



Australian Government

EXECUTIVE DIRECTOR OF TOWNSHIP LEASING

Annual Report 2009–2010



09:10

“We have seen more investment in our township, and more opportunities for future economic development recently than in the 30 years since our land rights were recognised.”

Walter Kerinaiua, Senior Mantiyupwi Traditional Owner

“It felt really good to be able to own my house. I want to leave it to my nieces and nephews when I’m gone. They’ll have a place to live and my spirit will be in the house to guide them.”

Linda Pupangamirri, homebuyer and Traditional Owner,
Wurrumiyanga (Nguiu)

“(When we rented) anybody could come and stay with me and we couldn’t say anything. But when you own a house, I can now say who can stay and who can go.”

Luke Tipuamantumirri, homebuyer, Wurrumiyanga (Nguiu)



Australian Government
Office of Township Leasing

The Hon Jenny Macklin MP
Minister for Families, Housing, Community Services and Indigenous Affairs
Parliament House
Canberra ACT 2600

Dear Minister,

I am pleased to present to you the Annual Report of the Executive Director of Township Leasing for the financial year 2009–10, for your presentation to Parliament in accordance with sub-section 20R(1) of the *Aboriginal Land Rights (Northern Territory) Act 1976*.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'Pat Watson'.

Pat Watson
Executive Director

© Commonwealth of Australia 2010

ISSN: 1836 4470

ISBN: 978 1 921647 598

This work is copyright. Apart from any use as permitted under the Copyright Act 1968, no part may be reproduced by any process without prior written permission from the Commonwealth available from Commonwealth Copyright Administration, Attorney-General's Department. Requests and inquiries concerning reproduction and rights should be addressed to:

Commonwealth Copyright Administration
Attorney-General's Department
Robert Garran Offices
National Circuit
Canberra ACT 2600 or posted at www.ag.gov.au/cc

Contact officer
Executive Director of Township Leasing
Department of Families, Housing, Community Services and Indigenous Affairs
PO Box 7576
Canberra Business Centre ACT 2610
Telephone 02 6121 4000

Images from Heide Smith's book 'Portrait of a people' © Heide Smith



Contents

Executive Director's review	3
Report of the Executive Director of Township Leasing for the year ended 30 June 2010	5
Establishment of the Office of Executive Director of Township Leasing	5
Functions of the Executive Director, Township Leasing	5
Functions of the Office of Township Leasing	5
Administrative arrangements	5
Operations during 2009–10	5
Existing township leases	5
Wurrumiyanga (Nguiu)	5
Groote Eylandt and Bickerton Island	6
New Leases held by the Executive Director in 2009–10	6
Alice Springs Living Areas	6
Interest from other communities	7
Cadastral surveys and town planning	7
Lease and property valuations	8
Negotiation of subleases	8
Remote public housing	9
Home ownership	10
Consultative forums	12
Wurrumiyanga (Nguiu) Permanent Resident Register	14
Services provided by other bodies	14
Expenditure statement	14



Executive Director's review

The financial year 2009–10 was the third year of operation of the Executive Director, Township Leasing.

While the first two years focused on implementation issues including the settling of various legal and regulatory requirements, negotiations on the broader subleasing arrangements and the transfer of existing community housing to the public housing environment, the third year was one of consolidation combined with the facilitation of economic development opportunities.

Detailed cadastral surveys of the townships have once again been a priority as subleasing arrangements and home ownership rely on these surveys being in place. To date the Office has completed surveys of all townships with which it has a relationship, with the exception of the Alice Springs Living Areas, and these have been registered with the Northern Territory Surveyor-General. While further one-off surveys will still be required for specific purposes, the bulk of the survey work has now been completed.

The Office has continued to work with the Traditional Owners and residents of Wurrumiyanga (Nguiu) to regularise land tenure and to facilitate opportunities for economic development. In 2009–10 subleasing negotiations in Wurrumiyanga (Nguiu) were completed with nearly all occupiers apart from the Northern Territory Government and the Tiwi Island Shire Council. While leasing documentation is essentially agreed with these parties, the issue of the payment of 'fair rent' remains a significant impasse. Under the terms and conditions of the head lease the Executive Director, Township Leasing is required to ensure that all township subleases are granted on a commercial basis applying sound business principles.

To date the majority of other occupiers have negotiated and agreed terms in good faith and are now paying the agreed rental in accordance with normal commercial practices. Traditional Owners have been pleased to note that rental returns at Wurrumiyanga (Nguiu) have increased

from a total of \$2000 per annum in the pre township leasing period to around \$200,000 per annum in the financial year under review. Negotiations are continuing with Northern Territory Government officials in an effort to reach a resolution to this matter.

