

Review of the **Homelands Policy**



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1 Introduction

Territory Families, Housing and Communities (TFHC) has undertaken a review of the Homelands Policy and Programs. This review document and its recommendations have been written to inform the development of a draft new Homelands Policy. The purpose of the review, as referenced in the Northern Territory Housing Strategy 2020 2025, is to identify an appropriate approach to supporting Aboriginal people to live on their ancestral lands.¹

1.1 Background

Through the various Homelands programs, TFHC provides a range of grants to assist service providers in the delivery of municipal and essential services and the maintenance and improvement of currently occupied dwellings in Homelands locations. In the 2018 19 financial year, 386 Homelands (out of approximately 600) were funded under various grant programs, with approximately 6,000 to 7,000 residents occupying 1,402 dwellings benefiting from funding.²

Almost all housing and related infrastructure in Northern Territory (NT) Homelands has been constructed under Commonwealth funded programs. Any Commonwealth commitment to the construction of housing on Homelands in the NT, however, formally ended in 2007 with the signing of a Memorandum of Understanding (MoU) between the two governments. The MoU stipulated that no Commonwealth funding would be provided to construct new housing on Homelands, and transferred responsibility for Homelands servicing to the NT. The NT Government has had full fiscal responsibility for the servicing of Homelands since 2015.

The debate over funding responsibilities between the Commonwealth and the NT has taken place within a dynamic policy environment, during which the viability of remote communities generally has been affected by the dual challenge of reforms to economic development and employment services (that has seen the withdrawal of the Community Development Employment Program) and reforms to local government that have seen the supersession of Indigenous Community Councils by Regional Councils, and therefore a greater reliance by communities on regional service providers.

Given this context and the limited funding available, many of the issues identified through what is arguably the most comprehensive review of Homelands undertaken to date – namely the House of Representatives Standing Committee on Aboriginal Affairs' (HRSCAA) review conducted between 1985 and 1987 – remain of concern in policy discourse today. This includes the location and number of Homelands and their residents, the economic viability of Homelands, and the quality of available housing infrastructure, education, and health services.³

The NT Government's first attempt to address the Homelands question independently of the Commonwealth was made in 2009, with the release of its first ever policy for Homelands; setting out how the Government intends to provide services and much needed infrastructure to assist communities living on Aboriginal owned lands.⁴

¹ A Home for all Territorians (2019) Northern Territory Housing Strategy 2020 2025

² Homelands Program Guidelines 2019/20

³ Return to Country: The Aboriginal Homelands Movement in Australia (1987) Blanchard

⁴ NT Government, Working Future: Fresh Ideas/Real Results (2009)

Although this new approach aimed to create an allocation framework for the disbursement of funds, and to improve certainty and transparency for all stakeholders, many impediments to social and economic development on country have persisted. This includes pervasive issues around tenure security, asset ownership and landlord responsibilities (where appropriate leases are not in place), as well as issues regarding the lack of formalised tenancy arrangements, which have combined to reduce certainty regarding expected levels of service delivery and the responsibilities of residents, service providers and Government.

While the 2015 Homelands Policy, addressed through this review, has established grants programs that address basic levels of need and seek to achieve an equitable distribution of funding across all locations, various policy challenges have persisted. Housing and related infrastructure assets remain in generally poor condition, while greater transparency is arguably required to ensure a more optimal allocation of resources, distributed across regions to locations in most need, and to ensure that residents and service providers have a clearer understanding of expected levels of service delivery and the responsibilities of residents.

1.2 Review Scope

In undertaking this review and to inform the drafting of a new Homelands Policy, the Department has considered the written submissions sought from stakeholders over 2018 (from which a total of 18 submissions were received) as well as key policy and program documentation provided by the Department and other publicly available reports relevant to the history of service provision to Homelands in the NT.

This material has been supplemented by the working knowledge of the policy and programs articulated by members of the Homelands Services Group (HSG) during a series of face to face and telephone interviews. The review is specific to the business of the TFHC and therefore excludes an analysis of matters which are the responsibility of other NT agencies or jurisdictions.

The review's Terms of Reference are to consider as a priority, the following four elements:

- **definition and eligibility criteria** – The efficacy and application of existing guidelines which restrict funding of Homelands to locations with on going social, cultural and economic development programs (in addition to support from a suitable service provider) as well as physical infrastructure requirements, such as a potable water supply, power supply, physical access, and safe and secure housing. The review and subsequent new policy is to establish policy principles, a definition of 'Homeland' and criteria for funding.
- **grants programs** – The efficiency, effectiveness and appropriateness of the policy's funded grants programs, including: Municipal and Essential Services (MES) grants; Housing Maintenance Services (HMS) grants; Homelands Extra Allowance (HEA); MES Special Purposes Grants (MESSPG); and Homelands Jobs. The review is to recommend on continuation of the current Homelands grants programs.
- **model of service delivery** – The efficiency, effectiveness and appropriateness of the current model of service delivery through approximately 40 service providers, including the structure of agency funding agreements and the certainty these provide for residents; and the performance of the model in terms of cost efficiency, service delivery outcomes and the quality of performance monitoring systems to ensure transparency and accountability. The review is to recommend on continuation of the current service delivery model.

- **construction of new houses** – An examination of opportunities to fund the construction of new houses (including under the proposed new housing in Homelands co funding policy) in locations with economic development potential and to address issues of overcrowding. Opportunities may also exist to part fund new investment where this is matched by private investment (either individually or through community trusts) and supported through costed asset planning. The review is to recommend on feasibility of the proposed new housing in Homelands co funding policy.

The review is also to address the following secondary issues, including the identification of policy positions appropriate for recognition in the draft new Homelands Policy.
- **economic development** – Development of criteria for inclusion in the funding program of Homelands with economic development potential, including new locations or those with the potential for expansion because of opportunities for enterprise in industries such as ecotourism, coastal security, the cultural economy or in industries related to biodiversity maintenance and climate change.
- **remote communities classification** – The prospects for reclassifying large Homelands as gazetted communities for integration into the NT Government co ordinated service delivery models for remote communities, based on usual population and the number of dwellings, and for locations where alternative models of service delivery are feasible.
- **water supplies** – Policy issues relating to the quantity and quality of water supplies available in existing funded Homelands locations (including chemicals and particulates, risk of microbiological contamination, and mitigation measures such as water treatment, monitoring, and other options to prevent contamination).
- **energy supplies** – Policy issues relating to the availability of reliable energy supplies in existing funded Homelands locations.

1.3 Submissions

In 2018, TFHC sought written submissions from stakeholders concerning the current policy from which a total of 18 submissions was received (listed in Appendix A). A number of key themes emerged throughout the submissions, including:

- **a lack of clarity and transparency** – Homelands’ policies, decisions and guidelines are not clear or transparent to residents or stakeholders. This is further complicated by the number of NTG (Northern Territory Government) and Commonwealth agencies operating multiple programs on Homelands. Furthermore, messaging from the Department and service providers about Homelands’ policies and programs is sometimes contradictory.
- **insufficient consultation** – Consultation of Homelands residents by the Department and service providers is insufficient and can lead to the services provided not being fit for purpose, and being delivered in a manner that is inefficient and not culturally appropriate.
- **new housing and upgrades to existing housing stock is required** – Homelands’ housing stock is generally in poor repair, and in some circumstances overcrowded. These issues result in Homelands residents migrating to communities and urban centres, exacerbating the overcrowding of housing in those places, and leading to poorer outcomes.

- **homelands do not exist in isolation** – Homelands residents are frequently required to travel to communities and urban centres to access services, visit families and undertake other activities. Travel also occurs in response to regular weather events, including the wet season and extreme summer heat.
- **local decision making (LDM)** – The LDM process should be utilised to identify where Aboriginal people can have control over service provision.
- **consolidation of grant programs** – While there are a number of positive outcomes achieved through the grant programs, they are poorly understood by Homelands residents, service providers and other stakeholders. Compliance is burdensome and complex for service providers, and monitoring of the outcomes of spending is inadequate, with insufficient incentive for service providers to provide services efficiently. Grants should be streamlined and more flexible to allow prioritisation of works with community input.
- **greater coordination of policy and funding is required** – Coordination between all NTG and Commonwealth agencies, and Land Councils in policy and funding would result in reduced overlap in service provision and enhanced infrastructure and service delivery for Homelands residents.

2 Homelands' Definition and Eligibility Criteria

This section examines the efficacy and application of existing guidelines which restrict funding of Homelands to locations with on going social, cultural and economic development programs (in addition to support from a suitable service provider) as well as physical infrastructure requirements, such as a potable water supply, power supply, physical access, and safe and secure housing.

