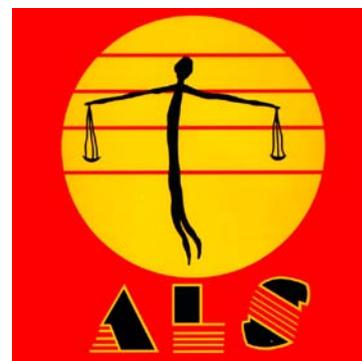


**SHELTER WA  
AND THE  
ABORIGINAL LEGAL SERVICE OF WESTERN AUSTRALIA (INC.)  
(ALSWA)**

Joint Submission to the Australian Government,  
Department of Families, Housing, Community Services  
and Indigenous Affairs (FaHCSIA)

# **Aboriginal Home Ownership**

December 2010



# Aboriginal Home Ownership

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# Aboriginal Home Ownership

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## 1. Executive Summary

Due to factors including the dispossession of land, historical structural racism and intergenerational poverty, existing housing conditions for Aboriginal peoples<sup>1</sup> in Western Australia (WA), particularly in regional and remote areas, is inadequate, falls well below community standards and is in dire need of attention. In addition to historical factors, Aboriginal peoples today face many barriers in accessing and securing safe and affordable housing including discrimination, poverty, lack of housing choice (particularly in regional and remote areas) and complex family structures and obligations.

Given that home ownership is the most secure form of tenure in Australia which generally creates wealth and security, there are many benefits in promoting and supporting home ownership for Aboriginal peoples, particularly in metropolitan and regional areas where freehold land tenure is already established. However, with its emphasis on individual free hold title and a nuclear family living in a fixed household in a single location over an extended period of time, home ownership is not suitable for all Aboriginal peoples. The largely individualistic nature of home ownership is in conflict with some Aboriginal peoples' cultural beliefs and social practices that favour communally-held property, living with extended families, circular mobility between places of seasonal importance and fulfilling cultural obligations, including the practice of vacating after the death of a family member.

Aboriginal peoples also face heightened risks of dispossession when purchasing housing including those associated with defaulting on mortgage payments and purchasing housing in need of substantial repair and maintenance. In order to increase Aboriginal home ownership, the Government must ensure that Aboriginal peoples have access to appropriate forms of credit, receive subsidies, obtain culturally appropriate financial support and counselling and be assisted with ongoing responsibilities involved in the management of housing, including repairs and maintenance.

There are particular risks associated with home ownership in remote areas, where there has been an absence of property markets, including that houses will not appreciate in value and be a poor investment for purchasers and lending institutions. Transference of housing in remote communities from communal to individual responsibilities also has significant impacts on Aboriginal communities' rights to self-determine. The risks of an unknown property market in remote communities and the possible infringement on those communities' rights to self-determination is complex and beyond the scope of the expertise of Shelter WA and the Aboriginal Legal Service of Western Australia (Inc.) (ALSWA). We recommend that specific and thorough consultation with affected communities and Aboriginal Land Councils occur.

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<sup>1</sup> In this submission, 'Aboriginal peoples' refers to Aboriginal and Torres strait Islander peoples.

The position of Shelter WA and ALSWA is to promote safe, secure and affordable housing for Aboriginal peoples, regardless of dwelling or tenure type. In some cases, this may be in the form of home ownership, but this should not be at the expense of, but rather complimentary to, increasing housing stock in the private, public and community housing rental markets and providing housing assistance for those households with the greatest need, including the homeless. We recommend that improving Aboriginal home ownership be promoted as a choice which is part of an overall Government strategy aimed at improving housing outcomes for Aboriginal peoples in all forms of housing tenure.

**Recommendation 1: That the Government develop and implement a national Aboriginal housing strategy aimed at improving housing outcomes for Aboriginal peoples across all forms of housing tenure.**

## 2. Introduction and scope of the submission

Shelter WA and ALSWA prepared this submission to the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) in response to the Indigenous Home Ownership Issues Paper ('the Issues Paper').<sup>2</sup> We welcome the opportunity to respond to the Issues Paper and applaud the Australian Government and FaHCSIA for their initiatives in addressing the housing needs of Aboriginal peoples.

This submission provides:

- descriptions of Shelter WA and ALSWA;
- context of Aboriginal housing in WA;
- findings of a home ownership survey conducted by Shelter WA and ALSWA;
- issues and concerns with promoting Aboriginal home ownership as a sole means of resolving housing disadvantage for Aboriginal peoples in WA ; and
- recommendations for promoting safe, affordable and secure housing for Aboriginal peoples in WA.

The submission focuses primarily on the first two questions posed in the Issues Paper regarding the role of Government in facilitating home ownership and creating better access for Aboriginal peoples to information, education and support leading to home ownership. However, we would like to express disappointment with the framing of the first question in the Issues Paper, which reads:

*How can Government achieve the right balance between facilitating home ownership for Indigenous Australians as an economic opportunity and supporting home ownership as a means to help build individual and social responsibility?*

The question implies that Aboriginal peoples are individually and socially irresponsible and that one of the main purposes of promoting home ownership among Aboriginal peoples is to improve their responsibility by managing a mortgage and complying with local government requirements. We do not consider that home ownership is required as a tool to build social and individual

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<sup>2</sup> The Issues Paper is available online at

[http://www.fahcsia.gov.au/sa/indigenous/pubs/housing/indig\\_home\\_ownership/Pages/default.aspx](http://www.fahcsia.gov.au/sa/indigenous/pubs/housing/indig_home_ownership/Pages/default.aspx), September 2010.

responsibility. We maintain that the situation of Aboriginal housing is largely a result of historical racism and disadvantage against Aboriginal peoples.

Whilst this submission touches on the third and fourth questions related to security of tenure, in-depth analysis of security of tenure on community title lands and valuation methodology of housing in remote communities is outside the expertise of our organisations and beyond the scope of this submission. We recommend that Aboriginal Lands Councils are consulted in relation to these questions.

**Recommendation 2: That the Government conduct specific and thorough consultation with affected communities and Aboriginal Land Councils in relation to questions three and four of the Issues paper.**

### **3. About Shelter WA**

Shelter WA is an independent community based peak organisation that is committed to the principle of safe, secure, appropriate and affordable housing for all people. Shelter WA has operated in WA since 1979 and advocates on behalf of community groups and housing consumers. Shelter WA focuses on people who have low incomes or who are otherwise disadvantaged in the housing market. This includes people who are homeless or who are at risk of homelessness.

Shelter's role is to give an informed and effective voice on housing policy issues based on sound research, collaboration, consultation, representation and research with housing consumers and community based organisations working with housing and related issues by:

- holding regular forums and consultations in response to housing policy and practice issues;
- sitting on government and community sector committees;
- informing and educating through the electronic circulation of regular newsletters, reports and fact sheets which are also made available on our website; and
- promoting housing options for people on low incomes, including social housing (public housing and community housing), affordable housing provided through the private sector, and affordable home ownership.

Shelter WA is committed to the presence and extension of choice in the articulation of Government housing policy and therefore to the availability of a range of housing options for low income and special needs housing consumers.

### **4. About ALSWA**

ALSWA is a community based organisation that was established in 1973. ALSWA aims to empower Aboriginal peoples and advance their interests and aspirations through a comprehensive range of legal and support services throughout WA.

ALSWA aims to:

- deliver a comprehensive range of culturally-matched and quality legal services to Aboriginal peoples throughout WA;

- provide leadership which contributes to participation, empowerment and recognition of Aboriginal peoples as the Indigenous people of Australia;
- ensure that Government and Aboriginal peoples address the underlying issues that contribute to disadvantage on all social indicators, and implement the relevant recommendations arising from the Royal Commission Into Aboriginal Deaths in Custody; and
- create a positive and culturally-matched work environment by implementing efficient and effective practices and administration throughout ALSWA.

ALSWA uses the law and legal system to bring about social justice for Aboriginal peoples as a whole. ALSWA develops and uses strategies in areas of legal advice, legal representation, legal education, legal research, policy development and law reform.

ALSWA is a representative body with 16 executive officers<sup>3</sup> elected by Aboriginal peoples from their local regions to speak for them on law and justice issues. ALSWA provides legal advice and representation to Aboriginal peoples in a wide range of practice areas including criminal law, civil law, family law, and human rights law. ALSWA also provides support services to prisoners and incarcerated juveniles. Our services are available throughout WA via 17 regional and remote offices and one head office in Perth

## 5. Historical Context

The state of housing and infrastructure for Aboriginal peoples in WA is currently in crisis, as it has been for some time.<sup>4</sup> This is especially so in remote communities where overcrowding is rampant and houses are generally in poor condition with a backlog of repairs and maintenance required (one in four requiring urgent attention just to be habitable) and, in many instances, demolition.<sup>5</sup> In addition, rents charged are often so low that community members are ineligible for Centrelink rent assistance, contributing to their disadvantage and poverty<sup>6</sup> and limiting the income generated to Aboriginal Community organisations from the provision of housing such that it is insufficient to provide for maintenance and tenancy services.

As well as terrible housing conditions, many communities lack basic infrastructure that other Australians readily enjoy including access to town water, reliable electricity and gas supplies, sewerage, rubbish collection and bitumen roads. Communities also often lack access to telecommunications such as mobile phones or pay phones, television and free internet such as is provided in local libraries and Telecentres.

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<sup>3</sup> There are two Executive Officers for each of the former eight ATSIC regions (Metropolitan, Central Desert Region, Murchison and Gascoyne Region, Southern Region, Pilbara Region, Goldfields Region, West Kimberley Region and East Kimberley Region). They are elected by Aboriginal peoples every three years.

<sup>4</sup> Solonec, 'Housing for Indigenous Western Australians: Part Two – Indigenous Community Housing' (2008) ILB V7, Issue 5, page 23.

<sup>5</sup> In 2006, 41% of remote Indigenous households in WA were overcrowded: Australian Institute of Health and Welfare, *Indigenous Housing Indicators 2005 – 06* (2007) 57. Steering Committee for the Review of Government Service Provision, *Overcoming Indigenous Disadvantage: Key Indicators 2005*, (2005) Attachment 10A, Table 10A2.2.2; and see Department of Families, Community Services and Indigenous Affairs, *Living in the Sunburnt Country: Indigenous Housing Findings of the Review of the Community Housing and Infrastructure Program* (2007).

<sup>6</sup> Michael Dillon, 'Remote Indigenous Housing in 2020: Visions or Oversight?' (2006) *Public Administration Today*, 14.

