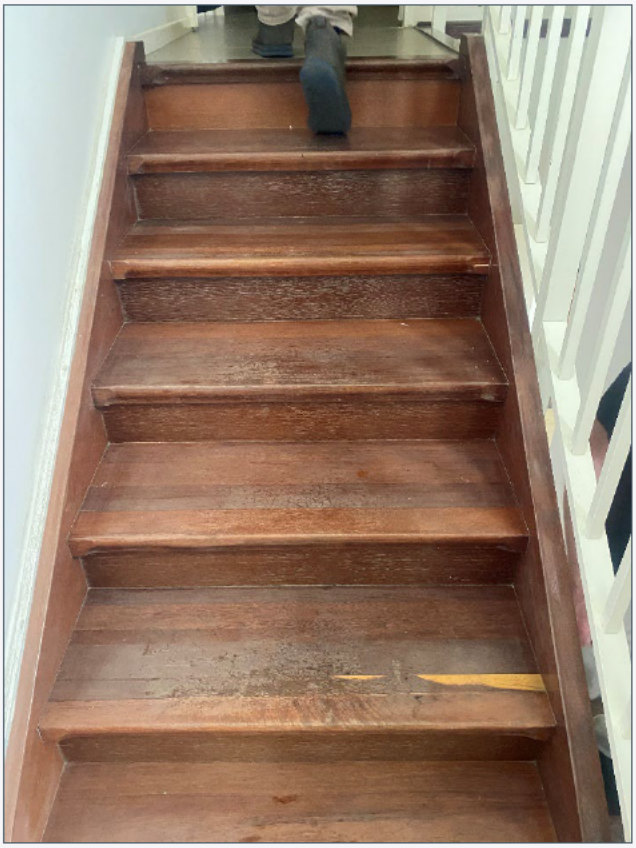
Original kitchen joinery.

Laundry space is limited due to the in-built cupboard.

Aging finishes and typical water damage around sills.

Window seals are failing across the majority of units.

Damage resulting from non-watertight windows.



Stairs have worn finish and damage.

View from bottom of stairs.

The causes of condensation are multifaceted and require remediation.

Undisturbed mould within conealed spaces behind fixed linings.

Typical Powder room.

View of existing indoor AC unit from kitchen with damaged pelmets

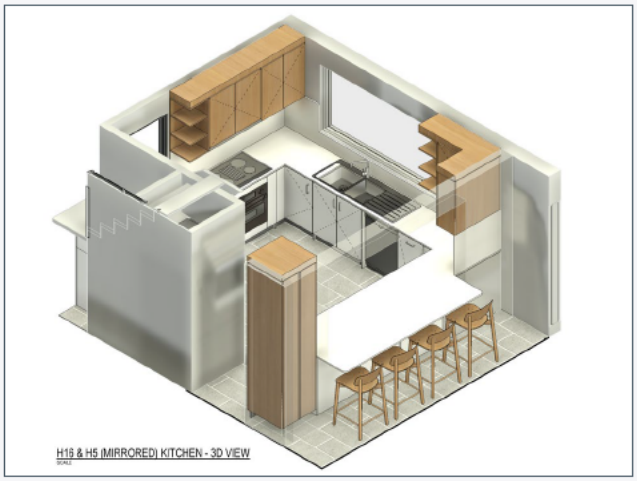
Ensuite bathroom.

Powder room.