2.1 Current Definitions

The NT's Homelands vary widely in terms of population size, number of occupied dwellings and the human, physical and financial resources available to residents. Most are small, comprising only one or two families, often predominantly dependent on welfare income, while others may have expanding populations of more than 100 people, with developing economies built on arts production, employment as rangers or wildlife harvesting.⁵ Indeed, the diversity of locations described as Homelands has led one commentator to conclude, that "for every definition of [Homelands] many exceptions to the general rule are readily found" and so "rather than attempting to arrive at a national definition, it is more realistic, for policy purposes, to accept [Homelands] in all their various regional manifestations."⁶

While the 2015 Homelands Policy provides no specific definition, the document suggests Homelands are "small Aboriginal communities where residents live in order to fulfil their cultural obligations to their inherited country and its underlying traditional law", and thereby conceptualises their existence within a rights based framework in which "Government acknowledges the importance of Aboriginal people's cultural connections to their traditional lands."⁷ The definition implied by the policy emphasises Homelands as a place of residence for a distinct social grouping of people, whose rightful homes are located on ancestral lands of cultural and spiritual significance, and for whom a return to traditional country is regarded as an important means of fulfilling cultural obligations.⁸

2.1.1 Challenges and Implications

Although this characterisation of Homelands affirms the right of Aboriginal people to access their traditional lands under various United Nations treaties and declarations,⁹ there are significant practical obstacles to such a framework's implementation and clarity of interpretation under the current policy. As acknowledged during consultations for this review, the fact of broad diversity in the types of locations identified as Homelands is a consequence of an approach that loosely focuses on the expressed rights of a people, rather than the specific attributes of a place, with wide reaching implications for resourcing that has tended towards inequity and inefficiency in resource allocation.

Within a cultural framework for Homelands resourcing, individuals in small and remote locations with high levels of dependency may conceivably receive levels of investment that are disproportionately greater than their counter parts in more central locations, given that servicing such sites requires a disproportionate base level of infrastructure investment and administrative effort for fewer people.

In the context of extreme geographic remoteness and increasingly constrained fiscal resources (often over decades of support), this logic has driven a progressively ad hoc approach to Homelands servicing across the NT, as service providers scramble to meet their obligations and struggle to manage the scarcity. Despite the inclusive and aspirational intent of the cultural rights approach, support for Homelands has tended to be driven by hard financial imperatives (or else is susceptible to the wishes of those with corporate and cultural decision making power able to influence the outcome).

Furthermore, despite frequent references to traditional owners and the inferred connection between traditional ownership, cultural aspirations and Homelands residency, the 2015 policy makes no reference to land tenure or the significance of tenure arrangements for the exercise of cultural rights. Although the majority of Homelands are located on Aboriginal owned lands, the policy adopts no specific position with respect to traditional ownership or land tenure, with the implication that despite the cultural framework implied, support for Homelands is currently not strictly limited to either communal tenures or traditional ownership. Based on consultations with Government, it is apparent that many Homelands residents are not traditional owners and have neither a direct ancestral connection to the location or engage in cultural practices particular to the site.

Almost all Homelands are located on communally owned and controlled land, such as Aboriginal Land Trust areas (returned to traditional ownership under the Territory's Aboriginal Land Rights (NT) Act 1976), or other statutory tenures, including Community Living Areas (excised from pastoral leases) and parcels of land within national parks. Although not fungible assets, the communal nature of the tenures for lands where the majority of Homelands are located is itself a cause of confusion in the absence of clear policy direction, and the complexity of use and ownership rights under which these tenures are protected is a source of considerable misunderstanding and uncertainty.

Homelands' dwellings are not privately owned and are not managed as public housing, but are regarded as communally owned structures located on Aboriginal land which are managed by the occupants.¹⁰ Residents and service providers alike, however, typically view homes as Government property, and rarely understand their obligation to take collective responsibility for the assets they technically own on their land. Consultation findings suggest there is almost no clarity over rights and obligations, at the individual or collective level, and typically no acknowledgement from Land Councils of their ultimate responsibilities to residents under the Residential Tenancies (NT) Act 1999.¹¹ This is a particularly problematic issue for Government with respect to high value capital investments on Homelands' like power stations – particularly should these assets become under used and stranded – given that the underlying ownership of these investments is technically with the land holders.

⁵ The Future of Homelands/Outstations (2010) Kerins, Centre for Aboriginal Economic Policy Research, Topical Issue No. 01/20105

⁶ Review of Resource Agencies Servicing Indigenous Communities (1998) Altman, Gillespie and Palmer

⁷ Return Northern Territory Government (2015) Homelands Policy: a Shared Responsibility

⁸ Australian Human Rights Commission (2009) Social Justice Report

⁹ Such as the United Nations Declaration on the Rights of Indigenous Peoples (2007) and the United Nations Declaration on the Right to Development (1986)

¹⁰ Department of Housing, Local Government and Community Development (2018) Draft Homelands Policy Framework

¹¹ Residential Tenancies Act 1999 (NT) Division 1 & 3 (Australia)

Many Aboriginal people are reported to have chosen a Homelands location – as distinct from gazetted communities – not simply because of their role in cultural maintenance and survival, but because these are places that have offered them an opportunity to escape the pressures and dysfunctions of life in the larger communities. Seen from this perspective, the transience of population that is a feature of Homelands living is not so much about the movement of people from Homelands to larger communities to access Government services, but the movement from larger communities to Homelands where the institutions of welfare dependency, and the intergenerational trauma that persists, can be escaped. Indeed, recent evidence suggests that there is a trend towards the de population of Homelands, with evidence of net migration to larger communities and urban centres over recent years.¹²

A finding from consultations undertaken for this review is that many of the more recent bolt on elements of the current policy have failed to recognise this reality, and add on new criteria around social and economic development (to shape the vision for Homelands that can be supported) but without the means to give this practical effect. Eligibility criteria for Homelands residents that references participation in education, training or economic participation, fits within this category and place the onus of responsibility on residents, while ignoring the entrenched barriers to access that render the criteria meaningless.

A good example of this is the eligibility criterion for the Homelands Extra Allowance (HEA) requiring children of prospective recipients to regularly attend school, despite there being no means of proving this requirement or there being no accessible school. It is neither enforceable nor enforced. All such social and economic development criteria are adjunct to the core cultural rights framework, which offers a vision of rights based development that Government simply lacks the resources to deliver.

As the Aboriginal land base has expanded and support for decentralisation has grown, the looseness of a cultural framework as the basis for defining Homelands is revealed. Instead of enabling demand driven opportunities for the maintenance and expansion of cultural rights under the policy, it has exposed the inability of Government funding to give these and other social and economic rights to development full effect. With a broad cultural imperative, the rationale for identifying locations as Homelands has become fluid and subject to local administrative and financial management convenience, as opposed to principles of Government policy that cannot realistically be met.

2.1.2 Towards a Redefinition

There is a compelling case that a clear cut population based definition of Homelands should be considered, along with greater clarity regarding the types of land tenure that are covered. While some Homelands have grown under the policy to become significant sized communities (of greater than 200 persons), in the vast majority of cases they have populations of less than 100 and are smaller than townships and regional centres.¹³ Over 80 Homelands consist of only one home and many more have less than 10 occupied dwellings. This fact has already been explicitly recognised in contemporary policy documents, such as The National Partnership Agreement on Stronger Futures in the Northern Territory, for example, which defines a Homeland as “a small remote discrete community of Aboriginal peoples, usually less than 50 100, with a water supply and permanent accommodation that is reliant on larger communities or hubs for many services such as schools and health centres”.¹⁴

Governments have routinely defined settlements by their size and position within a hierarchy of settlements and provided resources accordingly.¹⁵ In the context of managing the delivery of Government services, therefore, Homelands might best be considered as the smallest or lowest level in a hierarchy of settlements, for which it is not feasible to be self reliant for many services that must be provided at larger centres. Planning at the regional council, resource agency and individual Homeland level was a central thrust of the National Homelands Policy adopted by the Aboriginal and Torres Strait Islander Commission (ATSIC) in 1999.¹⁶ This set out the threshold conditions to be met in order for a new Homeland to attract Government funding and established the core criteria for the establishment of new Homelands that, in part, continue to be applied today: namely suitable land tenure, principal place of residence, access to potable water, and support from a community organisation or resource agency.¹⁷

Of these criteria, ‘principal place of residence’ is regarded as the most contentious concept, given the

high level of population mobility amongst Homelands residents. Several commentators see a tension between the threshold condition first set out in the National Homelands Policy and the observed pattern of residence of Aboriginal people, who may have more than one regular place of residence. The argument runs that it is possible for an Aboriginal Homeland to be empty for extended periods, but still have pressures placed upon its infrastructure when people are resident, while settlements that are not a principal place of residence may serve a vital role in maintaining livelihoods and therefore continue to be worthy of support. Stranded infrastructure is a related issue raised during this review, whereby Homelands with infrastructure considered to be under used or abandoned are at risk of being de funded and the infrastructure left to decay.¹⁸

Fixing the definition of Homelands to a threshold of population does not necessarily, however, ignore the reality of such transience and fluctuations in population caused by the need for people to travel to larger centres for health, education and work.¹⁹ This truth can readily be managed by considering raw population as contingent on other factors, including principal place of residence, but also length of occupancy and land tenure. People may need to travel for many reasons, but according to those interviewed for this review, most Homelands are occupied by their usual residents for most of the time (unless otherwise inaccessible in the wet season). A population threshold need not be inconsistent with a requirement to continue to maintain services to existing eligible locations – no Homeland currently receiving support should lose it – and the policy must continue to recognise that while Aboriginal people may be mobile for a variety of reasons, this is not an indication that they wish to permanently vacate their Homelands.

