



# The Fly Breeze

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A quarterly newsletter of the Ok Tedi Development Foundation

## Are we making a difference? Our GRASSROOTS Challenge

### About Us

Conceived in 2001, OTDF has evolved into a new and dynamic organisation mandated to deliver projects into all our community partner regions of the Western Province.

In 2002, OTDF was incorporated as a Non-Profit organisation as stipulated by the Mining (Ok Tedi Mine Continuation Ninth Supplemental Agreement) Act 2001.

Following a review of the Community Mine Continuation Agreement (CMCA) in 2006/2007, the Ok Tedi Fly River Development Program (OTFRDP) was registered as the Company's trading name to function independently of OTML operations.

Since March 2010, OTDF has been the vehicle delivering sustainable projects and programs into the CMCA region.



Team Leader Mine Villages Miape Baupupu talking to one of OTDF's Model Farmers, Willie Wokasok on how to grow and maintain eaglewood



PG 2

Investments for our communities



PG 3

Improving health & infrastructure



PG 4

Perseverance pays off for Noah

### Are we making a difference?

That's the question that now lies with OTDF to answer from 2013.

Over the last two years, OTDF has delivered to the people of the Community Mine Continuation Agreement (CMCA) regions investment projects worth over K80 million.

These projects included three custom built vessels and two brand new Series-400 twin otter aircraft.

Also included in this portfolio of investments is an office complex and a housing estate, both currently under construction in Kiunga for OTDF operations from 2014 (refer overleaf for details).

While these investments will secure the futures of the communities they are long-term, targeting increased earning through to mine closure; the growing challenge for this organisation is delivery on the ground, demonstrating real change TODAY.

OTDF Chief Executive Officer Ian Middleton has stated that the focus from this year is to deliver more village-based projects and programs that will enable CMCA villagers to be self-sustainable.

He has further challenged his 82 permanent employees and additional support staff to work harder and smarter in making sure CMCA communities benefit more from projects like food security, rubber and eaglewood development, village-based training for women, better drinking water and entrepreneurship.

"It is very important that we are focused early in 2013 if we are to have any hope of really Making A Difference at community level," Mr Middleton told sectional leaders at the beginning of this year.

"As leaders of this Company you will be primarily responsible for driving our success".

# It's theirs...

## The aircraft & the vessels



**The 110,000-plus people of the CMCA region now own three brand new vessels and two new aircraft, a significant investment OTDF has facilitated on behalf of the 156 village communities.**

The three vessels are the MV Fly Hope, the MV Fly Explorer and the MV Fly Warrior.

The two aircraft are Series-400 Twin Otters, the first of these aircraft to operate in the Southern Hemisphere. All these investment projects were approved by the OTDF Advisory Committee and Board and are currently operating in Western Province under contract with Ok Tedi Mining Ltd (OTML). The vessels (apart from MV Fly Hope) and the aircraft are contracted to OTML for 15 years. Funding to purchase these investments was sourced from the CMCA Trust Investment Funds. Fly Hope was designed, constructed and delivered at a cost of K6.8 million, Fly Explorer at K5.5m, Fly Warrior at K19m while the two aircraft were constructed and delivered by Viking in Canada at a cost of K33.9 million.

OTDF facilitated the design, construction and procurement of these investments under the following guidelines:

1. *Investments must be made in accordance with the respective Trust Deeds*
2. *Investments are expected to be highly visible in Western Province*
3. *Investments must return a minimum 8% per annum on capital cost with agreed return conditions*
4. *Income earned from investments will be accumulated through till mine closure at which time the funds will be equally distributed to all the Trust Development accounts*

*for future sustainable projects.* As per the 15-year lease agreement with OTML the vessels are expected to earn in excess of K38 million while the twin otters are expected to earn over K49 million.



The CMCA communities will not only earn near K30 million as accumulated profit from OTML monthly lease payments over the 15 year contracts, they will also retain the asset value of these investments enabling a significantly greater return than the low interest rates previously received from Interest Bearing Deposits with commercial banks.

