



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON ABORIGINAL AND TORRES
STRAIT ISLANDER AFFAIRS

Reference: Capacity building in Indigenous communities

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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS
Wednesday, 10 September 2003

Members: Mr Wakelin (*Chair*), Mr Cobb, Mrs Draper, Mr Haase, Ms Hoare, Dr Lawrence, Mr Lloyd, Mr Melham, Mr Snowden and Mr Tollner.

Members in attendance: (Insert, in alphabetical order, the names provided by committee secretary)

Terms of reference for the inquiry:

To inquire into and report on:

Strategies to assist Aboriginals and Torres Strait Islanders better manage the delivery of services within their communities. In particular, the committee will consider building the capacities of:

- (a) community members to better support families, community organisations and representative councils so as to deliver the best outcomes for individuals, families and communities;
- (b) Indigenous organisations to better deliver and influence the delivery of services in the most effective, efficient and accountable way; and
- (c) government agencies so that policy direction and management structures will improve individual and community outcomes for Indigenous people.

WITNESSES

**JARVIE, Lieutenant Colonel Harold James (Harry), Staff Officer Grade One, Headquarters
Land Command Engineers, Land Headquarters, Department of Defence (Army)..... 1139**

**SHEPHARD, Lieutenant Colonel Mark Alan, Commanding Officer, 19th Chief Engineer Works,
Land Command Department of Defence (Army)..... 1139**

Committee met at 4.43 p.m.

JARVIE, Lieutenant Colonel Harold James (Harry), Staff Officer Grade One, Headquarters Land Command Engineers, Land Headquarters, Department of Defence (Army)

SHEPHARD, Lieutenant Colonel Mark Alan, Commanding Officer, 19th Chief Engineer Works, Land Command Department of Defence (Army)

CHAIR—I welcome you, gentlemen, as representatives of the Australian Army. This is a public inquiry that is being recorded by Hansard. Could you explain your role here today for the record?

Lt Col. Shephard—Thank you. I am the Commanding Officer of 19th Chief Engineer Works, which is Army's project manager for AACAP.

Lt Col. Jarvie—The Headquarters Land Command Engineers is the senior engineering headquarters. I am here representing the Commander, Land Command Engineers, who is the officer responsible for the entire AACAP on behalf of the Chief of Army, from Army's perspective.

CHAIR—Thank you very much. Some of us on the committee have served with you in the parliament exchange program so there is some familiarity there—at least two members that I know of and possibly more. You might like to make a short opening statement and then we can go to questions.

Lt Col. Shephard—I would like to make a short opening statement. Thank you very much again, Chair and members, for inviting us here. Work is proceeding very well up on Palm Island, I am pleased to report. We will be off Palm Island around 7 October. I have prepared a short slide show for you this afternoon.

Slides were then shown—

Lt Col. Shephard—I would like to go through the framework of AACAP, a couple of projects that we are working on at the moment on Palm Island and that we were working on last year in the west, some observations from Army's point of view with respect to the inquiry's terms of reference, and questions and answers.

The ATSIC Army Community Assistance Program is a partnership agreement between ATSIC, the Commonwealth Department of Health and Ageing and Army. It utilises the resources and expertise of the Army to provide support to ATSIC and DHA in the development and upgrade of environmental health infrastructure to enhance health services available in remote Indigenous communities. The idea for AACAP was proposed in 1996 and the first project was in Oombulgurri in May 1997.

The aims and objectives of AACAP are very similar to those of the National Aboriginal Health Strategy, which operates all year, every year, in remote parts of Australia. The aims are shown on the slide that I am showing. We will look at a couple of them. First of all, we certainly aim to

improve existing living conditions. The second dot point, to 'achieve increased commitment from state, territory and local governments', mirrors one of the points in the inquiry's terms of reference, which is about the need for a holistic, whole-of-government approach to service delivery.

