



**DEPARTMENT OF IMMIGRATION AND MULTICULTURAL
AND INDIGENOUS AFFAIRS**

Secretary

Mr Denis Nihill
Chief of Mission
Regional Office for Australia, New Zealand, Papua New Guinea
and the South Pacific
International Organization for Migration
PO Box 1009 Civic Square
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Dear Denis

I refer to our exchange of letters in September 2001 establishing agreement between IOM and DIMIA on the provision of services for asylum seekers transferred to offshore designated processing centres.

Firstly I would like to acknowledge the productive working relationship that has been maintained between IOM and the Department and IOM's responsiveness to requests to provide additional services and information as the need has been identified.

With refugee status processing all but completed and extensive infrastructure development work within both centres substantially completed, it is appropriate that this agreement now be reviewed to reflect the new phase that the Offshore Processing Centres (OPCs) have entered.

The OPCs have been running for some 12 months and from an operational perspective have assumed a more ongoing and routine nature. Coinciding with this, we now have formal agreement to continue with the Manus arrangement for 12 months to October 2003 and agreement to a Nauru extension to at least June 2003.

For Manus this means that there is a requirement to complete those legacy infrastructure projects to which we are already committed and any new projects which are agreed to under the extended arrangements. In addition, assuming no new arrivals, it will mean that we will need to wind down the centre as and when residents depart, although the centre itself may need to remain operational even if only for a few residents. Nauru in turn will require additional supporting infrastructure to accommodate a maximum of 1500 asylum seekers if required.

Alongside this is the ongoing management of the current populations with their changed and changing profiles. In Manus the population now largely comprises persons requiring protection awaiting resettlement; in Nauru there is a large group who have accepted the Australian Government's reintegration package and rejected asylum seekers who have not taken up the offer. In Nauru, further challenges will flow from the shift in the balance of the resident population towards those who have been found not to be refugees and for whom return options are being pursued.



We also need to be prepared for any new arrivals which would further add to the complexity of the population profile and centre management. We are, in my view, well placed for such an eventuality.

Operational dimensions aside, from the overall management perspective, there is a need for ongoing focus on accountability, proper process and assurance. There has been significant progress in documenting these processes.

I will turn now to the specifics of ongoing and new service delivery, financial considerations and assurance monitoring and reporting.

Service Delivery

Our original exchange of letters envisaged IOM providing the following services in offshore processing centres:

- transfer and reception of asylum seekers;
- preparation and management of appropriate accommodation;
- provision of food, water, power, sanitation, laundry, medical and health care;
- provision of counselling (including options for voluntary return and facilitation of return);
- provision of necessary personnel to coordinate the services; and
- transport.

A number of consultative management strategies over the last twelve months have provided assurance that these services have been provided appropriately. These include the Logistics Meetings which were held daily for the first four months of the project, the presence of DIMIA Liaison Officers at the centres, and day-by-day consultations at the operational and senior management levels. These strategies and structures are articulated in the Assurance Framework.

While many of the services detailed above are ongoing, the original agreement was drafted in the establishment phase of the project and a number of additional services are now being provided by IOM.

In particular, we have agreed that IOM will continue to be increasingly focussed on resettlement arrangements for those requiring protection and the return of failed asylum seekers. This includes the processing of the Australian Government reintegration package as well as management of the logistics for resettlement and return travel, and in the case of Afghans on Nauru, management of their reception in Kabul.

In Manus in particular, and under the framework of our exchange of letters, IOM has also taken on the project management of legacy infrastructure work which has been pivotal to the processing centre activities in Manus. This was the most efficient and cost effective way to progress these matters given their linkage to the operation of the centre itself and limited alternative delivery mechanisms.

Given these changes I seek your formal confirmation of the following services continuing to be provided by IOM:

- management of the Reintegration Package and returns;
- management of resettlement transfers to Australia and other countries; and
- project management of legacy infrastructure projects on Manus.

I turn now to the scenario where we may need to manage a centre(s) in a wound-down and ready-to-reactivate state. While we may face this situation in Manus early next year, it could also arise in Nauru in the more distant future. Given the various phases that such a situation envisages, we have agreed that there is a need for a revised framework for their management, were that to ever arise.

Such a framework sees IOM continuing to have a prime role, albeit in a potentially less hands-on or day-by-day fashion for any period of time when there are much reduced, a small number or even no residents in the centre. This means that IOM would continue to be engaged in the management of the centre, even if the mode of IOM engagement alters with the different phases. For Manus, you have agreed that IOM would continue to manage the remaining original legacy infrastructure projects as well as any new projects agreed to under the recently extended arrangements. Current indications are that this would require an on-the-ground presence during the period when the centre is significantly wound down (or even mothballed, should that eventuate).

You have also agreed that IOM would resume operational activities in a reactivated centre if the need arose. The range of issues involved here has been covered in more detail in recent correspondence.

On this basis I seek your formal confirmation of IOM's willingness to provide the following:

- management of a centre's wind down, possible mothballing and possible reactivation;
- resumption of service delivery as agreed above in a reactivated centre; and
- on Manus, project management of any agreed legacy infrastructure projects during these phases.

Financial considerations

In reiteration of the initial agreement, the Department undertakes to reimburse IOM for all costs incurred in the management of the OPCs on receipt of invoiced costs. This includes costs incurred through IOM sub-contracted service providers. The Department will continue to seek assurance through established financial reporting processes.

Managing processing centre property

Processing centre costs are expenses Australia has agreed to carry to facilitate the establishment and operation of these IOM facilities. Property acquired and used in Nauru and Manus is controlled by IOM, including during any period of mothballing.

In respect of Manus, the MOU between Australia and PNG envisages that the Manus processing centre site will be returned to the Government of Papua New Guinea, on conclusion of activities related to the MOU, in a condition that would enable similar use in the future, if required. We envisage that under this arrangement, the centre property/ infrastructure will be passed to PNG by IOM at that time. At this stage this would be at the completion of the extended MOU, that is in October 2003, unless the arrangements are further extended.

Reporting

Our productive working relationship has resulted in enhanced invoicing and financial reporting processes. In particular, we are receiving increased supporting documentation and more comprehensive monthly reporting from IOM.

We need also to ensure that operational centre management reporting continues or is enhanced. The Assurance Framework provides the basis for this.

I look forward to your confirmation of the expanded arrangements outlined above and to a continued positive and productive relationship between the Department and IOM.

Yours sincerely

W. J. Farmer
December 2002