

Can home ownership work for Indigenous Australians living on communal title land?

INDIGENOUS PEOPLE WERE INTERESTED IN HOME OWNERSHIP WHETHER OR NOT THEY LIVED ON COMMUNITY TITLE LAND. FORTY-TWO PER CENT OF INDIGENOUS PEOPLE INTERVIEWED HAD INVESTIGATED HOME OWNERSHIP AND A QUARTER WERE ASSESSED TO BE CAPABLE OF ACHIEVING HOME OWNERSHIP.

KEY POINTS

- There is a significant awareness of, and interest in home ownership among Indigenous people, including those living on communal title land. Of the 86 people surveyed, 52 per cent were aware of the Australian Government's home ownership initiatives and 42 per cent had investigated home ownership.
- Attitudes towards home ownership among those surveyed did not differ according to whether they lived on Indigenous communal title land or other rental housing.
- Indigenous people value the social benefits of home ownership, in particular the ability to pass a house down in the family. Ninety two per cent gave this as their reason for interest in home ownership.
- By contrast, Indigenous people were less attracted to the economic benefits of home ownership, showing little interest in buying a house as an investment or asset. Two thirds of respondents commented upon the economic burden of home ownership.
- Income is not a barrier to home ownership for all households. Taking into account several eligibility criteria, the survey found approximately one quarter of the 86 people interviewed would be able to take on home ownership.
- Most of those who expressed an interest in home ownership would do so by purchasing second hand properties, rather than new properties, and this could potentially involve significant maintenance and repair costs.

*This bulletin is based on research by **Professor Paul Memmott, Dr Mark Moran, Dr Christine Birdsall-Jones, Dr Shaneen Fantin, Ms Angela Kreutz, Ms Jenine Godwin, Anne Burgess, Ms Linda Thomson and Ms Lee Sheppard** of the AHURI Queensland Research Centre. The study examined the meaning of home ownership for Indigenous people through a survey of 86 Indigenous Australians in five study sites around Australia.*

CONTEXT

The Australian Government is currently seeking to provide the option of home ownership to more Indigenous people, as one means of closing the gap between Indigenous and non-Indigenous Australians. The benefits of home ownership are widely recognised to extend beyond basic shelter to economic prosperity, a sense of security and improved health and wellbeing outcomes. A number of home ownership schemes for Indigenous people have operated in Australia, the most recent being the Home Ownership on Indigenous Lands (HOIL) Program. This program brings together a range of subsidies and assistance, and is targeted at communal title lands in remote settlements.

RESEARCH METHOD

This research sought to better understand the meaning of *home ownership* to Indigenous people and their needs and aspirations, particularly those living on communal title lands. The research involved a literature analysis and 86 structured interviews with individuals, conducted across five study sites. The sites were selected to include a range of settlement types and land tenure arrangements (see table below). This provided the opportunity to compare and contrast the meanings, experiences and expectations of those living in different sites.

What are communal title lands?

Communal title lands are popularly perceived to occur in remote Indigenous settlements, where lands are jointly held in some form of a trust to the broader *community*. While less common, there are also communal title lands within the boundaries of regional towns and metropolitan cities throughout Australia. However, a more complex range of land

tenures were identified at the study sites, of which the first three are forms of communal title:

- 1 *Indigenous community title land* is land held under a form of community title by an Indigenous group, trust, co-op or company.
- 2 *Crown land-public use* is state government owned land dedicated for public use or community purposes, such as public housing, schools, etc.
- 3 *Community-controlled freehold* is freehold land held by a not-for-profit organisation, either Indigenous or non-Indigenous.
- 4 *Private freehold* is either owned by an individual or company.

FINDINGS

Awareness of home ownership

Many people surveyed expressed interest in home ownership. Fifty two per cent were aware of the Australian Government's home ownership initiatives and 42 per cent had investigated home ownership in some way. The most active engagement and awareness of home ownership was found at Nguiu, Dajarra and Sydney.

Sydney interviewees held the most insightful views on home ownership and provided more detailed and sometimes idiosyncratic or ideological responses. This suggested a greater exposure to debate on home ownership through Sydney's more complex social and media networks. Only just over half those interviewed at Nguiu and Mungulluh gave meaningful responses when asked to compare home ownership and rental, indicating many had not thought these issues through clearly. This was surprising in Nguiu where the HOIL program is currently active.

TABLE 1: SUMMARY OF INTERVIEWS BY LOCATION, SETTLEMENT TYPE AND LAND TENURE

| Location (no. of interviews) | Settlement type(s) | Land tenure arrangements (no. of interviews) |
|--|--|--|
| Nguiu, Northern Territory (17) | Discrete (remote) | * Indigenous community title (17) |
| Cherbourg, Queensland (19) | Discrete, (outer regional) | * Indigenous community title (19) |
| Carnarvon (including Mungulluh) Western Australia (13) | Regional centre (urban, dispersed housing) | Crown land, public use (5) |
| | Regional centre (urban, discrete) | Crown land, public use (8) |
| Dajarra, Queensland (18) | Rural town | Crown land, public use (8) |
| | | Community freehold (6) |
| | | Indigenous community title (4) |
| Sydney, New South Wales (19) | Metropolitan | Crown land, public use (10) |
| | | Private freehold (3) |
| | | Community controlled freehold (6) |

* Nguiu and Cherbourg had a long history of Indigenous community rental housing, but at the time of interviewing, the housing stock was in the process of being passed over to territory/state governments for management as part of the government public rental housing stock.

