



Australian Government

EXECUTIVE DIRECTOR OF TOWNSHIP LEASING
Annual Report 2014-2015





Australian Government
Office of Township Leasing

The Hon Nigel Scullion
Minister for 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 2014–15, for your presentation to Parliament in accordance with subsection 20R(1) of the Aboriginal Land Rights (Northern Territory) Act 1976.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Greg Roche', written over a large, stylized circular flourish.

Greg Roche
Executive Director
Township Leasing



Wurrankuwu Consultative Forum Meeting

Executive Director of Township Leasing Annual Report 2014-15

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EXECUTIVE DIRECTOR TOWNSHIP LEASING REVIEW

This important work cannot be done in a vacuum. Can I express my sincere thanks to my staff in the Office of Township Leasing (OTL), particularly Ms Pennie Weedon, and to the Minister for Indigenous Affairs and his staff, officers of the Department of the Prime Minister and Cabinet, particularly Mr John Litchfield, staff in the Northern Territory Government and the Northern Territory Land Councils, particularly Mr Brian Clancy and Mr Mark Hewitt, and last but by no means least the Traditional Owners and community members in the communities it is my privilege to serve.

I am pleased to report that the progress with the ongoing administration of the current township leases is going well with a focus on progressing economic activity. I have concentrated on two impediments to driving economic growth on communities: the costs of essential infrastructure and the lending practices of the major banks.

Although banking investment has occurred where there is a township lease it is still difficult to persuade banks of the merits of investment.

I have continued discussions with the banking industry in a bid to overcome any obstacles to investment and to identify any concerns a bank may have with the township lease. The National Australia Bank (NAB) has agreed to conduct a comparative assessment between a township lease and ordinary freehold land. In partnership with the NAB the assessment will be undertaken by a private legal firm, which will review the township lease and sublease agreements to examine contract and termination rights,

prohibitions on assignments and any other possible restrictions on development.

I also wrote to the Northern Territory Government (NTG) Minister responsible for the Power and Water Corporation, the Hon Adam Giles MLA, and the Minister for Community Services, the Hon Bess Price MLA, in order to highlight the excessive costs associated with development in remote areas in comparison to the costs of development in urban areas, which are more fairly apportioned because there is a Developer Contribution Plan in place. I requested that the NTG consider establishing a Developer Contribution Plan for remote communities.

Minister Price responded and advised that a Remote Program Office will be established to investigate a Capital Contributions Scheme for development in major remote towns, and a coordination group for this project is to be established with a focus on the Tiwi Islands.

It is critical that these two key issues of financial investment and an unreasonable system for allocating development costs be addressed in order to help stimulate sustainable economic growth in remote Indigenous communities.

I am pleased to report that there has been some renewed momentum in the private home ownership sector. Since the announcement of the NTG's Remote Home Ownership Program in June 2014, my office has been actively engaged with the NT Government and other stakeholders to formalise the sales process.

As a result a series of information sessions were delivered by the NTG and a large number of formal applications have been received by my office during the reporting period. Indigenous Business Australia (IBA) has also received further applications for formal financial assessments.

IBA continues to operate the program from their Brisbane office and relies heavily on the NTG and my office to gather relevant documentation. I would strongly support IBA having a permanent presence in the NT to be more involved in delivering its programs, particularly home ownership in the Township Lease communities.

A collaborative partnership is fundamental to the success of home owners. When they are supported, not just through the initial process, but with ongoing support, home ownership has a much higher success rate.

The two townships that are currently in negotiations concerning a township lease are Pirlangimpi, the last community on the Tiwi Islands not covered by a township lease, and Gunbalanya in West Arnhem Land.

At the request of both Traditional Owner groups my office and I have provided regular information on how the township lease operates and in particular the role of the Consultative Forum and how Traditional Owners can drive economic development opportunities. Recently the Pirlangimpi Traditional Owners requested that my office provide information to a wider stakeholder group that included businesses and other organisations.

Gunbalanya Traditional Owners requested further information as they enter into the final stages of negotiations. Negotiations towards a township lease over Gunbalanya are progressing slowly and it is clear that there is a fundamental conflict regarding the ideological position taken by the Northern Land Council concerning township leasing generally that will need to be addressed before a Township Lease can be finalised.

I continue to have concerns about the operation of the Alice Springs Town Camps. When the 40 year sub-leases to the Executive Director were executed in 2009 Housing Management Agreements (HMAs) were entered into with the NTG. The HMAs expired in August 2012 and have been operating on a month to month basis since. Neither the NTG nor the Commonwealth Government appears to have made any progress in resolving the issue of the future of the HMAs. The month to month HMA arrangement defeats any attempt to engage in long-term planning hinders investment and complicates the private home ownership aspirations of residents. The NTG could introduce legislation to amend its Special Purpose Lease and Crown lease legislation (the Town Camps are a mixture of these forms of tenure) to overcome the subdivision barrier to private home ownership but has chosen not to do so.

The issue of unwelcome visitors and the operation of trespass orders at the Alice Springs Town Camps remains an issue of concern. The Alice Springs Consultative Forum members and I have again raised

Bathurst Island

the issue with the NTG and we have had some recent encouraging indications of how trespass orders can be issued to unwelcome visitors.

I am pleased to report that the five year review of the Groote Eylandt township lease was completed in June 2015 at a workshop attended by the Consultative Forum, Anindilyakwa Land Council members, the Department of the Prime Minister and Cabinet, myself and my staff. The five year review is a significant step in the life of a township lease and provides an opportunity for the parties to reflect on our experience and discuss ways to enhance the operation of the lease. I would like to take the opportunity to thank

the Traditional Owners for their patience and considered approach to the review.

I am pleased to report that all of the by all of the communities covered by township leases continue to be very engaged in their respective Consultative Forums'. Recently the Wurankuwu (Ranku) Consultative Forum had 57 attendees in a community of less than 100 people. The group was very insightful and enthusiastic about how economic development at Ranku can be stimulated and how basic services such as education and health can be improved. Meetings such as the Ranku Consultative Forum have been one of the highlights of my time as Executive Director.



Groote Eylandt Consultative Forum Meeting

REPORT OF THE EXECUTIVE DIRECTOR OF TOWNSHIP LEASING FOR THE YEAR ENDED 30 JUNE 2015

Subsection 20R(1) of the *Aboriginal Land Rights (Northern Territory) Act 1976 (Land Rights Act)* provides that the Executive Director of Township Leasing (Executive Director) 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 that year.

ESTABLISHMENT OF THE POSITION OF THE EXECUTIVE DIRECTOR OF TOWNSHIP LEASING

The position of the Executive Director of Township Leasing is established under section 20B of the Land Rights Act. The position is an independent statutory office that is part of the portfolio responsibility of the Minister for Indigenous Affairs in the portfolio of Prime Minister and Cabinet.