From a fairness and equity perspective, a population centred definition of Homelands offers a number of credible benefits. It is best that all community sized locations be treated the same, and those concerned about the demarcation between Homelands and larger communities should be given greater clarity to make these decisions. As acknowledged by the Australian Human Rights Commission, a population based definition enables a wide range of types of Homelands to be recognised (including Community Living Areas) without denying the need to support the sustainability of infrastructure in cases where occupancy fluctuates.²⁰ The reviewers note that this is also the position of the Centre for Appropriate Technology (CAT) who when undertaking its review of the assets of Homelands locations, “saw no difficulty in continuing to utilise the criterion of population less than 50 to identify a category of very small settlements with particular service needs.”²¹

Where policies in relation to residency are made clear, along with clarified expectations around the level of support that can be provided when low rates of occupancy occur, it is feasible to move forward. As demonstrated in the CAT Homelands’ Asset Review, it is possible for Homelands residents to clearly understand that if their occupation drops below an agreed level then they will no longer be eligible for the maximum level of support. According to CAT, the majority of service providers have a general approach of matching support to the observed level of commitment to a particular location, through which essential services are prioritised should a previously unoccupied Homeland become occupied again.²² Where Homelands are unoccupied and residents wish to return, initial investments in low cost or appropriate technologies to secure water, shelter and power are possible.

In circumstances where the emphasis on threshold population (with its derived focus on a hierarchy

¹² Northern Territory Contemporary Indigenous Migration Trends (2019) Taylor, A. & Dyrting, S. Northern Institute Research Briefs, (RB02), 1 29

¹³ The Northern Territory Homelands and Outstations Assets and Access Review (2016) Centre for Appropriate Technology

¹⁴ The National Partnership Agreement on Stronger Futures in the Northern Territory (2012)

¹⁵ Funding agreements between the Commonwealth and NT Governments have historically distinguished between larger Indigenous communities (for which the NT Government has taken primary responsibility) and smaller communities, classed as Homelands or Outstations, for which the Commonwealth retained funding responsibility until 2008

¹⁶ National Homelands Policy Review (2004) Centre for Appropriate Technology

¹⁷ National Homelands Policy Review (2004) Centre for Appropriate Technology

¹⁸ Northern Territory Homelands and Outstations Assets and Access Review (2016) Centre for Appropriate Technology

¹⁹ The First Ever Northern Territory Homelands Policy (2009) Kerins, Indigenous Law Bulletin 7

²⁰ Australian Human Rights Commission (2009) Social Justice Report

²¹ National Homelands Policy Review (2004) Centre for Appropriate Technology

of service and infrastructure requirements) is considered overly restrictive – and detrimental to the establishment or growth of settlements with economic development potential – then alternative arrangements should apply. The negotiation of a suitable LDM agreement between Government and a regional or local representative body offers such potential within the contemporary policy landscape of the NT. These arrangements provide the opportunity to accommodate aspirations for a broad based investment in social and economic development, in conjunction with physical infrastructure investments, to enable the types of broad based community development (with access to Whole of Government support) which the current Homelands policy is unable to deliver.²³ Negotiation of an LDM agreement provides opportunities for interested Homelands to become more independent and self supporting, if managed in conjunction with an assessment of Homelands' servicing capability and assistance with capacity development. The guiding principles of healing, engagement and respect will guide the way the program engages, interacts, works and partners with Homelands' residents.

2.2 Additional Eligibility Criteria

Irrespective of the definition assigned to Homelands and their populations, several additional criteria have historically applied with respect to eligibility for funding of these locations, including water security, power supply and support from a service provider. Although overall less contentious than the core definitional issues discussed, questions of eligibility remain pertinent for this review.

Foremost of these criteria is access to potable water, given the high costs associated with provision of new supply and the complicating issue of water purity in addition to water availability. Water security has been a key criterion for the approval of a Homeland for funding, with the position taken under the current policy that access to a continuous (and uncontaminated) water supply is crucial for the viability of the Homeland location. More recent policy thinking has strengthened this view, stating that effective community water management plans must be in place to understand and mitigate the risks to water security and ensure that Homelands have a continuous supply.²⁴

Currently, only around 25 per cent of Homelands have a current water management plan in place, and it is accepted that further prescription is required to establish how water security is defined and the extent to which Government is responsible for ensuring continuity of supply where local water availability is limited or water is contaminated. The issue is of increasing concern across all NT regions as rainfall patterns become more erratic and tend towards lower average annual rainfall. Clearly, where there is no available supply of water for residents locally, it is untenable for Government to continue to support the location.

Similar to water supply, the current policy stipulates that a Homeland must have in place infrastructure for the provision of an adequate power supply. The age of this infrastructure and its generally poor condition, however, has severely tested this requirement, and according to the CAT Homelands' Assets Review, nearly 40 per cent of Homelands have no global power supply and rely on small diesel or petrol generators connected to individual dwellings. While it is reasonable to expect that a continuous power supply be a requirement for Homelands funding, the lack of reliable supply is overall symptomatic of an insufficient funding base to support the requirement.

Subject to available funding, efforts to transition to new technologies should be considered, given the lower operating costs (for both fuel source and maintenance) associated with solar solutions. Any such investment should be made in conjunction with appropriate leasing arrangements to ensure there is tenure security for new Government assets. In this regard, solar also has the advantage of being a relatively mobile technology (compared to in situ diesel) which mitigates the risk of stranded assets.

²³ Contemporary examples include the Baniyala and Djalkiripuyu LDM agreement, between the Djalkiripuyu people and NTG, which sees to return local decision making and service delivery to local Aboriginal communities

²⁴ Department of Local Government, Housing and Community Development (2018) Draft Homelands Policy Framework.

The final eligibility requirement linked to Homelands funding is ‘support from a service provider’, which continues to be a non negotiable requirement given that Government must enter into a formal contract to fund the provision of services. A prospective service provider must also, of necessity, have reasonable access to the locations it services in order for services to be delivered. The role of service providers in the delivery of Homelands’ services and the model of service delivery is discussed in the proceeding section of this review.

2.3 Policy Recommendations

With respect to the definition of Homelands and the funding eligibility criteria for Homelands’ support, this review recommends that:

- **Recommendation 1:** The NT Government re engages with the Commonwealth Government and Land Councils to encourage a more equitable sharing of financial and program responsibilities, in the interests of securing long term and sustainable policy outcomes through a co ordinated approach to Homelands’ policy and service provision.
- **Recommendation 2:** Homelands be defined on the basis of population size and land tenure: as small discrete Aboriginal communities of less than 100 persons of Aboriginal descent living on Aboriginal communally owned and controlled lands. Locations that are already over 100 people, but do not wish to become a community, should be grandfathered and Homelands’ services maintained. Existing Homelands that grow to exceed 100 people should become a gazetted community.
- **Recommendation 3:** That Homelands experiencing strong growth pressures in locations with economic development potential have the opportunity to negotiate funding for investment in new and expanded service delivery through LDM processes. Where Homelands successfully negotiate an LDM agreement that incorporates services that provided by the Homelands’ program, and that Homeland meets eligibility requirements for funding, there should be a funding transfer from the Homelands program to fund the LDM agreement.
- **Recommendation 4:** That existing eligibility criteria be maintained and strengthened to require that an eligible Homeland must be the occupant’s principal place of residence, and that support for a Homeland will be reviewed if left unoccupied for more than four months.²⁵ The onus on providing proof that Homelands are occupied should lie with service providers.
- **Recommendation 5:** A Homeland must have an adequate potable water supply for its occupants, as identified in the water management plan for that location. For Homelands being added to the program, funding will not be available to establish a new water source locally (where the existing source of water is no longer available or becomes contaminated and unusable).
- **Recommendation 6:** A Homeland must have in place appropriate infrastructure for the provision of an adequate power supply for its occupants. Where the Department makes an investment in updating power infrastructure (such as a transfer from diesel to solar generation) it should secure the rights, through negotiation with the appropriate Land Council, to repurpose or move the asset should the Homeland become unoccupied.

²⁵ The 2019 Program Guidelines define ‘permanent occupancy’ as from 75% and ‘seasonal occupancy’ from 60%, while to avoid an unrealistic administrative burden, the onus is on the resident to prove ‘principal place of residence’ in order to avoid those who are the primary or co tenant of public housing receiving Homelands support

3 Homelands' Grants Programs

This section considers the efficiency, effectiveness and appropriateness of the policy's funded grants programs, including: Municipal and Essential Services (MES) grants; Housing Maintenance Services (HMS) grants; Homelands Extra Allowance (HEA); MES Special Purposes Grants (MESSPG); and Homelands Jobs.

3.1 Current Policy

The Homelands policy currently provides services to eligible Homelands through five grant programs. These are administered by providing the funding to intermediary service providers who are contracted to provide corresponding services to a scheduled list of Homelands. The model of service delivery will be considered further in the following chapter. Programs are designed to address basic levels and need for municipal and essential services, and housing maintenance across eligible Homelands, as well as seeking to achieve an equitable distribution of funding across all Homelands and regional locations.

In the 2019/20 year, the funding allocation for the grant programs is as follow:

Grant Program	2019/20 Funding Allocation
Municipal and Essential Services (MES)	\$14.934 million
Housing Maintenance Services (HMS)	\$ 6.715 million
Homelands Jobs	\$ 6.000 million
MES Special Purposes Grants (MESSPG)	\$ 5.823 million
Homelands Extra Allowance (HEA)	\$ 2.548 million

The grant programs are outlined in the HSG 2019 20 Homelands Program Guidelines.