The prospect of home ownership has also been welcomed by many community members. In 2009–10 the Office finalised the sale of 13 residential subleases at Wurrumiyanga (Nguiu). This included the sale of seven existing community houses to residents in the township, the sale of three vacant lots to residents to enable them to build their own homes and the sale to residents of three new homes constructed under the Home Ownership on Indigenous Land Program (HOIL). There has also been interest in home ownership from community members at the Groote Eylandt and Bickerton Island communities and from the Alice Springs Living Areas. The Office will continue to work with residents to facilitate home ownership in all communities.

The Office remains encouraged by the way the Traditional Owners at Wurrumiyanga (Nguiu) have embraced the opportunity to invest in their own township and to take advantage of business opportunities made available through the Strategic Indigenous Housing and Infrastructure Program (SIHIP) building activity. To date the Traditional Owners have:

- developed a hire-car business for visitors arriving at the local airport
- purchased a cement truck to provide concrete for the SIHIP construction work
- entered into an 'in principle' agreement to purchase the SIHIP contractors camp for future use as motel-style accommodation
- commenced negotiations with the Northern Territory Government on a 'build and lease back' arrangement for a Government Business Centre in the township, and
- identified land for the construction of a future shop/office accommodation facility.



The activities identified above represent a good example of how Traditional Owners can take advantage of opportunities arising from the revised land-tenure arrangements. They have introduced a sound combination of ventures, some of which will show an immediate return, particularly while significant building and construction work is underway, and some of which look to a longer term return on investment.

The Wurrumiyanga (Nguu) head lease requires that the Executive Director not grant a township sublease which would directly result in the number of non-Tiwi permanent residents exceeding 15 per cent of the number of permanent residents living in the township. Further, the Executive Director is required to compile and maintain a Register of Permanent Residents. With the assistance of the Tiwi Land Council, NT Housing and local residents, work on the register was completed in 2009–10. This work indicates that the number of non-Tiwi permanent residents is just seven per cent of the total number of permanent residents in the township.

There continues to be strong Traditional Owner representation on the Consultative Forums which advise the Office on a range of matters including land-use decisions, building design, issues associated with broader sublease negotiations, home ownership and potential opportunities for economic development. The continuing interest in the Consultative Forums is welcomed by the Office. The views expressed by community members in these forums are important to the efficient administration of the leases.

As indicated above, the Office has completed detailed cadastral surveys of all of the townships, including Angurugu and Umbakumba on Groote Eylandt and Milyakburra on Bickerton Island in preparation for sublease negotiations. In addition, property valuations have been completed on all properties in the Groote Eylandt and Bickerton Island townships to assist with sublease negotiations. Negotiations with existing occupiers

in these three communities are well advanced. A number of occupiers have already agreed to sublease terms and conditions. The Office has understandably sought to implement the new arrangements with as little disruption to occupiers, facilities and service delivery as possible.

On 3 December 2009, the Executive Director signed, on behalf of the Commonwealth, subleases with 17 housing associations covering the majority of Alice Springs Living Areas. These subleases are for a term of 40 years. A listing of the town camps can be found later in this report. At the same time the Executive Director signed a Housing Management Agreement with the Northern Territory Government which covers tenancy management and repairs and maintenance of community housing in the town camps. The agreement is for an initial period of three years with the Northern Territory being required to put the Housing Management Agreement to tender within two years and six months of the commencement of the sublease.

While the role of the Office is limited in terms of the day-to-day administration of the Alice Springs Living Areas subleases, it nonetheless has an important part to play in ensuring that the terms and conditions of the subleases are adhered to by all parties. A Consultative Forum bringing together the Executive Director and representatives of the town camp housing associations has been formed and will meet on a regular basis to discuss issues emerging in relation to the subleases.

The Office will continue to look for ways it can provide a value-added approach to the management and operation of long-term leases in Indigenous communities in the Northern Territory. It will continue to look at opportunities to promote and encourage opportunities for economic development to help transition communities to a more market-based environment and encourage home ownership.

We look forward to continuing our association with our current communities and to engaging with more communities over time.

Report of the Executive Director of Township Leasing for the year ended 30 June 2010

Sub-section 20R(1) of the *Aboriginal Land Rights (Northern Territory) Act 1976* provides that the Executive Director, Township Leasing must as soon as practicable after the end of each financial year prepare and give to the Minister for presentation to the Parliament a report on the operations of the Executive Director for the year.