The position of Executive Director is established to hold and administer leases on behalf of the Commonwealth over Aboriginal land in the Northern Territory. The Executive Director cannot hold freehold title land and does not negotiate leases on behalf of the Commonwealth. Such negotiations are conducted by officials from the Department of the Prime Minister and Cabinet.

Mr Greg Roche was in February 2013 appointed to a five-year term as Executive Director.

OFFICE OF TOWNSHIP LEASING

The Office of Township Leasing (OTL) provides administrative support to the Executive Director to carry out all operational functions. OTL also supports and works with the local Consultative

Forum groups and wider community, business and government stakeholders.

Throughout the reporting period the property management services of the Executive Director's sublease portfolio and trust account were outsourced to Colliers International (NT) Pty Ltd. The total revenue collected for the 2014-15 reporting period across all of the leases held by the Executive Director was \$1,573,748 GST inclusive.

ADMINISTRATIVE ARRANGEMENTS

In 2014-15 the Executive Director operated from offices in Canberra and Darwin. OTL is located in Darwin and consisted of a Director and six other full time positions.

OTL is staffed by public servants engaged under the *Public Service Act 1999* and employed by the Department of the Prime Minister and Cabinet.

Office of Township Leasing Communications

During the reporting period OTL has developed communication / information materials regarding township leasing. The package consists of a series of multiple fact sheets that will provide information to various stakeholders detailing the operations of a township lease and the functions of the Executive Director and OTL. A series of DVD's have also been developed that illustrate the progress of Township Leasing in Wurrumiyanga.

OTL has commissioned Ngaruwanajirri (the Keeping Place) Inc. an art gallery in Wurrumiyanga to create art pieces to be integrated into the new corporate branding. The pieces were created by

two local Tiwi artists, Ms Alexandrina Kantilla and Ms Jane M Tipuamantumirri. The badging will be incorporated in the OTL website, and all stationery and information materials.

RESPECT FOR TRADITIONAL CULTURE

Aboriginal people have a deep spiritual connection to their traditional lands and every aspect of their lives is connected to it. Life and law originates and is governed by the land bringing a sense of identity and belonging. Cultural recognition is fundamental to the operation of the township lease.

The Executive Director and OTL respect the spiritual and custodial relationship that Traditional Owners have over their land and waters. Sacred sites in the NT are protected under the Northern Territory Aboriginal Sacred Sites Act 1989 (NT) and the Land Rights Act.

As part of its role in support of the Executive Director, OTL has engaged the NT Aboriginal Areas Protection Authority to identify all sites of significance in areas where the Executive Director holds a township lease.

The Executive Director and OTL are also guided by the local Consultative Forum about culturally significant sites located within the township lease boundary.

The Aboriginal Areas Protection Authority has also issued sacred site protection certificates to the NTG in relation to each of the Alice Springs Living Areas and each of the Housing Leases.

Housing Leases that are located in the Central Land Council region require the Executive Director to also obtain sacred site clearances from the Central Land Council.

WHOLE OF TOWNSHIP LEASES HELD BY EXECUTIVE DIRECTOR 2014-15

Section 19A of the Land Rights Act allows Aboriginal Land Trusts to grant a Whole of Township Lease over a community on Aboriginal land to the Executive Director of Township Leasing.

Township leases are entered into following voluntary negotiations between the Commonwealth, as represented by the Department of the Prime Minister and Cabinet, and Traditional Owners, represented by the respective Land Council and Land Trust.



Wurrumiyanga Barge Landing Facility

The township lease negotiations may take some time for all parties to reach agreement. However, one of the main benefits of a township lease, once it has been established, is that the Executive Director is able to streamline the granting of long term subleases comparatively quickly compared to other forms of leasehold interests on Aboriginal land.

The aim of a township lease is to regularise all current tenure arrangements and to facilitate new economic development opportunities in the community by providing governments, investors, businesses and home buyers with long-term tradeable land tenure.

In the year under review the Executive Director held three Township Leases covering six communities.

See Table A for details.

TOWNSHIP LEASE MODEL

Township leasing has been designed to create another option for Aboriginal land administered under the Land Rights Act.

Township leasing is a voluntary leasing model that the Traditional Owners, through their Land Council or private legal representative, negotiate with the Commonwealth, which is represented by the Department of the Prime Minister and Cabinet.

There are many aspects of the township leasing model which can provide a platform for Traditional Owners and communities to create economic opportunities by providing a strong and consistent land administration system that respects the underlying Aboriginal land tenure.

The granting of a township lease recognises the importance of the continuing cultural connections and obligations, whilst providing opportunities for community and individual economic development. The model ultimately sustains the Traditional Owners' cultural responsibilities whilst empowering them to be part of the decision making process alongside the Executive Director in providing for the community's future.



Wurankuwu Consultative Forum Meeting



For the first time Aboriginal people living on their traditional lands have been able to access finance and invest in private home ownership and in private enterprise.

Each township lease has varied slightly, however there are two fundamental financial components of each of the current Township Leases: an Advance Rental Payment and a Community Benefits Package. The amounts involved of each component have varied depending on circumstances and the outcome of individual negotiations.

All township leases that have been negotiated have included an Advance Rental Payment, which is a payment made to the Traditional Owners as an advance rental payment against sublease rental income collected in the first few years, dependent on negotiations, of the lease. The Advance Rental Payment is an advance from the Aboriginals Benefit Account (ABA) and is made to the Traditional Owners as a lump sum upfront payment. The ABA receives appropriations based on royalty equivalents, the level of which is determined by the value of statutory royalties generated from mining on Aboriginal Land in the Northern Territory. ABA funds are public monies. The Advance Rental Payment is paid upon the signing the township lease and provides funding for the Traditional Owners, should they wish to invest in economic projects located

both in their Townships and/or elsewhere. The reasoning behind Advance Rental Payment mechanism is that a lump sum, representing an advance on a number of years rent, is more useful for Traditional Owners who wish to invest. To date the Traditional Owner groups have invested in a wide variety of projects which have principally been investments in long-term economic opportunities intended to provide for future generations.

Communities have also benefited from the signing of a Township Lease through a separate payment specifically for community projects. This payment is known as the Community Benefits Package, or, the Economic Development Package. Projects delivered under this package are usually negotiated and managed by the Department of the Prime Minister and Cabinet and are not part of the lease arrangements. Traditional Owners have to carefully consider the needs and priorities of their community through this process and this has been reflected in the varied community projects that have been implemented across each of the township leases.

On the signing of the township lease all existing land tenure arrangements within the Township that existed to that date become the responsibility of the Executive Director to administer, including the collection of rent. The Executive



Wurrumiyanga Consultative Forum Meeting

Director is required to enter into leasing arrangements with all existing occupiers of land within the township who do not have tenure. These arrangements must be established applying sound commercial principles, including the payment of market rent.

Each township lease also establishes a Consultative Forum, which is a crucial mechanism for the Executive Director to consult on all developments in the community. Details of the makeup and operation of the Consultative Forums are found elsewhere in this Report.

