



Perceptions
of
Home Ownership
Among
IBA Home Loan Clients

January 2008

Anna Szava and Mark Moran



© Indigenous Business Australia 2008

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without written permissions from Indigenous Business Australia. Requests and inquiries concerning reproduction rights should be addressed to:

Manager Corporate Development

Indigenous Business Australia

PO Box 38, Woden ACT 2606

Phone (02) 6121 2700 Fax (02) 6121 2730

ISBN 978-0-646-49417-3

Szava, A. Moran, M. 2008. *Perceptions of Home Ownership among IBA Home Loan Clients*. Alice Springs: Centre for Appropriate Technology and Indigenous Business Australia

Centre for Appropriate Technology

PO Box 8044

32-38 Priest Street

Alice Springs NT 0871

Telephone (08) 8951 4311

www.icat.org.au

Indigenous Business Australia

Level 5, Bonner House West

Neptune Street

Woden ACT 2606

Telephone 02 6121 2670

www.iba.gov.au

TABLE OF CONTENTS

Acknowledgements	iv
Executive Summary	v
1 Introduction	1
1.1 Background.....	1
1.2 Prior research.....	1
1.3 Methodology.....	3
1.4 Limits to generalisation.....	5
2 Survey Analysis.....	7
2.1 Demographics.....	7
2.1.1 Gender and relationship status	7
2.1.2 Age and health	8
2.1.3 Heritage	9
2.1.4 Household size and composition	9
2.2 Education and employment	11
2.2.1 Educational attainment	11
2.2.2 Children’s education.....	12
2.2.3 Employment at time of survey.....	13
2.2.4 Employment history.....	15
2.2.5 Summary: Education and employment	15
2.3 The path to home ownership.....	16
2.3.1 Childhood housing	16
2.3.2 Housing as adults, prior to buying home	17
2.3.3 Mobility before home ownership.....	20
2.3.4 Home ownership in the family	20
2.3.5 First home buyers.....	21
2.3.6 Perceptions and motivations before buying the home	21
2.3.7 Summary: Path to home ownership.....	22
2.4 Buying the home	23
2.4.1 Who helped in the process?	23
2.4.2 Income at the time of application.....	23

2.4.3 Dealings with IBA.....	25
2.4.4 Search for the home	26
2.4.5 Transition time	27
2.4.6 Summary: Buying the home	28
2.5 Managing home ownership	29
2.5.1 Having loans before and since the purchase	29
2.5.2 Combined household income	30
2.5.3 Budgeting and planning.....	31
2.5.4 Managing the repayments.....	32
2.5.5 Dealing with family.....	32
2.5.6 Mobility since home ownership.....	33
2.5.7 Consumption patterns	34
2.5.8 Growth of assets.....	36
2.5.9 Summary: Managing home ownership.....	37
2.6 The meaning of home ownership: home vs investment	37
2.6.1 Perceptions: the upsides of being home owners	37
2.6.2 Perceptions: the downsides of being home owners	39
2.6.3 Responsibility for repairs and maintenance.....	40
2.6.4 Home improvements	40
2.6.5 Wealth accumulation and the home	42
2.6.6 Using equity	42
2.6.7 Better off?.....	43
2.6.8 Summary: Home vs investment.....	45
2.7 Legacy and role models.....	46
2.7.1 Aspirations for children	46
2.7.2 Wills and inheritance.....	46
2.7.3 Role models and advice to others	47
2.7.4 Summary: Legacy and role models.....	47
2.8 Interviewees' comments and feedback to IBA	48
2.8.1 Praise	48
2.8.2 Information and support.....	49

2.8.3 Criticism of the loan package	50
2.8.4 Diversify	50
2.8.5 Young people	51
2.8.6 Interest in research results	51
3 Conclusions.....	52
3.1 Summary of Findings	52
3.2 Generalisation to community title land	56

Appendix A: Bibliography

Appendix B: Client Report

Appendix C: Survey Form

Appendix D: Interviewee Information Sheet

Appendix E: Interviewee Consent Form

Acknowledgements

The research team is grateful to all IBA Staff, and especially the IBA Loans Officers for their generous support throughout all phases of the study. Their contributions were vital to our work.

Special thanks go to Kevin Ronberg for his help and company during the field survey and to Laurence Wilson for his assistance with data analysis. Also, we are thankful to our colleagues at CAT for kindly taking on the role of mock interviewees.

Lastly and most significantly, the authors are extremely grateful for the generosity and friendliness of the Indigenous home owners and their families who participated in the interviews. Without their patience and insightful contribution this study could not have been completed.

Mark and Anna

Executive Summary

This report presents the findings of a household survey of 58 existing IBA home loan clients in nine towns in Queensland and the Northern Territory: Townsville, Normanton, Charters Towers, Mount Isa, Cloncurry, Darwin, Alice Springs, Tennant Creek and Katherine. These rural and regional locations were chosen in order to permit the possible generalisation of findings to remote Indigenous settlements with community title land. Generally there was an enthusiastic response to the survey. Survey data was cross-checked against the IBA loans database and the operational experience of IBA loans officers.