In addition to living conditions, we get into access work—transport infrastructure—and opportunistic health services. Once again, in line with the terms of reference, AACAP is all about a holistic approach to improving health. Those objectives, however, if you disaggregate them, are very similar to those of the NAHS as well as parallel health programs that Health and Ageing run. In 1996-97, a memorandum of understanding was established. There was a steering committee led by ATSIC, now ATSIIS, that looked at roles and responsibilities. The third dot point on the slide is about 'project selection criteria'. Projects are selected for AACAP on the basis of very robust project selection criteria. It is part of NAHS. They have a health impact assessment. That is a rolling three-year program undertaken by ATSIIS.

AACAP is like the Olympics coming to town. It is very expensive and it is a focused project. Cost sharing is a key issue. AACAP is funded from ATSIC and DHA, both of which will contribute an equal amount of \$20 million over six years to the current second round of AACAP. Army's contribution is in like kind: personnel, equipment, salaries and allowances and a depreciation of our plant and equipment. Army does not seek reimbursement of the salaries of its soldiers or of the depreciation of its plant and equipment, nor does it seek to make a profit from its work. The benefit gained by Army is the opportunity to conduct effective training for its personnel. These benefits were clearly demonstrated during our East Timor deployment in 1999-2000. I will talk more about that later.

What do we provide under AACAP? ATSIIS are very keen for us to provide measures for environmental health—water, housing, power, sewage and waste disposal—those basic needs in communities that I know you visited. Health and Ageing are all about access to primary health. Under that we can build roads, airstrips, community health facilities and living quarters for health personnel. The first dot point on the slide we are looking at now is a strong point about NAHS. The second dot point is a strong point about Health and Ageing. The next three points—'skills transfer', 'health' and 'tasks of opportunity'—are very serious undertakings on behalf of Army that distinguish AACAP from NAHS and other related programs.

I would like to say something about the size of projects since 1997. The first serious project was at Bulla in 1997, in the northern part of the Northern Territory, which was a wholly Army managed and delivered project. The brown colour on the slide shows how much the Army can do. It is really about \$2 million to \$3 million worth of work that one Army construction squadron can output within about three or four months in a remote location. Since 1997, Army has had a lot of pressure to enhance the quantity of delivery it provides to individual communities. You can see that in 2000 and 2002 the size of project has peaked at almost \$10 million in each of those cases. Army construction input has remained about the same, at \$3 million, but Army has project managed the remainder, which is about three times again, in the area of \$6 million to \$7 million. That pattern is remaining the same, though with a slightly decreased project value, at Palm Island. But even at the biggest rate, \$10 million per year in 2001-02, the NAHS program was doing \$100 million plus in that same time frame. That puts AACAP into context. I would say, though, that Army's optimum size for a project is really at about the \$6 million mark. We would like to scale back to there if we had our choice.

As to the consultation process, the boxes show the extensive series of consultations and discussions that we have with communities. The bold box, the inception meeting, shows that that is the first time that Army gets involved formally as a project manager. Until then, it has been the contracted program manager of ATSSIS that has been leading the way, discussing with the community, seeing if they are happy with Army involvement et cetera. From the inception meeting, again, Army is involved with project managers. We get stuck into working out a work scope letter, which is a 'design to cost' document. We come up with a design report and we go back iteratively at the 50 per cent and 90 per cent design stage, asking for community members and the governing input. It takes about 12 months to get from the pre-start meeting, when the idea is come up with, to when we start work on the ground.

As to AACAP projects, last year we were over in the west—Cape Leveque, the Dampier Peninsula, Pandanus Park, Amanbidji. We have also been to those locations around Australia since 1997. Army is based in south-east Australia, in Sydney and in Brisbane, in its bases—mainly the three units there, 19 CE Works, 17 Construction Squadron and 21 Construction Squadron. At the moment, we are working on Palm Island and we are also doing survey work and design work in the northern peninsula area, which is the last project in the current round of AACAP.

I will talk a bit about last year. It was a lovely spot up there at Cape Leveque. It involved \$11.7 million and a total of seven communities all up. Some of those were satellites or out-stations of Beagle Bay. We had the twin towns of Djarindjin and Lombadina, and Pandanus Park towards Derby. It was a very challenging task—4,000 kilometres one way for a very large construction squadron—but it was a very enjoyable job.

