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Media Release

REMOTE HOME OWNERS AT RISK OF FINANCIAL LOSS

The latest edition of the Indigenous Law Bulletin (ILB) has raised concerns about the pricing of new houses under home ownership schemes on Aboriginal land in the Northern Territory.

University of New South Wales (UNSW) law lecturer and Indigenous Law Centre Fellow, Dr Leon Terrill, says that existing approaches to pricing are unlikely to result in a sustainable home ownership market, and may put some Aboriginal home owners at risk of significant financial loss.

“The numbers suggest that Aboriginal residents buying new houses have been required to take on an average mortgage of \$250, 000,” Dr Terrill explains. “The concern is that this is well above what markets in a remote community can support.”

The grants of home ownership have occurred under the Australian Government’s Home Ownership on Indigenous Land Program (HOIL Program), which was introduced in 2006. In the Northern Territory, there have been around 17 grants of home ownership under the Program. Sixteen of those have been in the community of Wurrumiyanga on Bathurst Island, which has been the focus of Dr Terrill’s research.

“The HOIL Program has some positive features, however there are two indicators that the current approach to pricing is not working,” he says. “The first is the low number of grants. The Government built 49 houses for sale to Aboriginal residents, however only four of those were actually sold. The rest were transferred to the Northern Territory Government to be used as public housing—why? It appears there was too little interest in those houses at the price they were being offered.

“The second indicator is that purchasers are paying too much. What happens if a mortgagor needs to sell their house and no one will buy it? Or they are forced to sell it at a significant loss? That will not only impact on them, it may also deter other Aboriginal residents from considering home ownership.”

However, Dr Terrill also says his findings do not mean that home ownership programs should cease.

“The point is that the introduction of home ownership into remote Indigenous communities is a complex issue, far more complex than has sometimes been suggested. Price is one of the issues that requires more attention, but it doesn’t mean that home ownership is necessarily a bad idea.”

Leon Terrill is a lecturer in the UNSW Law School and a Centre Fellow of the Indigenous Law Centre. He recently completed a PhD on Aboriginal land reform in the Northern Territory.

To access a copy of Dr Terrill’s article please [click here](#).

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