The demographics of the clients interviewed were in some ways similar to those of mainstream Australia. All were nuclear families with a median house size of three people. There were few major health problems and little disability within the households. The household composition has been relatively stable since the time of purchase. Almost half of the couples were of mixed ethnicity, which is less than the national average but considerably more than that found on remote Indigenous settlements.

The housing careers of people prior to home ownership revealed a diverse history of living in multiple tenures in rural towns and pastoral stations. Only a quarter had prior experience of community rental housing, but two-thirds had experience of private rental housing. Interestingly, most interviewees were familiar with home ownership, either previously when living with their parents, or currently through immediate or extended family that were home owners. Half had lived in multiple-family households at some time in the past, and a quarter had experience of informal dwellings, suggesting some experience of crowded or marginal housing conditions.

Almost all people interviewed were in full-time employment with a solid work history of full-time and long-term positions, including partners (unless carers or retired). Not one person received unemployment benefits or CDEP. Education did not feature as strongly, with about one-third completing high school. For all respondents, English was spoken as a first language, and almost all were literate in written English.

Most respondents were first home buyers, who had acted on advice from extended family and friends. People spoke of how daunting the prospect at first seemed, but that they took confidence from other Indigenous home owners that they knew. Most also had prior experience of managing debt, mainly through repayment of car loans. People generally found that the transition was easier than expected. Although they struggled with unexpected initial expenses, they were able to adjust. At the time of the interview, three quarters were ahead with their repayments, and most had a system for household budgeting. Most were also managing other loans at the same time, including car loans, personal loans, lay-by, and interest-free store credit, but sensibly, few had credit card debt.

When asked why they made the choice to purchase a house, respondents described the financial sense that it made, especially in comparison to paying rent to landlords. People expressed feelings of pride, ownership, respect, independence and control. Inter-generational security and stability was also important, and most had long term plans to stay in the house and to pass it to their children. There was little extravagance in the style and size of the houses purchased. Benefits were not expressed primarily in financial terms, but people were nonetheless well aware of any gain in capital value.

Respondents described close working relationships with IBA staff, many of whom were Indigenous and known to them. The low interest rate and deposit were obviously attractive, but so too was the flexibility and safety net provided through a case management approach. Home owners stated a preference to use IBA for future home loans. Interestingly, respondents did not seem to view IBA in the same way as other government agencies.

Given the widespread problems of maintenance across the Indigenous community housing sector, it was interesting to observe that all houses were in a reasonable standard of repair. Almost all had undertaken improvements and extensions, including the addition of verandas and extra rooms, and kitchen and bathroom upgrades. Improvements were mostly paid for from savings, but more than a third had taken advantage of the value of their property through a home equity loan. Maintenance was closely tied to the initial condition of the property: people who had purchased ex-housing commission homes struggled with the cost of maintaining and renovating them.

There was an evident pride in their achievement. As home owners themselves looked to others in making the move to home ownership, they now saw themselves as role models for others to follow. Their advice to others was solid: 'first decide how much you can afford to pay'; 'it's a long term commitment'; 'you have to be employed'; 'you have to put any money you get against the home loan'; 'pay it off as quickly as possible'. Some offered to mentor others who were interested in making the move.

The study also indicated a change in socio-economic conditions. While all home owners were now living in a nuclear family arrangement, about half had lived in multiple family households some time in the past. Although people now described little mobility and visits from extended family, all recalled considerable mobility in their childhood and early adulthood. Most significantly, the household income of home owners increased on average by more than 50% over the average period of six years since they had purchased their home.

The survey revealed how home ownership was a life choice that involved a fundamental change in household practices and responsibilities, including a degree of cultural change. Although sharing of resources is central to Indigenous culture, respondents did not receive financial help with the deposit or subsequent repayments. People generally did not report problems with visits from extended family, or they had taken measures to limit such visits. And visa versa, there was less of an expectation to share of the newly

accumulated asset with the extended family. Yet this did not mean that people had abandoned their culture or community. Almost all bought in their home town with family near by, which gave them a 'safety net', albeit one at some distance. They stayed with family while saving for the deposit and were also willing to assist their extended family with temporary shelter or emergency funds. But this 'sharing' was limited to special cases rather than an immediate obligation, and people clearly prioritised loan repayments over the needs of the extended family. Home owners were thus taking a middle path; advancing into the mainstream economy required placing limits on family, but people still actively sought to maintain strong links to community and culture.