**Recommendation 3: That the Government improve infrastructure in remote communities to improve the provision of amenities and economic viability of home ownership in those communities.**

Aboriginal peoples in urban and regional areas fare slightly better, but still face many barriers in securing decent, affordable housing. On 5 June 2009 in WA, 34.2% of Aboriginal peoples in receipt of Centrelink income support and Commonwealth Rent Assistance were paying more than 30% of their income in rent. Alarming, 11.1% in Perth and 7.9% across the rest of the state were paying over 50% of their income on housing costs resulting in extreme housing stress.<sup>7</sup>

The writers understand the above statistics are most likely a significant underestimation of the extent of Aboriginal household rental stress, due to the fact that many Aboriginal people do not claim or receive Centrelink income and/or rent allowance despite being eligible and some may not be able to claim rent allowance due to issues around their tenure such as: informally or temporarily sharing another person's rental tenancy; a person being classified as a boarder or lodger; not receiving rent paid receipts or lease documentation; primary and secondary homelessness. Some aboriginal people live solely with financial and day-to-day support from their families and communities and are hidden to data collection sources such as the Report on Government Services.

## **6. The 'Finding a Place' Inquiry**

Between 1998 and 2002 many claims of discrimination by Aboriginal tenants and applicants against the public housing authority of WA came to the Equal Opportunity Commission (EOC) of WA. As a result the Acting Commissioner of the EOC set up an Inquiry<sup>8</sup> examining the policies and procedures of the Department of Housing and their impact on Aboriginal peoples in the area of public housing and related services, and whether there was indirect discrimination.

The Inquiry found there were many areas where the policy and practice of the Department tended to provide greater difficulties for Aboriginal peoples in either gaining or maintaining tenancies characterised by large families, family violence, poor health, poverty and previous Departmental tenancies. For some Aboriginal peoples regular periods of upheaval due to premature death of relatives, chronic disease and disability, and neighbourhood disputes about cultural issues and obligations unknown to most Australians, added to the above difficulties.

The final report of the Inquiry 'Finding a Place' was released in December 2004. There were 165 recommendations dealing with the wide range of issues which had been identified as affecting Aboriginal peoples' access to public housing or their tenancy once they managed to secure a house.

The first recommendation of the Report was the establishment of an Implementation and Monitoring Committee to oversee the implementation of its recommendations. The inaugural meeting of the Committee was held in 2005, with a broad membership from government and not for profit agencies including Shelter WA and ALSWA.

<sup>7</sup> Report on Government Services 2010. Chapter 16 (Housing) Table 16A:69 and 16A:73 accessed 16 Sept 2010  
[http://www.pc.gov.au/\\_data/assets/excel\\_doc/0004/93973/68-chapter16-attachment.xls](http://www.pc.gov.au/_data/assets/excel_doc/0004/93973/68-chapter16-attachment.xls)

<sup>8</sup> See <http://www.equalopportunity.wa.gov.au/pdf/findingaplace.pdf> and <http://www.eoc.wa.gov.au/> for more information.

Since its inception the Committee met every two months to discuss progress on the implementation of the recommendations and also to monitor other developments within the Department which impact on the provision of housing for Aboriginal applicants and tenants. The EOC Commissioner also established with the Director General Department of Housing in 2005, a process to follow-up on the issues and matters which arose generally in the implementation of the recommendations with bimonthly meetings timed between meetings of the Committee. Senior staff of the Department and project officers of the EOC also attend these meetings.

ALSWA and Shelter WA recommend that the approach taken by the WA EOC as described above be used as a best practice model into investigations regarding housing and providing better housing outcomes for Aboriginal peoples.

**Recommendation 4: That the Governments of each State and Territory undertake an investigation into housing discrimination against Aboriginal and Torres Strait Islander peoples, including structural discrimination, and if confirmed, recommend effective methods to address the discrimination.**

## **7. Survey Results**

In preparing this submission, Shelter WA and ALSWA prepared and conducted a survey on Aboriginal home ownership. The survey was distributed through Shelter WA and ALSWA's networks throughout the state. We received 83 responses, 67 of whom identified as Aboriginal or Torres Strait Islander peoples. Responses were received from the Kimberley (47%), Perth and Peel region (41%), Pilbara (6%), Goldfields (3%), Gascoyne-Murchison (1%), and the South West (4%).

**Attached** to this submission as '**Annexure A**' is a copy of the survey questionnaire.

The living situations among respondents varied as follows:

- 36% owning or purchasing their own home;
- 32% living in a private rental;
- 26% living in public housing;
- 4% living in community housing; and
- almost 6% responded that they were "homeless, live in temporary or crisis accommodation, am staying with friends or family, or am in need of accommodation".

The survey results highlight the range of opinions among Aboriginal peoples about home ownership, the perceived benefits and drawbacks of home ownership, barriers to purchasing a home, and opinions of the role of Government in supporting home ownership.

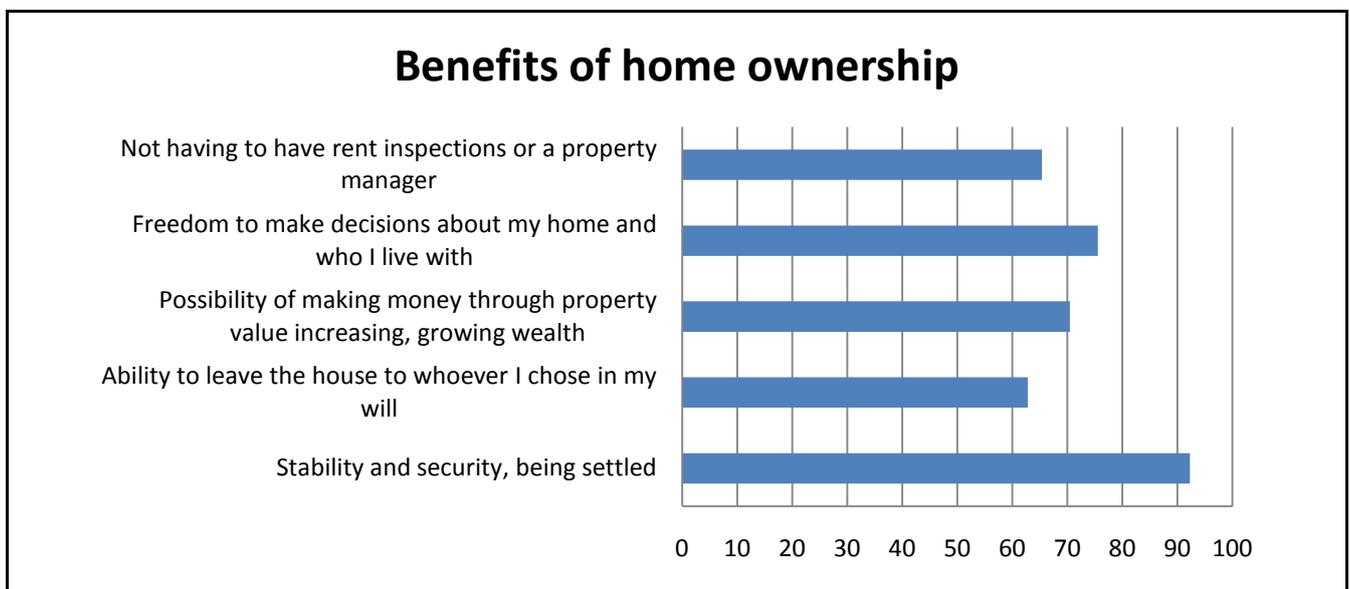
## 7.1 Benefits of home ownership

Respondents identified numerous benefits to home ownership, with 92% of respondents agreeing that “stability and security, being settled” was a benefit of home ownership. The second most popular response was, “freedom to make decisions about my home and who I live with”.

Several respondents offered additional comments about the perceived benefits of home ownership including:

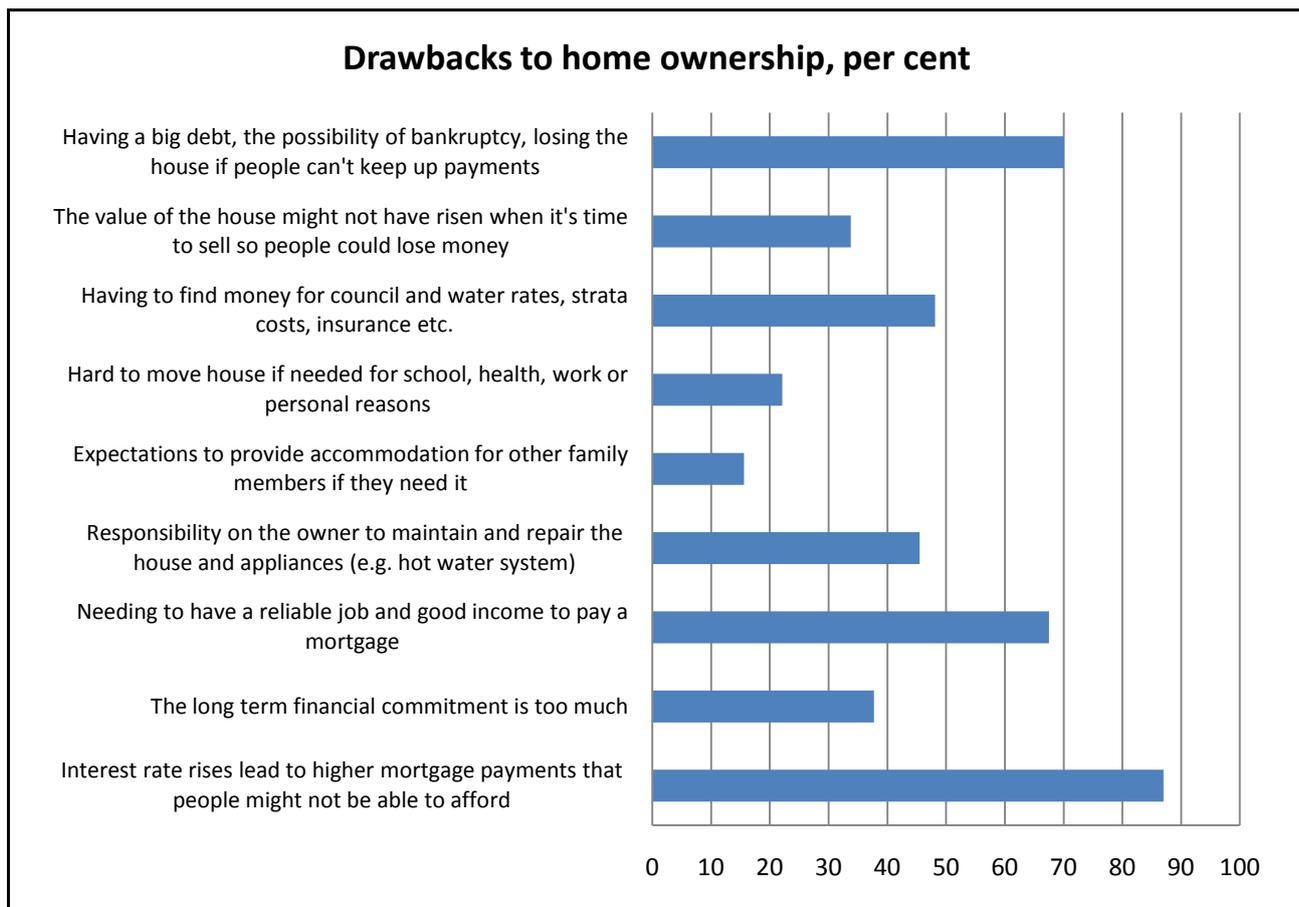
- “having a safe environment for my family”;
- “to be on a level playing field as non-Aboriginal people”;
- “meeting cultural and family responsibilities”; and
- “being a role model for my children to work hard and invest wisely”.

