The Australian Government and Northern Territory Government have the following understandings in relation to the application of $79.2 million in CHIP and ARIA Program funding to the Northern Territory for the 2007-08, 2008-09, 2009-10 and 2010-11 financial years. Funding provided under the Community Housing and Infrastructure Program (CHIP) and Indigenous Remote Area Housing, Accommodation and Related Services in the Northern Territory using funds provided under the Indigenous Housing Assistance Program (ARIPA) Program from 2007-08 to 2010-11 inclusive:

The parties to this Memorandum of Understanding agree to the following:

SEPTEMBER 2007

INDIGENOUS HOUSING, ACCOMMODATION AND RELATED SERVICES
AND THE NORTHERN TERRITORY GOVERNMENT

MEMORANDUM OF UNDERSTANDING

(As determined by agreement as set out below)

| 414.2 |
| 60 |
| 14.6 |
| 25 |
| (Million) |

New construction, repairs and upgrade
Municipal and Infrastructure Services
HOLT (excluding loan capital)
National Projects (e.g. FH9, ACAP, etc.)

Included within the total commitment of $79.2 million is $578.6 million in new funds, which are not normally allocated to the following:

| 7.0 |
| 2 |
| 6 |
| 2.8 |
| 18.1 |
| 18 |
| 7.5 |
| 4 |
| 20 |
| 9.5 |
| (Million) |

NAHS and CRT
Mailing and System
Bushfire Program (07-08)
Fixing Houses for Better Health (07-08)
Municipal and Infrastructure Services (07-08)
HA Affordable Housing
NT Emergency Response
Extinguishing NT Operational Plan (07-08)
Tennant Creek Town Camp Initiative
Strategic Intervention Agreement

existing commitments comprising:

2. Included within the total funding of $79.2 million in ongoing program.
The Northern Territory Government has a strong preference for Commonwealth-owned social service accommodation.

8. Consistent with the procurement process, a new contracting methodology based on strategic alliances will be used to deliver the $73 million in funds being offered by the Australian Government as well as the $1.1 billion in funds that the Australian Government has announced for the Northern Territory for renovations in Indigenous housing. In addition to this, the new contracting methodology may be delivered through the new Commonwealth methodology or, if necessary, another methodology.

7. The Northern Territory Government and the Australian Government are committed to using competitive and open procurement processes for new housing, repairs, renewals and upgrades and associated works. The procurement processes will be open to the market and will have as key outcomes maximising the provision of Indigenous employment and new housing repairs, renewals and upgrades.

6. The Australian Government will have no further responsibility for the delivery of services to Indigenous communities. The Northern Territory Government will take over responsibility for the delivery of services to Indigenous communities.

5. The order of $73 million is made on the basis that the Northern Territory Government has a strong preference for Commonwealth-owned social service accommodation.

4. In relation to the application of the $414.2 million in new construction:

<table>
<thead>
<tr>
<th>Component</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>New House</td>
<td>$300,000</td>
</tr>
<tr>
<td>Land Services</td>
<td>$600,000</td>
</tr>
<tr>
<td>Replacement</td>
<td>$300,000</td>
</tr>
<tr>
<td>Major Upgrades</td>
<td>$63,000</td>
</tr>
<tr>
<td>Minor Repairs</td>
<td>$20,000</td>
</tr>
</tbody>
</table>

Note: The project management and administrative fees will apply in addition to these costs.

1. Performance-based contract with outcomes based on Commonwealth-funded housing to a public housing model.

2. Aboriginal, Torres Strait Islander and other Indigenous governments and communities.

3. The new Commonwealth methodology or, if necessary, another methodology.
access to the Territory Housing Appeals Mechanism.

the ability for residents to move to home ownership; and

each strategic asset report and maintenance plan;

employed;

priority waitlist for Indigenous community residents who are

account of local family circumstances and location needs;

independent, fair and equitable housing allocation policies that take

the application of an affordable rent structure;

inspections and audits and appropriate risk responses;

strategic asset management, including planned maintenance, regular

advisory bodies;

a strong government framework that embeds local regional housing

management, property management and client support;

best practice housing management approach covering tenancy

both landlords and tenants;

tenancy agreements and will govern the rights and responsibilities of

the Northern Territory Residential Tenancies Act (NT) RLA will apply to

it meet the Northern Territory Housing Framework Standards;

existing housing will transfer to publicly owned Territory housing when

leases will be able to be established over the properties;

housing.

all new Territory Indigenous housing will be publicly owned by Territory

The Bush

Remote Housing Reform Framework titled A New Housing System for

Indigenous and those outlining in the Northern Territory Government

Northern Territory Governments in developing the Strategic

initiatives with the principle agreed between the Australian and

are in accordance with the principles identified by the Australian and

12. All Program management fees associated with this memorandum of

measurable outcomes and project milestones.

committee linked to the achievement of key performance indicators.