Each of the township leases has a review mechanism to enable the members of the local Consultative Forum and the Executive Director to review the Township Lease every five years to ensure that all the lease terms and conditions reflect current community values, Northern Territory legislation and any other applicable laws. Changes to the township lease must be agreed to by the Land Council and the Minister for Indigenous Affairs.

TOWNSHIP LEASE CONSULTATIVE FORUMS

The Consultative Forum is a mechanism for the Executive Director to consult with Traditional Owners on all developments in the community. The membership is set out

in the township lease document and is a crucial element in recognising that the community is still being developed in accordance with the aspirations of the Traditional Owners and the community.

The Tiwi Islands and Groote Eylandt Archipelago township leases require the Executive Director to establish local Consultative Forums. The Forums consist, in the case of the Tiwi Islands, of representatives of Traditional Owners nominated by the Tiwi Aboriginal Land Trust and in the case of the Groote Eylandt Archipelago of nominees of the Anindilyakwa Land Council.

The Consultative Forum is an essential element of the governance of the township lease as it provides Traditional Owners with the opportunity to discuss land use and other issues relating to the performance of the lease and facilitate communications between the Executive Director and Forum members who in turn seek views and share information with the rest of the community. The Executive Director pays close attention to the view of the Forum before exercising his powers under each township lease.

In the year under review the Executive Director and OTL staff met with each of the Consultative Forums through formal and informal meetings. All discussions revolved around land tenure matters and

other issues relating to the development of each of the communities. Of particular importance was the Groote Eylandt Consultative Forum's participation in their five year lease review.

A major outcome of the Groote Archipelago five year lease review process was an agreement to replace the existing single Consultative Forum that covered all three communities (Angurugu, Umbakumba and Milyakburra) with a Consultative Forum in each community as well as providing for the convening a Consultative Forum for the whole lease where necessary. This highlights the fundamental partnership approach to the township lease and the importance of being able to discuss local issues with the Executive Director.

The Tiwi Island Consultative Forums continue to go from strength to strength. An example of the level of importance placed on the Consultative Forum Meetings was demonstrated by a recent meeting in Ranku. Over 50 participants attended the meeting. Ranku is considered by some to be an outstation and has a population of less than 100.

Outside of Forum meetings, the Executive Director and OTL staff travelled regularly to the communities to consult with Traditional Owners, sublessees and other key community members on a range of operational matters.

INTEREST IN TOWNSHIP LEASING FROM OTHER COMMUNITIES

Township leases are voluntary and negotiations for a township lease occur at the request of Traditional Owners. Traditional Owners are involved at every stage of negotiations and matters only advance with their consent.

The Executive Director does not negotiate the township lease but can, at the request of the parties including Traditional Owners, provide background information on the mechanism of a township lease. The Department of the Prime Minister and Cabinet has carriage of township lease negotiations. Fundamental to all Township Lease discussions is information on the role of the Consultative Forum and the future direction of each community and in particular how to make the most of local economic opportunities.

During the reporting period the Executive Director and representatives of the OTL attended meetings in the communities of Gunbalanya, Yirrkala, Pirlangimpi and Gunyangara about township leasing. We also travelled to Mutitjulu to meet with Traditional Owners and community members, who with the Central Land Council are discussing a possible sub-lease from the Director of National Parks.

These discussions were led by representatives from the Department of the Prime Minister and Cabinet, with the Executive Director and OTL officers providing technical advice on how a lease would operate when executed.



STATEMENT OF COMMITMENT

A Statement of Commitment provides certainty to Traditional Owners that the Commonwealth Government is committed to township lease negotiations. It signifies the transition from preliminary discussions and information sessions to formal negotiations on the terms of a township lease.

The document is executed by Traditional Owners and officials representing the Commonwealth Government and is not a legally binding agreement.

To date the following three Traditional Owner groups have signed Statements of Commitment with the Commonwealth Government, where the Executive Director will be a party to the agreement.

Community	Date Statement of Commitment signed
Gunbalanya	16 October 2013
Yirrkala	29 October 2013
Pirlangimpi	14 March 2014



The EDTL at Pirlangimpi Meeting

AGREEMENT IN PRINCIPLE

An Agreement in Principle is a significant milestone in the negotiations for a township lease. It signifies the transition from the Statement of Commitment phase to an agreement between the Traditional Owners and the Commonwealth to the key terms of a proposed township lease.

The agreement allows parties to work within an agreed framework to deliberate the details of the lease including timeframes, roles and responsibilities and key terms of the lease.

To date the following the Traditional Owner group has signed an Agreement in Principle with the Commonwealth.

Community	Date Agreement in Principle signed
Gunbalanya	18 August 2014



TOWNSHIP LEASES OPERATIONS DURING 2014–15

FLEXIBLE ARRANGEMENTS

Communities that have a township lease have a greater degree of flexibility and a more transparent consultation process when it comes to leasing and land management generally. This provides stakeholders with a more transparent and efficient land transaction system.

On a number of occasions during the reporting year the Executive Director and the OTL have been able to consult quickly and efficiently with the Traditional Owners and all parties that may be involved when we become aware of a business opportunity involving a proposed lease transfer or other form of land transaction.

During the reporting period the Executive Director and the OTL have assisted the transfer of numerous businesses and properties. The following examples are just a few of the transactions that were facilitated over the reporting period.

Wurrumiyanga Homeowner

The first township lease was signed by Wurrumiyanga and as a result the first homeowners on Aboriginal land in the

Northern Territory reside in Wurrumiyanga. Tragically an eminent Traditional Owner passed away not long after purchasing their own home.

However the purchase process required a will to be in place which meant that IBA could deal with the estate, as the will had stipulated what was to become of the homeowner's property. Due to Wurrumiyanga having a township lease it was a relatively efficient process for the Executive Director to transfer the title of the property to the estate and ultimately to the beneficiaries under the will.

ALC to GEBIE

The Executive Director facilitated the transfer of a sublease of the former Land Council offices from the Anindilyakwa Land Council (ALC) to GEBIE Aboriginal Enterprises.

The Executive Director then issued a subsequent underlease from GEBIE Aboriginal Enterprises to GEBIE Services Pty Ltd, a Remote Jobs Community Program (RJCP) provider, for the rental of office spaces to GEBIE Services and other local agencies.



Groote Eylandt Five Year Review Signing Ceremony

HEAD LEASE REVIEW

All existing township leases commit the parties to a review of the operation of the lease by the relevant Consultative Forum on the fifth anniversary of the lease commencement date. There is also provision in each township lease for further regular reviews throughout the term of the agreement.

This process requires all parties to give due consideration to any recommendations made by the Consultative Forum to improve the operation of the township lease. The Executive Director also has an opportunity to raise and discuss any operational issues arising from the management of the lease.

A number of key parties are involved in this comprehensive process, including the Department of the Prime Minister and Cabinet and Land Council officials. The Minister's consent is required for any amendments made to the township lease. In this reporting period the fifth anniversary review of the Groote Eylandt Head Lease was completed further details can be located under the Groote Eylandt section.