These comments reflect the desire by respondents for safe and secure housing, where they can make their own decisions, meet family obligations and care for family.



## 7.2 Risks of home ownership

Respondents identified several risks to home ownership, with 87% selecting the primary drawback as “interest rate rises lead to higher mortgage payments that people might not be able to afford”. Additional comments included, “restriction to lifestyle and stress about mortgage”, “Indigenous Business Australia (IBA) loans do not allow for refurbishment or additional loans to do the house up” and “Process too long and restrictive”.



### 7.3 Barriers to home ownership

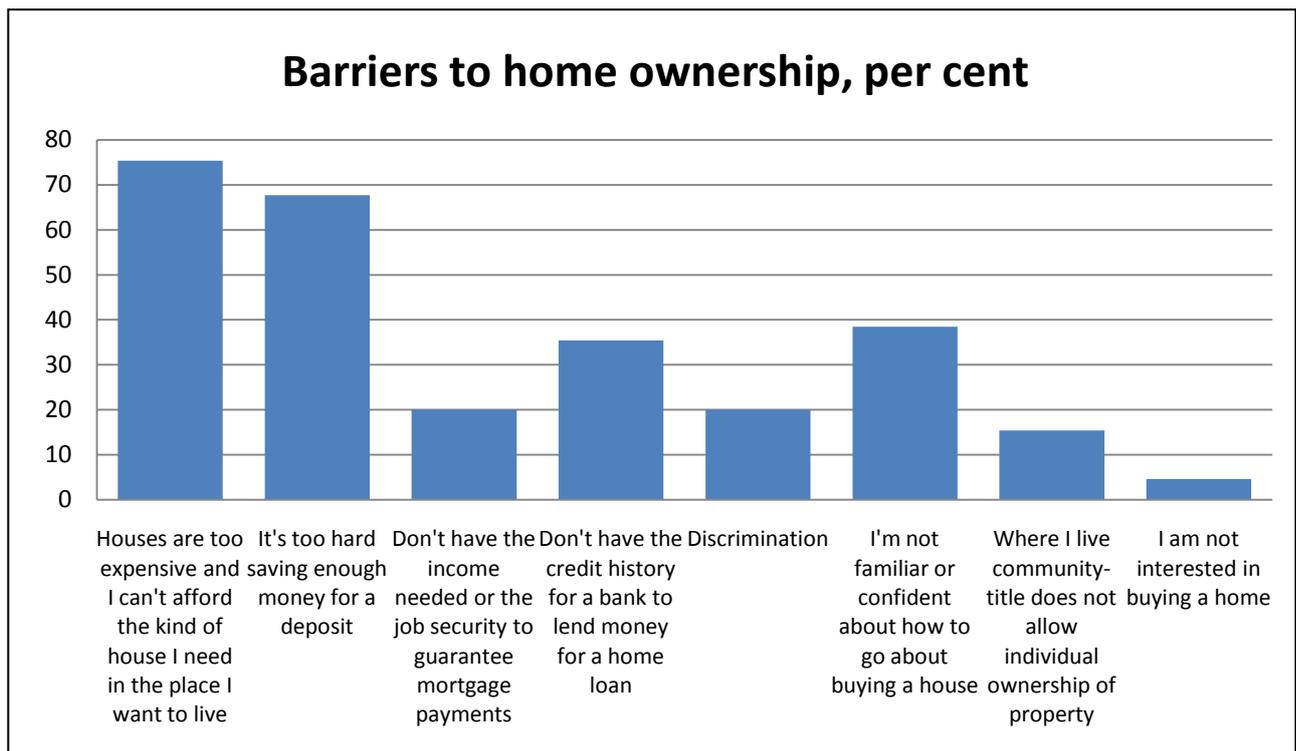
Survey respondents were asked, “If you do not own your own home, what do you believe are the barriers for you to buying a house?” In reply:

- 75% selected that “Houses are too expensive and I can’t afford the kind of house I need in the place I want to live”; and
- 68% selected that “It’s too hard saving enough money for a deposit”.

Both of these responses reflect the affordability crisis across WA, which affects Aboriginal and non-Aboriginal peoples on low and moderate incomes. One respondent commented on the high cost of land in Broome and the barriers this creates to entering the housing market.

**Recommendation 5: That where Aboriginal peoples wish to purchase properties in a particular area due to its cultural or familial significance, subsidies, discounts or other assistance are offered by Government to reduce the market price and improve affordability of the property.**

The graph below illustrates the barriers identified by respondents.



Lack of credit history and lack of knowledge about how to purchase a house also concerned respondents, with 39% saying that they were not familiar or confident about how to go about buying a house and 35% responding that they “don’t have the credit history for a bank to lend money for a home loan”. One person added that they “don't know what to expect or consider when buying and don’t know many people I can talk to about this”. This suggests there is an absence of culturally appropriate financial literacy, counselling and education for Aboriginal peoples interested in purchasing their own home.

**Recommendation 6: That the Government assist in the development of culturally appropriate mortgage advice and financial literacy assistance to Aboriginal peoples.**

**Recommendation 7: That the Government develop culturally appropriate information and educational materials for Aboriginal peoples considering home ownership.**

Eleven respondents said that discrimination was a barrier to home ownership. The types of discrimination included “racism and poverty”, “Aboriginality and place where I want to buy”, and “racial discrimination – unable to obtain a private loan due to being Aboriginal”. Another said, “most Aboriginal people will not be given credit”. The experience and perception of racism are significant for Aboriginal peoples when considering housing options and interacting with financial institutions.

**Recommendation 8: That the Government conduct a national investigation to determine whether racism impacts on the provision of loans to creditworthy Aboriginal peoples by mainstream financial institutions and if this is found to be the case, that processes be developed and implemented to counteract such racism.**

Several respondents mentioned the challenges of raising a family and taking on a mortgage. One person said that having children lowers the amount they could borrow. Another remarked on the challenges of having and maintaining children whilst finding sufficient additional monies to finance their needs.

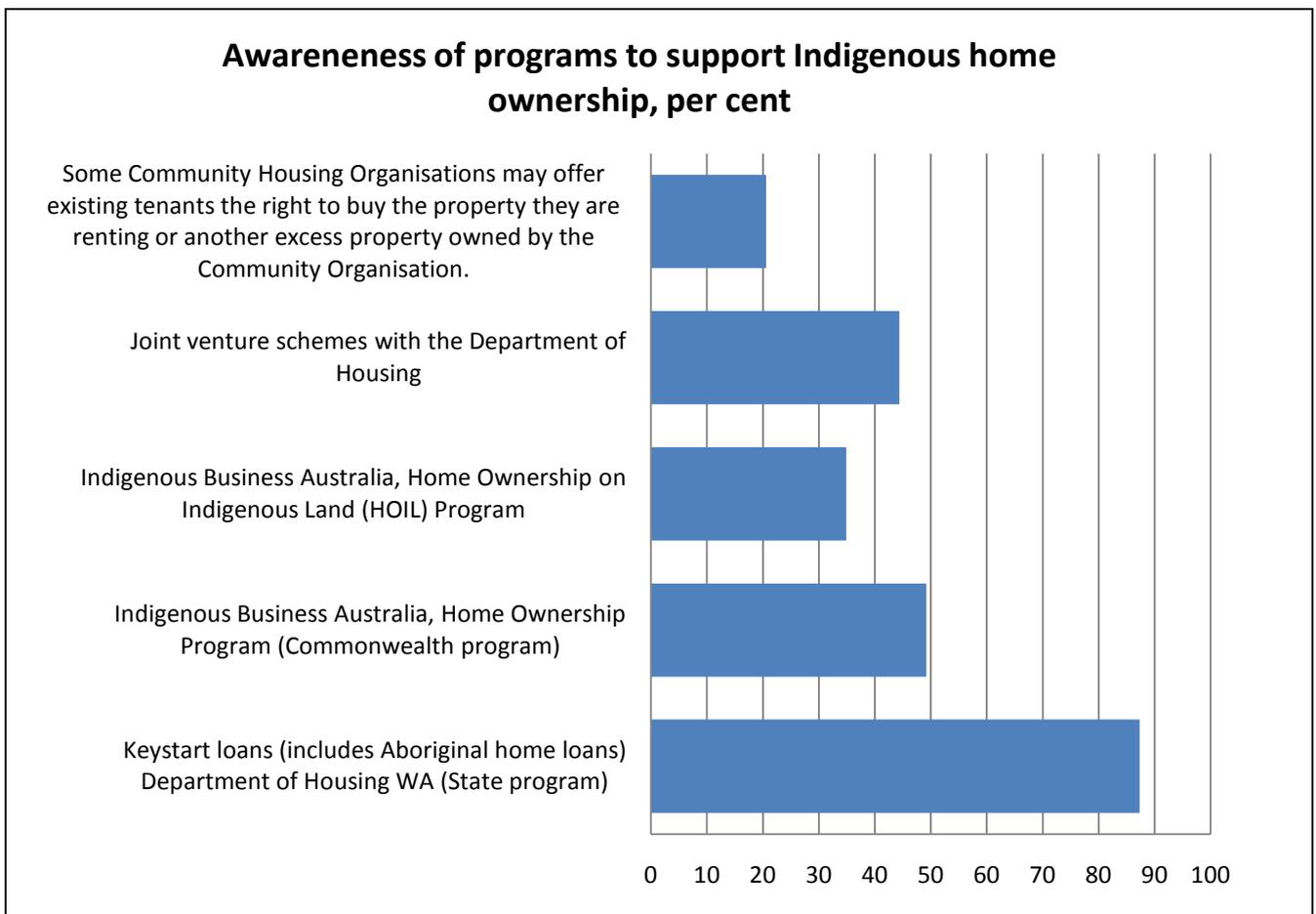
Other respondents identified additional barriers with comments such as “Aboriginal specific loans are only available to low income families and do not allow for individual circumstances e.g. other financial burdens when you have a good job”.

