

Lihir Tourism Strategy and Development Plan Study

10 December 2009



Lihir Tourism Development structure



Village based initiatives

Guest houses, sea kayaking operations, fishing, diving, surfing

Business hotel / conference centre

Possible training complex, provides alternative accommodation to the current camps

Supporting infrastructure

Jetties, boardwalks, road upgrades, supply of utilities



Specific high priority initiatives

- Business hotel + small conference venue
- Signature sporting event
- Major hospitality and tourism training program
- Model village guest house
- Dive trail (using large mining equipment)



Specific high priority initiatives

Signature sporting event

- Profile the Lihir Islands for leisure + business tourism potential
- Major corporate promotional opportunity for LGL - “Lihir Gold Triathlon”



Specific high priority initiatives

Business Hotel

- 50 – 75 rooms in Londolovit (estimated cost kina 40-50m)
- Conference venue to cater for 100 pax theatre style, meeting rooms, function venue
- Provides the catalyst to support most other forms of tourism
- Venue for small-scale conferences and meetings for mining and supporting activities
- Commercial business guests, Government and NGO guests, followed by leisure visitors



Specific high priority initiatives

Major hospitality and tourism training program

- Enables Lihirians to up-skill and take advantage of tourism business opportunities
- Creates capacity building for villages keen on tourism employment
- Minimises risk through training and offering skills transfer
- Service the needs on not only Lihir but also NIP and other areas



Specific high priority initiatives

Model village guesthouse

- Working example as part of training and development program for village enterprises
- Provides benchmark model for Lihirians to follow
- Creates economies of scale for building and fitting out
- Reduces risk of wrong design in wrong location.



Specific high priority initiatives

Dive trail

- Unique themed dive trail of decontaminated mining equipment
- May also benefit LGL in disposing of large equipment no longer required



Socio – Cultural Benefits

Tourism opportunities provide economic, environmental and social benefits through:

- Re-establishing the islands' cultural activities
- Using LGL operations and development to help “kick start” business and leisure related tourism
- Allowing villagers to develop and operate their own small business ventures
- Sustaining elements of island life such as village gardens and the concept of Haus Bois etc.
- Raising awareness of and sustainably utilising the natural assets (reefs, treks, etc)



Economic Benefits

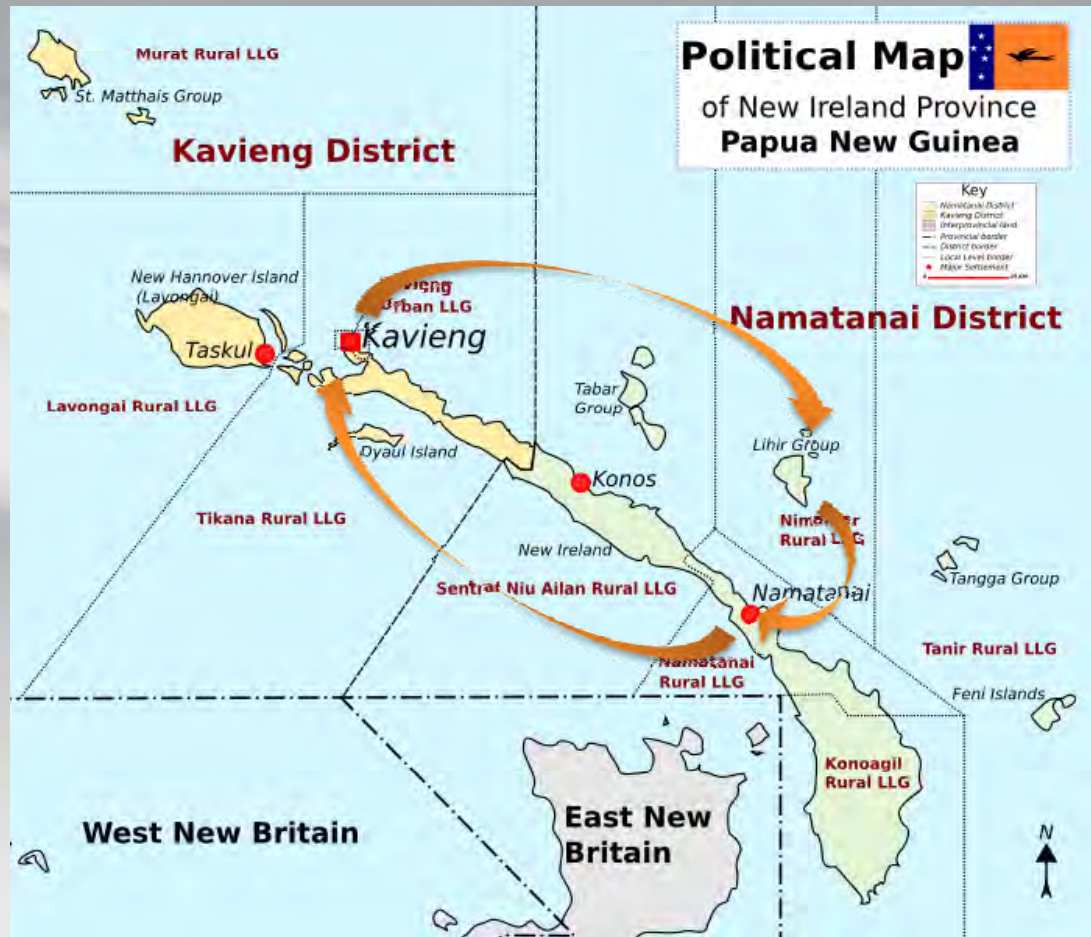
- strong return on investment for a business focussed hotel (estimated IRR of 18-25%)
- Good returns from village based guest houses and various activity operations which offer an alternative income stream (estimated 7-15%+ IRR)
- Strong employment opportunities for semi and skilled locals
- Can integrate with proposed agricultural and aquaculture development
- Will attract new investment
- Will improve living standards and offer economic options to Lihirians



Summary

- Lihir has good potential to develop sustainable tourism which can directly benefit local communities
- Tourism, to be successful, has to be developed in a very carefully planned approach
- People will need to be up skilled to meet market demands and needs
- Business tourism needs to be catered for via hotel + conference centre; this will lead sustainable tourism across many areas (business, leisure, those visiting friends and relatives, conferences etc)
- Lihir should look to position itself as a “service centre” for servicing a number of tourism and recreational operations (marine based etc) and to service NIP as it is already seen as a base for skilled tradesmen
- To raise the profile of Lihir (as more than a gold mine) a major event (as recommended) is the most cost effective way to achieve market penetration and get “on the map”
- Commercially viable activities such as diving, fishing, surfing, yachting and sea kayaking require individual feasibility analysis to determine the optimum size and scale to be successful
- Opportunities exist for twinning and partnership arrangements for joint marketing with successful tourism businesses on New Ireland
- Travel circuits are needed to make travelling more interesting and to enable visitors to see and experience more





Next Steps

1. **Establish guiding body for tourism: Tourism Development Taskforce (TDT)** to drive tourism (comprising representatives of key entities on Lihir)
2. **Facilitate Presentations** – to all relevant agencies and communities to inform
3. **Create detailed Implementation Action Plan** (what happens, by who, by when, how, with what budget)
4. **Undertake Cost benefit Analysis** for new business hotel, conference centre and retail identifying appropriate investors and operators and preferred site
5. **Implement Tourism Development Program** to assist community based tourism ventures such as guest house developments, sea kayaking, fishing charters, mini bus services, internet marketing program etc
6. Plan for major sporting event (as recommended) and marketing/PR exercise