3.1.1 Municipal and Essential Services (MES)

MES grant funding is directed toward repairs and maintenance, minor works and general operational costs for the delivery of municipal and essential services to Homelands. Municipal services are primarily concerned with road and aerodrome maintenance, waste disposal, landscaping and dust control in common areas, firebreaks, animal control, environmental health activities and other municipal services. Essential service activities are primarily concerned with electricity supply, water supply and sanitation systems operation and maintenance.

MES grant funding is allocated to service providers based on the number of dwellings in the Homelands they manage, with an adjustment for those Homelands that are either difficult to access, or provide either or both their own power and water (that is, either or both power and water are not provided by Power and Water Corporation). Funding is adjusted annually for the number of occupied dwellings on eligible Homelands included in the program. The Homelands program requires contracted service providers to perform an annual occupancy and population survey, verified by the program's Technical Officers, to inform the number of eligible Homelands and occupied dwellings.

Service providers must not use more than 20 per cent of MES funding for administrative or overhead costs associated with program delivery, or more than 50 per cent of MES funding for paying salaries or wages to staff involved with program delivery. MES funding should not be utilised in the delivery of any other grant program.

3.1.2 Housing Maintenance Service (HMS)

HMS grant funding is directed toward assisting Homelands' residents to live in a safe and healthy environment. Service providers are instructed to direct funding first to urgent repairs, which should be attended to within 48 hours, and then to general or routine repairs and maintenance with the purpose of extending the life of houses and minimising deterioration.

As with MES grant funding, HMS grant funding is allocated to service providers based on the number of dwellings in the Homelands they manage, with an adjustment for those Homelands that are difficult to access, and those Homelands that provide either or both their own power and water. Funding is adjusted annually for the number of occupied dwellings on eligible Homelands included in the program. The Homelands program requires contracted service providers to perform an annual occupancy and population survey, verified by the program's Technical Officers, to inform the number of eligible Homelands and occupied dwellings.

Service providers must not use more than 20 per cent of HMS funding for administrative or overhead costs associated with program delivery, or more than 50 per cent of HMS funding for paying salaries or wages to staff involved with program delivery. HMS funding should not be utilised in the delivery of any other grant program.

3.1.3 Homelands Jobs

Homelands Jobs grant funding is provided to service providers to employ local Aboriginal people in Homelands to assist in the delivery of Homelands' programs in order to increase economic participation by offering employment and training opportunities to local residents. The funding is to be used to pay salaries or wages or to up skill Aboriginal staff who are directly involved in the delivery of Homelands' programs.

As with MES and HMS grant funding, Homelands Jobs is allocated to service providers based on the number of dwellings in the Homelands they manage, with an adjustment for those Homelands that are difficult to access, and those Homelands that provide either or both their own power and water. An annual adjustment is made for changes in Homelands' eligibility and number of dwellings. No program monies are to be directed to administrative or overhead costs.

3.1.4 MES Special Purposes Grants (MESSPG)

MESSPG funding is used to complement the MES program in funding capital costs for the delivery of municipal and essential services to Homelands. Any assets or infrastructure purchased or improved under the grant must be used to deliver services to eligible Homelands. Service providers can apply for projects to be funded, and funding is prioritised according to the project's assessed need, with projects prioritised in descending order as follows:

- water systems and water management systems;
- power and sanitation systems;
- waste management;
- other municipal services and backup essential services systems; and
- infrastructure or municipal projects beyond the scope of MES.

The Program Guidelines recommend that service providers check and reference the infrastructure and equipment registers and maintenance logs they are required to maintain under the MES and HMS program requirements, before lodging applications for MESSPG grant funding. MESSPG funds are not to be directed to pay for administrative or overhead costs, and overheads or for paying salaries or wages to staff involved with program delivery.

3.1.5 Homelands Extra Allowance (HEA)

HEA grant funding is intended to modernise facilities, improve living spaces or covered areas and to make work areas more accessible, safer and easier to maintain. Funding should first be directed to urgent housing works or general repairs and maintenance works, such as electrical works, water leaks, blocked toilets, taps, doors, windows, locks, lights and fans.

Homelands can apply for up to \$8,000 funding in 2019/20 through their Homeland's service provider, with the application being agreed between the resident and the service provider. The house identified in the application must be part of an eligible Homeland. The program accepts HEA applications from the start of the financial year until funding is exhausted.

Applications must meet a number of additional eligibility requirements, including:

- the house where works will be undertaken is the applicant's principal place of residence and the applicant is not a primary or co client of NT Government assisted housing;
- children who live permanently on the Homeland attend school regularly;
- the applicant is contributing to the upkeep of the house, such as maintaining the home or Homeland, or paying service fees to the service provider;
- the applicant must be participating in the economy through paid work, self employment, community jobs schemes, training, registered volunteer work and/or membership of community boards and committees, or be in receipt of an age, disability or carers payment; and
- the total income received by the applicant did not exceed \$85,000 in the last financial year.

Service providers can use up to 10 per cent of HEA funding for administrative costs and overheads related to delivering the program.

3.2 Challenges and Implications

3.2.1 Municipal and Essential Services (MES) and Housing Maintenance Services (HMS)

A finding from consultations with Government is that service delivery plans, infrastructure and equipment registers and maintenance logs are not consistently prepared by service providers, and are not of a standard to promote efficient work by the service provider or accountability to HSG when prepared. In the absence of these core planning instruments, service providers complete both MES and HMS works in a reactive manner, and oversight by HSG staff is rendered difficult to ineffective. Where oversight is undertaken, it relies almost entirely on the institutional knowledge and initiative of HSG staff. Furthermore, consultations indicated that funding levels are not sufficient to maintain either municipal and essential services or Homelands' houses, while the absence of robust planning instruments makes it difficult to quantify the magnitude of funding required to meet need.

The reactive manner in which work is undertaken places a further strain on already limited resources. Many Homelands are isolated or difficult to access, and travel and access costs for a single visit can consume a large portion of a Homeland's annual MES or HMS budget. Skilled work planning could be undertaken to maximise the costs of travel and the subcontracting of skilled tradespeople. However in the absence of outcomes focused measures or sanctions for inefficient practice, service providers have no incentive to complete works in the most cost effective and efficient manner.

Despite the considerable need for service provision under these grant programs in all Homelands, both programs are consistently underspent by providers. In the case of underspend funding is carried forward, in some cases over multiple years, with carry forward amounts sometimes outstripping a

service provider's entire annual funding amount. Once funding is carried forward by a service provider, it is difficult for the HSG to track which Homelands monies were allocated.

The Program Guidelines state that there is to be no cross subsidisation between the MES and HMS grants, however, given that few service providers account for spending on an individual Homeland level, it is almost certain that this occurs in practice. Consultations with Government suggest that it is difficult in practice, especially for very small Homelands, to draw a line between the two service streams and serves little purpose in practical terms.

3.2.2 Homelands Jobs

The Homelands Job program aligns with the policy principle of shared responsibility by having Homelands residents involved with the maintenance of their own Homelands. However, as discussed elsewhere in this review, the lack of definition as to what shared responsibility means and how it is shared between individual residents, service providers and the HSG leads to difficulties in implementation.

Minimal guidance is provided in the Program Guidelines as to what work those employed through Homelands Jobs should undertake. Concerns were raised during consultations that some Homelands Jobs funded workers were only undertaking basic maintenance activities on their own Homelands, which they should in any case complete as residents under the principle of shared responsibility; and that other Homelands Jobs funded workers were unable to be productive or effective, because they were not provided with adequate tools, materials or training.

3.2.3 MES Special Purposes Grants (MESSPG)

The MESSPG grant is vastly oversubscribed, with over \$20 million in bids being made against the less than \$7 million in funding in 2019 20. As with MES and HMS, because consistent and quality infrastructure and equipment registers and maintenance logs are not maintained by service providers, the corporate knowledge of program staff is essential to effective assessment of project bids.

An additional complication of poor infrastructure and equipment registers and logs is that HSG has a limited ability to forward plan and forecast for future MESSPG spending needs. Consultations suggest that a significant portion of solar assets on Homelands were nearing end of life, and would require funding for replacement. In the absence of a maintained infrastructure register, the program has limited ability to forecast the timing and magnitude of funding required to remedy such upcoming issues.

Where projects are delivered well, consultations suggest that significant benefits can be delivered to Homelands residents. However, as with MES and HMS, service providers generally do not have the capacity to deliver projects, and funding is often rolled over, despite the urgency of need for many of the projects. The requirement that MESSPG funding not be directed to staff salaries or administrative costs acts as further disincentive for service providers in undertaking projects.

3.2.4 Homelands Extra Allowance (HEA)

It was reported during consultations that, in some regions, HEA has contributed significantly to residents' quality of life, by allowing important structural upgrades and other measures to reduce overcrowding and correct structural housing issues. Successful works in these instances were coupled with HSG staff assisting residents in the preparation of applications, work that under the Program Guidelines is meant to be undertaken by service providers.

It was also reported that HEA funds were being directed to non essential works and not being used to address higher priority issues that put resident safety at risk. The program's additional eligibility requirements, especially the requirement that children who live permanently on the Homeland attend school regularly, can be difficult to assess when the Department is unable to assess or enforce the requirement. In practice, the additional eligibility requirements are ignored or worked around.