A small 5% of respondents said that they were not interested in buying a home, however one commented that they were “very interested in buying a house”.

#### 7.4 Awareness of programs to support Indigenous home ownership

Respondents expressed their awareness of several programs aimed at promoting Aboriginal home ownership in WA. The graph below demonstrates the level of awareness for each program amongst respondents.

The most common programs that respondents were aware of are the Keystart loans (including the Aboriginal Home Ownership and Shared Equity Schemes).



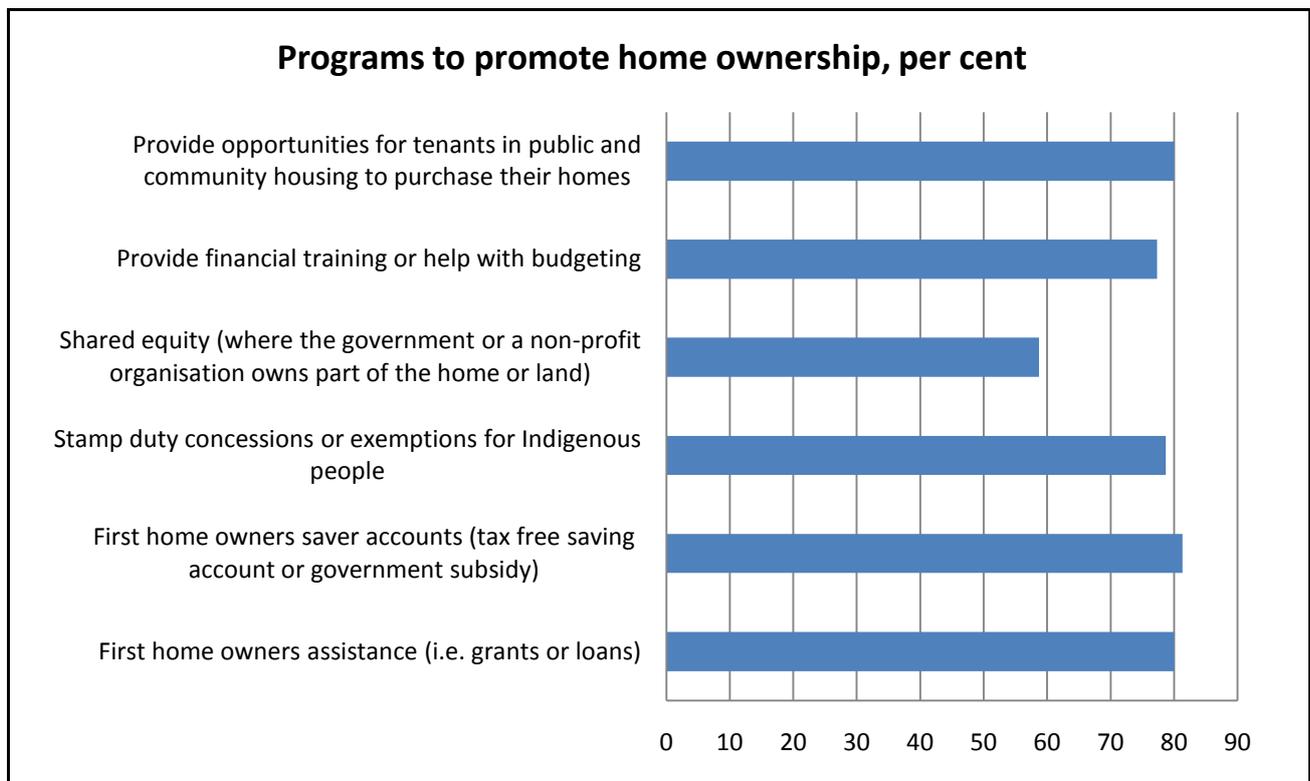
## 7.5 Role of Government in promoting home ownership

Survey respondents identified many ways that the Government could promote home ownership among Aboriginal peoples. Some of these suggestions reflect existing programs and others may involve new programs. The graph below shows the distribution of responses.

Several people commented on additional ways that the Government could promote Aboriginal home ownership including:

- teaching children the basics of economic independence at school;
- offering lower interest rates to Aboriginal peoples than commercial rates;
- putting more money towards Aboriginal wellbeing and making Aboriginal issues more visible in the media etc.;
- having a guaranteed buy back scheme for government or community housing;
- supporting land ownership for Aboriginal peoples looking to buy in their traditional lands;
- providing assistance for single working people to be able to afford a mortgage - such as reduced amounts of payments and having security that if they became unemployed, assistance would be available; and
- allowing longer loan periods that could cross generations e.g. 100 year loan.

**Recommendations 9: That the Government investigate and, where appropriate, adopt the suggestions listed in this submission at 7.7 to promote Aboriginal home ownership.**



## 7.6 Discrimination by financial institutions

Several survey respondents commented on discrimination as a barrier to accessing mortgages. This includes indirect and structural discrimination, such as requirements of proof of savings and

regular income. One way of addressing possible discrimination among financial institutions is to foster Aboriginal leadership within financial institutions. This may encourage more Aboriginal people with moderate incomes to purchase a home in urban and regional areas of WA.

**Recommendation 10: That financial institutions operating in Australia be encouraged to foster more Aboriginal peoples in leadership roles through processes such as Reconciliation Action Plans.**

## 7.7 Other suggestions from survey respondents

Respondents were given the opportunity to make additional comments on Aboriginal home ownership. These comments generally fell into the categories of relationship to land, lack of affordability, economic uncertainty, transitioning from renting to ownership, culturally appropriate training and education, and culturally appropriate designs. Suggestions that were provided by respondents are provided *verbatim* below.

### Relationship to land

- “Aboriginal people should be exempt from land and water rates, mining companies should have shared equity arrangements with Aboriginal employees, to sustain employment.”
- “Nidja Noongar boodjah - nidja Noongar ngullak mia boodjah (This is Noongar country - this is our home country).”
- “Indigenous people are the most disadvantaged peoples in our Australian society, we as a nation need to become more real about closing the gap and promoting equity and opportunity for the people that were here thousands and thousands of years before white people stole the country and claimed it as their own.”
- “Needs to be more accessible so that there is incentive for more Aboriginal families to own their own home. Where this is on an Aboriginal community, any defaults should not be opened up to the wider community to buy houses on Aboriginal community land.”
- “Aboriginal people should not have to pay water and land rates if they have purchased land in their traditional country.”
- “Make all Aboriginal Homeowners exempt from paying rates as it's Aboriginal Land and surely they can get something back from the Government that took away their/our land.”
- “We shouldn't be paying \$300,000 for land if we are from the country where the town is established.”

### Lack of affordability

- “Some programs don't allow for the cost of buying in certain regions making it a barrier, e.g. in Broome the cost of buying is higher, and low to mid income earners are priced out of the market, and the program is not flexible enough to take these factors into consideration.”
- “I would dearly love to buy a house, but I bought one over 20 years ago, and let it go because I was too young and stupid to be able to settle and have the payments made. I regret now giving it back to Homeswest. I am older now and have a good job but do not earn enough money to buy a reasonable house that will see myself out for the rest of my life. Houses and the repayments are far too high. Because I had a home loan all those years ago, it is not possible to get another one.”

### **Economic uncertainty**

- “You can never be sure of your employment stability for instance work laws change all the time.”
- “Issue that can also affect home ownership is loss of income due to illness and no assistance to keep up with mortgage repayments.”
- “I have been working for 10yrs and as a single mother it is just too scary to commit to buying a house and still be financially secure. I want to be able to live and enjoy life and not struggle to pay bills.”
- “Due to my financial capacity and situation and the state of the real estate market I feel that it’s too far out of my reach.”
- “With other loans that are outstanding that you are paying off are you still eligible for a home loan.”

### **Transitioning from renting to ownership**

- “Community or public housing should provide discount off purchase price for amount of years living at property and amount of rent paid to them and taking into account the maintenance if not much has been done to the home.”
- “If tenants lived in their homes for a very long time, Homeswest should give them an opportunity / help them to work out a ways to own that house.”
- “First Home Buyers Scheme with the Indigenous Housing Scheme was helpful in allowing me to purchase my first home.”
- “IBA should commence new loan to customers who have an existing shared equity loan with Keystart, this is to enable each customer to be a 100% owner.”

### **Culturally appropriate training and education**

- “Prepare a two day workshop on the community about ownership.”
- “I believe that Indigenous people like me don't know enough in regards to buying / owning our first home. We don't know who to go to or who to see when we need help finding information.”
- “There should be more information and people coming around the different towns/community promoting and talking with people who want to buy.”
- “More assistance is needed e.g. we don’t understand the jargon if someone assists with the processing and explains in plain English to the potential buyers that would make buying a property less stressful.”
- “The government should be more pro active in letting Indigenous people know what and where they can go for assistance in buying a home.”

### **Culturally appropriate housing design**

- “Housing needs to be developed that also takes into account some cultural beliefs.”

### **Other**

- “Make it easier for Aboriginal people to own [their own] home.”
- “Home ownership should be accessible to all Australians on an equal footing. If you specifically want to increase home ownership amongst Indigenous Australians, this needs to start with education, both schooling and financial PS Home ownership is available to all Australians it is up to them to take responsibility to have on-going employment and financial awareness to be able to achieve their goals.”

- “The benefits of owning one’s own home is a great achievement for Indigenous people so why is it not promoted more often. One or two times not good information.”
- “Public Housing signing people up in communities, then things change you can't have this one stay, you can't add more tenants or move family around.”
- “I think we need to see more indigenous champions in communities spread the word about the benefits of home ownership rather than it coming from Government. We need to know and see our people are doing this successfully.”
- “The Real Estate Industry should be encouraged to assist in the Closing the Gap initiatives for Indigenous peoples.”
- “I know some may say unfair however Indigenous home ownership needs to be made a priority and needs to be made easier, cheaper and accessible for Aboriginal Australians. There continues to be unfairness in the community arena in regards to Aboriginals such as 'Closing the Gap' therefore IHO needs to be addressed and immediately.”

