

**Senate Finance and Public Administration Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

Budget Estimates 26 May-6 June 2014

Prime Minister and Cabinet Portfolio

**Department/Agency:** Executive Director of Township Leasing

**Outcome/Program:** Office of Township Leasing

**Topic:** Township Leasing

**Senator:** Senator Cory Bernardi

**Question reference number:** 290

**Type of Question:** Written

**Date set by the committee for the return of answer:** 11 July 2014

**Number of pages:** 3

**Question:**

1. Can you provide an update on the township leases that you currently manage?
2. What is the situation now regarding the negotiation of subleases in these communities and how does that compare to leasing arrangements before township leases were in place?
3. Can you specifically provide an update on commercial development in these communities?
4. Are there any examples of a township lease sublease being used to finance a loan for a business on Aboriginal land? Are you aware of any other example of that on Aboriginal land?

**Answer:**

1. The Executive Director of Township Leasing (Executive Director) has entered into three township leases covering the following six communities:

<b>Township Leases held by the Executive Director of Township Leasing 2012-2013</b>			
<i>Community</i>	<i>Location</i>	<i>Date of Execution</i>	<i>Term</i>
Wurrumiyanga (Nguiu)	Bathurst Island	30 August 2007	99 years
Angurugu	Groote Eylandt	4 December 2008	40 plus 40 years
Umbakumba	Groote Eylandt	4 December 2008	40 plus 40 years
Milyakburra	Bickerton Island	4 December 2008	40 plus 40 years
Milikapiti (Snake Bay)	Melville Island	22 November 2011	99 years

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Wurankuwu (Ranku)	Bathurst Island	22 November 2011	99 years
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2. A township lease is established under Section 19A of the *Aboriginal Land Rights (Northern Territory) Act 1976* (the Act). A township lease is granted from the relevant Aboriginal Land Trust to the Executive Director and covers the whole of the community.

Once a township lease is executed the Executive Director has a positive obligation to regularise all land tenure arrangements in the township. The process includes identifying all interests in the land, including existing leases under section 19 of the Act, and entering into subleases with all the occupiers who do not already have a lease. Subleases are usually negotiated on a commercial basis.

The Executive Director manages all new applications for leases and other interests in the township. The Office of Township Leasing website ([www.otl.gov.au](http://www.otl.gov.au)) has a downloadable form which can be filled in and lodged online. The application is then assessed by the Office of Township Leasing to ensure that the application meets all requirements, including Northern Territory planning law and the terms of the headlease. The application is then presented to the Consultative Forum (Traditional Owners advisory forum) for consideration. If all relevant information is provided approval of a sublease is usually a standard 14 day process.

The process that previously applied was under section 19 of the Act. This process was initiated by an application by the interested party to the Aboriginal Land Council which then identified and consulted with the appropriate Traditional Owners and other affected groups. Lease terms were negotiated on a case-by-case basis, although there are now standard terms for leases to government. Applications were then considered and ratified by the full council of the Aboriginal Land Council. Certain provisions of the lease may also have triggered the requirement for the Minister to consent to the lease. A section 19 lease is an individual lease which usually cannot be transferred without again undertaking the process outlined above. The time to conduct the process to obtain a section 19 lease varies but can range between some weeks to many months.

3. Since the signing of each township lease the Executive Director has entered into approximately 300 sublease agreements covering approximately 2000 individual lots in the six townships. Of this number about 40 % are commercial subleases to

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commercial entities. The remainder generally consists of public housing stock which is leased to the Northern Territory Department of Housing and also subleases over assets of the relevant Shire.

Mantiyupwi Traditional Owners (Wurrumiyanga) have taken an active role in attracting commercial investment through their commercial arm Mantiyupwi Pty Ltd. This has included development of the Piliymanyirra supermarket complex at Wurrumiyanga. Mantiyupwi Pty Ltd has purchased a temporary contractors camp at Wurrumiyanga which has been upgraded to provide short term accommodation, office and conference facilities. Mantiyupwi Pty Ltd has also purchased the Tiwi Tours tourism operation and has established a vehicle hire business.

Groote Eylandt and Bickerton Island townships have a number of Traditional Owner business arms, including Groote Eylandt and Bickerton Island Aboriginal Corporation, Aminjarrinja Pty Ltd and Lagulayla Aboriginal Corporation. Each has chosen to underpin commercial development opportunities by securing subleases from the Executive Director and investing on the island. Projects have included community shops, investment in office accommodation and a vehicle hire business.

4. Mantiyupwi Pty Ltd, the commercial arm of the Wurrumiyanga Traditional Owners, entered into a sublease with the Executive Director to develop a greenfield site for the Piliymanyirra supermarket complex at Wurrumiyanga. The development was part-financed using funds from the township lease advance payment and the balance was raised by a loan over 10 years from a mainstream commercial bank. The Executive Director is in ongoing discussions with the mainstream banks and potential developers over other commercial opportunities in the townships.

The Executive Director is not in a position to answer in relation to Aboriginal land other than in the townships he administers.