REGISTER OF PERMANENT RESIDENTS

The Tiwi Islands Township Leases include a provision that prevents the Executive Director from entering into subleases that will potentially increase the number of non-Tiwi permanent residents above 15 per cent of the total community population.

WURRUMIYANGA

The Wurrumiyanga Township Lease originally required the Executive Director to compile the register every twelve months. As part of the five year lease review the parties agreed to vary this provision so that the Executive Director is now only required to compile the Register once every five years.

The Wurrumiyanga register of permanent residents was most recently completed on 01 March 2014 and indicated that the non-Tiwi population of Wurrumiyanga was less than five per cent of the total population. The next permanent residents register is not due until 01 March 2019.

MILIKAPITI AND WURANKUWU

The Milikapiti and Wurankuwu Township Lease require the Executive Director to prepare the Register every five years.

The Milikapiti register and the Wurankuwu register of permanent residents were completed on 01 December 2014. The register indicated that the non-Tiwi population for Milikapiti was less than six percent and the non-Tiwi population for Wurankuwu was less than 15 percent. The next permanent residents register is not due until 01 December 2019.

There is no requirement in the Groote Eylandt Archipelago Township Lease to maintain a Register of Permanent Residents.



ECONOMIC DEVELOPMENT

Wurankuwu Shop

Traditional Owners Corporate Business Advisor Project

Each township lease has seen the emergence and growth of business corporations established by Traditional Owners whose initial income was from an advance lease payment. To assist the Traditional Owners to succeed in their new business ventures a Corporate Business Advisors project was initiated in 2014.

The need for the Business Advisors Project was evident as these organisations have grown very rapidly due to increased business activity and investments in various economic enterprises. Each organisation has varying levels of

capacity to maintain their ongoing business investments and develop strategic pathways.

As a way of providing support, the OTL sourced funding over two years to engage an independent corporate business advisor services which would provide effective tailored advice and support in:

- business planning, financial advice;
- governance advice;
- succession planning and staffing; and in
- identifying opportunities for growth and investment

KPMG Darwin was appointed to provide business advisor support for the Traditional

Owner business groups on the Tiwi Islands and Groote Eylandt to assist in identifying business opportunities as well as focusing on areas within the organisations that require further attention to successfully expand their business operations.

Tiwi Islands

KPMG Darwin was appointed to provide business advisor support to:

- Matiyupwi Pty Ltd;
- Portaminni Pty Ltd; and
- Wurankuwu Pty Ltd

KPMG will work with each group to draft business plans that detail the way forward for each respective organisation. A detailed SWOT analysis will be conducted to identify areas of strength and weaknesses as well as future opportunities and potential threats before drafting a business plan.

Groote Eylandt

PricewaterhouseCoopers Indigenous Consulting was appointed to provide business advisor support to:

- Warningakalinga Aboriginal Corporation;
- GEBIE on Groote Eylandt; and
- Lagulalya Aboriginal Corporation on Bickerton Island.

Engagement commenced in mid-2014 and the initial assessment phase is well advanced. The consultants are moving on to second stage business planning with corporation Directors.

Other Communities

This service has also been offered to the groups who have executed an In Principle Agreement to negotiate a Township Lease, including the Munupi Aboriginal Corporation in Pirlangimpi and both the Mengerr Aboriginal Corporation and Gunbalanya Economic Development Aboriginal Corporation in Gunbalanya.

Barge Landing

In November of 2013 the Executive Director issued a Development Consent Authority to the NTG for the development of the Wurrumiyanga barge landing.

At the time of the writing of this report the NTG had commenced construction of the new barge landing and storage shed and it is expected to be completed in the next reporting period.

The new barge landing is a major developmental project for Wurrumiyanga. The construction has employed a number of local people from the community and will see a substantial improvement in a very important facility for Wurrumiyanga and surrounding communities.



Groote Eylandt Consultative Forum Meeting



COMMUNITY DEVELOPMENT

Wurankuwu

Solar Power Stations in Milikapiti, Umbakumba and Milyakburra

In October 2014 the Australian Renewable Energy Agency and the NTG announced \$55 million of funding to build solar power stations in over 30 remote off-grid communities under the Solar Energy Transformation Program (SETuP). The program aims to reduce diesel fuel consumption by around 15% initially and to enable greater use of solar power in the future. The new solar power stations will also reduce emissions from the existing diesel generators and will reduce power costs to residents.

The NTG's Indigenous Essential Services Pty Ltd advised the Executive Director that solar power stations were proposed for Milikapiti, Umbakumba and Milyakburra and accordingly formalised applications for subleases in areas of the townships adjacent to existing power station infrastructure.

Consultations with Milikapiti Traditional Owners held in January led to in-principle

agreement from the Milikapiti Consultative Forum in February 2015. Discussions with the Milikapiti Consultative Forum regarding the proposed location of the solar power station included consideration of any sacred sites in the area. Consent to progress the Development Consent application was provided following this process.

The Executive Director has also provided consent for Indigenous Essential Services to proceed with a Development Application following consultation with Umbakumba Traditional Owners.

The proposed location for the Milyakburra site was not found suitable by the Consultative Forum members however an alternative site was suggested by the members. There are some sacred sites in the vicinity so the Consultative Forum agreed to an application being made by the Executive Director for a new Aboriginal Areas Protection Authority Certificate to ensure that the areas are identified and protected in the event of development.

New Public Houses in Milikapiti

As part of the township lease negotiations the Traditional Owners were promised as part of their Community Benefits Package the new public housing. Those successful negotiations will see three new houses built in Milikapiti in addition to the new houses funded through the National Partnership Agreement on Remote Indigenous Housing.

The Milikapiti community will now see seven new three bedroom houses and eight new two bedroom houses, comprised of four duplexes, built in the township.

The construction of the 15 new houses will be an important employment and training opportunity for the people of Milikapiti and will also alleviate overcrowding in the community.

GROOTE EYLANDT

Five Year Review

On 18 June 2015 the Executive Director and the Anindilyakwa Land Council (ALC) signed a Deed of Variation to the the Head Lease for the Townships of Angurugu, Umbakumba and Milyakburra.

The Head Lease provides for the Consultative forum to review the operation of the Township Lease on the fifth anniversary of the commencement date, which fell due on 4 December 2013.

The five year review is a major milestone of the township lease and provides the Traditional Owners and the Executive Director with the opportunity to make changes to the terms of the township lease to improve its operation.