## **8. Urban and Regional Areas**

We support Government assistance and support for increased home ownership by Aboriginal peoples in urban and regional areas where freehold land is already established, and in the investigation of home ownership models for community owned land where individual freehold is not active.

As with non-Aboriginal peoples, home ownership in urban and regional areas can enable significant social and economic improvement and independence for Aboriginal peoples. As demonstrated by the survey results, many Aboriginal peoples value the benefits of home ownership such as the stability and security it offers and the capacity to make decisions about the home and its occupants. Given the complex cultural and familial obligations of some Aboriginal peoples, the autonomy provided through home ownership can remove a layer of complication from compliance with commitments and responsibilities.

Where it is appropriate, home ownership can also contribute to addressing inter-generational poverty amongst Aboriginal peoples through the ownership of a valuable asset and, where successfully supported, can reduce housing stress associated with potential eviction or homelessness. However, for the benefits of home ownership to be fully realised, it is imperative that programs exist to educate Aboriginal peoples about home ownership and the obligations it entails and culturally appropriate support is available to assist Aboriginal peoples meet these obligations where necessary.

Aboriginal peoples considering home ownership in urban and regional areas face significant hurdles in accessing and maintaining home ownership including the shortage of affordable housing, an inadequate supply of social housing, growing house prices, poverty, discrimination and complex extended family structures and obligations. To overcome these barriers, we recommend that culturally appropriate programs are developed for credit, subsidies, financial support and counselling and assistance with ongoing responsibilities involved in the management of housing, including repairs and maintenance.

Although we support Aboriginal home ownership in urban and regional centres, home ownership will not be appropriate for all. We caution against extending credit to people who do

not have the means to make the necessary payments. The disastrous outcome of such a system in the United States of America (USA) (with the addition of the sub-prime mortgage market) is clear. Extending credit to low income people who cannot afford to service a loan of the size necessary to secure appropriate housing, without providing them with the tools and resources they need to repay the loan, sets them up for failure.

**Recommendation 11: That the Government, in collaboration with Aboriginal peoples and communities, develop culturally appropriate programs to assist interested Aboriginal peoples to purchase housing. These programs may include credit and mortgage broking, subsidies, financial planning, counselling, support and other forms of assistance to meet the ongoing financial and other responsibilities involved in home ownership, including planning for necessary repairs and maintenance.**

## 9. Remote Communities

Aboriginal housing in remote communities requires a different approach for many reasons, including the following:

- Remote communities operate in a closed housing market, where on-sale opportunities are limited and the cost of building a house is significantly higher than it would be in an urban or regional centre. Additionally, this extra cost is unable to be reflected in the 'market value' of the house which is dependent on various other factors including amenity, community facilities and proximity to services.
- There are serious concerns about applying a model of home ownership based on land and housing values increasing over time that may not apply in remote communities.
- For households reliant on Centrelink payments, taking on significant debt without the ability to pay for it will set people up for downward spiralling financial hardship, increasing debt and potential bankruptcy.
- There are likely to be higher costs in maintaining housing in remote communities because of the distance from regional centres where tradesman and services operate from, the harshness of environmental conditions and because existing housing stock may be old and under-maintained over a long period.

One of the major barriers to private home ownership in remote communities is the legal nature of community-title land. Shelter WA and ALSWA do not support transferring community-title land to individual free hold land in order to promote individual home ownership. Such transfers would dilute community-title, native title interests and communities' rights to self-determination, and would remove the strength of land held in perpetuity for the benefit of the local peoples.

We also have concerns that in promoting home ownership in remote communities, the Government may be off-loading poor housing stock at the end of its useful life and abnegating its responsibilities to support adequate housing for Aboriginal peoples.

Home ownership, as practiced in much of non-Aboriginal Australia, is based on individual, capitalist ideology that promotes personal wealth and accumulation. These ideals are not consistent with the belief structure of some Aboriginal communities for whole of community well being and shared ownership. When applying home ownership to remote communities on community-title land, the community in question would have to address how home ownership fits with communal living, joint ownership and whole of community self-determination.

A recent report by Memmet et al. on Aboriginal home-ownership on community title lands found that Aboriginal peoples interviewed for their study aspire to home ownership similar to non-Aboriginal peoples. It found that the primary motivation of Aboriginal home owners is intergenerational asset building for future generations and housing security.<sup>9</sup> The report articulates some of the challenges of creating housing markets in closed communities and the need for a support agency for Aboriginal home ownership. One suggestion in the report is that for home ownership on community title lands, a safety net is required so that a dwelling, on mortgage default can change status to become one of a community rental property and provide security of rental tenure.

## **10. National Shelter Policy Statement**

Shelter WA and ALSWA support the National Shelter Policy Statement: 'A Way Forward for Housing Indigenous Peoples in Australia', issued in August 2010. The Policy Statement was the result of a forum on Indigenous Housing convened by National Shelter, in which Shelter WA staff, representatives from a Community Housing organisation (Agencies for South West Accommodation) and an ALSWA representative participated and reflects the input of every State and Territory Shelter (apart from Victoria), and key representatives from Aboriginal community housing organisations throughout Australia. The statement highlights the position of both Shelter WA and ALSWA that home ownership is just one way, and perhaps not the most important way, to address the unmet housing needs of Aboriginal people in the current housing market.<sup>10</sup>

The National Shelter policy statement is **attached** to this submission as '**Annexure B**'.

## **11. Initiatives to support Aboriginal home ownership**

There are several mechanisms available to promote home ownership among Aboriginal peoples, where appropriate. Some of these are in operation while others have not yet been applied in Australia.

### **11.1 Community Title Lands**

As stated above, in-depth discussion on community title land is beyond the scope of this submission, however Shelter WA and ALSWA recommend that extensive consultation occur between the Government, affected communities and Aboriginal Land Councils to explore shared

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<sup>9</sup> Memmet, P., Moran, M., Birdsall-Jones, C., Fantin, S., Kreutz, A., Godwin, J., Burgess, A., Thomson, L. and Sheppard, L. *Indigenous home-ownership on community title lands*, AHURI Final Report No.139, November 2009.

<sup>10</sup> The full policy statement can be found here: <http://www.shelter.org.au/archive/rpt1008indigenouhousing.pdf> [Accessed 14 September 2010].

ownership, land rent and leasing models, superficial research into internationally successful models enabling home ownership on community title land was undertaken for this submission and a brief outline of international models follows.

As mentioned in the Issues Paper, one mechanism to promote home ownership on community title land is a community land trust. A community land trust is usually a non-profit organisation that acquires, owns and stewards land so that it is used for benevolent purposes for the long term and often in perpetuity. Housing on the land can be owned individually or collectively, but the dwelling owner has no interest in the land underneath the premises. By holding the land in perpetuity, housing that is built and offered on the land can be made more affordable both to purchase and to rent. Community land trusts exist in the USA and United Kingdom (UK) in a number of forms. In a Shelter brief, Johnston explains:

“The distinctive contributions that the community land trust approach makes to housing affordability is in taking the cost of the land – a significant cost in its own right and the major force impacting on the price of a dwelling in tight housing markets – out of the equation for a prospective owner-occupier or non-profit provider of rental housing, and further, expansively acquiring land to build up a bank of land that is outside normal market processes.”<sup>11</sup>

Key features of a community land trust are:

- non-profit tax exempt corporation;
- dual ownership;
- leased land;
- perpetual affordability and responsibility;
- open;
- place-based membership;
- community control;
- tripartite governance;
- expansionist acquisition of land; and
- flexible development.<sup>12</sup>

Some models of community lands trusts that exist in New Zealand, the USA and Canada may be relevant for Australia, adapted to the local context. Community land trusts may allow Aboriginal peoples to purchase their own home, individually or collectively, without compromising the communally-held title to land.

- In New Zealand, Papakainga loans are available for building or buying dwellings on Māori land held in multiple ownership. The loan is secured over the dwelling only, not the land. The homeowner must have the agreement of all landowners, or trustees if the land is administered by a trust.
- In the USA, the Indian Home Loan Guarantee Program is a mortgage product specifically for American Indian and Alaska Native families and organisations on native lands and within an approved Indian area.

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<sup>11</sup> Johnston, Craig, Community land trusts: what are they?, Shelter Brief 39, June 2009, p.19.

<sup>12</sup> John E. Davis, Starting a community land trust: organizational and operational choices, Burlington Associates in Community Development, Burlington VT, 2007

- In Canada, Indian and Northern Affairs Canada guarantees loans ('ministerial loan guarantees') for financing for projects, including housing, on First Nation reserves.<sup>13</sup>

The IBA Home Ownership on Indigenous Land program may operate in a similar fashion, but it is not widespread.

Community land trusts can also work in urban and regional settings in order to make housing more affordable for Aboriginal peoples and to retain a community focus on housing. Indeed, many of the examples of community land trusts in the USA are in urban settings.

**Recommendation 12: That the Government research the operation of Community Land Trusts in other jurisdictions and consult with Aboriginal communities and Land Councils to determine whether a similar model would be appropriate for implementation in Australia.**

## 11.2 Keystart and the Aboriginal Home Ownership Scheme<sup>14</sup>

The Aboriginal Home Ownership Scheme ('the Scheme'/'AHOS') has assisted approximately 4,500 West Australian Aboriginal households into home ownership state wide since 1995. This figure includes only people who identify as Aboriginal and apply for the Indigenous specific, targeted loan product. Keystart have advised that they believe a significant number of Aboriginal home purchasers access generic Keystart loans and shared equity products without necessarily identifying as Indigenous. Keystart is currently investigating their records to attempt enumeration of the numbers of Aboriginal peoples who have accessed generic Keystart products apart from the targeted Aboriginal specific product.

The AHOS Scheme is available to individuals and couples who meet the income eligibility criteria, have no outstanding debts with the Department of Housing or essential service providers, nor a significantly poor credit history or other bad debt which may compromise their ability to repay a mortgage. Keystart and the AHOS are not available for properties on land that is not freehold title. The Scheme allows participants to pay a (reduced) two percent deposit, compared to the ten percent required for other Keystart products.

The Scheme also provides a safety net for mortgagees who experience hardship such as job loss, bereavement, marriage separation, illness or disability. The safety net allows loan repayments to be renegotiated to a minimum during the period of hardship.

The Scheme is maintained with key principles of being run by Aboriginal peoples, for Aboriginal peoples and with Aboriginal people's wellbeing as paramount.

It is understood that other Australian States and Territories have looked at introducing programs similar to the Western Australian AHOS and Keystart Schemes, which are acknowledged as innovative and unique models nationally.

<sup>13</sup> Johnston, Craig, *Community land trusts: what are they?* Shelter Brief 39, June 2009, p.20.