I just want to talk briefly about our skills transfer and what we did over there besides building a large number of houses and roads. This is the way we engage with community, and it separates AACAP from NAHS. We undertake a significant program of construction and life skills as well as labour and employment. We do health work as well with children and adults. Those numbers are being replicated this year on Palm Island. The Army used to do very large medical insertions in the northern part of Australia—called Operation Endeavour. This is a very similar issue. We get Army vets, dentists, environmental health people, surgeons and doctors up there.

The current project is on Palm Island. It is a lot bigger—4,000 people. It is our biggest project to date in terms of people benefiting. We are building roads, 21 houses and carrying the health and training services I mentioned before. There is sewerage and irrigation. The good thing about Palm Island is working very closely with the Queensland government on their community renewal program, working to provide a program of general construction training for certificate I and certificate II. Once again, that has been very successful and very well received by the people. It is \$8.38 million.

In relation to the terms of reference of your inquiry, I thought I would spend a few minutes discussing what we think are the good things about AACAP and why it provides a model. It is not the be-all and end-all, I would stress, but it provides a good model for enhanced service delivery.

Why is the AACAP model a good strategy? It has a rigorous, needs based analysis. We have an enhanced project design; we consult at the 25, 50 and 90 per cent design reviews. We have

continuous community liaison. The infrastructure is provided in context. It is not just the works and the jerks, as we say; it is significant training and health activity that beds in that new work. It provides some context for it. It is a joint agency approach. The costs and the risks are shared among all the partners, but the benefits are shared as well. It is not for profit. Being the Army, we are very flexible and can work at multi-levels.

Why does the Army like AACAP? It is combat capability enhanced. There are realistic infrastructure and health activities. We are doing remote deployments in a cultural environment and we get substantial training resources from the partners. We have been to East Timor. How does that look? In 2001, we were working in Lingara and Amanbidji doing houses and airfields. Just a year before, we were doing very similar work in East Timor. That shows exactly why Army likes AACAP. The infrastructure is the same stuff. Look closely at the kids in the bucket in the slide I am showing now. Are they Aboriginal? No, they are not. They are East Timorese. It does not matter. We are providing the same sort of benefits for very similar people. Be it Tonga, Fiji, New Guinea, East Timor or northern Australia, we adopt the same approach.

In relation to members, at the lowest level, the project looks after their basic needs. It provides them with health, space, room to grow, security and access to the wider world. It provides new skills. There is an emphasis on the new skills that we provide, such as vocational skills in the construction area, the maintenance area, labour or business—small business especially. There are life skills: we teach them how to live healthily, look after themselves, work safely, apply first aid and work computers. Then there are the intangibles, which are very important. There is the self-confidence, the maturity, being a member of a team, being a leader of a team, appreciating that there is a broader horizon outside their community that they can aspire to, and having positive role models, be they Army or Russell Crowe.

Ms HOARE—How was the concert?

Lt Col. Shephard—It was great—very well received. There were about 2,000 people there. He was a very good musician. It was a great night.

Turning to Indigenous organisations, AACAP provides a good example of infrastructure that is both new and sustainable and that has been through a rigorous health impact assessment. We are not building stuff that is a white elephant and cannot be looked after. Aboriginal communities have the ability to influence design and delivery. AACAP provides an example of best practice project management; it provides the momentum for further development once Army has gone. We are a bit like marines coming over the shore and, hopefully, leaving behind an organic, in-house business capability.

Lastly, how does AACAP enhance the capacity of government agencies to contribute? AACAP is a good example of a whole-of-government approach. From the federal government, there are the agencies you can see as well as DEWR and DEST. From the state government, there are health, housing and main roads boards. With local government, there are the shires. Then there are health boards, land councils et cetera. They are all involved. Army is provided as an independent but committed coordinating agency, not for profit. Lastly, it leverages and attracts other resources, such as a concert, other roads work or funding from other sources. Thank you for the opportunity to speak to you.

CHAIR—Colonel Jarvie, do you want to add anything?

Lt Col. Jarvie—No, thank you. We worked together on the presentation. It provides the whole-of-Army approach.