The ideal of the 'great Australian dream' of home ownership in mainstream Australia is so strong that it was expected that respondents might place home ownership within a specific rights framework - this was not the case. Generally, discussions on Indigenous rights in Australia have been dominated by land rights, human rights, compensation, equal/stolen wages, and the proposed Treaty, so people may have struggled to understand housing in the context of a rights dialogue.

What attributes of home ownership are valued by Indigenous Australians?

Positive psychological values associated with home ownership included an increased sense of security, control and privacy as well as self esteem based on a sense of ownership.

...makes you feel independent sort of person; no-one can tell you what to do with it if you own it outright. (Carnarvon)

A recurrent theme across all study sites was the positive social value of the ability to pass a house down in the family, and in effect foster a sense of stability, security and wellbeing for one's current and future family. In this sense, Indigenous attitudes toward home ownership are more like those of the older generation in mainstream Australia.

...much pride to myself; I could say to my children I own the house and the peace of knowing I can pass it onto my children. (Cherbourg)

The value of home ownership as a social investment for the family precludes home ownership as an economic investment for re-sale. Reinforcing this finding, there was very little knowledge or interest in home ownership as a financial investment. Only eight interviewees raised this as a positive aspect of home ownership, of which seven were from Sydney. On the other hand, there was strong awareness of the economic responsibilities of home ownership.

The responsibilities, you have to fix up all the damages, pay this, pay for everything. (Mungallah)

...bigger things come: pay rates, mortgage, pay for your plumber, you start to see the light, and something else goes wrong. (Sydney)

Many also expressed negative views about the economic stress of a mortgage and its impact on spiritual and social wellbeing.

Kinship and location

When participants were asked whether they preferred the house they already lived in, or another

house, 39 per cent preferred the home they already lived in. This may be because such a house may be regarded as already informally belonging to the household due to a long standing pattern of occupation, place making and territorialisation - possibly across several generations. Participants also preferred to live in their community rather than moving to 'town'. Perhaps because of this, there was not strong concern about the difficulty of selling a house for a profit in the closed markets of communal title lands and/or remote settlements.

Financial capacity to take on home ownership

Households' capacity for home ownership was assessed based upon long term employment, small household size and the threshold income of \$40,000 (nominated by World Vision Australia, Mapoon City Council and the Cape York Institute as the affordability benchmark for home ownership in Queensland).

Forty two per cent of 76 interviewees stated that their combined household income was over \$40,000 per year. The highest proportion of households to pass this eligibility test were at Cherbourg. Nguiu, Dajarra and Sydney were in the mid range, while the least number of eligible households were found in Carnarvon and Mungallah. While it is feasible that multiple family households could reach the threshold by pooling their incomes, there is a question as to whether these households would be able to manage their finances over the life of the loan. Only half of the survey respondents indicated they would collect money from their household members to contribute to mortgage repayments (mainly at Cherbourg and Dajarra).

Overall there was a positive outlook on the ability to meet mortgage repayments, although it is not clear how realistic those views were. Three quarters of respondents were prepared to pay more than their current rental payments to repay a mortgage.

Capacity to do repairs and maintenance

This research found a high level of awareness (88%) that responsibility for repairs and maintenance would accompany home ownership and 84 per cent of respondents were prepared to take it on.

...ownership good to have control to do repairs and bring it up to a respectable level. (Carnarvon)

One half of informants indicated that they already did maintenance work on their rental house.

When factors such as awareness of home ownership and preparedness to take on responsibilities

including implementing repairs and maintenance were taken into account as well as financial capacity, it was found that approximately one quarter of the 86 people interviewed were eligible for home ownership.

New house or old?

Overall people preferred to buy the home they already live in. The remaining responses were almost evenly divided between another existing house, and a new house. People in Nguiu (where the HOIL program is active) and Sydney were the most likely to prefer to buy a new home. People at Mungallah were least likely.

The purchase of an existing home may be the only realistic option as it would result in a more manageable mortgage. However, the outcomes of buying existing rental houses in poor condition in the interest of affordability could be disastrous. Houses close to the end of their life cycle are more difficult and expensive to maintain, let alone to renovate or upgrade.

POLICY IMPLICATIONS

- Many Indigenous people aspire to home ownership. Separate and distinct home ownership policies are not required to embrace all Aboriginal home owners in Australia. Instead, there is a case for local adaptability of an Aboriginal home ownership policy for those on communal title and non-communal title land.
- The issues associated with buying and selling a house in a closed market do not present a strong barrier to home ownership on communal title land. The primary motivation of Indigenous people to enter home ownership is housing security for their families.
- Home ownership could be expanded on Indigenous communal title land and a reasonable proportion of Indigenous households might be eligible to apply for the HOIL scheme. This scheme may be relevant to a range of settlement types,

providing valuations are in accordance with affordability.

- New houses are not likely to be affordable for most households on communal title land, with home ownership likely to be limited to the purchase of rental houses. Policy makers should be aware of the potentially high costs of maintaining older homes.
- Initially, home ownership will only be feasible for some Indigenous households in some communities, but it is reasonable to expect that these households will act as a catalyst to increase demand. Still, this should not be seen as a blanket policy solution to problems in Indigenous housing on communal title land.
- Many interviewees felt there is a need for a supportive governance framework for home ownership. The challenge over time will be to adapt the processes of home ownership to suit the unique context of communal title land (including closed housing market, governance capacity, affordability), and for people to manage the socio-economic transition involved.

FURTHER INFORMATION

This bulletin is based on AHURI project 20501, *Indigenous home ownership on communal title lands*.

Reports from this project can be found on the AHURI website: www.ahuri.edu.au

The following documents are available:

- Positioning Paper
- Final Report

Or contact the AHURI National Office on +61 3 9660 2300

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