Establishment of the Office of Executive Director of Township Leasing

The Office of Executive Director of Township Leasing was established by the *Aboriginal Land Rights (Northern Territory) Amendment (Township Leasing) Act 2007* (the Act) which came into effect on 1 July 2007. Under the Act, the Executive Director is appointed by the Governor-General for a period not exceeding five years. The *Indigenous Affairs Legislation Amendment Act 2008*, agreed to by Parliament in June 2008, allows the Executive Director to be appointed on a full-time or part-time basis.

During the year under review, the Office of the Executive Director, Township Leasing was occupied by Mr Pat Watson. Mr Watson has occupied the Office since its inception in July 2007.

Functions of the Executive Director, Township Leasing

Township leases are provided for in section 19A of the Act. Section 19A allows land trusts to grant a lease of a township on Aboriginal land to an approved entity. The Commonwealth is an approved entity for this purpose.

The functions of the Executive Director, Township Leasing are set out in section 20C of the Act. These functions are to enter into township leases on behalf of the Commonwealth and to administer such leases including administering subleases and other rights and interests derived from such leases. The Executive Director does not negotiate the terms and conditions of

township leases. Township lease negotiations are conducted on behalf of the Commonwealth by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA).

The aim of the township leases is to regularise land-tenure arrangements in the townships and to facilitate economic-development opportunities for the benefit of Aboriginal land owners and residents of the townships.

Functions of the Office of Township Leasing

The Office of Township Leasing (the Office) is the administrative unit which works directly to the Executive Director, Township Leasing and assists in managing township leases, negotiating subleasing arrangements with existing occupiers, and promoting economic development and access to home ownership.

The Office of Township Leasing also provides advice to the Executive Director on applications for new and/or changed uses of land and buildings within the townships.

Administrative arrangements

During 2009–10 the Executive Director, Township Leasing and one member of staff of the Office of Township Leasing were located in Canberra. A further four staff were based in Darwin comprising a director, two field officers and an administrative assistant to manage the day-to-day operations of the Office.

Operations during 2009–10

Existing township leases

Wurrumiyanga (Nguiu)

The Executive Director, Township Leasing entered into the first township lease on behalf of the Commonwealth over the township of Nguiu on Bathurst Island on 30 August 2007. In 2010 the

township was officially recognised by the local Tiwi name 'Wurrumiyanga' for the area where the community is built, meaning 'the place where the cycads grow'. The township lease is constituted by a head lease agreed between the Tiwi Aboriginal Land Trust, the Tiwi Land Council and the Executive Director, Township Leasing. The term of this head lease is 99 years. Annexed to the head lease is a template township sublease and template township licence, both of which include mandatory and discretionary terms.

The community of Wurrumiyanga (Nguui) is located on the south-east corner of Bathurst Island which is one of the Tiwi Islands, 70 kilometres north of Darwin. It has a population of approximately 1500 permanent residents. The community is made up of a number of residential areas, a main commercial centre and government facilities including a police station, health centre, swimming pool and airfield. Most of these facilities have not previously been covered by any formal land-tenure arrangements.

Groote Eylandt and Bickerton Island

In December 2008, the Anindilyakwa Land Trust, representing the Traditional Owners of Groote Eylandt and Bickerton Island, entered into a township lease with the Executive Director, Township Leasing, on behalf of the Commonwealth, for the communities of Angurugu, Umbakumba and Milyakburra. The head lease is for an initial period of 40 years with an option exercisable by the Executive Director for a further 40 years.

The Groote Eylandt archipelago is situated on the western side of the Gulf of Carpentaria, approximately 600 kilometres south-east of

Darwin. Groote Eylandt is the largest island in the Gulf, with an area of 2687 square kilometres. The traditional owners are Warnindilyakwa, but are referred to by their language name Anindilyakwa.

New Leases held by the Executive Director in 2009–10

Alice Springs Living Areas

The *Indigenous Affairs Legislation Amendment Act 2008* provided the Executive Director, Township Leasing with additional functions, enabling the Executive Director to hold other types of leases or subleases over land held primarily for the benefit of Aboriginal people in the Northern Territory. This provides Aboriginal people with further options when considering whether to grant leases over their land. Sub-section 20CA of the *Aboriginal Land Rights (Northern Territory) Amendment (Township Leasing) Act 2007* allows for the Executive Director to hold leases and subleases of community living areas, town camps and prescribed land on behalf of the Commonwealth.