The variation was signed at a workshop in June 2015 attended by the Executive Director and members of the ALC and

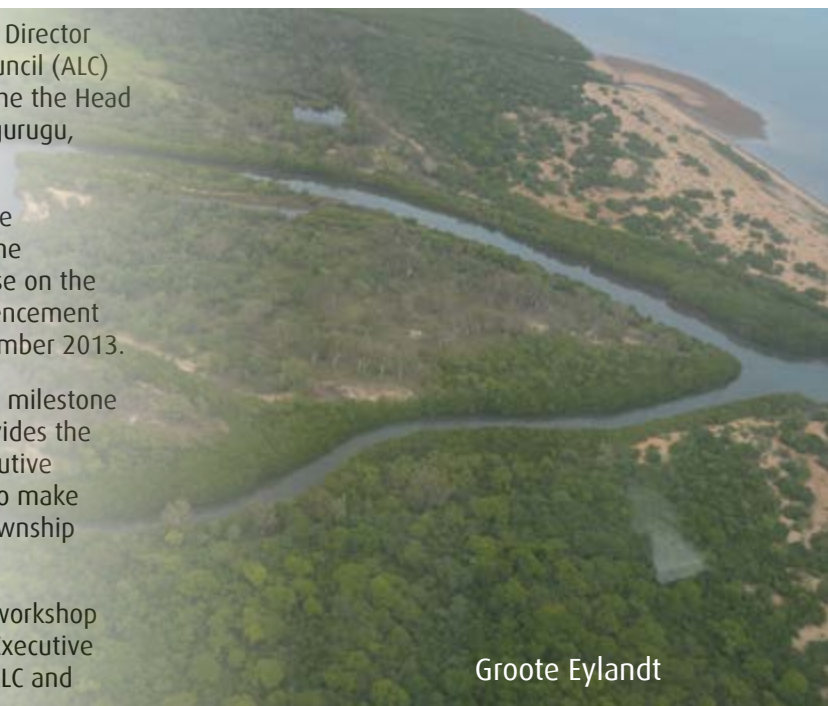
Cosultative Forum and the OTL. There had been comprehensive discussion on each of the proposed amendments before the variation was signed.

The Housing Market in Angurugu

After reviewing its assets in mid-2014 the East Arnhem Regional Council decided that three houses in Angurugu, previously used for staff accommodation, were surplus to needs.

The Executive Director called for expressions of interest from local organisations with a presence in Angurugu, to establish the level of interest in entering into a sublease and a contract of sale. A very enthusiastic response led to the three houses being sold to three local Aboriginal Corporations which will enable their staff to live in the community.

The sale price for each property was set in accordance with an independent



Groote Eylandt

evaluation and the proceeds of sale are channelled back to the Land Trust. This positive process confirms that there is a small but strong housing market in Angurugu.

Ranger Housing

With a grant from the Aboriginals Benefit Account, the ALC has commissioned GEBIE Civil and Construction to build a house for the Anindilyakwa Land and Sea Rangers in Umbakumba. GEBIE undertook a five Lot subdivision in the township to enable the project to be developed.

Tenure was issued to the Land Council in February 2015 and construction of a three bedroom house commenced in April. A shed to store the Ranger boat will also be built which will enable the Rangers to operate more effectively in the Umbakumba area from a local base.

It is expected that construction for the Ranger house and boat shed will be completed in the next reporting period.

HOME OWNERSHIP

In 2014 the NTG announced its Remote Home Ownership Program, which assists public housing tenants living in areas

covered by a township lease to purchase the public housing dwelling they live in.

Following the announcement the Executive Director agreed to develop and enter into a Deed of Agreement to allow the NTG to operate the Remote Home Ownership Program. A key component of the Deed of Agreement is that it stipulates the value of the various properties and sale price.

During this reporting period the NTG ran a series of intensive information sessions in a number of communities promoting the benefits and obligations of home ownership under the new program.

As a result of the information sessions more than a dozen formal applications and enquiries have been received by the OTL and by Indigenous Business Australia (IBA). The applications are currently in various stages of assessment by IBA and further interviews and community visits are planned to progress the applications and promote the program.



SECTION 19 LEASES HELD BY EXECUTIVE DIRECTOR 2014-15

Section 19 of the Land Rights Act provides that an estate or interest can be granted by the Aboriginal Land Trust to the Commonwealth for any public purpose (commonly referred to as Section 19 leases).

The Executive Director, on behalf of the Commonwealth, may enter into a Section 19 lease to secure public investment; this may include over public housing or Commonwealth infrastructure located on Aboriginal Land.

In May 2009 the Executive Coordination Forum for Indigenous Affairs (ECFIA) agreed that Commonwealth agencies would take steps towards regularised land arrangements on Aboriginal land by seeking secure voluntary land tenure arrangements over all Commonwealth investment on that land.

It is now standard government policy that any major Commonwealth investment in assets located on Aboriginal land has to be secured by long term leases. Where a township lease has not been established, secure land tenure for housing or Commonwealth infrastructure on land held under the Land Rights Act can be provided for through Housing or Commonwealth Asset Leases under Section 19 of the Land Rights Act.

HOUSING LEASES

Housing Leases can be held directly by the NTG or the Executive Director on behalf of the Commonwealth. All Housing Leases entered into by the Executive Director are negotiated by officers of the Department of the Prime Minister and Cabinet.

Where the Executive Director holds Housing Leases, he has subsequently entered into subleases for the purpose of property and tenancy management service provision with the NTG. These agreements allow Territory Housing to enter into tenancy agreements with occupants and provide access to and control over land so new houses can be built and existing houses can be maintained. It enables fairer and more transparent property and tenancy management arrangements to be established.

Housing Leases do not require the Executive Director to establish Consultative Forums, however Housing Management Agreements require the NTG to consult with the community through the establishment of local Housing Reference Groups.

In 2014-15 the Executive Director held 21 Housing Lease in Aboriginal communities under this provision.

See table B for further details.

COMMONWEALTH ASSET LEASES

In the Central Land Council region the Executive Director, on behalf of the Commonwealth, has entered into Section 19 leases directly with Aboriginal Land Trusts over various assets.

For assets located in the Northern Land Council (NLC) region the Executive Director is not a party to the Section 19 leases as these are held directly by Commonwealth Departments, however the OTL has agreed to manage these leases.

This process allows for a structured approach to managing all Commonwealth assets and provides the Commonwealth and Land Councils with a single point of contact for all administrative dealings.

Both leasing arrangements are covered by an intergovernmental arrangement with the respective Departments that have responsibility for the asset and is cost neutral for the Executive Director and the OTL.

In 2014-15 the Executive Director held 37 Commonwealth Asset Leases in Aboriginal communities under this provision.

The OTL, acting on behalf of a number of Commonwealth departments, managed 37 Commonwealth Asset Leases in Aboriginal communities under the intergovernmental arrangement.

See table C for further details.

ALICE SPRINGS LIVING AREAS HELD BY EXECUTIVE DIRECTOR 2014-15

The Alice Springs Living Areas (also referred to Alice Springs Town Camps) are small distinct communities situated in and around the fringes of Alice Springs. Each of the Town Camps has been established and governed by individual housing

associations which hold leases over the area in perpetuity. These leases have been issued either under the Special Purposes Leases Act (NT) or the Crowns Lands Act (NT).