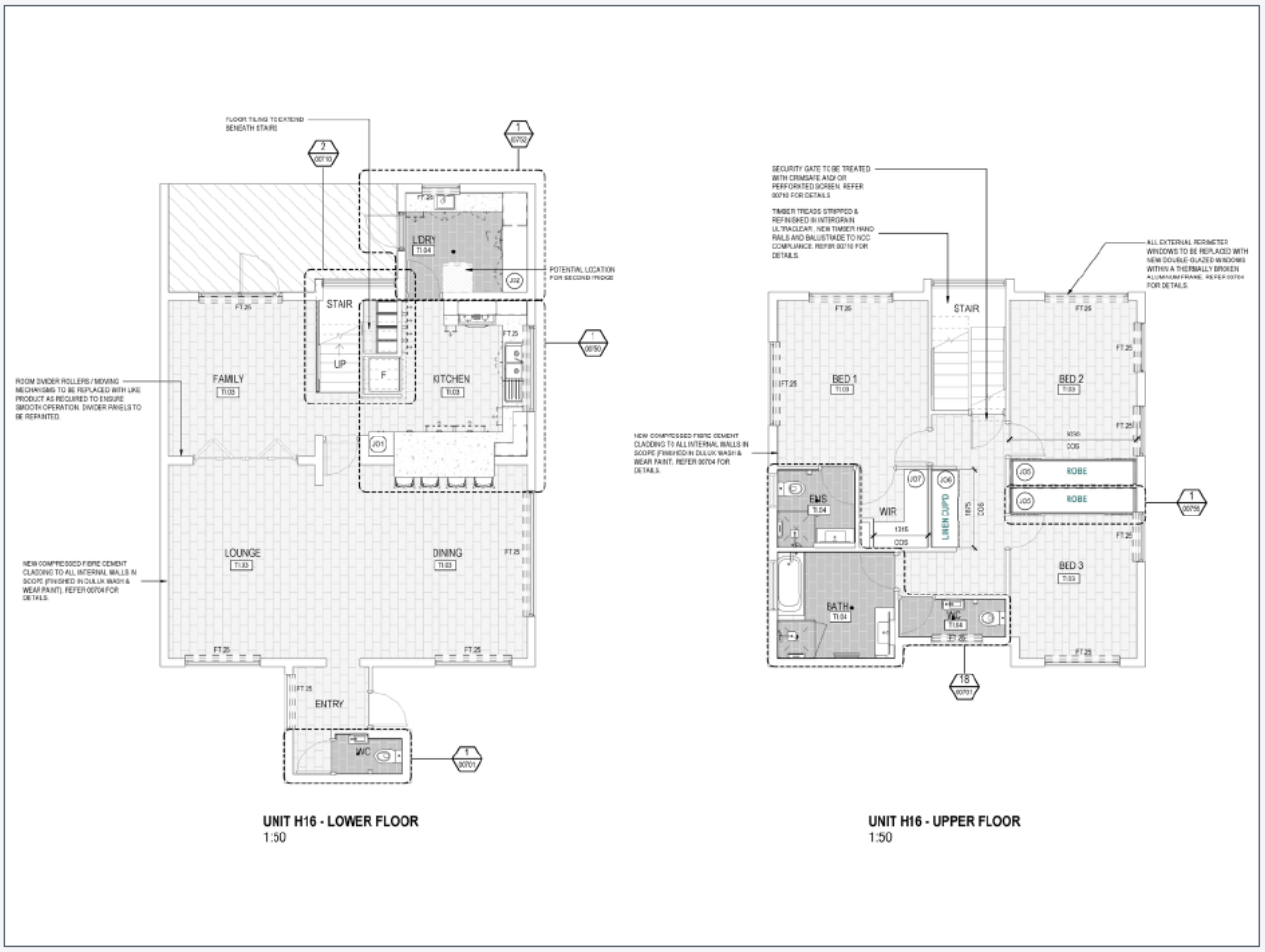
6.2 Concept Design

6.2.1 Concept Design – Typical House

Houses – Location Plan



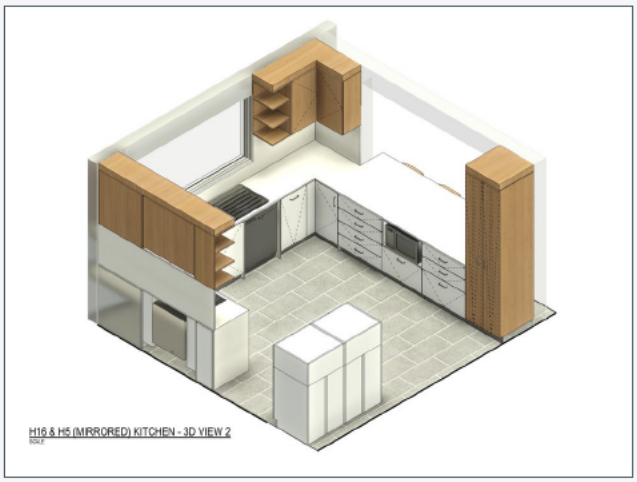
H16 – Kitchen Design



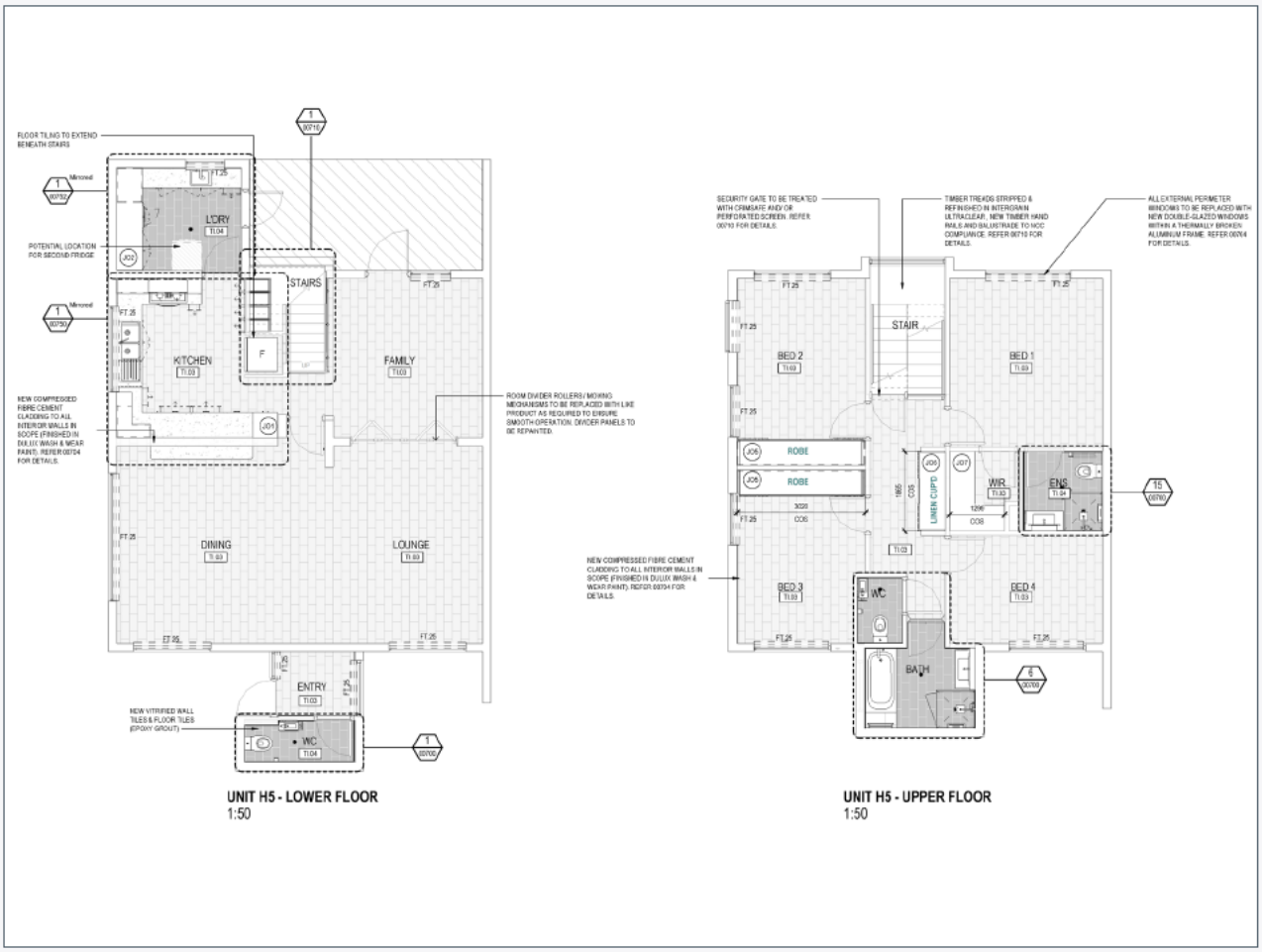
H16 – Floor Plan

6.2.2 Concept Design – Typical Townhouse

Townhouses – Location Plan



H5 – Kitchen Design

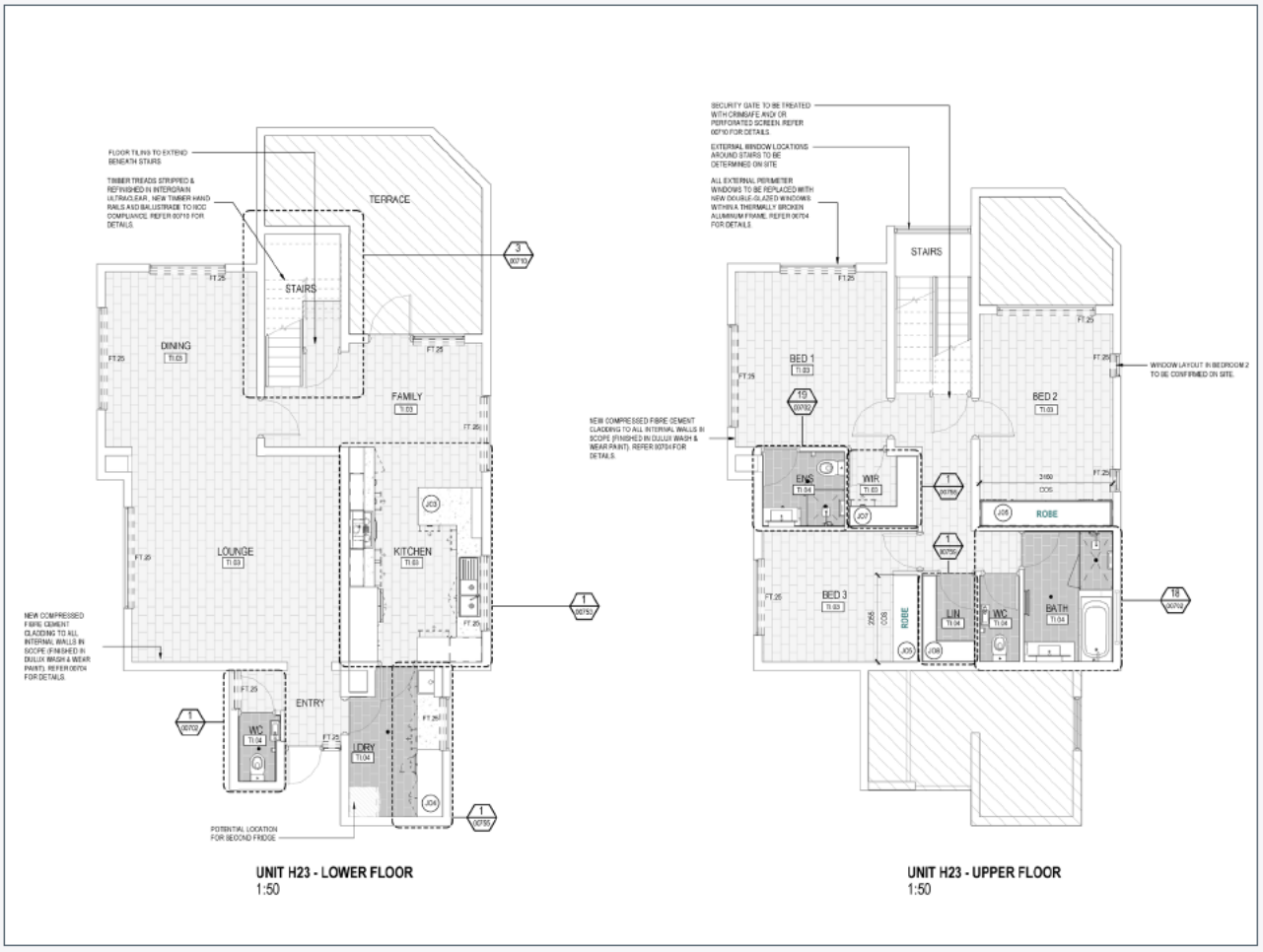


H5 – Floor Plan

6.2.3 Concept Design – Typical Apartment

Apartments – Location Plan

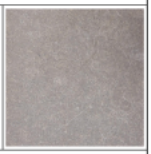
H23 – Kitchen Design



H23 – Floor Plan

6.2.4 Concept Design – Architectural

FINISHES SCHEDULE

CODE	TYPE	DESCRIPTION	SUPPLIER	COMMENTS	IMAGE
FLOORING					
TI.03 & TI.04	TILED FLOORING	PRODUCT: MOOV GREY (OR APPROVED EQUIVALENT) DIMENSIONS: 300mm x 600mm x 9mm thick FINISH: NATURAL GROUT: LATICRETE SPECTRALOCK PRO PREMIUM GROUT IN STERLING SILVER	EARP BROS		
LAMINATE					