In December 2009 the Executive Director signed sublease agreements over 17 Alice Springs Living Areas on behalf of the Commonwealth. Other parties to the sublease include the relevant Alice Springs housing association, the Northern Territory Government and the Chief Executive Officer of Northern Territory Housing. The underlying tenure arrangements of the Alice Springs Living Areas are perpetual leases held by Aboriginal housing associations. The Alice Springs Living Areas subleases are for a term of 40 years.



Alice Springs Living Areas where the Executive Director holds subleases

Housing association	Town camp
Mpwetyerre Aboriginal Corporation	Abbotts
Ilparpa Aboriginal Corporation	Ilparpa
Karnte Aboriginal Corporation	Karnte
Lhenpe Artnwe Aboriginal Corporation	Hoppys
Anthelk-Ewlpaye Aboriginal Corporation (2)	Charles Crk Kunoth
Akngwertnarre Association Incorporated	Morris Soak
Anthepe Housing Association Incorporated	Drive In
Aper-Alwerrkng Association Incorporated	Palmers
Ewyenper-Atwatye Association Incorporated	Hidden Valley
Ilperle Tyathe Association Incorporated	Warlpiri
Ilyperenye Association Incorporated	Old Timers
Inarlenge Community Incorporated	Little Sisters
Mt Nancy Housing Association Incorporated (2)	Mt Nancy Basso
Yarrenyty-Arltere Association Incorporated	Larapinta
Nyewnete Incorporated	Trucking Yards

Interest from other communities

The Commonwealth has been actively engaging with other Indigenous communities in the Northern Territory over long-term township leasing arrangements. The negotiations are progressing at a pace that ensures appropriate levels of community consultation.

Recently, Traditional Owners of the Tiwi Island communities of Milikapiti on Melville Island and Wurankuwu on Bathurst Island agreed in principle to a township lease. It is anticipated that these township leases will have similar terms and conditions to those in the Wurrumiyanga (Nguui) head lease and will be agreed shortly.

The Commonwealth continues to negotiate with the Northern Land Council and the Central Land Council in relation to other long-term township lease arrangements.

Cadastral surveys and town planning

The *Aboriginal Land Rights (Northern Territory) Amendment Regulation 2008* (No 2) (Act ss 19E and 20SB) exempts the Executive Director,

Township Leasing from Part 5 of the Northern Territory Planning Act (NT) and subsection 52(10) of the Land Titles Act (NT) for existing community infrastructure lodged with the Northern Territory Surveyor-General within three years of the commencement date of the township lease. However, where practical, the Executive Director has elected to follow normal Northern Territory planning processes. For example, the Executive Director requires that all new infrastructure development must comply with Northern Territory planning regulations.

In keeping with the planning regulations a complete cadastral survey of each township is undertaken once the long-term leasing arrangements have been agreed as it is a requirement to delineate individual lots for the execution and registration of subleases. Prior to the introduction of the leasing arrangements there were no cadastral surveys in place for any of the townships. Full cadastral surveys of existing infrastructure were finalised this financial year for all current township leased communities (with the exception of the Alice Springs Living Areas). Wherever possible, existing fence lines or the

location of the accepted boundaries were adopted for establishing cadastral survey boundaries in accordance with current town planning principles.

During the year under review the Office identified a number of potential green field sites suitable for development including a motel and shopping and office complexes in Wurrumiyanga (Nguiu). The Office arranged for these sites to be surveyed and to be endorsed by the Northern Territory Surveyor-General and Northern Territory Department of Lands and Planning. The planning process for the motel site has been completed and the site is a registered administrative lot. Other sites are currently at various stages of the planning process.

On Groote Eylandt multiple sites have been identified for development and these have now been through the planning approval process and surveys completed and registered. These lots are now in the construction phase and will be used to provide government employee housing. This will result in government employees residing in the communities where previously they have resided in the mining town of Alyangula.

The Office continues to work closely with the Northern Territory Government Department of Lands and Planning, Northern Territory Surveyor-General's Office and Northern Territory Lands Titles Office to normalise land-development processes in the townships. This includes supporting the Territory Government's development of a town plan for Wurrumiyanga (Nguiu), Angurugu, Umbakumba and Milyakburra.

The Executive Director continues to appreciate the ongoing assistance and guidance provided by the Northern Territory Surveyor-General, Department of Lands and Planning and their staff in developing an approach that is flexible enough to accommodate existing land-use arrangements and to meet the associated professional and technical standards required.