As with MESSPG, the work generated for service providers by HEA grants adds to a workload that service providers are already struggling to deliver, and funding is often rolled over. Consultations with Government suggest that this is exacerbated by service providers generally being of the opinion that the current HEA grant level of \$8,000 is insufficient to complete many substantial or meaningful works.

As with all programs, the administrative ability of the HSG to monitor and track rollovers is limited, and this is further complicated by HEA grants not just belonging to individual Homelands, but to a combination of an individual and a specific house. Given that Homelands residents regularly move between houses, Homelands, communities and urban areas, it is difficult to monitor how spending allocated to a specific issue at a specific resident is spent. There is concern that some service providers purposefully roll forward HEA grants so that sufficient monies can be pooled to complete larger works.

3.2.5 General

The current grant funding programs and the associated administrative processes are focused almost solely on program inputs, with almost no ability to monitor outputs or outcomes or keep service providers accountable. Where monitoring of outputs does take place, it relies on the institutional knowledge and initiative of individual program staff, rather than robust policies, procedures or practices. Although the current program data makes it difficult to assess the outcomes of the grant programs, consultations suggest that they are neither effective nor efficient.

Breaches by service providers and an inability of service providers to spend their allocated grant monies or provide contracted services in a timely manner are common occurrences, however, program staff have limited ability to monitor or apply sanctions when breaches are highlighted. Even where field officers are able to visit Homelands and review works completed by service providers, what constitutes acceptable quality is unclear and they generally do not believe that their reports to administrative staff result in remedy or sanction of service providers. It was widely acknowledged during consultations that the majority of residents and service providers do not understand the nuances of the programs, and are not necessarily able to distinguish between them. Residents do not consider the allocation of funds to be transparent or logical.

3.3 Towards a New Policy

The separation of Homelands grants into five grant programs provides no discernible benefits, and does nothing to encourage effective, efficient or appropriate spending of funds by service providers. HSG staff do not have the data, systems or resources to monitor compliance with the programs, and regular non compliance by service providers is known and accepted.

The current input focused nature of grant monitoring does not provide incentives for service providers to allocate grant monies in a way that will have maximum benefits to Homelands residents. A shift should be made to monitoring of the program outcomes achieved by service providers, with service providers allowed flexibility in how monies are spent to achieve these outcomes. Moreover, rollover of unspent grant monies from year to year by service providers should be limited from their current high levels, which are in some cases in excess of the entire annual allocation of funding.

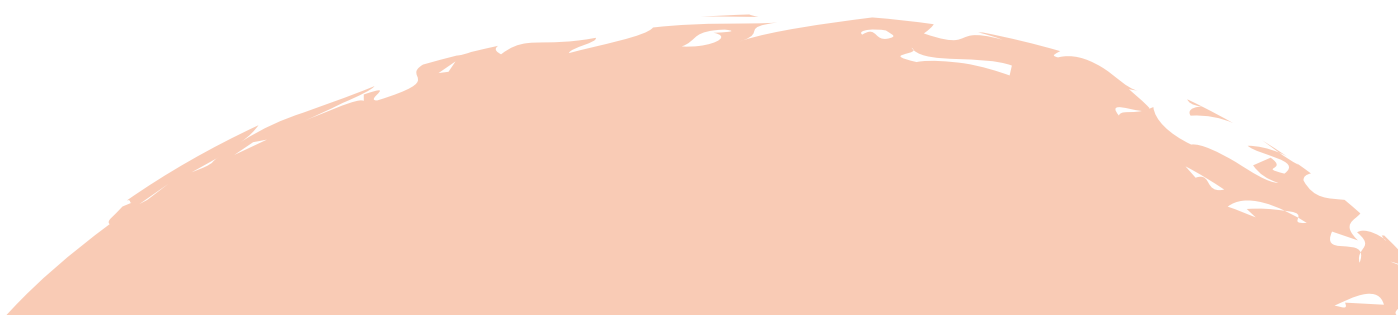
Rationalisation of grants programs into a single grant program would allow HSG and service providers to redirect the energies away from oversight, management and reporting of program complexities that

add little value, and towards quality outcomes for Homelands residents. Allowing service providers to allocate monies based on their ground experience and with a focus on outcomes will be beneficial to residents, and is mostly in line with current practice. HSG resources can then be redirected to monitoring outcomes.

3.4 Policy Recommendations

The With respect to the continuation of the current Homelands grants programs, this review recommends that:

- **Recommendation 7:** Municipal and Essential Services (MES), Housing Maintenance Services (HMS), Homelands Jobs, and Homelands Extra Allowance (HEA) grant programs be combined into a single grant to allow maximum flexibility for service providers in delivering services to Homelands. MES Special Purposes Grants (MESSPG), to fund municipal and essential services capital works, should be quarantined as a separate grant program (to which service providers are required to apply for funding of capital projects). Quarantining of additional funds for emergency works should also be considered as a component of the MESSPG.
- **Recommendation 8:** The focus of program monitoring shift from program inputs, to program outputs, with the onus placed on service providers to illustrate compliance with the output measures that are established and the outcomes achieved.
- **Recommendation 9:** Grant rollovers from year to year only be allowed where the service provider has been fully compliant with the terms of the agreement in the prior year and the proposed activities and spending timing of the rollover funds are provided, to be included as an addendum to the next year's agreement.



4 Model of Service Delivery

This section evaluates the current model of service delivery through approximately 40 service providers, including the structure of agency funding agreements and the certainty these provide for residents; and the performance of the model in terms of cost efficiency, service delivery outcomes and the quality of performance monitoring systems to ensure transparency and accountability.

4.1 Current Model

For the 2018/19 period, a total of approximately \$40.536 million has been allocated to 39 service provider organisations under funding agreements to deliver services to Homelands. Of these organisations, 27 are Aboriginal controlled. Often referred to as 'resource agencies', these organisations are frequently described as "community organisations or agencies that are able to provide sound planning, management and accounting skills, and centralised service delivery arrangements". The role envisaged for resource agencies has historically included core functions to assist Government and residents with planning for individual Homelands, receiving and managing funds on behalf of residents, and assisting with the development, operation and maintenance of housing and infrastructure in Homelands locations.²⁶

Contractual arrangements under the current Homelands Policy are managed by the HSG on a regional basis, with service providers grouped into five geographic regions each allocated a Technical Officer (or Field Officer) from within the unit. The HSG itself sits within Community Services, a division of the TFHC. The unit employs two Regional Directors, three Managers (operations, programs and strategic initiatives) and a Program Coordinator and Project Officer, in addition to seven Field Officers for Darwin, Alice Springs, Nhulunbuy, Katherine and Tennant Creek.

The contractual obligations of service providers are ostensibly built upon the principles of transparency and accountability stated in the 2015 Homelands Policy, with minimum standards for service provision. Service providers are required to submit their implementation plans and delivery schedules to the relevant Field Officer, based on annual allocations per Homeland and capital expenditure. This information is then published on the Department's website for transparency.²⁷

As stipulated in the Program Guidelines, the service provider must not, without the Department's prior written consent: use more than 20 per cent of HMS or MES funding for administrative costs and overheads directly involved with program delivery; use more than 10 per cent of HEA funding for administrative costs and overheads directly involved with program delivery; use more than 50 per cent of the HMS or MES funding for paying salaries or wages for positions directly involved with program delivery; or use MES funding to deliver HMS services. No component of the Homelands Jobs funding can be spent on administration or staff costs. To manage and assess service delivery and service provider performance, half yearly reporting templates have been developed by the Department. These reports provide details of activities undertaken and financial expenditure.

²⁶ ATSIIC National Homelands Policy 2002.

²⁷ See <http://www.homelands.nt.gov.au/>

4.2 Challenges and Implications

The policy principles of transparency and accountability, with respect to the relationship between service providers, residents and Government, are arguably not being observed under the current policy. A range of challenges and limitations are identified as part of this review, including around service planning and resident consultation; the tension between capped funding, need, and the allocation of grant funding; the capability of service providers to deliver; and the capacity of the HSG to adequately administer the program in its current form.

It is widely acknowledged that service delivery plans – an annual agreement between service providers and residents for planned works at each Homeland – are infrequently and inconsistently prepared by service providers, despite these being a core planning element of the policy. Consultations with Government suggest that officers within the HSG lack the resources to police and enforce the requirement, while from a service provider perspective, there is little point in undertaking forward planning for assets if they lack the resources to do this rigorously and since funds are not available through the Homelands grants programs to undertake the full scope of works identified.

Consultations also suggest that the majority of service providers have a very limited appreciation of the rationale behind the requirement for service delivery agreements with residents, and their role in aligning service delivery expectations as well as works planning. In some instances, there may be a general ‘understanding’ between the resource agency and Homelands residents as to what services will be provided. However in the majority of cases, there is no clear agreement, which can become a major source of discontent, when Homelands residents are of the view that individually designated funding for each Homeland is provided to the service provider and they want direct control of ‘their money’.