CHAIR—I have two or three quick questions. The first is in relation to the memorandum of understanding, the amount of commitment and effort and continuous community liaison, and the challenges that presents. What were some of the particular challenges when you first arrived? You have your MOU with ATSI; you have expectations of what is being created. Does ATSI create the expectation and lay the groundwork before you go in and negotiate with the individual community?

Lt Col. Shephard—Individual communities see Army as a big monolithic body with guns which shoots people. It takes a little while to disabuse them of the belief that we are all about offensive warfare and to convince them that there is another side of the Army, which is the nation building side, and that we are here to help. That is the first hurdle we have to get over. Then, of course, we are out-of-towners. We come from south-east Australia and we have not been seen around the traps. That is why we have ATSI's contracted program manager in our back pocket, who does have an 'in' to the communities and who can generally and gradually bring us in as well.

Because we are not on a fee basis, we can spend a little bit more time in the communities, confident in the fact that it is a long way from home, and we can spend a bit more time sitting down with the people and synthesising and balancing their needs versus the Aboriginal housing standard that we need to conform to. We can work out the flexibility and then we go back to ATSI and try to argue their case for extra dollars per bedroom et cetera. Communities are different. Some of them have no idea about Army; others may have some people who work in the Aboriginal regional force surveillance units in the Army Reserve, for instance. So there are differing levels.

CHAIR—In terms of continuous community liaison, I am thinking you have that much more time when you are there. You sit down and it does happen a bit more.

Lt Col. Shephard—Yes, that is right. A standard contractor would be there and a supervisor would have a number of jobs on. He might be travelling everywhere—from, say, Kununurra to Derby to Bidyadanga. He has got half a day in each and he is travelling. Army will plonk a bloke on the ground; he would probably live inside the community. Last year at Beagle Bay we had a house across from the council chambers so the community could go up any time after work to talk to people about that. We see civil-military relations as an Army role. We do have a bit more time because we are not on that fee basis.

CHAIR—With regard to skills transfer, is there anything in particular that you might like to comment about in terms of where people are at, how you could usefully integrate and what you felt you left?

Lt Col. Shephard—Skills transfer needs to be tailored to each of the communities. They have got their different needs. There is the immediate need and aspiration for employment. We can get people working as domestic staff or road gangers, for instance. There is a low level of skills

transfer but a high level of employment whilst we are there, and it goes up the scale. They can have short courses, which are more in the vocational area, and then the formal stuff that can take them from courses that they had had before at the local TAFE. We can grip them up, take them as individuals and move them on to their next formal qualification. They are the ones with the most permanency. Where you have got something which is staying behind—such as the local TAFE, the local service provider or the maintenance organisation within the community—they can take that, use it and keep on going.

I mentioned before that AACAP provides the momentum, because of all the resources that come in for a short period of time. We are only there in a concentrated way for four or five months. There are things that probably go back to the status quo ante. There is no doubt about that, but we hope that it is a bit like the Olympics coming to Sydney: there is a lot of momentum, and there is a lot of aspiration and there are a lot of ideas about how they can do it differently. Those are the things we hope we can leave behind.

CHAIR—What aspirations have come out a couple of times? What do you think the aspiration was? It would vary from community to community.

Lt Col. Shephard—The aspiration for education, the aspiration to knuckle down and attend training—to hang around to the end—and the aspiration to have a local or Indigenous business centre in their community. It might be tourism, it might be maintenance of the roads or it might be a small house maintenance concern from which they could generate their own income aside from the CDEP, the Work for the Dole program or their canteen. Then the young people could say, ‘Perhaps I could go to TAFE,’ or ‘Perhaps I could go to university,’ or ‘Perhaps I could join the Army.’

CHAIR—Do you have a few coming through Norforce? What is the record like there?

Lt Col. Shephard—We recruited about eight people on the Dampier Peninsula for Norforce, which is the Kimberley squadron of Norforce based in Broome, plus also the goodwill that is generated for Army that is there. Because we go in a different area, we are really not too sure of what we leave behind a year or two years after.

CHAIR—My last question really relates to that. Is there an ATGIS process or Army process or some process where you might, for example, return to an Oak Valley, which I am familiar with, or wherever?

Lt Col. Shephard—Yes.