Lease and property valuations

One of the primary requirements of each township lease is to regularise land-tenure arrangements within the townships and facilitate a commercial return for Traditional Owners. To assist in this process the Executive Director engages the services of an independent licensed valuation professional to provide him with advice as to the improved, unimproved and annual rental estimates for each commercial or government

property in the township. This year the Office commissioned rental valuations for all existing infrastructure in the townships of Angurugu, Umbakumba and Milyakburra. These valuations are being used as the basis for negotiating the level of annual lease rental payments to be paid by each occupier and new sublease applicants. Rental valuations on Wurrumiyanga (Nguiu) were completed last year.

The Office also engaged the valuer to conduct market appraisals of existing community houses on Groote Eylandt and Wurrumiyanga (Nguiu). The valuations were used by the Executive Director to establish sale prices in support of the Home Ownership on Indigenous Land Program in these communities.

Negotiation of subleases

The Executive Director is required under Section 20C of the *Aboriginal Land Rights (Northern Territory) Act 1976* to administer the leases, including subleases and other rights and interests derived from such leases, in accordance with their terms and conditions. The terms and conditions of the leases are negotiated and agreed between the respective land trust, land council and the Commonwealth represented by FaHCSIA. The Executive Director is not involved in negotiating the terms and conditions of each head lease.

Any subleases the Executive Director negotiates are required to be consistent with the terms and conditions of the respective head leases and are required to be granted on a 'commercial basis applying sound business principles'. Prior to the signing of the head leases many occupiers of land and/or buildings in Wurrumiyanga (Nguiu), Angurugu, Umbakumba and Milyakburra paid very little rent for land they were utilising. For example, at Wurrumiyanga (Nguiu) the Traditional Owners were receiving just \$2000 per annum in rental for land usage in the township prior to entering into the township lease.

The Office has now finalised subleasing arrangements at Wurrumiyanga (Nguiu) with nearly all existing non-government occupiers. Rental receipts for the township of Wurrumiyanga (Nguiu) for 2009–10 were just under \$200,000.

Despite the head lease at Wurrumiyanga (Nguiu) now being in its third year of operation, sublease negotiations with the Northern Territory Government remain unresolved. The primary issue remains

lack of agreement on the payment of fair rent for the properties the Northern Territory Government occupies. Despite assurances to the Traditional Owners that a fair rent would be paid, little progress has been achieved in negotiations to date.

As an act of good faith, and to ensure that services are delivered to local residents in Wurrumiyanga (Nguiu), Angurugu, Umbakumba and Milyakburra, the Executive Director has granted a number of interim access agreements to the Northern Territory Government to construct and occupy new government infrastructure while lease negotiations continue. On Groote Eylandt the Office has issued several interim agreements to the Northern Territory Government which has allowed needed infrastructure development to proceed. This includes a police post in Angurugu and accommodation for eight teachers at Umbakumba.

In the year under review the Office has also contacted all existing occupiers in the communities of Angurugu, Umbakumba and Milyakburra regarding transitional sublease arrangements. The Executive Director has entered into a number of interim access agreements with existing occupiers while cadastral surveys, valuations and lease documentation were being finalised.

All parties, with the exception of the Northern Territory Government and East Arnhem Shire Council, have now been provided with sublease documentation which includes the terms and conditions and all information necessary to negotiate a long-term sublease. At the time of this report, the Office has reached agreement with a number of existing occupiers in Angurugu, Umbakumba and Milyakburra and is in the process of finalising sublease documentation. It is anticipated the remainder of the subleasing arrangements will be finalised in 2010–11.

The Alice Springs Living Area sublease has been established to secure land tenure for public housing only. There are no provisions in the sublease for the Executive Director to negotiate any form of leasing arrangement to establish commercial operations within the living areas of the Alice Springs Living Areas. However, the Executive Director has a responsibility to negotiate the location and ongoing management of communal access areas and facilities within each town camp. The Office has now met with all of the housing associations to discuss the location of communal access areas and to ascertain their interest in entering an underlease arrangement

over these areas. The negotiation of these arrangements will continue during 2010–11.

Remote public housing

The Executive Director, Township Leasing and the Northern Territory Chief Executive (Housing) have entered into a township sublease covering 241 separate administrative lots in the township of Wurrumiyanga (Nguiu). The sublease was signed on 16 July 2009. The Executive Director has agreed to forgo the payment of rent associated with this sublease on the understanding that all available funds should be applied to improving the standard of community housing for residents of the Wurrumiyanga (Nguiu). Improving standards so they are comparable to those enjoyed by other public housing tenants in the Northern Territory is a priority for Wurrumiyanga (Nguiu) residents.