As indicated during consultations, in the absence of effective agreements, Homelands residents have high expectations of services without a reciprocal responsibility to make contributions, but at the same time lack an appropriate channel of communication with service providers to seek greater clarity. According to the CAT Homelands’ Asset Review, most residents would like to better understand what funding is allocated for municipal and essential services and how this money is spent,²⁸ while the current system of online publishing of service delivery reports is little substitute for nuanced community engagement strategies when residents lack computer literacy or internet access. While some service providers may be community controlled with a long history of service delivery to Homelands’ locations (including delivery of social, cultural and economic development programs), for many, such engagement is something they are ill equipped in terms of governance and management structures to accommodate.²⁹

The role of service providers to receive and manage funds on behalf of Homelands residents is itself unclear, with the likelihood of inconsistencies in the level of MES and HMS services delivered by different agencies to Homelands with similar needs. Although a requirement of the program, only a few service providers are known to operate individual accounts or budget lines for each Homeland and, in most cases, seek grant funds in their own right and pool resources, to enable them to deliver the services as they see fit. This risks money being expended by service providers on a reactive basis, as well as the potential for the diversion of grant funding to ineligible locations on the basis of convenience.

While service providers may take the opportunity to save up grants to deliver on substantial and high priority works, it may also be the case, as suggested during consultations, that substantial works are not completed precisely because of the de jure inflexibility around the freedom for service providers to manage funds, leading in extreme cases to under scoped and under quoted work remaining incomplete. Service providers are frequently unable to manage the workload for capital projects, HMS or MES, and funding is often rolled over, even when allocated to high priority projects.

The policy and procedures put in place to manage unexpended funding are, however, largely unworkable, since if funds are carried over by a service provider, there is no system to track which properties and Homelands this money otherwise belongs to.³⁰ Service provider acquittals through half yearly financial and activity reports are widely considered to be ineffective and onerous, and reportedly few service providers are administratively able to break down their expenditure to a community level.

²⁸ The Northern Territory Homelands and Outstations Assets and Access Review (2016) Centre for Appropriate Technology

²⁹ National Homelands Policy Review (2004) Centre for Appropriate Technology

³⁰ If any funding remains unexpended at the end of each financial year, the service provider is required to seek the Department’s approval to have the funding carried forward, and service providers are required to submit a carry forward request for any unexpended Homeland program funding. Service providers are expected to continue delivering the appropriate services to the remaining Homelands with the unexpended funds, until receiving approval or further advice, in writing, by the Department. If the carry forward is extensive, the Department may opt to reduce the service provider’s allocation for the following financial year to ensure the carry forward amount is fully spent.

The program requires a large amount of information from service providers, yet they are unable to report this information in a meaningful way that assists in holding them to account. Service providers have little in the way of baseline data to effectively manage assets, while tracking of residents and housing, for example, is extremely difficult due to the transience of the population and privacy concerns (in addition to the way program budgets are pooled and managed). Regular breaches of the policy are therefore known to occur, such as expenditure on houses or locations that have been unoccupied for more than half of the year.

Issues with service provider sustainability, governance and capacity undoubtedly play a role here, and a high rate of staff turnover (combined with an insufficient focus on workforce development and training) was frequently cited during this review as a reason for poor levels of service delivery and accountability. Most service providers are understood to have experienced difficulties in attracting and retaining staff with appropriate skills, while a reliance on external contractors has not always been organised through effective management systems to ensure consistency of operating standards and the capture of key operational information.

Challenges for effective corporate governance are also a factor, particularly in the case of community controlled service provider organisations. Board or committee members who are also leaders of their own settlements is a typical situation, with the potential for conflicts of interest between representation of the wider community they serve and the interests of their own settlement. Influential board members can have an outsized influence on where money is spent, at the expense of other residents and Homelands that are not well represented on boards.³¹

Although smaller service providers tend, on the whole, to experience greater difficulty providing accurate and timely reporting, the difficulties service providers have with maintaining and reporting data can only partly be explained by a lack of corporate capacity or the absence of capability to project manage budgets. More fundamentally, it could be argued that the goals of the policy and the incentives offered to service providers are simply misaligned. A service provider who is also a Regional Council, for example, may not be incentivised to undertake the work because it is not part of their core business, shortfalls are not fully funded with resident contributions, and the policy does not explicitly allow the build up of cash reserves to replace assets. There is simply too little funding for service providers to plan both capital works and maintenance programs at the same time, with the effect of forcing service providers into a reactive model of provision in which they operate from crisis to crisis.

According to the CAT Homelands' Assets Review, the uncertain funding environment is considered by the majority of service providers to be a critical constraint on their ability to plan their operations and manage their resources and assets effectively, while the other aspects of their operating environment, such as the mobility of Homelands' populations and the logistics of working across vast remote regions, have contributed significantly to the complexity of the task.

Concerns were also voiced during this review regarding the capacity of the current HSG to effectively administer the policy, given the complexity of reporting requirements and the difficulties this poses for public officers trying to assess outcomes and maintain accountability in the system. Although breaches by service providers are known to be common, the ability of program managers to monitor compliance and apply sanctions is understood to be limited. Indeed, officers are unable to effectively monitor works and expenditure with reference to the data provided.

In the absence of adequate system verification, such assessments are clearly open to subjective interpretation, otherwise there is an over reliance on the working knowledge and experience of the affected officer, which can result in variance in administrative standards between staff over time. A current sanction mechanism, which is to increase the reporting frequency requirement for service providers who are non compliant, is impractical and fails to address root causes associated with poor data.

The inability of program managers to apply adequate program governance and controls, given the paucity of financial reporting data provided, is exacerbated by the inability of HSG Field Officers to

³¹ In Search of an Outstations Policy for Indigenous Australians (2006) Altman, Centre for Aboriginal Economic Policy Research, Working Paper No.34

effectively monitor and verify outcomes on the ground. This is principally because officers are unable to link the reported data to activities in specific Homelands and dwellings (as well as the reality that what constitutes an acceptable standard is itself fluid and ill defined), but is worsened by vast regional geographies and the inability of Field Officers to visit all Homelands twice a year as prescribed.

Based on consultation findings, Field Officers simply do not have sufficient capacity to perform proper oversight of service providers in situ (and unresolved issues tend to be compounded in Homelands that are not frequently visited). Such visits are also critically dependent on Field Officers maintaining trusted relationships with service providers and residents, and rely on the right people being present in a location to provide access when Field Officers are on site. Field Officers also commented that they often receive dated reports, while the capacity of head office to review and action recommendations once submitted following a site visit is limited. Notwithstanding the cost and limitations of this method, the program continues to rely on Field Officers to ensure that eligibility definitions for Homelands are being properly applied.

4.3 Towards a New Model

This review has found clear limitations regarding the extent to which the Homelands program can achieve and sustain effective outcomes in Homeland locations under the current service model. The requirement for service providers to be accountable for funding on a per Homeland basis is impractical, and in practice is neither effectively monitored by the Department nor implemented by service providers. A policy which more explicitly addresses this reality is needed, to give service providers the flexibility and permission to decide how best to spend Homelands' monies, while at the same time reducing the burden placed on HSG staff to monitor outcomes without the necessary information.

To ensure this shift is aligned to a more demand responsive policy framework, service providers should be obligated to prepare service delivery plans in consultation with residents, and to discuss, plan, reflect and implement realistic and sustainable service levels for each Homeland. A more sophisticated and transparent approach to planning and resource allocation at the service provider level should avoid many of the tensions that currently occur in the system when residents feel ignored, ill informed and unclear on the roles and responsibilities of all stakeholders. This approach will also create opportunities for service providers to agree with residents on provisions for the payment of user contributions, with the potential, where appropriate and feasible, for an arrangement whereby residents pay an agreed contribution for Homelands' services received through the service provider. This will require a shift in the skill base and operating methods of resource agencies towards a greater focus on facilitation of processes of community engagement.³²

In this regard, findings from the 1998 Review of Resource Agencies,³³ which made a series of recommendations regarding the amalgamation of service providers (or components of their operations) into larger regional entities to achieve economies of scale and improve administrative and consultation capacity remain valid, and have been reiterated by those consulted for this review. This is supported by the submissions provided by stakeholders including current service providers and Land Councils, which indicated a preference for service provider rationalisation in their submissions for this review, supporting either rationalisation on the basis of regions, or even on the basis of service types.

Recommendations also stand concerning the need for a greater focus on institutional capacity building as well as capacity building at the level of corporate governance, operations and finance. This would see a role for Government in facilitating information exchange and networking opportunities between service providers, through initiatives such as sector workshops and regional forums, to encourage cross sector knowledge sharing and mitigate against the current pervading sense of isolation.³⁴

Rationalisation of service providers (not precluding the delivery of Homelands' services through sub contracting, joint-venture or partnership arrangements) goes hand in hand with recommendations made in this review for the rationalisation of grant programs, both of which could be achieved with

³² Australian Human Rights Commission (2009) Social Justice Report

³³ Review of Resource Agencies Servicing Indigenous Communities (1998) Altman, Gillespie and Palmer

³⁴ Review of Resource Agencies Servicing Indigenous Communities (1998) Altman, Gillespie and Palmer

adequate NT Government oversight through a traditional Government tender process. This approach could replace the current acquittal process for grant program finances that has proven to be so cumbersome, and should strengthen service provider accountability through a renewed focus on outputs and outcomes set in refreshed key performance indicators (KPIs) for Homelands services provided.