LM.01	LAMINATE - DOORS, PANELS	PRODUCT: MULTIPURPOSE COMPACT LAMINATE COLOUR: WHITE LINEN CODE: 8823 FINISH: NATURAL TO BE PROVIDED WITH MATCHING ABS EDGES	LAMINEX	LAMINATE TYPE AND SUBSTRATE TO SUIT APPLICATION REFER JOINERY DRAWINGS 90750 SERIES	
LM.02	LAMINATE - FEATURE DOORS, PANELS, EXPOSED ELEMENTS	PRODUCT: MULTIPURPOSE COMPACT LAMINATE COLOUR: ELEGANT OAK CODE: 078 FINISH: NATURAL TO BE PROVIDED WITH MATCHING ABS EDGES	LAMINEX	LAMINATE TYPE AND SUBSTRATE TO SUIT APPLICATION REFER JOINERY DRAWINGS 90750 SERIES	
LM.03	LAMINATE - SKIRTING	PRODUCT: MULTIPURPOSE COMPACT LAMINATE COLOUR: STORMCLOUD CODE: 140 FINISH: NATURAL	LAMINEX	LAMINATE TYPE AND SUBSTRATE TO SUIT APPLICATION REFER JOINERY DRAWINGS 90750 SERIES	
PAINT					
PA.01	GENERAL WALL PAINT	SYSTEM: WASH&WEAR + PLUS KITCHEN & BATHROOM COLOUR: SNOWY MOUNTAINTS HALF CODE: 3W FINISH: LOW SHEEN WARRANTY: 10 YEAR WARRANTY AGAINST MOULD GROWTH PRODUCT DETAILS: WITHSTANDS WEAR AND TEAR, AND FREQUENT CLEANING. WITHSTAND HUMID OR DAMP ENVIRONMENTS WITH 101 BARRIER TECHNOLOGY AND FORTIFIED WITH A POWERFUL MOULD INHIBITOR AND WATER-REPELLENT PROPERTIES.	DULUX		