The Executive Director has also issued an interim construction agreement to the Northern Territory Government for the development of a 40-lot subdivision to allow construction of new public houses to be delivered under the Strategic Indigenous Housing and Infrastructure Program. Once these houses are completed a variation will be made to the existing Territory Housing sublease to include these new lots as part of that sublease.

In Angurugu, Umbakumba and Milyakburra, work has been completed and agreed in identifying all public housing lots. Cadastral surveys of these lots have been completed and the Executive Director and Territory Housing have agreed in principle to the terms and conditions of the Groote Eylandt public housing sublease. The terms and conditions are similar to those agreed to in Wurrumiyanga (Nguiu). The sublease documentation was being finalised at the time of this report.

As part of the Alice Springs Living Areas subleasing arrangements the Executive Director entered into a Housing Management Agreement with the Northern Territory Government to manage the community housing across the town camps. The initial term of the Housing Management Agreement is three years. The aim of this agreement is to improve housing management in the Alice Springs Living Areas especially in respect to tenancy management and repairs and maintenance. The Australian Government and the Northern Territory Government have commenced a \$100 million capital works program consistent



with their obligations under the sublease to assist in improving the standard of living for residents in the town camps.

Home ownership

Home ownership has been one of the positive opportunities made available to community members as a result of Traditional Owners entering into long-term leasing arrangements. Home ownership has been very popular in Wurrumiyanga (Nguui). Over the past two years the Office has received approximately 30 expressions of interest to purchase a home from residents of Wurrumiyanga (Nguui). In the year under review, a total of 13 Wurrumiyanga (Nguui) families entered into residential subleases and are now purchasing their own homes.

Of the 13 families, seven families have purchased their own community houses and have also chosen to renovate their homes. Renovations being undertaken range from minor work covering items such as new fencing, garden sheds and carports to more extensive work including new roofs, verandas, kitchens and bathrooms. In the majority of cases renovations were completed by the local housing authority employing local Tiwi workers.

Another three families sought residential subleases over available serviced vacant lots and have entered into a private building contract to construct new homes. At the time of this report, one of these houses had been completed, one is near completion and a third is to commence construction shortly.

The Executive Director also granted a sublease to Indigenous Business Australia (IBA) over four residential lots in Wurrumiyanga (Nguui) to construct houses to promote home ownership as part of the Home Ownership on Indigenous Land Program. Three of these houses have now been sold to local families.

This Office has also been contacted by a number of other private builders interested in constructing new homes in Wurrumiyanga (Nguui) for private home ownership. However, limiting factors include the small number of vacant serviced lots available and the high cost of developing new lots. Land servicing and construction costs in remote areas often add up to more than many community members are able to afford. The Office has sought to assist in meeting demand through the identification of a small number of infill sites in Wurrumiyanga (Nguui) that may be developed at a reasonable cost. This includes a three-lot residential subdivision where the Office is now seeking expressions of interest from local builders to service the lots and make them available for private home ownership.

In Angurugu, Umbakumba and Milyakburra, initial indications are that the prospect of home ownership is also attractive to residents. In the year under review the Office issued seven valuations to local families living in community houses located in Angurugu and Umbakumba. IBA has commenced providing information sessions on home ownership to local residents.

Groote Eylandt and Bickerton Island Enterprises (GEBIE) have also entered into an agreement with IBA to provide a local contact for IBA home loan services on Groote Eylandt and Bickerton Island. The Office has been informed that GEBIE has received several home loan applications from residents on Groote Eylandt. These applications are in the process of being assessed.

The Groote Eylandt and Bickerton Island land owners signed a 40-year lease with an option to renew for 40 years. In order to facilitate home ownership the Executive Director has commenced the process to execute a 40-year option on the existing head lease which will effectively bring the total lease period to 80 years. This proposal is now with the land council for consideration.

Home ownership stories

Linda Pupangamirri

Linda Pupangamirri was delighted to be able to buy her home after being approved for a home loan. Linda said, "I've lived in my community house for the last 10 years and am really happy that I can own it."

Linda is employed full-time at the pharmacy of the local clinic and is studying to be an Aboriginal Health Worker.

Linda said, "It felt really good to be able to own my house. I want to leave it to my nieces and nephews when I'm gone. They'll have a place to live and my spirit will be in the house to guide them."