<sup>14</sup> The information included in this section was provided by Robert Isaacs, Manager of Social Lending from Keystart. For further information about Keystart, see [www.keystart.com.au](http://www.keystart.com.au).

### 11.3 Shared Equity Schemes

A shared equity model allows consumers to share the capital cost of purchasing a home with the Government or other institution.<sup>15</sup> This reduces the initial and ongoing costs associated with purchasing property and enables entry into the housing market for people who may otherwise have been prohibited due to limited resources. Although the home owner maintains exclusive possession and occupancy of the property, there are obligations for the property to be maintained as a viable asset. At the point of sale, the equity is shared according to the respective proportionate contributions to the cost of purchasing the property of the individuals and the government or other institution. We support the expansion of shared equity schemes in WA such as Keystart Shared Equity Home Loans. There is also scope for such schemes to be offered by private financial institutions, especially where the housing market is strong, such as in urban areas. Shared equity is a win-win model because it provides economic benefits for both the individual purchasers and the Government or financial institutions that contribute.

**Recommendation 13: That the Government support the expansion of existing shared equity schemes and the development of similar schemes with private financial institutions for the benefit of Aboriginal people.**

### 11.4 The 'Sweat Equity' Model

Another model that has been successful in facilitating home ownership among low and moderate income households is based on prospective home owners participating in the construction of their home. For example, Habitat for Humanity in Australia provides families with a low interest loan and volunteers help with planning and construction. The family gives 500 hours of 'sweat equity', participating in the construction of their home, and pays back the loan at a low interest rate, which is then used to extend credit to another family.<sup>16</sup> The loans are able to be offered at a more favourable rate than a commercial loan because of the use of volunteer labour and 'sweat equity' by home buyers. In 2007, Habitat for Humanity in Canada developed a program to partner with Indigenous community organisations to build homes using this model for Indigenous peoples. There is a branch of Habitat for Humanity in WA, although it is relatively new. Expanding such a model may be useful for some Aboriginal peoples interested in purchasing their own homes in WA, and willing to contribute labour into constructing the property.

**Recommendation 14: That the Government assist and promote the operation of Habitat for Humanity in Australia for Aboriginal peoples or develop a similar scheme for Aboriginal people to reduce the cost of entering home ownership through manually contributing to the construction of their houses.**

### 11.5 Community based maintenance organisations

Shelter WA and ALSWA recommend embedding job training and skills development in any program designed to support home ownership. In remote and regional settings, the cost and

<sup>15</sup> Pinnegar, S. et al, *How can shared equity schemes work to facilitate home ownership in Australia?* AHURI Research & Policy Bulletin Issue 124 February 2010.

<sup>16</sup> For more on Habitat for Humanity, see [www.habitat.org.au](http://www.habitat.org.au) [Accessed 14 September].

responsibility of maintaining houses is exacerbated by the geographic isolation of communities and is likely to prove a drawback to home ownership. To address this and the limited employment opportunities in communities, we encourage government investment in small community owned and operated businesses designed to support home maintenance. Providing skills development, job training and support for trades people such as plumbers, electricians, carpenters and glaziers will result in increased community employment, stability and pride. These initiatives will reduce barriers to Aboriginal home ownership in remote locations and strengthen community capacity while simultaneously lowering maintenance and associated costs by enabling local community members to provide necessary services to repair and maintain housing, without high travel costs, visiting and site call out fees.

**Recommendation 15: That the Government encourage, support and promote local community based and not-for-profit organisations that employ train and enable local Aboriginal peoples to perform housing maintenance work in their communities, prioritising Aboriginal community organisations.**

### **11.6 Subsidised maintenance**

Due to the poverty faced by Aboriginal peoples, particularly in remote and regional areas, unless maintenance services as described in 11.5 above are subsidised or provided free of cost, they are unlikely to be affordable to home owners or be able to be provided economically by businesses wishing to remain viable.

Home maintenance assistance is subsidised and provided for seniors, people recovering from serious illness and people with disabilities through the Home and Community Care Scheme and Commonwealth Health and Ageing programs. Such services could be broadened and extended to new and existing Aboriginal home-owners in need.

**Recommendation 16: That Aboriginal peoples who are purchasing property be provided with support and education to access subsidised maintenance services, and where these services do not exist locally, efforts are undertaken to develop appropriate, locally-based maintenance services.**

### **11.7 Flexible credit arrangements**

In addition to supporting people in their commitment to purchase a home, support is required in retaining the home once bought. This may be achieved through the provision of flexible lending tools which would allow for reduced or suspended payments, as needed. This may be necessary in times when a family experiences health problems, job losses or need to travel for a funeral or other personal or cultural reasons.

**Recommendation 17: That the Government provide incentives to encourage financial institutions to develop credit arrangements for Aboriginal peoples which include culturally appropriate hardship provisions, such as the Keystart safety net.**

### **11.8 Consolidation of credit and associated property costs**

As identified from the survey results, the provision of financial training and budgeting is a priority amongst potential Aboriginal home owners. Given that mortgages only include the cost of the house, not associated costs such as council rates, water and sewerage rates, many new home owners, including Aboriginal people, falter with associated costs of home ownership. Planning for big expenses is often difficult for new home owners, and by consolidating anticipated costs and overheads, then spreading the necessary payments over a year or other suitable period, a new home owner may be less likely to fall into arrears when large sums of infrequent expenditure are required in addition to the regular mortgage payment, novice home owners on a limited budget may be better able to consistently and reliably make all their payments.

Ensuring monies are available for payments associated with home ownership, without additional burden to the home owner, through financial packages such as a saving account alongside the mortgage and surplus payments and redraw facilities, may assist new Aboriginal home owners.

### **11.9 Provision of regionally appropriate home ownership information**

Aboriginal peoples interested in home ownership need access to information about the housing market and the process of buying a house in their desired location. This information should be accurate, reliable and provided in a culturally appropriate manner. Valuation growth assumptions and re-sale projections that may be relevant for urban areas must not be extrapolated into locations where these factors are unlikely.

## 12. Conclusion

Access to adequate housing is a human right. In a wealthy country such as Australia, all people should have access to safe, affordable housing and have some security of tenure and consumer protections. Sadly, Aboriginal peoples in WA, particularly those in remote communities, are often unable to access such housing. It is imperative that the Government develop and implement a national Aboriginal housing strategy that improves outcomes for Aboriginal peoples across all forms of housing tenure.

Aboriginal peoples have lower rates of home ownership than other Australians. Home ownership offers many benefits, particularly to Aboriginal peoples who often lack security and stability in rental markets as a result of systemic discrimination and competing cultural and institutional obligations. Promoting and supporting home ownership amongst Aboriginal peoples, particularly in urban and regional areas where freehold land is already established, is likely to engender significant improvements in lifestyle as a result of the empowerment, autonomy and independence associated with home ownership.

Based on the results of our survey, many Aboriginal peoples are interested in home ownership. Aboriginal peoples should be advised of the options and obligations relating to home ownership so as to be able to make informed decisions about their capacity to pursue this form of tenure. Where appropriate, based on individual circumstances and inclinations, Aboriginal peoples should be encouraged and supported by the Government in attaining home ownership through a myriad of schemes, subsidies, education programs, maintenance arrangements and credit and equity models.

Aboriginal peoples must also be involved in decision-making processes about decisions affecting them, including the development and delivery of programs to ensure they are culturally appropriate and meaningful to Aboriginal peoples. The Government is reminded of its commitment to the rights of Aboriginal peoples through its support of the United Nations Declaration on the Rights of Indigenous Peoples in 2008, which provides a suitable framework for respecting and promoting the rights of Aboriginal peoples.

It is important to recognise however, that home ownership in remote locations differs vastly from home ownership in urban or regional settings. Consequently, the Government is encouraged to consult with Aboriginal peoples, communities and Land Councils to determine the appropriateness of encouraging individual home ownership in remote communities and models and initiatives which may facilitate home ownership in these locations. Should home ownership not be suitable to the culture and constitution of some remote Aboriginal communities, the Government is respectfully reminded of its obligation to ensure access to safe, secure and affordable housing for residents of these communities. Of paramount importance are the conditions in which people live and their ability to exercise self determination and gain positive health, education, employment and wellbeing outcomes, irrespective of tenure arrangements.

### **13. Recommendations**

1. That the Government develop and implement a national Aboriginal housing strategy aimed at improving housing outcomes for Aboriginal peoples across all forms of housing tenure.
2. That the Government conduct specific and thorough consultation with affected communities and Aboriginal Land Councils in relation to questions three and four of the Issues paper.
3. That the Government improve infrastructure in remote communities to improve the provision of amenities and economic viability of home ownership in those communities.
4. That the Governments of each State and Territory undertake an investigation into housing discrimination against Aboriginal and Torres Strait Islander peoples, including structural discrimination, and if confirmed, recommend effective methods to address the discrimination.
5. That where Aboriginal peoples wish to purchase properties in a particular area due to its cultural or familial significance, subsidies, discounts or other assistance are offered by Government to reduce the market price and improve affordability of the property.
6. That the Government assist in the development of culturally appropriate mortgage advice and financial literacy assistance to Aboriginal peoples.
7. That the Government develop culturally appropriate educational materials for Aboriginal peoples considering home ownership.
8. That the Government conduct a national investigation to determine whether racism impacts on the provision of loans to creditworthy Aboriginal peoples by mainstream financial institutions and if this is found to be the case, that processes be developed and implemented to counteract such racism.
9. That the Government investigate and where appropriate adopt the suggestions listed in this submission at 7.7 to promote Aboriginal home ownership.
10. That financial institutions operating in Australia be encouraged to foster more Aboriginal peoples in leadership roles through processes such as Reconciliation Action Plans.
11. That the Government, in collaboration with Aboriginal peoples and communities, develop culturally appropriate programs to assist interested Aboriginal peoples to purchase housing. These programs may include credit and mortgage broking, subsidies, financial planning, counselling, support and other forms of assistance to meet the ongoing financial and other responsibilities involved in home ownership, including planning for necessary repairs and maintenance.
12. That the Government research the operation of Community Land Trusts in other jurisdictions and consult with Aboriginal communities and Land Councils to determine whether a similar model would be appropriate for implementation in Australia.
13. That the Government support the expansion of existing shared equity schemes and the development of similar schemes with private financial institutions for Aboriginal peoples.