PA.02	DOOR LEAF, DOOR & WINDOW TRIMS PAINT	SYSTEM: WASH&WEAR + PLUS KITCHEN & BATHROOM COLOUR: WHISPER WHITE CODE: SW1C2 (12W) FINISH: SEMI-GLOSS WARRANTY: 10 YEAR WARRANTY AGAINST MOULD GROWTH PRODUCT DETAILS: WITHSTANDS WEAR AND TEAR, AND FREQUENT CLEANING. WITHSTAND HUMID OR DAMP ENVIRONMENTS WITH 101 BARRIER TECHNOLOGY AND FORTIFIED WITH A POWERFUL MOULD INHIBITOR AND WATER-REPELLENT PROPERTIES.	DULUX	PAINT TO BE FINISHED AS INDICATED IN SPECIFICATION	
PA.03	CEILING PAINT	SYSTEM: WASH&WEAR + PLUS KITCHEN & BATHROOM COLOUR: FLAT WHITE FINISH: LOW SHEEN WARRANTY: 10 YEAR WARRANTY AGAINST MOULD GROWTH PRODUCT DETAILS: ADVANCED CEILING FORMULATION WITH MOULDSHIELD® TECHNOLOGY PROTECTION. FLAT FINISH TO HELP HIDE SURFACE IMPERFECTIONS. ONE COAT OVER LIGHT COLOURS.	DULUX	PAINT TO BE FINISHED AS INDICATED IN SPECIFICATION	