Following the joint announcement in 2009 by the Commonwealth and NTG of the Alice Springs Transformation Plan initiative the Executive Director, on behalf of the Commonwealth, entered into subleases for 40 years with the fifteen Housing Associations over seventeen Alice Springs Town Camps. The Executive Director then simultaneously granted an underlease in the form of a Housing Management Agreement to the NTG.

See table D for details of the Alice Springs Town Camp subleases held by the Executive Director.

HOUSING MANAGEMENT AGREEMENT

The Housing Management Agreement gives the NTG responsibility for all areas located within the town camp boundary and captures all infrastructures, including housing, open spaces, roads, parks and community centres.

The initial Housing Management Agreement executed with the NTG was for an initial period of three years. To facilitate the provision of tenancy management services a subsequent under lease was executed with NT Housing.

The discussions between the NTG and the Executive Director for a long term agreement has not been finalised resulting in the Executive Director agreeing to a month by month continuous Housing Management Agreement. This will remain in force until both governments have agreed on the way forward for the Alice Springs Town Camps.

Unfortunately, due to the month by month continuous Housing Management Agreement it has not been possible to progress any major work in the Town Camps.

CURRENT TENANCY MANAGEMENT ARRANGEMENTS

The NTG currently has housing tenancy arrangements with the Central Australian Affordable Housing Company and Ingkerreke Outstation Resources Services to deliver tenancy management services and property management services. Both agreements commenced on 1 December 2012 for a term of three years.

These contracts were scheduled to expire in the 2014-15 reporting period. However, the contracts have been extended. The Executive Director has, at the time of drafting this report, been advised by Territory Housing that a tender process is underway.

The NTG has retained fiscal responsibility for municipal and essential services in the Alice Springs Town Camps.

HOME OWNERSHIP IN THE ALICE SPRINGS TOWN CAMPS

The Commonwealth Government and the NTG are both committed to enabling opportunities for home ownership on Aboriginal land. Supporting home ownership is also a term of the current subleases to the Executive Director from the Housing Associations.

Under the terms of the Alice Springs Town Camps sublease, the Commonwealth Government and the NTG are required to develop guidelines to enable Aboriginal people to acquire long-term secure tenure in respect of individual houses "to the extent such arrangements are permitted by the Lease and any applicable law."

There continues to be interest from residents in pursuing home ownership. The main obstacle to individual ownership is that Alice Springs Town Camps land is



either a Special Purpose Lease or Crown Lease, neither of which can be subdivided either easily or at all. Therefore the Executive Director cannot grant a lease to an individual lessee over any part of the land for a period in excess of twelve years due to legislative restrictions.

To resolve the issue the NT Parliament would need to amend legislation to enable subdivision and widen the purposes for which the land can be utilised, such as for home ownership. The Commonwealth could also consider utilising its powers under the NT Stronger Futures legislation to that end.

The Executive Director continues to lobby both governments on behalf of residents so that they can be provided an opportunity to own their homes.

ALICE SPRINGS CONSULTATIVE FORUM

The Alice Springs Towns Camps Consultative Forum consists of one nominee of the Executive Director and five nominees of the Housing Associations. The forum met throughout the 2014-15 reporting year to discuss various issues concerning residents in the Town Camps. The Executive Director has continued to raise a number of town camps issues with the relevant stakeholders.

EXPENDITURE STATEMENT

Under subsection 64 (4A) of the Land Rights Act the activities of the Executive Director are funded from the ABA.

Full financial details of the Aboriginals Benefit Account can be found in the financial statements of the Department of the Prime Minister and Cabinet, which are 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 Public Governance, Performance and Accountability Act 2013.

The statements are subject to scrutiny through the Senate Estimates Committee process.

Details of expenditure and revenue arising from the activities of the Office of Township Leasing for the year ended 30 June 2015 are provided below.



Alice Springs

2014-15 Expenditure	(\$)
Employee expenses	946,323.41
Travel-related expenses	169,522.44
Contractor Services	216,443.58
General administrative expenses	210,608.27
Total Expenditure	1,542,897.70

2014-15 Township Lease Revenue	(\$ inclusive of GST)
Wurrumiyanga Township Lease	668,677.94
Groote Eylandt Township Lease	723,120.29
Milikapiti Township Lease	176,820.52
Wurankuwu Township Lease	5,130
Total Revenue	1,573,748.75

Table (A)
Communities covered by Township Leases held by Executive Director Township Leasing in 2014-15

	Community	Location	Date of Execution	Term
1	Wurrumiyanga (Nguiu)	Bathurst Island	30 August 2007	99 years
2	Angurugu	Groote Eylandt	4 December 2008	40 plus 40 years
3	Umbakumba	Groote Eylandt	4 December 2008	40 plus 40 years
4	Milyakburra	Bickerton Island	4 December 2008	40 plus 40 years
5	Milikapiti (Snake Bay)	Melville Island	22 November 2011	99 years
6	Wurankuwu (Ranku)	Bathurst Island	22 November 2011	99 years
Total 6				

Table (B)

Housing Leases held by Executive Director of Township Leasing in 2014-15.

Housing Precinct Leases					
	Community	Region	Lease Executed	NTG Underlease Executed	Tenure
Housing Leases (20)					
1	Areyonga	CLC	23.10.2012	23.10.2012	Aboriginal Land
2	Pmara Jutunta	CLC	23.10.2012	23.10.2012	Aboriginal Land
3	Nturiya	CLC	23.10.2012	23.10.2012	Aboriginal Land
4	Kaltukatjara (Docker River)	CLC	23.10.2012	23.10.2012	Aboriginal Land
5	Papunya	CLC	23.10.2012	23.10.2012	Aboriginal Land
6	Mt Liebig	CLC	23.10.2012	23.10.2012	Aboriginal Land
7	Yuendumu	CLC	11.04.2013	11.04.2013	Aboriginal Land
8	Hermannsburg	CLC	29.06.2011	29.06.2011	Aboriginal Land
9	Lajamanu	CLC	23.07.2012	23.07.2012	Aboriginal Land
10	Willowra	CLC	30.05.2013	30.05.2013	Aboriginal Land
11	Kintore	CLC	30.05.2013	30.05.2013	Aboriginal Land
12	Ali Curung	CLC	01.07.2013	01.07.2013	Aboriginal Land
13	Nyirripi	CLC	01.07.2013	01.07.2013	Aboriginal Land
14	Ampilatawatja	CLC	18.07.2013	18.07.2013	Aboriginal Land
15	Imanpa	CLC	25.09.2013	25.09.2013	Aboriginal Land
16	Wutunugurra	CLC	25.09.2013	25.09.2013	Aboriginal Land
17	Imangara	CLC	25.09.2013	25.09.2013	Aboriginal Land
18	Wilora	CLC	08.10.2013	25.10.2013	Aboriginal Land
19	Tara	CLC	08.10.2013	08.10.2013	Aboriginal Land
20	Titjikala	CLC	08.10.2013	08.10.2013	Aboriginal Land
21	Alpururulam	CLC	30.04.2014	30.04.2014	Aboriginal Land
Total 21					