CHAIR—Does anyone make an assessment about the long-term impact—that is, does it all drop away, is there some damage to the facility, what was the respect for the facility?

Lt Col. Shephard—Formally, ATGIS commissioned Yaran Consultants to do an evaluation of the second round of AACAP. That is almost signed off on. They went back and looked at the sustainability of the infrastructure, the cost benefit and a number of other issues that were on the terms of reference for that. Anecdotally, it depends where you go. I would wager that, if we went to Docker River, which is where we went to in the central desert in 1998, that would not be well looked after, but it would be different if we went to Palm Island or Dampier Peninsula down the

track or other communities in the Tiwi islands, for instance. Every community is different in the way that they use, maintain and accept infrastructure. So it does vary from community to community but, hopefully, through the process of consultation and liaison, you are minimising what is deleterious and left behind.

Ms HOARE—My questions go on from that as well. I was looking at the maintenance and monitoring and whether you do go back to communities and revisit them. The communities that you mentioned that might not be in such a good state were at the beginning of the project. You are saying now that you would wager that Docker River would not be in quite the same condition. Have you done anything with the projects since then, so that you could go back to Docker River and maybe do something different? Has there been an ongoing process of building up the project?

Lt Col. Shephard—Yes. That is a good question. What we have done is we have integrated the training and the health a lot better. So instead of outsourcing the training, like we did in Docker River, to a service provider, we now do that ourselves. We realise that we are the best people to instruct and bed-in the infrastructure ourselves so that the same people who are training the people to use it are the guys who are actually building it. In the second round of AACAP, we believe that we have improved the way we deliver that to make sure that training is not an add-on; it is actually an integral part of the process. So that is one improvement.

Docker River was a pretty basic community, I must say. The level of infrastructure and knowledge was not high in the first place. What would have happened between now and then, under the NAHS program, is that ATSI and the contract program manager would have kept on going back there and doing bits and pieces on a rolling program, I am fairly sure. As for AACAP, our responsibility ends at the end of the defects liability period, which is a 12-month period. In that time, Army is responsible for any bad workmanship by Army or by contractors—anything that plainly does not work or anything that has not been designed right. At the end of that time, it is the community's job to look after that. Also in that time, we have trained environmental health workers and environmental health officers to operate things like sewage treatment plants, conduct training et cetera.

Ms HOARE—Have you trained the local maintenance workers as well?

Lt Col. Shephard—Yes.

Ms HOARE—Do you see a role for Army beyond the end of the project stage? It has not been there, but when we were up in Palm Island we noticed that most of you were obviously adored, particularly by the young ones. Perhaps they could anticipate that Army might come back and see how they are going.

Lt Col. Shephard—I will comment from the project point of view and then hand over to Harry. There is a project management agreement that exists from 19 CE Works to someone like Mamabulanjin or Palm Island Aboriginal Council. That is the scope of the agreement—the works and 12 months of defects liability—and then, just like every other project, we finish. There are elements of Army's ability to sustain. We loved being in Dampier Peninsula and Derby as well, but we are quite a small Army.

Lt Col. Jarvie—There are limits. We are more or less at the limit of our capacity in terms of works at the moment, as Mark alluded to in that graph that showed our capacity of deployment. In terms of construction assets, we really only have two construction squadrons. They alternate year on and year off on AACAP. On their year off they concentrate on their other skills such as their war fighting role, weapon handling and field skills and they are also involved in national engagement activities. For example, this year, 21 Construction Squadron, who did AACAP last year, was sent to PNG on a deployment to work with the PNGDF on Goldie River, refurbishing the training barracks. They are also currently in Tonga on another project, managed by 19 CE Works, building the Tongan Defence Services headquarters.

Because of the geographic relationship of Palm Island with Townsville, the Land Commander has asked us to look at the possibility of establishing an Army Reserve or cadet element on Palm Island fostered by the 11th Brigade, which is based in Townsville. At the moment we are looking at the feasibility of establishing, in the first instance, a section of the engineer troop based in Townsville out of 35 Field Squadron, which is a General Reserve engineering element, to try to collect some of the skills that they have on the island as a result of AACAP and then foster that through an Army Reserve element which, in the long term, could potentially grow to a troop-size organisation, again as part of 35 Field Squadron.