Such an approach will not only improve accountability and oversight of service providers by Government, but will create space for greater flexibility in the way services to Homelands are planned and organised, within a common outcomes framework that better aligns the activities of service providers to the needs of residents and the broader community of stakeholders. Additional benefits to Government from a reduction in the administrative and compliance burden currently borne by HSG Field Officers and program managers would also be realised through this process.

4.4 Policy Recommendations

With respect to the model of service delivery for Homelands, this review recommends that:

- **Recommendation 10:** Public expressions of interest should be called for the delivery of Homelands' services. The expression of interest and draft contract should seek to rationalise the delivery of services to Homelands on the basis of their regions by seeking one service provider per region (not precluding the delivery of Homelands' services through sub contracting, joint-venture or partnership arrangements).
- **Recommendation 11:** That a function of the HSG to support the institutional capacity building of Homelands' service providers be established, through initiatives such as regional workshops, information sessions and other activities which encourage networking and information sharing between service providers working on common issues, and that Departmental funds be allocated accordingly.

5 Construction of New Housing

This section examines opportunities to fund the construction of new houses under the proposed new housing on Homelands' co funding policy. It assesses the feasibility of opportunities to part fund new investment where this is matched by private investment (either individually or through community trusts) and supported through costed asset planning.

5.1 Co-funding Policy Initiative

The September 2007 MoU between the Commonwealth and the NT Government, Indigenous Housing, Accommodation and Related Services, stipulated that "no Australian Government funding will be provided to construct housing on outstations/homelands".³⁵ Since this time, the NT Government's policy direction has been to not provide funding for new housing on Homelands, and the limited housing that has since been built has been funded either privately or by exception.

The possibility was raised during this review that a new Housing on Homelands grant program be established to assist building new homes on Homelands where grant recipients are prepared to co fund the build. Under the proposed program, a resident who is able to fund or part fund a new Homeland

³⁵ Northern Territory Government: Department of Local Government, Housing and Sport, 2007, p. 17

dwelling would be eligible to apply to the NT Government for co funding.

The financial constraints in Homelands' funding has meant that very little new housing has been constructed since 2007, with consultations suggesting that the majority of housing stock was originally constructed by the Commonwealth Government over 30 years ago, and that current Homelands housing stock is in poor repair, especially in the Northern region where there are a large number of houses with significant structural issues. This is supported by the CAT Homelands' Assets Review which found that nearly one third of houses had substantial or longstanding issues that necessitated rebuilding rather than repair.³⁶ As a result, the injection of additional funds generated by co funding to fund new housing would be widely welcomed by residents and other Homelands stakeholders.

Consultations conducted for this review also highlighted that construction of new housing on Homelands would provide opportunities for residents currently living in communities to move to Homelands, thereby reducing regional overcrowding and freeing up limited public housing stock. This is supported by the Department's housing strategy, which recognises the interconnectedness of Homelands with the other remote and urban regional components on the NT's housing system.³⁷ This is further supported by submissions made by Homelands residents to the review, which note that new houses would greatly improve the quality of life of Aboriginal people in the corporation's region.

Throughout consultations undertaken for this review, the small size and isolation of many Homelands was cited as a barrier to delivering program services within the current funding envelope. It is argued that an increase in the number of houses on some very small Homelands would improve their viability by enabling services to be delivered in a more efficient and cost effective manner.

The argument runs that, were the principle of shared responsibility better defined by the program, there could be potential to reduce costs, whilst meeting policy objectives, by working with Land Councils and other regional stakeholders as development partners. Furthermore, construction of new housing could provide existing or potential Homelands that have been identified to have economic development potential the opportunity to establish and grow.

5.2 Challenges and Implications

Co funding of construction of new housing on Homelands is congruent with the broad 2015 Homelands Policy principle of shared responsibility, and would support Aboriginal people's aspirations to live on Homelands.³⁸ Further, co funding is consistent with the Department's housing strategy which supports Aboriginal Territorians to live on, develop and maintain their Homelands. However, the unclear definition and application of the shared responsibility principle within the program complicates its application, including for co funding. How responsibility should be shared between individual representatives, Land Councils and land trusts, and the Commonwealth and NT Governments is not defined and therefore hampers the sharing of both benefits and risks.

Contrary to the arguments around the benefits of sharing costs through co funding, consultations for this review raised concerns regarding the potential for limited funding to be further diluted by the addition of new houses on Homelands. Currently, the majority of operational program funding is distributed on a per house basis, adjusted for factors such as the Homeland's isolation, and therefore the addition of any new houses dilutes the funding directed to repairs and maintenance and the maintenance of municipal and essential services per house. Additionally, significant additional funding will be required to co fund the construction of new housing and ensure that utility and other essential infrastructure is upgraded or installed to cater to new houses. Additional funding from either the NT or Commonwealth Governments would therefore be required to fund both additional recurrent expenditure and the Government's co funding share.

³⁶ The Northern Territory Homelands and Outstations Assets and Access Review (2016) Centre for Appropriate Technology

³⁷ Northern Territory Housing Strategy 2020 2025 (2019) A Home for all Territorians

³⁸ Northern Territory Housing Strategy 2020 2025 (2019) A Home for all Territorians

Consultations with Government identified that the majority of Homelands residents will have a very limited capacity to finance co contributions. This is supported by a review submission from the Arnhem Land Progress Aboriginal Corporation,³⁹ which notes that the majority of Homelands have no external sources of income to direct towards the construction of additional housing. Even where an individual level solution is achieved when residents have the financial capacity to obtain a commercial loan, land tenure arrangements for communally owned land (which complicate the use of land assets as collateral and prevent repossession by a lender in the event of foreclosure) make commercial loans unlikely.

Other funding models, where the Government extends a loan to residents in return for an equity share, are also problematic for a range of reasons, including: the financial risk to which the Government will be exposed upon default; the inability to recover assets on default due to land tenure issues; the remoteness of houses and associated cost; the reputational risk of the funding causing financial hardship for residents; and the financial and budgetary risk of managing construction overspends whilst ensuring construction is completed.

As discussed previously, the communal nature of the tenures for lands where the majority of Homelands are located is a cause of confusion. The complexity of use and ownership rights under which Homelands are protected is a source of considerable misunderstanding and uncertainty. Consultation findings suggest that both residents and service providers typically view homes as Government property. This is supported by the submissions made by Aboriginal corporations representing Homelands residents, which attribute the responsibility to build new housing as wholly belonging to Government.

As with other dimensions of Homelands' policy, clarification of the ownership of Homelands' assets (both housing and infrastructure) and the obligations of residents and other stakeholders is an important first step for the viable construction of new housing on Homelands. Furthermore, the ability to transfer ownership of Homelands' assets to parties other than the communal owners would likely be required to attract commercial finance. Consultation and partnering with Land Councils would be beneficial in advancing these matters.

Consultations with Government indicate that Homelands' program staff and service providers are presently experiencing significant issues managing their program workloads and ensuring that program funds are effectively spent and allocated. The ability of either party to manage the additional workload and risk that project managing and constructing additional housing would generate is questionable. Furthermore, both program staff and the Department would be required to consult extensively with successful applicants in the planning and design of new dwellings. Consultation findings suggest that both parties' capability and capacity to consult with Homelands residents is limited.

Compliance with construction codes is not required in remote areas of the NT, however Building Code of Australia, Standards Australia, Northern Territory Department of Health Environmental Health Standards, and the National Indigenous Housing Guide are usually applied. Consultations suggest that these codes and guidelines could be somewhat relaxed in the construction of new Homelands housing to reduce costs, which would expose the NTG to significant reputational and financial risk in the case of defects.

Where new houses on Homelands are required to be built according to these codes and guidelines, the program may have difficulty in enforcing standards given their current limited ability to manage service provider accountability. The Residential Tenancies Act stipulates that the underlying land owner is responsible for keeping premises in a reasonable state of report. Were this to be better communicated to the underlying owners, land trusts and the Land Councils, the risks around enforcing building codes and guidelines could be shared. Further involvement of land trusts and the Land Councils would also mitigate some of the financing risks identified.

³⁹ Arnhem Land Progress Aboriginal Corporation (2019) Homelands Program Review Submission

5.3 Towards a New Policy

Although substantial benefits are likely to be provided through the construction of new housing on Homelands, the challenges of establishing and implementing a co funding program and the risks to which this exposes NTG cannot be met or mitigated by the current Homelands policy. Where there are opportunities available for co funding, these would be best managed on a regional level and through a mechanism outside of the Homelands' program and HSG.

Individual Homelands residents are unlikely to have the capacity to manage construction, and a well functioning Aboriginal corporation would be better placed to manage this and other land use and asset planning and housing finance functions. A LDM agreement between the NT Government and a regional or local representative body offers a potential way forward to manage the construction of co funded housing on Homelands. To limit strain on current Homelands' program funding, any housing on Homelands funded through such a mechanism should be exempt from program support and recognise the responsibility of the land holder for the ongoing maintenance of housing assets on their land.

5.4 Policy Recommendations

With respect to the opportunities to fund the construction of new houses, including under the proposed new housing on Homelands' co funding policy, this review recommends that:

- Recommendation 12: Co funding of housing should cease to be a policy of the Homelands program. Where Homelands residents have access to funds to contribute to co funding new housing on Homelands, this should be managed through a LDM agreement between the NT Government and a regional or representative body, and include the relevant Land Council with potential planning and funding responsibilities.
- Recommendation 13: Guidelines should be put in place to attribute to parties other than the NT Government, responsibility for upgrades and recurrent maintenance of utilities and other essential infrastructure required when new housing is constructed on Homelands.