Linda has renovated her home, adding a veranda and a shed, and has fenced her property.

Luke Tipuamantumirri and Florine Tipungwuti

Luke Tipuamantumirri and Florine Tipungwuti have also bought their Wurrumiyanga (Nguui) community home. Luke is in long-term

employment with Northern Territory Government Correctional Services. Luke and Florine have entered into a residential sublease with the Executive Director, Township Leasing and taken out a home loan from IBA.

Luke said, "I think owning a mortgage, I reckon, makes you responsible. It's your own house and your own yard."

Luke and Florine completed home-ownership education training prior to taking out the home loan. They also received special incentive grants including a Good Renter Discount, Matched Saving Grant and the First Home Buyers Grant. Luke and Florine contracted the local housing authority to renovate their home, build a shed and fence the property.

Luke said, "When we rented anybody could come and stay with me and we couldn't say anything. But when you own a house, I can now say who can stay and who can go. But my wife is the one who always tells me – I set the rules and she's the one with the whip."

Luke and Florine are very proud of what they have achieved.



*Luke
Tipuamantumirri
and Florine
Tipungwuti
outside their
own home*



*Groote Eylandt
Consultative
Forum members*

Home ownership in the Alice Springs Living Areas

The Office has received a number of requests for information on home ownership from Alice Springs Living Areas residents. A number of these residents have indicated they want to purchase their town camp homes. However, current land-tenure arrangements pose a number of challenges in making home ownership a reality.

The Office is working with the Northern Territory Government and the Australian Government to see what mechanisms can be put in place to allow home ownership to proceed.

Consultative forums

The head leases for Wurrumiyanga (Nguuu), Angurugu, Umbakumba and Milyakburra include a provision for the establishment of a Consultative Forum. Each Consultative Forum comprises nominees of the land trust, land council and the Executive Director. The purpose of the forum is to facilitate communication and to provide advice to the Executive Director on land use and other relevant issues arising from the head lease.

The Wurrumiyanga (Nguuu) Consultative Forum met on five occasions during the year. Mantiyupwi Traditional Owners continue to take a strong interest in the business of the forum, with a group of between 10 to 15 Traditional Owners regularly attending.

The Consultative Forum has also been established for the Groote Eylandt and Bickerton Island communities. The venue for forum meetings is rotated between the three communities. The quorum is made up of two members of each community and a nominee of the land council and the Executive Director. In the year under review the Consultative Forum met on three occasions.

Issues discussed at both Consultative Forums this year included land-use decisions, building designs, issues associated with broader sublease negotiations, home ownership and potential opportunities for economic development.

The Alice Springs Living Areas subleases also require the Executive Director to establish a Consultative Forum. The Alice Springs Living Areas Consultative Forum is made up of one nominee of the Executive Director and five nominees of the Alice Springs Living Areas. Its purpose is

to facilitate communication with Alice Springs Living Areas residents on land use and other legitimate community issues. This forum has only been recently established and met once during 2009–10.

Economic development

Township leasing ensures a solid basis for future economic development, private investment and home ownership. For decades, government funding has been used to build housing and related infrastructure, without obtaining any security of tenure over these assets. While houses and other infrastructure were constructed in the townships, the responsibility for ongoing repairs and maintenance was far from clear, resulting in buildings deteriorating significantly over time. Township leasing provides a legal basis for continued government access and for private investors to control their assets built on Indigenous land. Without long-term leasing arrangements Indigenous townships are more likely to remain economically isolated.

It is a priority of the Office to progressively move each of the townships from a situation where the community is almost totally reliant on Commonwealth and Northern Territory Government capital injections for economic development to one that more closely aligns to a market-based approach. In order to achieve this, the Executive Director has adopted a measured process to building capacity in the townships so that individuals and the community are able to take advantage of emerging economic opportunities. While still in its early stages, progress to date is encouraging.

For example, the Mantiyupwi Traditional Owners, having received a \$5 million advance payment for the first 15 years of the Wurrumiyanga (Nguui) township lease, have established a company to invest the funds in the community and to create real employment outcomes for all Tiwi people.

Mantiyupwi Pty Ltd has identified a number of business enterprises for the Traditional Owners to invest in progressively over the next few years. To date Mantiyupwi Pty Ltd has acquired Tiwi Tours, established a car-rental business and purchased a cement truck to provide raw materials during SIHIP construction work. Mantiyupwi Pty Ltd has also entered into a number of subleases with the Executive Director to provide contractors with accommodation while working on SIHIP

projects within the township. Profits from these investments have been contributing to Tiwi community organisations including the Tiwi Bombers Football Club and Tiwi College.