Northern Territory Government under the terms of a performance-based

understanding will come from the funding envelope.

11. A Joint Steering Committee will be established, involving senior

Australia, Government and Northern Territory Government officials, to

measurable outcomes and project milestones.

committee linked to the achievement of key performance indicators.

Northern Territory Government under the terms of a performance-based

10. The Australian Government will release the committed funds to the

13. The performance-based contracts will be developed so that deliverables

milestone payments on the achievement of the results delivered.

number and cost of properties, and the Australian Government will make

the cost and amount of rental to be determined and the

contributions. The cost and amount of rental to be determined and the

agreed key deliverables such as number and cost of houses to be

addresses and resolve matters such as the problem delivery strategy, and

14. A Joint Steering Committee will be established, involving senior

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committee linked to the achievement of key performance indicators.

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11. A Joint Steering Committee will be established, involving senior

measurable outcomes and project milestones.
Reps and upgrades

Housing to quickly expand Territory Housing on the completion of the
will be dependent on those communities agreeing to the transfer of their
in place 99 year leases.

 leases under the Commonwealth Aboriginal Land Rights Act (ALRA) and
Government will work to negotiate the establishment of Section 18A
For the Indigenous (ALRA) placed growth communities, the Australian

Questions/Concerns:
The funding will be provided to consult housing on
Indigenous and (ALRA) program funds. No Australian Government
those communities will have access to housing on

Third Order Priority: Other communities (including Outstations)

need additional and agreed (eg. lease/purchase arrangements) and
acceptable plans/propsals. New housing on a case by case basis

Second Order Priority: smaller communities - Repairs and upgrades

future growth

to NT standards and new housing to meet existing demand and

First Order Priority: main urban centres and larger strategically

These priorities reflect in funding agreements:

The Australian Government's position is that ARRA funding not yet

Northern Territory into first, second and third order priorities (see below).

Northern Territory into first, second and third order priorities (see below).

Any formal agreement will need to specify the proposed housing and

Commission (distribution of GST revenue)

from the regional coordination methodologies of the Commonwealth Grants

addressing the backlog in Indigenous housing needs to be on-going

Not before 13 September, the more than $793 million commitment to

14. The Australian Government notes the Northern Territory Government's
concerned about the urgent need for infrastructure in some outposts.

The Northern Territory Government has instigated the establishment of certain approaches to consider transferring funding for these real issues supportive of other Australian Government funding initiatives to address the infrastructure deficits in outposts to cost the North Australian Government in excess of $100 million is committed. However, some of the funding under the Commonwealth's Agenda have been used by the Northern Territory Government to address the $793 million objectives.

2.4. The Australian Government's position is that the $793 million includes

2.3. The Northern Territory Government advises that there will be ongoing

2.2. The Northern Territory Government has an expectation that the funding

2.1. The Australian Government would expect the Northern Territory

Australia's business will be proposed to be established by Indigenous Business.

$793 million be applied to work directly through Indigenous

20. The Australian Government will require that $20 million from the

19. Responsibility for outposts now rests with the Northern Territory

18. Funding allocated by the Australian Government under the Northern Territory Governments' commitment is $793 million in

17. The Australian Government on the understanding that the

16. The Northern Territory Government has expressed its agreement with the Commonwealth to provide additional

15. Costs for the management of Indigenous community housing that are

14. Services associated with the Indigenous housing

13. Northern Territory local government for the provision of local government

12. An amount equivalent to local government fees to be maintained.

11. In the event any response community will need to meet

10. Contributions towards the establishment of community Headworks (eg.

9. Land selection: A portion of the $793 million may be used to secure land selection.

8. Contributions towards the establishment of community Headworks and

7. Contributions to local government to provide additional

6. Controlled water supplies (where agreed between the parties:

5. Consideration to erect a grid: expansion of existing works; connection

4. Consideration to electricity grid: expansion of services works: connection

3. The Northern Territory Government would expect the Northern Territory

2. The Australian Government will require that $20 million from the

1. Australia's business will be proposed to be established by Indigenous Business.
delivered by the Australian and Northern Territory Governments.

Delivering of housing in different communities will be jointly developed and

Deliverable deliverables enabling and the priorities for the

Northern Territory public, about the new funding being offered under

the Northern Territory funding, and move generally with

28. Communications with Indigenous communities, and more generally with

within the $79.9 million in CHIP and ARTA funding

under the Northern Territory Emergency Response will be included from

that the Australian Government will take responsibility for the funding

Northern Territory Government

Emergency Response

Implementation by the Australian Government of the Northern Territory

Government and POT, and other providers, around Australian

Government, and potentially other providers, around Australian

Northern Territory Government

27. There will be separate discussions with the Northern Territory

26. The Australian Government agrees to do nothing that expands the