The feasibility of that is complex in so much as we would need to look at how we are going to manage it in terms of Army personnel management and what restrictions or latitude we have with recruitment. For example, the regional force surveillance units have different standards that they demand in terms of health, training and education. Because of the general conditions in those areas, if we try to apply a standard Army template we just do not get them through the recruiting process—they will not pass all the health and dental checks and some of the education requirements. So there are a lot of facets to determine whether it is best to go down the line of having them as a Reserve engineer or potentially as an element of the regional force surveillance unit organisations.

CHAIR—You mentioned the education requirement—is it the literacy and numeracy issue?

Lt Col. Jarvie—We do not know at this stage. The short answer is until we apply a test and say, ‘Would these guys pass the English and maths element of a recruitment test?’ we do not know whether it is feasible or not. The experience with the regional force surveillance units up in Far North Queensland and so on was that they would not, and so they adopted a more fit-for-purpose approach. If they do not have to be a broadly employable soldier across the full range of skills then you can restrict the requirement to what it is that they need to be able to do, and that is how a lot of our Norforce elements in the northern part of Australia and also the Far North Queensland elements operate. It is essentially special consideration.

Mr HAASE—It is good to see you guys. Great to see you again, Mark. I would love to report—perhaps you know already—that we funded the sealing of that road from the community to the strip and now it is going to last for many, many years.

Lt Col. Shephard—Yes, it is a great job.

Mr HAASE—My major concern is in the area of long-term change for communities, and I dare say that is based around recruitment. I think one of the great aspirations you might have in

working in communities, apart from the very obvious that you create in the short term, is the setting of some goals for community members and perhaps finding a career in the forces eventually. Could you elaborate? You did mention that you had recruited into Norforce but I am looking at further horizons, whether or not there is any strategy at the back of your public strategy to increase recruitment from Indigenous communities, which I would recommend as a positive thing.

Lt Col. Shephard—Army headquarters across the water here has an Aboriginal liaison office. I would also say that Aboriginals have remarked to me that they like sending their young people away, because they know that the young people will be looked after and fed and have a roof over their heads at night and that the discipline is good. They like that sort of stuff. They were quite supportive of the good aspect of that, if they had to go away to the south-eastern or the eastern part of Australia. It is just that in north and north-west Australia the vehicle is regional force surveillance units. That is the face of Army in those regions. It is applicable and appropriate to those regions.

As far as recruitment goes, that would have to be a decision for the RFSU, which, as Harry was saying, takes a more realistic approach to education—literacy and numeracy—which is appropriate to the sort of work they do for Coastwatch et cetera. If they were to go further afield, they really would need to have year 12, and you would start looking to tertiary to get people into ADFA, RMC, the Navy and the Air Force. That is not to say that would not occur, but I guess there is a gap between Army's enlistment standards and the standards that would exist out there. What they are good at in those areas is exactly what the regional force surveillance units are doing for them. In other areas, like Mount Isa, where perhaps Indigenous people work in industry, they can contribute to the Army in the heavier sort of area. I think the higher level of your question may be something that is more properly directed to Army headquarters, as far as their recruitment strategies go for the general enlistees, but certainly they would have a strategy for their special enlistees for this.

Mr HAASE—I just thought that, with your presence and certainly the high and fine examples that you set with your personnel in a community, there might be a little more recruitment poster waving for generations that are coming up, to set their sights on and do the things that this committee encourages—that is, to value education more highly and perhaps attain it in order to go on to a service life. As we recognise today in the remote communities, the greatest obstacle to a commitment to learning is the conviction that there is no job at the end of it. That is the great impasse that we are at. I just think the services would be a great alternative to that.

Lt Col. Shephard—The services do a lot of training. We certainly invest very heavily in training, but it is away from the area. It is a long way away from home for these people and it may seem daunting to, say, come down to Puckapunyal or Bandiana and be out of the system for two or three years. Leaving their communities for that period of time would be an issue for them. Yes, they would have a job at the end of it and, yes, they would have the promise of rising through the ranks, but at the moment we do not see that particularly.