This year a number of sites within Wurrumiyanga (Nguui) township were identified to establish a motel and shopping and office complexes.

Mantiyupwi Pty Ltd negotiated a sublease with the Executive Director over a five-acre lot in Wurrumiyanga (Nguui) and has underleased part of this site to the Territory Alliance Partners to construct a 60-room camp for SIHIP workers. This camp has been designed to enable it to be used as motel-style accommodation once the SIHIP work ends. The underlease negotiated by Mantiyupwi Pty Ltd gives them first option on purchasing the asset from the Northern Territory Government once it is no longer required by the Alliance partners.

Mantiyupwi Pty Ltd is also negotiating with the Northern Territory Government to construct an office facility utilising a long-term lease-back arrangement at commercial rates. Mantiyupwi Pty Ltd has spoken directly to a major commercial bank which has indicated it would look favourably on a commercial loan arrangement where there is a guarantee of a long-term tenancy with government.

The three communities of Angurugu, Umbakumba and Milyakburra offer differing levels of potential for economic development. While recognising the different priorities of each community, some opportunities have already been identified from preliminary discussions with the communities.



The Anindilyakwa Land Council has earmarked the upfront rental payment of \$4.5 million for economic development. The land council is currently consulting with clan groups to ascertain how members wish to invest these funds. There have been several suggestions, one being the construction of a government business centre in Angurugu. If this plan goes ahead, the Angurugu family groups have expressed interest in a greater investment in the project. The discussions continue at the time of this report. Other suggestions include the purchasing of existing businesses on Groote Eylandt.

The Groote Eylandt and Bickerton Island Enterprises (GEBIE) organisation has engaged an economic development officer who is working with all residents of Groote Eylandt and Bickerton Island. Each clan group has indicated that rental payments should be invested in economic development opportunities.

Wurrumiyanga (Nguiu) Permanent Resident Register

The Wurrumiyanga (Nguiu) head lease prevents the Executive Director, Township Leasing entering into subleases that would increase the number of non-Tiwi permanent residents above 15 per cent of the total population.

Section 10.5c of the Wurrumiyanga (Nguiu) head lease requires the Executive Director to compile and maintain a Register of Permanent Residents. The register must contain the names and addresses of all permanent residents and a classification of each resident as either a non-Tiwi permanent resident or a Tiwi permanent resident.

The definition of a permanent resident under the head lease is a person who has resided in the township for a period exceeding 12 months.

Using this methodology the register indicates that the non-Tiwi population of Wurrumiyanga (Nguiu) at 1 March 2010 was around seven per cent of the total population.

The Office would like to acknowledge and thank the residents of Wurrumiyanga (Nguiu) and in particular the Tiwi Land Council, Traditional Owners and Territory Housing for their assistance in compiling the register.

There is no requirement in the Angurugu, Umbakumba and Milyakburra head lease or the Alice Springs Living Areas subleases for the Executive Director to maintain a Register of Permanent Residents.

Services provided by other bodies

During the year under review the Executive Director, Township Leasing engaged:

- the Australian Government Solicitor to provide legal advice on a range of matters associated with township leasing arrangements
- registered surveyors to prepare and lodge cadastral survey plans for the four communities, and
- a licensed property manager to maintain and manage collection of lease payments including maintaining a separate trust account.

During the year under review the Executive Director also engaged the following consultants:

- KPMG Australia to provide accounting and business services for the development of leasing business protocols, and
- Colliers International (NT) Pty Ltd to provide valuation assessments for commercial properties in order to determine appropriate annual lease rental payments and sale prices for residential subleases.

Expenditure statement

Under sub-section 64 (4A) of the Act the activities of the Executive Director, Township Leasing are funded from the Aboriginals Benefit Account (ABA). Full financial details of the Aboriginal Benefits Account can be found in the financial statements of the Department of Families, Housing, Community Services and Indigenous Affairs which is submitted to the Minister under subsections 63(2) and 70(2) of the *Public Service Act 1999*, and to the Finance Minister under section 50 of the *Financial Management and Accountability Act 1997*. The statements are subject to scrutiny through the Senate Estimates Committee process.

Details of expenditure arising from the activities of the Office for the year ended 30 June 2010 are provided below.

	(\$'000)
Employee expenses	579,395
Travel-related expenses	156,714
Contractor services	286,552
General administrative expenses	108,839
Total expenditure	1,131,500