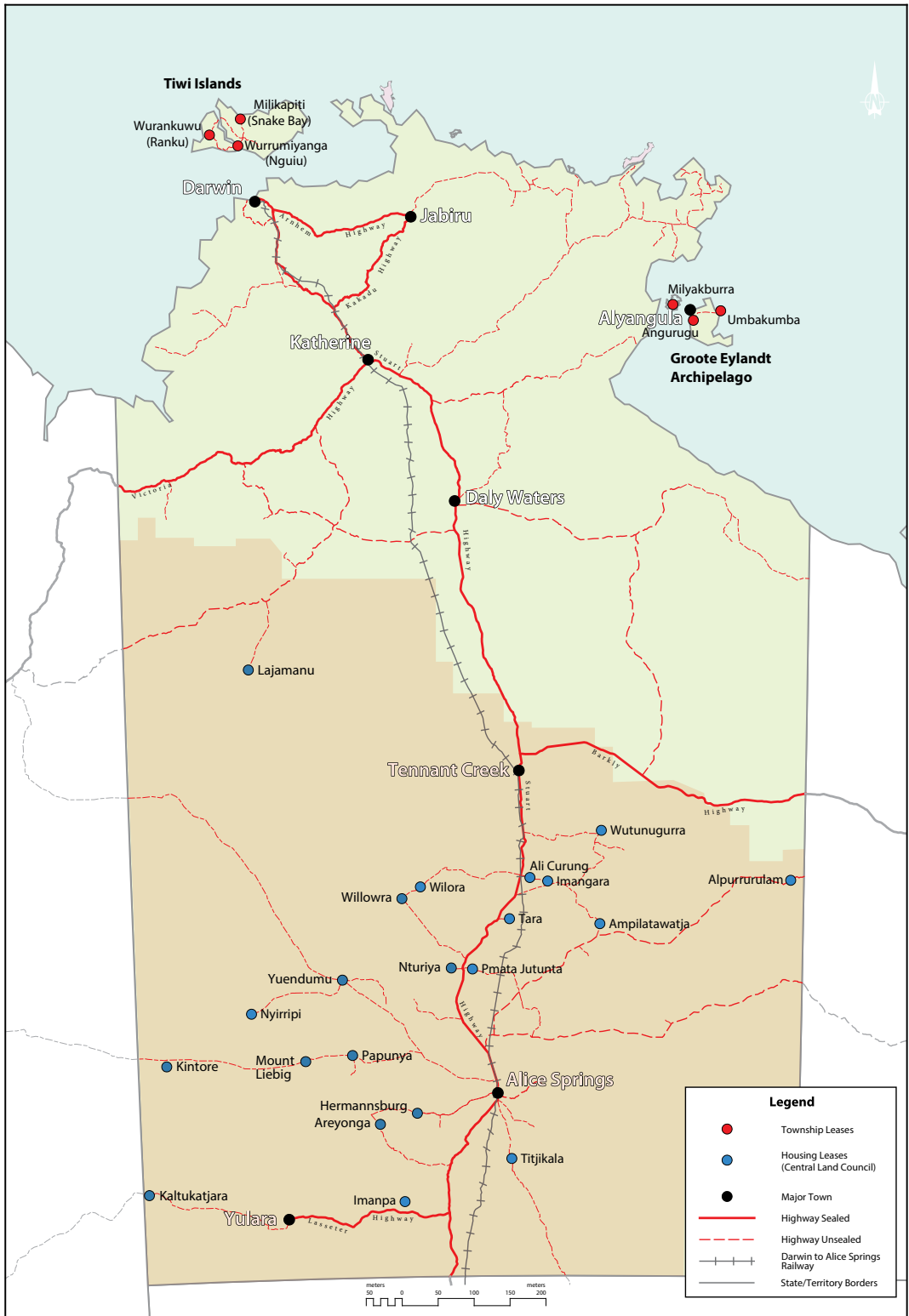


Table (C)
Commonwealth Asset Leases held by the Executive Director Township Leasing
2014-15

Commonwealth Asset Leases					
	Community	Lot	Tenure/Region	Lease Executed	Tenure
Government Engagement Coordinator (GEC) Complexes (26)					
1	Ali Curung	248	Central Land Council	25.07.2012	Aboriginal Land
2	Ali Curung	249	Central Land Council	25.07.2012	Aboriginal Land
3	Areyonga	48	Central Land Council	25.07.2012	Aboriginal Land
4	Haasts Bluff	75	Central Land Council	12.03.2014	Aboriginal Land
5	Lajamanu	246	Central Land Council	01.05.2013	Aboriginal Land
6	Hermannsburg	55	Central Land Council	25.07.2012	Aboriginal Land
7	Hermannsburg	192	Central Land Council	25.07.2012	Aboriginal Land
8	Kaltukatjara (Docke River)	96	Central Land Council	25.07.2012	Aboriginal Land
9	Papunya	262	Central Land Council	25.07.2012	Aboriginal Land
10	Yuelamu	86	Central Land Council	25.07.2012	Aboriginal Land
11	Lajamanu	420	Central Land Council	01.05.2013	Aboriginal Land
12	Lajamanu	246	Central Land Council	01.05.2013	Aboriginal Land
13	Willowra	136	Central Land Council	03.05.2013	Aboriginal Land
14	Willowra	4	Central Land Council	03.05.2013	Aboriginal Land
15	Kaltukatjara (Docke River)	237	Central Land Council	30.07.2014	Aboriginal Land
16	Mt. Liebig	43	Central Land Council	29.10.2014	Aboriginal Land
17	Engawala	67	Central Land Council	17.06.2015	Aboriginal Land
18	Imanpa	91	Central Land Council	17.06.2015	Aboriginal Land
Safe Houses (1)					
19	Hermannsburg	228	Central Land Council	15.08.2012	Aboriginal Land
Child Care Centres (7)					
20	Yuelamu	98	Central Land Council	03.05.2013	Aboriginal Land
21	Lajamanu	322	Central Land Council	21.07.2012	Aboriginal Land
22	Santa Teresa	335	Central Land Council	06.08.2013	Aboriginal Land
23	Areyonga	83	Central Land Council	05.07.2013	Aboriginal Land
24	Kintore	128	Central Land Council	05.07.2013	Aboriginal Land
25	Atitjere	335	Central Land Council	18.07.2013	Aboriginal Land
26	Haasts Bluff	81	Central Land Council	05.07.2013	Aboriginal Land
Commonwealth Asset Leases managed by the Office of Township Leasing					
Government Engagement Coordinator (GEC) Complexes (11)					
27	Bulman	81	Northern Land Council	17.08.2012	Aboriginal Land
28	Ramingining	265	Northern Land Council	17.08.2012	Aboriginal Land
29	Galiwinku	321	Northern Land Council	17.08.2012	Aboriginal Land
30	Gapuwiyak	171	Northern Land Council	17.08.2012	Aboriginal Land
31	Maningrida	700	Northern Land Council	17.08.2012	Aboriginal Land

Table (C) Continued...