Mr HAASE—All right. I would like to witness change.

Mr MELHAM—I am interested in the projects for the various communities and the consultation that you undertake with the communities themselves in terms of their requirements and needs. Is that done with the communities or is it done through ATSIC?

Lt Col. Shephard—It is done with communities. For instance, to paint a picture, Harry and I went up to Bamaga and the NPA at Christmas time to introduce ourselves to each of the three communities and the independent councils that are up there. That was the first stage: shaking hands and forming a bond of trust. Since then, right through this year we have been going back and talking to them. We have a survey camp of 50 people up there the moment and they are talking to them about housing designs, the size of windows, colour schemes and the arrangement of the bedrooms. For instance, at Palm Island there was an issue about domestic violence, and we designed a house with lots of verandas. They said, ‘Verandas are great, but they provide too much access from the outside,’ so we put up shade screens, lockable gates et cetera to make people feel secure inside their houses. That was important to them.

Mr MELHAM—So it is not a one size fits all approach—in terms of the design and construction, you involve the local communities?

Lt Col. Shephard—That is right.

Lt Col. Jarvie—If I could elaborate: whilst the NAHS needs analysis will identify the preliminary scope of works, during our visits and our consultations there is an element of negotiation. I think it was in Umagico where there were initially more renovations than new construction of houses. They wanted to trade off some of their renovations for new construction, and that was negotiated through that plan and eventually influenced the scope of works. That degree of negotiation occurs.

During his opening presentation, Mark also highlighted the fact that a large degree of our negotiation discussions with communities focuses on their training needs and skills transfer. As you said, one size does not fit all. In some communities they want small boat handling, engine maintenance and that sort of thing for watercraft. Clearly in other areas that is not appropriate. Similarly, in the area of health, at Palm Island you would have seen the horses there with veterinarian requirements. I think it was up in the Dampier Peninsula that there was a particular problem with dogs transferring health problems to the kids, so the vets went in there and targeted that. Also, with the health analysis on Palm Island, we looked at a dental plan for the adults as opposed to the kids, who are already well serviced by the government programs that are going on there.

Mr MELHAM—Regarding the companies that are used to assist you in construction, is there any effort made to seek out companies with Indigenous workers or Indigenous involvement or is it just purely outsourced on a cost basis?

Lt Col. Shephard—We write a statement of requirement and we outsource. For instance, on Palm Island, the Army is doing seven of the 21 houses and we have just gone to tender for the other 14 houses. A company in Townsville has won that tender. We run an open tender and invite small and medium sized enterprises to become involved. And we put an ad in the local Broome paper as well as in the *Australian*. So it is a case of come one, come all. At the end of the day, we have to take a best value for money outlook on the main project.

If Indigenous communities do not get up for the big job, there is always a part of that work that is put aside for what is called an in-house bid. In the Dampier Peninsula, the in-house bid was for doing reroofing and hot water systems for 11 houses. They did so well there that we asked them to come back this calendar year. They renovated about 14 houses in Lombadina. A couple of builders from Broome teamed up with some of the local blokes in Lombadina and Djarindjin and we were very happy with that. So, under the PMA, (Project Management Agreement), parts of the work scope can be excised for an in-house bid. We work through that with them and help them with preparing their bid as well as with all the issues about paying their people and supervising the works.

Lt Col. Jarvie—It should be noted that, for in-house bids, the strict value for money rules are not necessarily applied as rigidly. Mark's team works closely with the in-house bid to assist them with framing their bid and ensuring that it is as professional as possible.

Mr MELHAM—I can see the benefit of in-house bids for community acceptance of what has gone on, ownership of the project and ongoing maintenance.

Lt Col. Shephard—Yes, absolutely.

Lt Col. Jarvie—It is also a vehicle for skills transfer at the higher end, if you like—for public management, general management and leadership skills.

Lt Col. Shephard—It is not asking them to bite off more than they can chew, basically.