The MV Fly Hope was delivered outside

of any OTML charterparty, designed specifically to provide the river communities with a safe and reliable commercial transport system, something which they previously did not have. The vessel operates a regular service between Daru and Kiunga, calling several village ports along the way to ferry passengers safely to the respective trading centers. Fly Hope started operations in April 2012.

The Fly Explorer is a custom built environment research vessel that conducts riverine sampling of the Fly River and its tributaries. The vessel is also being utilised for bi-annual Community Relations awareness patrols for OTML. It began operation in July 2012.

The MV Fly Warrior is a container vessel and bulk fuel carrier which can carry up to 72 containers or 1.2 million litres of diesel fuel. A versatile vessel designed to cater for OTML's operational requirements out of Port Moresby with the capacity to call into Australian ports when required. A key purpose of the vessel will be the quarterly delivery of CMCA project materials direct onto jetties at Sturt Island in the South Fly and Aiambak in the Middle Fly. It commenced service in January this year.

All the vessels are being managed by the world's largest ship manager, V-Ships, a Company operating in excess of 1,100 vessels globally.

As for the expanded twin otter aircraft service being operated by Hevilift on behalf of OTML, one aircraft has maintained flights to regional airstrips along the Fly River while the other is flying into the Telefomin district of the Sandaun Province. Other than serving Ok Tedi needs these planes are being used to transport OTDF staff to field bases and leaders in and out of the CMCA regions. These planes will also be used to conduct urgent medivac requirements amongst our community partners.

# OTDF awards K125.4m in contracts to improve health and infrastructure

**I**n June, OTDF signed contract agreements for four high-impact projects worth K125.4 million with the respective contractors.

The executed projects are the Middle and South Fly CMCA Area Health Program, the Aiambak to Lake Murray Road rehabilitation in the Middle Fly, the Pampenai Road rehabilitation and the Nupmo to Ningerum Footbridge in the North Fly region.

The health program, to be managed by AbtJTA over five years, is worth K43 million while the Aiambak-Lake Murray Road and the Pampenai Road projects are worth a combined K72 million. Both roads will be constructed by Starwest Limited.

The Nupmo to Ningerum Footbridge crossing the Ok Tedi river will be constructed by Wild Cat at a cost of K12 million.

The funding for the projects came from the CMCA component of the Western Province People's Dividend Trust Fund (WPPDTF).

These funds were approved for release late last year by the Mining Minister Honourable Byron Chan following a submission by the OTDF Board to Shadrach Himata, the Secretary for Mineral Policy and Geo-haz-



**Sitting left: Mr Zumoi, Middle Fly leader, OTDF Chairman Mr Parker, AbtJTA General Manager Operations Geoff Scahill, Harry Wakina, South Fly leader while standing are Starwest General Manager Wayne Clark (left), Kramer Ausenco COO Bruce Nicholson, and OTDF CEO Ian Middleton**

ard Management. The Secretary is the custodian of the WPPDTF.

OTDF Chairman Nigel Parker said with functional roads and bridges, the province will now have access to basic health care and other services like education and commerce.

"With the support being provided by OTDF together with the political will of Western Province Governor Ati Wobiro, there will only be one outcome and

that is that prosperity will begin to emerge in the province and will gain pace over time as driven by the people themselves. With improvements in the quality of basic health care and education realised, then these people will become self sufficient," he added. Middle Fly Associate Director Richard Zumoi said: "Our people are grateful that finally there is some tangible development".

## Motivating our PEOPLE

**A** staff awards program has been introduced to reward OTDF employees and encourage them to perform even better.

OTDF has introduced quarterly staff awards comprising of a Staff Member of the Quarter Award, and an Encouragement Award.

The first two recipients of the awards were Joyce Kelly, an Administration Assistant with OTDF's Engineering Department, and Ivan Kombong, an Agriculture Officer with the company's Regional Development team. Ms Kelly was given the Encouragement Award for her determination to improve her performance significantly over the last 12 months since joining OTDF.