14. That the Government assist the operation of Habitat for Humanity in Australia for Aboriginal peoples or develop a similar scheme for Aboriginal peoples to reduce the cost of entering home ownership through manually contributing to the building of their houses.
15. That the Government encourage, support and promote local community based and not-for-profit organisations that employ train and enable local Aboriginal peoples to perform housing maintenance work in their communities, prioritising Aboriginal community organisations.
16. That Aboriginal peoples who are purchasing property be provided with support and education to access subsidised maintenance services, and where these services do not exist locally, efforts are undertaken to develop appropriate, locally-based maintenance services.
17. That the Government provide incentives to encourage financial institutions to develop credit arrangements for Aboriginal peoples which include culturally appropriate hardship provisions, such as the Keystart safety net.

**SHELTER WA  
AND THE  
ABORIGINAL LEGAL SERVICE OF WESTERN AUSTRALIA (INC.)  
(ALSWA)**

Joint Submission to the Australian Government,  
Department of Families, Housing, Community Services and  
Indigenous Affairs (FaHCSIA)

## **Aboriginal Home Ownership**

### **Annexure A Shelter WA Indigenous Home Ownership Survey**



## Shelter WA Survey Indigenous Home Ownership

Shelter WA is developing a submission to FAHCSIA regarding Indigenous home ownership. You can read the [issues paper on the FACHSIA website](#). The 2006 Australian Census identified that rates of homeownership are far lower among Indigenous households (36%) than non-Indigenous households (69%). Shelter WA is seeking input from Indigenous people in WA about their views on home ownership and the best ways for the government to support Indigenous people who want to buy their own homes. The survey takes less than 10 minutes.

**1. Do you identify as an Indigenous Aboriginal or Torres Strait Islander Australian?**

- Yes
- No

**2. Please tick the box that applies to your current living situation.**

- I am buying or own my own home
- I rent from a private landlord or real estate agent
- I rent from a community housing organisation (eg Access or Foundation Housing)
- I live in public rental housing (eg Homeswest / Department of Housing)
- I am homeless, live in temporary or crisis accommodation, am staying with friends or family, or am in need of accommodation
- Other (please tell us your living situation) \_\_\_\_\_

**3. Where do you live?**

- Perth and Peel metropolitan areas
- Pilbara
- Kimberley
- Gascoyne-Murchison
- South West
- Wheatbelt
- Goldfields
- Not in Western Australia

**4. What do you believe are the benefits to home ownership? Tick all that apply.**

- Stability and security, being settled
- Ability to leave the house to whoever I choose in my will
- Possibility of making money through property value increasing, growing wealth
- Freedom to make decisions about my home and who I live with
- Not having to have rent inspections or a property manager
- Other (specify) \_\_\_\_\_

**5. What do you believe are the drawbacks to home ownership? Tick all that apply.**

- Interest rate rises lead to higher mortgage payments that people might not be able to afford
- The long term financial commitment is too much
- Needing to have a reliable job and good income to pay a mortgage
- Responsibility on the owner to maintain and repair the house and appliances (e.g. hot water system)
- Expectations to provide accommodation for other family members if they need it
- Hard to move house if needed for school, health, work or personal reasons
- Having to find money for council and water rates, strata costs, insurance etc.
- The value of the house might not have risen when it's time to sell so people could lose money
- Having a big debt, the possibility of bankruptcy, losing the house if people can't keep up payments
- Other (specify) \_\_\_\_\_

**6. If you do not own your home, are you interested in home ownership? (If you own your home, skip this question.)**

- Yes
- No. Please explain why not \_\_\_\_\_

**7. What do you believe are the barriers for you to buying a house? (If you own your home, skip this question.)**

- Houses are too expensive and I can't afford the kind of house I need in the place I want to live
- It's too hard saving enough money for a deposit
- Don't have the income needed or the job security to guarantee mortgage payments
- Don't have the credit history for a bank to lend money for a home loan
- Discrimination. Please identify what kind \_\_\_\_\_
- I'm not familiar or confident about how to go about buying a house
- Where I live community-title does not allow individual ownership of property
- Other (specify) \_\_\_\_\_
- N/A

**8. Are you aware of the following programs to support Indigenous homeownership?**

- Keystart loans (includes Aboriginal home loans), Department of Housing WA (State program)
- Indigenous Business Australia, Home Ownership Program (Commonwealth program)
- Indigenous Business Australia, Home Ownership on Indigenous Land (HOIL) Program
- Joint venture schemes with the Department of Housing
- Some Community Housing Organisations may offer existing tenants the right to buy the property they are renting or another excess property owned by the Community Organisation. Conditions apply.

**9. What else do you think the government should do to promote homeownership among Indigenous people? Tick all that apply.**

- First home owners assistance (i.e. grants or loans)
- First home saver accounts (tax free saving account or government subsidy)
- Stamp duty concessions or exemptions for Indigenous people
- Shared equity (where the government or a non-profit organisation owns part of the home or land)
- Provide financial training or help with budgeting
- Provide opportunities for tenants in public and community housing to purchase their homes
- Other (specify) \_\_\_\_\_

**10. Do you have any additional comments regarding Indigenous home ownership?**

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**11. Shelter WA works with advocacy groups and individuals to promote appropriate, accessible, affordable and secure housing. Would you like to become a member of Shelter WA?**

- Yes, please contact me about becoming a member. *There is no membership fee for individuals with income less than \$30,000. Membership fee is \$20 for individuals with income over \$30,000.*
- No, thanks.

**12. Your contact details (optional)**

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**SHELTER WA  
AND THE  
ABORIGINAL LEGAL SERVICE OF WESTERN AUSTRALIA (INC.)  
(ALSWA)**

Joint Submission to the Australian Government,  
Department of Families, Housing, Community Services and  
Indigenous Affairs (FaHCSIA)

## **Aboriginal Home Ownership**

**Annexure B**     ***‘A Way Forward for  
Housing Indigenous  
Peoples in Australia’  
National Shelter Policy  
Statement, August 2010***





## A Way Forward for Housing Indigenous Peoples in Australia

### National Shelter Policy Statement

August 2010



Above: Attendees at the National Shelter Indigenous Housing forum included representatives from every State and Territory Shelter apart from Victoria, and key representatives from Indigenous community housing organisations throughout Australia

# Summary

## Background

The Australian Institute of Health and Welfare identifies an alarming shortage of housing for Indigenous<sup>1</sup> households, with 20,000 extra dwellings needed to meet the immediate housing needs of these households.<sup>2</sup> In addition to this need, Indigenous peoples are disadvantaged in all sectors of the housing market including home ownership, private rental accommodation, public rental accommodation, community housing and homelessness.

This has sparked international concern. The United Nations Special Rapporteur on adequate housing remarked in 2006 that he was “particularly disturbed” by the adverse housing conditions he observed in Indigenous communities in Australia, describing it as a “humanitarian tragedy”.<sup>3</sup> The Special Rapporteur observed that a lack of affordable housing, lack of appropriate support services, overcrowding, significant levels of poverty, a lack of culturally appropriate housing and underlying discrimination are all factors that contribute to the severe housing crisis.<sup>4</sup> He found the absence of adequate and comprehensive participation processes for Indigenous communities in decision-making to be the “most disturbing” element of the crisis.<sup>5</sup>

The recent Commonwealth allocation of resources to expand the supply of housing, particularly in remote communities, is long overdue, but falls well short of meeting the need. A disturbing element of the reforms is that rather than heeding the Rapporteur’s call to provide adequate and comprehensive participation processes for Indigenous communities, delivery of Indigenous housing is increasingly being taken out of Indigenous hands, leading to an increased risk of inappropriate housing design, delivery and management. There is also an absence of advocacy bodies specifically for Indigenous housing and no peak Indigenous housing body in Australia.

## Goal

To provide effective responses in the Indigenous and mainstream housing systems to meet the critical and dire housing need of Indigenous peoples and assist in overcoming the barriers they face to housing, while simultaneously promoting self-determination and capacity of Indigenous peoples to manage their own housing.

## Key Points

1. More resources need to be urgently directed to producing the needed 20,000 dwellings.
2. Indigenous community housing providers must be supported to play a central role in meeting this need, and in developing the skills and ability to continue meeting the housing needs of Indigenous peoples into the future.
3. Indigenous peoples need to be closely involved in all aspects of the response, from developing high level Indigenous housing policy to on the ground housing and service delivery and management.
4. Mainstream government and community housing providers need to genuinely engage with Indigenous peoples to develop appropriate housing and support models in order to address issues of overcrowding and sustain tenancies.
5. Programs need to be developed to support Indigenous peoples to better access the housing market, including home ownership and private rental, and to address discrimination.
6. To ensure that Key Points 1 to 5 are achieved in a way that is respectful of Indigenous people's human rights and fosters self determination, governments need to support and adequately resource the establishment of an Indigenous owned and controlled National Indigenous Housing body.

# Full Statement

## Introduction

On 26 and 27 July 2010 representatives from Indigenous and mainstream housing organisations and peak bodies met in Brisbane under the auspices of National Shelter. The meeting included delegates from all States and Territories, except Victoria.

The purpose of the gathering was to discuss a range of housing issues facing Indigenous peoples and to develop possible solutions to those issues. This included improving access to housing, increasing the supply of housing, sustaining tenancies and maximising the involvement of Indigenous peoples in the development and ongoing management of Indigenous housing. This report provides a summary of the issues discussed and the resolutions of the delegates.

## Background

The meeting discussed a range of background material, including a background paper prepared beforehand by National Shelter and presentations during the meeting by Rhonda Phillips from the Australian Housing and Urban Research Institute, and Eddy Bourke from the Community Housing Federation of Australia. The following is a summary of some of the key research data on Indigenous housing.