Mr TOLLNER—It looks like you are doing a wonderful job out there. I think you need to be congratulated for that. My concern is that you cannot get around to all the communities—there are thousands of dysfunctional communities around Australia and you are limited in the ones that you can go to. I do not know how you select them. Maybe that is another question. The other thing that I have noticed in your submission is that you have not made any recommendations. It is certainly a submission which says, 'Look what we're doing,' and that sort of stuff. I am curious about why you have not made any recommendations. Would the Army like to see the program expanded or is it at its right size now?

Lt Col. Jarvie—The actual scale of the project at the moment, as Mark points out, is in the order of about \$10 million per year. From our perspective, that is actually marginally higher than we would like. The \$6 million scale allows us to manage the project more easily and control the length of time for which our people are deployed. With our current operational tempo being the way it is, we are seeing a lot of our soldiers in the field routinely for anywhere up to six months of a given year. That is going to start taking its toll on families and, obviously, on retention. So we are managing that welfare issue of our own troops together with the requirements of the program. As Mark also mentioned, the actual funding for round 2 will end as of next year's project. Negotiations for round 3 are under way and it is our expectation that there will be a round 3 of some kind. That will be negotiated at the senior stakeholder level. But, given the feedback and response we have had to date regarding AACAP from the stakeholders and principals, one would expect that it will continue.

In terms of expansion, as I said, we are limited by assets and resources. Mark's headquarters is only 42 people in total. They have currently got people working in six different countries around

the archipelago and region, including East Timor, the Solomon Islands, PNG, Tonga, et cetera. So we are busy in terms of our overall projects and, as I said, the other squadron is also fully deployed. So, in terms of the capacity for Army representation, we are at our limit now and the management aspect of the entire project—contracting out—we would like to see scaled down somewhat. We are about 10 per cent of the overall NAHS program at the moment. Of their \$100 million-ish budget, we have about \$10 million per year. We would prefer to see that come back rather than expand.

Mr LLOYD—Thank you, gentleman, for the presentation. It was very informative and interesting. The chairman touched on education levels and skills transfer. What sort of restriction do you face from language skills and general education skills in the communities?

Lt Col. Shephard—As long as there is a TAFE there that can do some preliminary work—we have had Jobfind doing some work for us on Palm Island—or some sort of service provider, establishment or institution that is already up and running, we will work with that. There will always be formal qualifications that we can do; there will always be some shorter courses and life skills things that we can do as well. We do not find that the entry level is a barrier to that, nor do we find the language overly a barrier. Sometimes the culture means that you really have to provide results early. You have to make sure you pay them on time, you have to make sure that the stores turn up when they are supposed to and you have to make sure that you have got good leadership because they will melt into the background.

At the moment we have 27 people finishing formal construction training on Palm Island. There are a lot of people on Palm Island. It is a struggle to make sure that you get the motivated guys and gals and that you keep them interested. They are the sorts of levels that we are pretty happy with—about 25 people. Getting them and retaining them is a challenge. That is the leadership challenge for us as well as for them.

Mr LLOYD—How do you select them from the community? How do you pick people that you feel have leadership skills? Do they come to you?

Lt Col. Shephard—We work with the local TAFE and see what can happen, what is possible. Then those leaders work themselves up when we are on the ground. We basically build simple constructions like barbecues and we do other simple work. You can see the leaders that come up who are willing to take the lead, to organise their people and to make the hard decisions, and that is great. That is when you know you can leave something behind and you can say, ‘You could do an in-house bid after we leave, couldn’t you?’

Mr LLOYD—How do you select the communities and the projects? What is the process for that?

Lt Col. Shephard—The process is run by AT SIS under NAHS, the National Aboriginal Health Scheme. They have a health impact assessment, which is a rolling three-year assessment. They look at the multitude of communities around Australia. There is a score and a needs based analysis.

Mr LLOYD—That is a division so I am afraid we will have to go.

Mrs DRAPER—Do you have female medical people—doctors and nurses?

Lt Col. Shephard—Yes.

CHAIR—Gentlemen, I apologise but we will have to adjourn.

Resolved (on motion by **Mrs Draper**):

That this committee authorises publication, including publication on the parliamentary database, of the proof transcript of the evidence given before it at public hearing this day.

Committee adjourned at 5.29 p.m.