Commonwealth Asset Leases held by the Executive Director Township Leasing 2014-15

32	Milingimbi	235	Northern Land Council	16.08.2012	Aboriginal Land
33	Minjilang	229	Northern Land Council	16.08.2012	Aboriginal Land
34	Ngukurr	409	Northern Land Council	16.08.2012	Aboriginal Land
35	Ramingining	259	Northern Land Council	17.08.2012	Aboriginal Land
36	Ramingining	260	Northern Land Council	17.08.2012	Aboriginal Land
37	Warruwi	89	Northern Land Council	17.08.2012	Aboriginal Land
Safe Houses (2)					
38	Maningrida	717	Northern Land Council	17.08.2012	Aboriginal Land
39	Ngukurr	424	Northern Land Council	17.08.2012	Aboriginal Land
Child Care Centres (1)					
40	Minjilang	Lot being surveyed	Northern Land Council	17.08.2012	Aboriginal Land
Total (40)					



Wurankuwu Consultative Forum Meeting

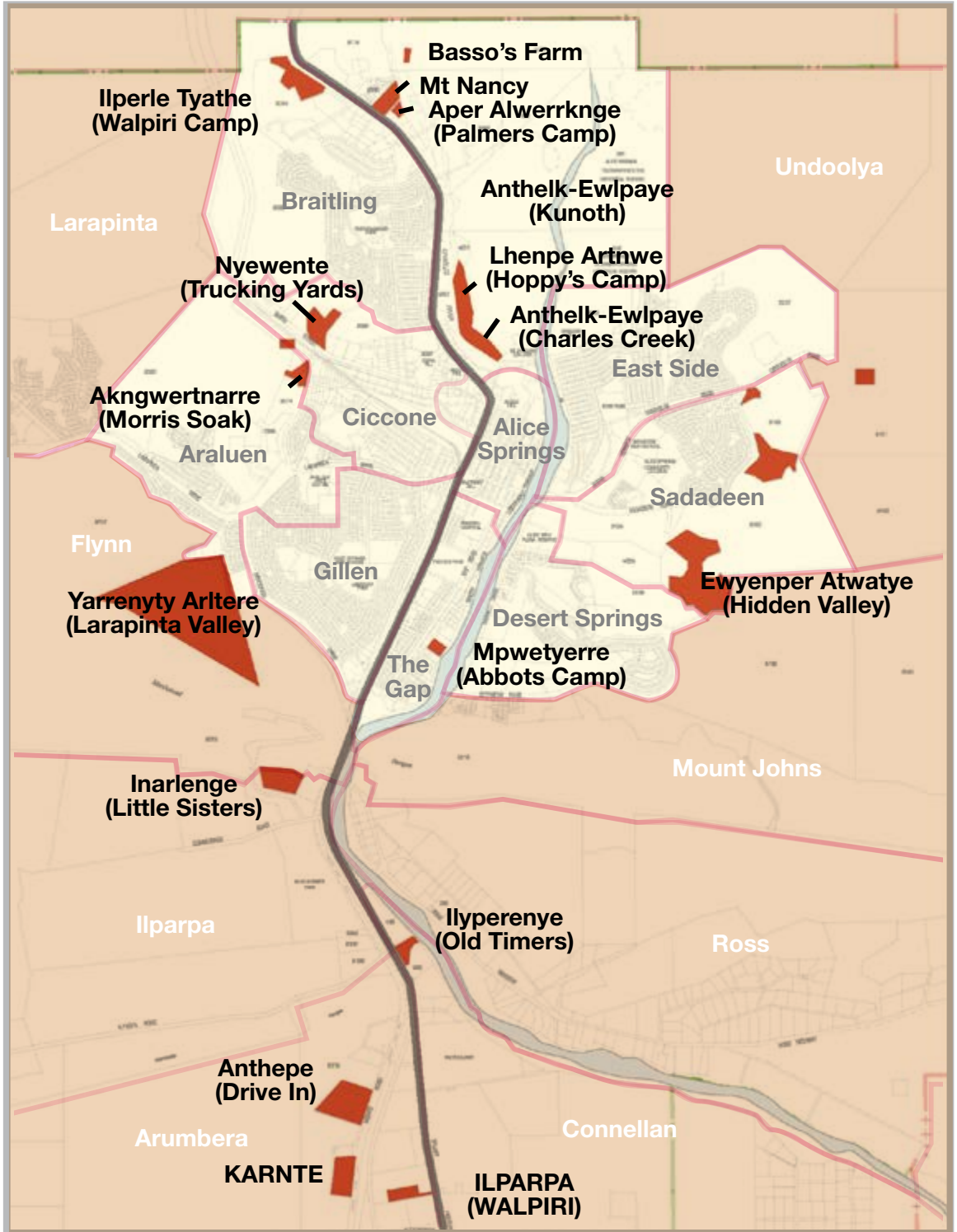
Table (D)
Alice Springs Living Areas (Town Camps) subleases held by the Executive Director in 2014-15.

	Housing Association	Town Camp	Tenure Details
1	Mpwetyerre Aboriginal Corporation	Abbotts Camp	Special Purpose Lease
2	Ilparpa Aboriginal Corporation	Ilparpa	Special Purpose Lease
3	Karnte Aboriginal Corporation	Karnte	Crown Lease
4	Anthelk-Ewlpaye Aboriginal Corporation and Hoppys Camp	Hoppys	Special Purpose Lease
5	Anthelk-Ewlpaye Aboriginal Corporation	Charles Creek	Special Purpose Lease
6	Anthelk-Ewlpaye Aboriginal Corporation	Kunoth	Special Purpose Lease
7	Akngwertnarre Association Incorporated	Morris Soak	Special Purpose Lease
8	Anthepe Housing Association Incorporated	Drive In	Special Purpose Lease
9	Aper Alwerrkng Association Incorporated and Palmers Camp	Palmers	Special Purpose Lease
10	Ewyenper-Atwatye Association Incorporated	Hidden Valley	Special Purpose Lease
11	Ilperle Tyathe Association Incorporated	Warlpiri	Special Purpose Lease
12	Ilyperenye Association Incorporated	Old Timers	Special Purpose lease
13	Inarlange Community Incorporated	Little Sisters	Crown Lease
14	Mount Nancy	Mount Nancy Basso	Special Purpose Lease
15	Basso's Farm	Basso	Special Purpose Lease
16	Larapinta Valley	Larapinta	Special Purpose Lease
17	Nyewnete Association Incorporated	Trucking Yards	Special Purpose Lease
	Total (17)		



Larapinta Valley

Alice Springs Town Camps







EXECUTIVE DIRECTOR OF TOWNSHIP LEASING
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