6 Conclusion

This review finds that the 2015 Homelands Policy and its associated programs are unsustainable in their current form, and raise a wide range of policy challenges for Government that cannot realistically be addressed through a business-as-usual approach. To address the shortcomings of the existing policy and the associated challenges for program implementation, 13 substantive recommendations are made which, taken together, seek to simplify and clarify funding and service delivery arrangements for Homelands in the interests of residents, service providers, land holders and Government alike. The broad rationale for the policy recommendations made by review theme is summarised here.

6.1 Homelands' Definition and Eligibility Criteria

The tight fiscal environment in which the NT Government is presently operating, combined with the limited sharing of responsibilities for Homelands' development under the current Homelands' policy, has brought into focus the strong need for the NT Government to be better supported by stakeholders who share this responsibility if resident aspirations for Homelands are to be fulfilled. The first recommendation of this review (Recommendation 1) is therefore to acknowledge the need for re engagement between the Commonwealth Government, Land Councils and the NT Government, to encourage a more equitable sharing of financial and program responsibilities through a co ordinated approach to Homelands' policy and service provision, if long term and sustainable policy outcomes are to be achieved in the interests of residents and the broader community.

To provide greater clarity for planning and decision making regarding the distinction between Homelands and larger communities, and to re focus support for Homelands on small discrete communities that offer a home for residents only as part of a broader hierarchy of settlements, this review recommends (Recommendation 2) that Homelands be defined on the basis of population size and land tenure: as small discrete Aboriginal communities of less than 100 persons of Aboriginal descent living on Aboriginal communally owned and controlled lands. The current absence of definition and the implied application of a loose cultural framework for the allocation of resources is found to be unworkable and, in the context of extreme geographic remoteness and constrained fiscal resources, has driven a progressively ad hoc approach to Homelands' servicing across the NT, with little consistency or consideration of efficiency or equity principles when allocating funds across diverse locations and communities.

In circumstances where the emphasis on threshold population is considered overly restrictive and detrimental to the establishment or growth of settlements with economic development potential and the prospect of exceeding 100 usual residents then alternative arrangements should apply. For communities interested in becoming more independent and self supporting, the negotiation of a suitable LDM agreement between Government and a regional or local representative body (Recommendation 3) offers such potential. Within the contemporary policy landscape of the NT, these arrangements provide the opportunity to accommodate aspirations for broad based investment in social and economic development, in conjunction with physical infrastructure investments, to enable the types of community development (with access to Whole of Government and ideally Land Council support) which the current Homelands policy is unable to deliver.

Existing eligibility criteria stating that an eligible Homeland must be the occupant's principal place of residence, and that support for a Homeland will be reviewed if left unoccupied for more than four months (Recommendation 4) are consistent with a population based definition of Homelands and should be retained to ensure fairness and consistency of approach to the allocation of limited Government resources.

This review similarly recommends retaining and strengthening existing criteria around the requirement for eligible Homelands to have access to a potable water supply (Recommendation 5) and adequate power supply (Recommendation 6), with the respective qualifications that for any new Homelands being added to the program, funding will not be available to establish a new water source locally, and that where Government makes an investment in updating power infrastructure (such as a transfer from diesel to solar generation), it should secure the rights, through negotiation with the appropriate Land Council, to repurpose or move the asset should the Homeland become unoccupied.

6.2 Homelands' Grants Programs

The separation of Homelands' grants into five separate grant programs is found to provide no discernable benefits, and does little to encourage effective, efficient or appropriate spending of funds given the tendency for grant funds to be pooled by service providers. Service providers do not consistently or appropriately report on grant expenditure by program, location or dwelling as stipulated in the Program Guidelines, and HSG staff do not have the data, systems or resources to monitor compliance with the programs as currently administered.

Rationalisation of grants into a single grant program (Recommendation 7) will allow service providers greater flexibility to more appropriately expend funds according to resident needs and priorities, without the constraint of program by program administration and reporting. Allowing service providers to allocate monies based on their on the ground experience (in conjunction with reforms to the Homelands service model) provides an opportunity for a greater focus on program outcomes, to the benefit of residents, rather than persisting with what has proven to be an ineffective approach to the monitoring and reporting of program inputs and expenditure.

This review has found that the current grant funding programs and associated administrative processes are focused almost solely on program inputs, with almost no ability to monitor outputs or keep service providers accountable for outcomes. In addition to combining grants programs, and as a component of reforms to the Homelands service model, this review therefore recommends a shift from program inputs, to program outputs within service delivery agreements, with the onus placed on service providers to illustrate compliance with the output measures that are established and the outcomes for residents achieved (Recommendation 8).

A rationalisation of grants programs will also reduce the administrative burden on HSG staff, with the benefit of redirecting staff time and other resources, currently invested in unworkable systems and processes, away from a regime of micro level monitoring and compliance, towards a program that incentivises service providers to deliver quality outcomes for Homelands residents. The rollover of unspent grant monies from year to year by service providers should also be limited from their current high levels (Recommendation 9) with the proviso that grant rollovers only be allowed where the service provider is fully compliant with the terms of their agreement in the prior year and the proposed activities and timing of the rollover funds are presented as an addendum to the next year's agreement.

6.3 Model of Service Delivery

This review finds there are significant and fundamental limitations to the current model of service delivery, whereby Homelands' services are delivered by a large number of discrete service providers and the onus placed on Government to ensure program by program and community by community accountability is administratively unfeasible. The requirement for a large number of service providers of varying organisational capacity to be accountable for funding on a per Homeland basis is found to be impractical, and in practice is neither effectively monitored by the Department nor implemented by service providers who lack the resources and personnel to effectively plan, budget and monitor outputs on this basis.

This review therefore recommends (Recommendation 10) that the delivery of Homelands' services be rationalised on a regional basis through a traditional Government tender process, with the objective to reduce the number of service providers and circumvent the need for the current acquittal process for grant program finances that is found to be complex, opaque and resource intensive. The goal is to reduce the administrative complexity of current arrangements and to give service providers greater flexibility in planning for service delivery and decision making regarding how monies are expended, while strengthening accountability through a focus on service delivery outcomes and the satisfaction of residents (set in refreshed KPIs in contracts for Homelands' services provided). This approach will also create opportunities for service providers to agree with residents on provisions for the payment of user contributions, where appropriate and feasible for residents in that region.

The new arrangements will reduce the burden currently placed on HSG staff to monitor service provider expenditure and reduce the need for technical and program officers to micro monitor expenditure and service outputs. Rationalisation of service providers goes hand in hand with recommendations made for the rationalisation of grant programs.

To facilitate the exchange of good practice and respond to common policy education and information requirements among service providers, this review recommends (Recommendation 11) that part of the productivity dividend from rationalisation of the service model be allocated to establishing a HSG function to support the institutional capacity building of Homelands' service providers (through support for initiatives such as regional workshops, information sessions and other activities which encourage networking and information sharing between service providers).

6.4 Construction of New Housing

The proposal to establish a Government backed co funding arrangement for the construction of new housing on Homelands is found to be unviable and leaves the NT Government open to a range of policy and reputational risks as well as increased financial liabilities in what is a challenging fiscal environment. In the absence of additional program funding, implementation of the policy and the ongoing responsibility for housing maintenance and infrastructure upgrades implied, will further dilute the limited monies available for existing Homelands' housing. Co-funding will also expose the HSG to a range of project planning and budgetary uncertainties as a consequence of potential high construction costs and the possible cost overruns, and the complexity of managing financial arrangements and ongoing asset responsibilities should a resident default on a home loan.

This review therefore concludes (Recommendation 12) that co funding of housing should not be a policy of the Homelands' program. To enable the construction of new housing in circumstances where Homelands residents have access to funds, this review finds that this will be better managed in locations with economic development potential through a LDM agreement between the NT Government and a regional or representative body that is capable of managing project planning and funding responsibilities on behalf of the resident. Under such an arrangement, responsibility for upgrades and recurrent maintenance of utilities and other essential infrastructure required when new housing is constructed on Homelands would be not be the responsibility of the NT Government (Recommendation 13).

Appendix A: 2018 Stakeholder Submissions received by TFHC

In 2018, TFHC sought written submissions from stakeholders concerning the current policy. Submissions were received from the following stakeholders:

- Banyala Garrangali Aboriginal Corporation
- Bawinanga Aboriginal Corporation
- Central Desert Regional Council
- Central Land Council
- Children's Ground
- Northern Territory Department of Education
- Arnhem Land Progress Aboriginal Corporation
- Greg Marks
- Ingkerreke Outstations Services Resources
- Layhapuy Homelands Aboriginal Corporation
- MacDonnell Regional Council
- Mäpuru Homeland
- Marthakal Homelands and Resource Centre Aboriginal Corporation
- Yingiya Mark Guyula MLA, Member for Nhulunbuy, NT Legislative Assembly
- The Milingimbi and Outstations Progress Resource Aboriginal Corporation
- Power and Water Corporation
- Roger Fargher
- Tiwi Islands Regional Council

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