"Being the first recipient of this



**Ms Kelly receiving her certificate and a camera from Mr Fahey while CEO Ian Middleton and Engineering Services Manager Fred Oala look on**

award, it really means a lot to me. I am very thankful to the management team for their consideration and support towards this," she said. Meanwhile Mr Kombong, who conducts agriculture extension projects in the CMCA villages of the South Fly region, received the Staff Quar-

terly Award.

"Having to cover 66 villages every year is not an easy task and to receive such a recognition is a big pat on the back," he said.

Both also received brand new digital cameras as a token of appreciation as well as a certificate.

OTDF Chief Operation Officer Mr Geoffrey Fahey, who initiated the program, said at OTDF we are seeking to reward good behaviours and

sanction poor behaviours in order to encourage our people to grow professionally and continue to perform better. Whilst this initiative is small, I hope it will go a long way to motivate our staff to continue to do their best," Mr Fahey said.

**OTDF now has a fresh new website which will enable philanthropic donations in kind or cash and showcases the many projects and programs the company is carrying out in Western Province.**

The website which can be accessed through [www.otdfpng.org](http://www.otdfpng.org) has information about OTDF activities, the Province and its people, particularly our CMCA community partners.

OTDF Chief Executive Officer Ian Middleton said the new website will also provide other key stakeholders such as the National and Provincial Governments and PNG Sustainable Development Program Limited an opportunity to see how CMCA funds earmarked for projects and programs are spent.

He said OTDF is a unique entity created to deliver tangible benefits to the 110, 000 people of the CMCA regions and it was paramount that the Company maintains a high level of community based governance and transparency with regards to how the CMCA funds are spent.

"Through a unique development

approach with our community partners, the Ok Tedi mine and the Government, the Company is mandated to ensure the people receive the maximum benefit from their CMCA benefits package. As a not-for-profit charity organisation OTDF is also able to mobilise funds from alternate donor sources, including philanthropic donations in kind and cash to help the people live a self-sustainable life well after mine closure," Mr

Middleton said.

The second phase of the website was completed in June 2013 after it was initially launched in August 2012. The successful completion of the upgraded website was a culmination of almost nine months of hard work by Australia-based website developer, Ziller in collaboration with a small, dedicated team at OTDF. The site remains a work in progress and will be continuously improved upon and added to as the Company continues to deliver.

The new website also has information on health, education, livelihood, and accessibility and transport infrastructure projects and programs. It also features stories on farmers, students and villages, an overview of how the Company was created and provides various options to donate towards helping a school or a village or even becoming a volunteer with OTDF. The site also includes a 'news' tab on the home page into which all the latest developments at OTDF will be regularly posted and complemented with regular Facebook updates. A big thanks to all our Facebook followers that now number over 800.



## Dem nets the **BIGGER** fish

**Noah Dem, a young local from Kwiloknai village never knew that when he started as a Model Fish Farmer a year ago, his project would net himself almost K2,000 in a single harvest.**

Dem is now a living testament of how effective the Model Farmer Program run by OTDF can be if you are prepared to earn a living through hard work and sheer commitment.

He is also a shining example to oth-

er young men and women in the village who have dropped out of the schooling system.

His farm is located along the Tabubil to Kiunga Highway.

"My advice to all the young men and women out there who are roaming around town is to return back to their villages and work on the land and do something for themselves".

Apart from looking after his fish, he is also growing sago and eaglewood as well as looking after ducks being supplied by OTDF.

The Model Farmer Program is a concept OTDF has introduced in the



Dem harvested 1,000 talapia from just one pond and sold them at Ningerum station over two days.

"I would like to thank OTDF for selecting me as a Model Farmer and for all the training I've gone through," he said.



CMCA villages to encourage more locals to become active farmers.

This newsletter is produced by the OTDF Public Relations to update and report on developments OTDF is carrying out throughout the CMCA region, including the Western Province. If you have any comments or feedbacks, email them to [mackhenly.kaiok@otdfpng.org](mailto:mackhenly.kaiok@otdfpng.org) or call 649 5550 or fax them to 649 9348. We are also on **Facebook** so visit our page and **Like Us**.