**1. *Indigenous peoples on average are younger than other Australians, have a larger proportion of people suffering with serious chronic health and disability burdens and live in larger households.***

- An estimated one-third (32%) of Indigenous Australians are living in capital cities and a further 43% in regional areas.
- The median age of Indigenous people in Australia is 20 years, compared to 37 for non-Indigenous Australians.
- The average number of occupants in Indigenous households is 3.4 persons per household, compared to 2.6 for non-Indigenous households.
- Proportionally more Indigenous households have at least one member with a disability, and more households contain extended family members of several generations, from infants to frail elderly relatives.<sup>6</sup>

**2. *Indigenous peoples are more dependent on rental housing, and particularly social housing, than other Australians.***

- 36%<sup>7</sup> of Indigenous households own or are purchasing their own home, while 60% are renting. This contrasts with the non-Indigenous population where 69% of households are owners or purchasers and only 27% renters.
- 27% of all Indigenous households rent from the private rental market, while 29% rent from either a public housing authority or a community housing organisation. By contrast, only 4.4% of non-Indigenous households rent from public or community landlords.
- Of the households living in social housing:
  - approximately 40% rent mainstream public housing;
  - approximately 22% rent public housing reserved for Indigenous households;
  - approximately 38% rent housing managed by Indigenous community agencies;
  - approximately 1% are in housing managed by mainstream community organisations.<sup>8</sup>

**3. *There is an extremely high level of unmet housing need amongst Indigenous peoples in Australia.***

The Australian Institute of Health and Welfare carried out its most recent assessment of Indigenous housing need in 2009, using mainly 2006 data.<sup>9</sup> Their key findings are:

- 9,248 Indigenous people were experiencing homelessness; 20,739 Indigenous households were overcrowded; and 8,331 Indigenous income units were in financial housing stress.
- The Indigenous population is in higher need than the non-Indigenous population regarding homelessness and overcrowding.
- The number of additional dwellings required to help those in most need was estimated to be 9,795.
- The dwelling need gap was 11,538 dwellings, considering extreme need only, or 19,429 if considering all need.
- It is estimated that in addition to the established dwelling need gap (in 2006), an additional 529 dwellings were required in 2008 for those in most need, with a further 3,137 dwellings needed by 2018.
- The majority of dwellings are required to reduce overcrowding.

**4. *There have been major shifts in Indigenous housing policy across Australia, at Commonwealth, State and Territory levels. Many of these have damaged the trust and goodwill of Indigenous peoples toward government.***

- The Community Housing and Infrastructure Program was progressively wound down from 2005 onwards, and eventually replaced with the Strategic Indigenous Housing and Infrastructure Program and the National Partnership on Remote Indigenous Housing, which are both focused purely on remote communities. Meanwhile, responsibility for oversight and future funding of urban and regional Indigenous community housing organisations is in the process of being taken from the Commonwealth government and passed to State and Territory governments. Between 2001 and 2006 the number of Indigenous community housing organisations reduced by 20%.
- At the end of 2008 the Aboriginal Rental Housing Program was discontinued as part of the overall reduction in specialist programs accompanying the negotiation of the new National Affordable Housing Agreement with funds included in the overall allocations for social housing.
- At both State and Commonwealth levels there has been a move towards ‘mainstreaming’ the management of Indigenous housing, with Aboriginal Rental Housing Program housing increasingly managed by public housing authorities along similar lines to mainstream housing, and pressures on community housing providers to hand over their stock to be managed by State and Territory housing departments.
- Evidence indicates that since 2003 State and Territory housing departments have substantially improved access to mainstream public housing for Indigenous households. However, there are still major issues with sustaining the tenancies and overcrowding.

## Key Issues

Participants in the forum identified a wide range of issues affecting Indigenous households and communities across the country. There was a high degree of commonality. These issues are summarised below.

### 1. *Need for sustained funding levels to increase housing supply*

Delegates welcomed the commitment of funds to Indigenous housing through the Strategic Indigenous Housing and Infrastructure Program and the National Partnership on Remote Indigenous Housing, the commitment of funds to social housing through the Nation Building economic stimulus and the improved performance of mainstream public housing in providing access to Indigenous households. Nonetheless, there was consensus that these initiatives will not fully address the significant housing problems facing Indigenous Australians in the immediate short term or into the future. More housing is needed now and there is a need for a guaranteed commitment of resourcing to be sustained into the future to meet the needs of the rapidly growing Indigenous population, and to solve the high levels of homelessness and overcrowding amongst Indigenous peoples. Between 2001 and 2006, the Australian Indigenous estimated resident population increased by 58,700 or 13%. The jurisdictions with the highest growth rates were Western Australia (18%), the Northern Territory (17%) and Queensland (16%).<sup>10</sup>

### 2. *Need for genuine commitment to Indigenous participation and self-determination*

There were strong expressions by delegates that in the process of 'mainstreaming' housing provision, the importance of self-determination has been ignored. There are a number of aspects to this:

- Governments need to understand that there are significant cultural differences between Indigenous and non-Indigenous Australians, and also between different Indigenous peoples. Solutions need to be developed and implemented in close cooperation with Indigenous peoples in each community. A 'one size fits all' approach will be futile.
- Indigenous community housing organisations have a crucial role to play in meeting the needs of Indigenous households, by providing an alternative structure for managing Indigenous housing which can be tailored to the needs of local communities. As well as providing culturally appropriate housing they are a valuable source of social capital in communities, foster Indigenous management skills and

provide support to communities far beyond the provision of housing. It is imperative that governments reverse the current trend towards 'mainstreaming' these organisations and support the development of a robust, sustainable Indigenous community housing sector.

**3. *Need for improved efforts to overcome the barriers Indigenous people face gaining access to mainstream housing***

Delegates discussed a range of issues compromising the ability of Indigenous households to access and sustain housing through mainstream social housing programs and through the open market, including home ownership and rental housing.

- Indigenous home ownership rates are substantially lower than those of the mainstream community. The factors behind this are complex and not well understood. They include issues around intergenerational poverty, lack of employment and income, land title in remote locations, discrimination and cultural factors. These issues require further research and policy development to identify possible ways to increase rates of Indigenous home ownership.
- Indigenous households and people working with Indigenous households report endemic discrimination against Indigenous households in the private rental market. Much of this discrimination is indirect or systemic and some of it is overt. The difficulties that Indigenous peoples face in accessing the private rental market are disproportionate to those faced by non-Indigenous peoples. As such, it is an issue that needs to be addressed.
- While acknowledging improvements in recent years, delegates pointed to ongoing issues with cultural inappropriateness, and some instances of discrimination, in the mainstream general social housing sector. There is a need to build stronger working relationships between mainstream social housing providers (government and non-government) and Indigenous peoples in order to overcome prejudices and develop culturally appropriate ways of managing Indigenous tenancies in mainstream social housing.

**4. *Need to support Indigenous community housing organisations in their transition to mainstream regulatory and funding systems***

The transition of Indigenous community housing organisations into mainstream systems of funding and regulation presents challenges both

for the organisations themselves and the State and Territory housing departments. A successful transition will require:

- a deliberate and properly resourced transition process to support organisations to move from one system to another;
- a parallel process between Commonwealth, State and Territory governments, with Indigenous involvement, to resolve outstanding issues around land tenure, caveats and restrictions over the use of land;
- appropriate guidelines for managing existing housing and new housing when supplied;
- a genuine two-way process of negotiation between Indigenous peoples and State and Territory governments over the suitability of existing policy settings for Indigenous housing;
- a costed commitment to forward budgets, strategies and processes supporting the viability and growth of Indigenous community housing organisations over the long term.

**5. *Need to recognise and respond to Indigenous transience and mobility through flexibility of housing supply and tenancy management models***

One common element in Indigenous communities across the country is the issue of mobility or transience of Indigenous peoples. This mobility is driven by a number of factors, including:

- cultural issues, with people travelling to take part in important cultural and family events or to honour family obligations;
- economic issues, with people travelling to urban areas seek work or participate in education;
- health issues, with people travelling from remote or regional communities to urban areas for medical treatment;
- legal and child protection issues, with people travelling to attend court hearings, tribunals and reviews;

Policy responses to Indigenous housing need to consider mobility, as it has consequences and flow on impacts for a number of factors including for dwelling location and design, including:

- fluctuations in household size (with some houses temporarily overcrowded for short or long periods, while others are under-occupied as the residents locate elsewhere for the duration of the matter they are dealing with);
- Indigenous transience and homeless in urban and regional areas when people get ‘stuck’ as a result of Centrelink breaches or other circumstances, unable to either go back where they came from or access secure housing in their new location.

## The Way Forward

### *Our Policy Program*

1. More resources need to be urgently directed to producing the needed 20,000 dwellings.
2. Indigenous community housing providers must be supported to play a central role in meeting this need, and in developing the skills and ability to continue meeting the housing needs of Indigenous peoples into the future.
3. Indigenous peoples need to be closely involved in all aspects of the response, from developing high level Indigenous housing policy to on the ground housing and service delivery and management.
4. Mainstream government and community housing providers need to genuinely engage with Indigenous peoples to develop appropriate housing and support models in order to address issues of overcrowding and sustain tenancies.
5. Programs need to be developed to support Indigenous peoples to better access the housing market, including home ownership and private rental, and to address discrimination.
6. To ensure that Key Points 1 to 5 are achieved in a way that is respectful of Indigenous peoples’ human rights and fosters self determination, Governments need to support and adequately resource the establishment of an Indigenous owned and controlled National Indigenous Housing body.

## ***Staying Engaged***

Delegates were emphatic about the value of the development of a national Indigenous housing alliance. They thus resolved to:

- continue to meet at appropriate intervals under the auspice of National Shelter;
- build the network through involvement of a range of relevant agencies including Indigenous and non-Indigenous housing organisations, other key NGOs working in or with Indigenous communities, key international organisations, and the private sector;
- build constructive working relationships with government bodies at Commonwealth, State and Territory levels;
- work towards the creation of a formalised, Indigenous-controlled national housing alliance or peak body.

## **Endnotes**

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<sup>1</sup> In this document, the capitalised term “Indigenous” is used to describe the Aboriginal and Torres Strait Islander peoples of Australia.

<sup>2</sup> From [Australian Institute of Health and Welfare, \*Indigenous housing needs 2009: A multi-measure needs model, 2009.\*](#)

<sup>3</sup> United Nations Special Rapporteur on adequate housing, *Mission to Australia: Preliminary Observations* (2006), available for download from [http://www.hreoc.gov.au/social\\_justice/international\\_docs/pdf/un\\_sp\\_housing\\_missiontoaustralia\\_15aug2006.pdf](http://www.hreoc.gov.au/social_justice/international_docs/pdf/un_sp_housing_missiontoaustralia_15aug2006.pdf), retrieved 18 August 2010.

<sup>4</sup> Ibid, page 8.

<sup>5</sup> Ibid.

<sup>6</sup> Data from the ABS Census 2006, Indigenous Community profile.

<sup>7</sup> <http://www.anz.com/Documents/AU/Aboutanz/Community/AN5610-Home-Ownership-August-FINAL.pdf>

<sup>8</sup> Data drawn from [Vivienne Milligan, Rhonda Phillips, Hazel Easthope and Paul Memmott, \*Service directions and issues in social housing for Indigenous households in urban and regional areas\*, AHURI Positioning Paper No. 130, June 2010.](#)

<sup>9</sup> From [Australian Institute of Health and Welfare, \*Indigenous housing needs 2009: A multi-measure needs model, 2009.\*](#)

<sup>10</sup> <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4705.0Main+Features12006?OpenDocument>