SOLID SURFACE					
SS.01	STONE	PRODUCT: CAESARSTONE COLOUR: OSPREY CODE: 3141	CAESARSTONE		

FINISHES SCHEDULE

CODE	TYPE	DESCRIPTION	SUPPLIER	COMMENTS	IMAGE
TIMBER ELEMENTS					
TM.01	TIMBER FLOORING (STAIRS)	PRODUCT: INTERGRAIN ULTRA FLOOR SLIP RESISTANT INTERIOR FINISH: SATIN DETAILS: CLEAR, WATER-BASED FINISH, RESISTS ABRASION, WATER AND MOST HOUSEHOLD CHEMICALS. LOW ODOUR AND WILL NOT YELLOW	DULUX		
TM.02	ALL ARCHITECTURAL TIMBER ELEMENTS.	PRODUCT: INTERGRAIN ULTRACLEAR EXTERIOR FINISH: SATIN DETAILS: CLEAR, WATER-BASED FINISH WITH UV ABSORBERS. RESIST ABRASION, WATER AND MOST HOUSEHOLD CHEMICALS. LOW ODOUR AND WILL NOT YELLOW	DULUX		
WALL LININGS					
TI.01	WALL TILES - WET AREAS	PRODUCT: BRIGHT WHITE PORCELAIN TILES - PRESSED EDGE FINISH: SEMI-GLOSS DIMENSIONS: 300mm x 600mm GROUT: LATICRETE SPECTALOCK PRO PREMIUM EPOXY GROUT IN BRIGHT WHITE (TO MATCH TILE)	TBC		

Excerpt from Finishes Schedule