A secondary objective of the study was to consider the generalisation of findings to community-title land on remote Indigenous settlements. It was immediately apparent that the socio-economic conditions, housing careers and lifestyles of the IBA clients interviewed were quite different to what is typically found on remote settlements. In particular, only a small proportion of people in remote settlements will have a strong employment history. Home ownership will thus only be feasible for some households in some communities, and the socio-cultural changes involved will be more acute. It will be necessary to assist this transition with an education program and case management approach which builds on the current IBA model. The need for a supportive governance framework will be much greater on remote settlements.

A critical success factor in remote settlements will be the initial condition of the property given the general standard of community rental houses. Prospective home owners will not be able to afford to renovate a house which would otherwise be close to the end of its life cycle. Opponents to home ownership on remote settlements argue correctly that there will be little if any capital appreciation due to the closed housing market. The evidence from this study suggests that home ownership cannot be viewed in economic terms alone, since the benefits are more in the realm of empowerment, security and heritage for future generations. A valuation formula could operate within a governance framework to ensure that people do not lose money. Whilst some subsidisation may be necessary to improve affordability, this should not be so high as to negate the socio-economic and lifestyle tradeoffs when one chooses home ownership.

In summary, the IBA clients interviewed in the survey expressed no regrets. People described the move to home ownership in terms of security, pride and a sense of achievement. All clearly acknowledged the learning they had achieved in budgeting, maintenance and responsibilities. All considered that they were better off financially and socially: by joining the 'great Australian dream' they felt more empowered to move through the wider society. These findings strongly support the current efforts to extend home ownership onto remote settlements. Initially, home ownership will only be feasible for some households in some communities, but it is reasonable to expect that these households will act as a catalyst to increase demand. The challenge will be to adapt the process to suit the unique socio-economic conditions of remote settlements.

1 INTRODUCTION

1.1 Background

Although Indigenous home ownership rates increased from 32% in 1996 to 36% in 2006 (ABS 2007a), there is still a significant disparity between Indigenous and non-Indigenous Australians, 70% of whom are home owners (PC 2007). Furthermore, home ownership has only recently begun to be an option for people living on community title land. Indigenous Business Australia (IBA), through its IBA Homes Programme, is leading a major Australian Government initiative to increase the level of home ownership among Indigenous Australians.

There is considerable debate among stakeholders in Indigenous Affairs about the economic and non-economic benefits of home ownership to Indigenous people, especially in its extension to community title land. In March 2007 IBA commissioned the Centre for Appropriate Technology (CAT) to undertake a research project. The main purpose of the study was to inform this debate, through examining the perceptions and actual experience of existing IBA Homes clients.

The four objectives of the study were to:

- ▶ Develop a culturally appropriate research methodology to sample 60 IBA Homes clients in relation to their perceptions of, and attitudes towards, the economic and non-economic benefits of home ownership.
- ▶ Conduct research with 60 IBA Homes clients, using the research methodology developed, within urban, regional and remote areas of Australia, with the regions to be determined by IBA prior to the commencement of the research.
- ▶ Conduct a detailed and robust qualitative and quantitative analysis of the data obtained in conjunction with the historical loan application data provided by IBA.
- ▶ Provide a written report to the satisfaction of IBA that critically analyses the data, in terms of Indigenous perceptions and attitudes towards home ownership, in formats that can be delivered to IBA, as well as a summary report suitable to provide to Indigenous participants.

1.2 Prior research

In Australia, much of the prior research into Indigenous perceptions of home ownership has been undertaken by one of the authors, Mark Moran. His involvement with this topic began in Mapoon on Cape York, where there has been a long history of home ownership dating to the mission period (CAT 1995). Through 1996, he travelled across Canada and

the United States of America on a Churchill Fellowship, leading to a description of the high level of home ownership on tribal lands in comparison to Australia (Moran 1997, 2000). In 1999, he was then commissioned by the Aboriginal and Torres Strait Islander Commission (ATSIC) through the Queensland Aboriginal Coordinating Council to prepare a scoping study on home ownership for people living on community title land (Moran 1999).

This led to a household survey on perceptions of home ownership for Deed of Grant in Trust (DOGIT) communities, commissioned by the Queensland Government's Aboriginal and Torres Strait Islander Housing Programme (Moran et al. 2001; Moran et al. 2002). Up until the start of this current study, the 2001 study was the only research in Australia into Indigenous Australian perceptions of home ownership. A limitation of the 2001 survey, however, was that it was conducted entirely on communal title land, where home ownership was not a reality. The interviews therefore involved a degree of abstraction, by asking people to consider the scenario of how home ownership *might* be. In comparison, the current research dealt with the reality of existing home owners on freehold land.

There is little other research into Indigenous home ownership. The prominent Indigenous leader and commentator Noel Pearson has increasingly raised the socio-economic benefits of home ownership (Pearson 1989, 2005; Pearson and Kostakidis-Lianos 2004). There is some literature on self-help housing, whereby people contribute to construction costs through sweat equity (Haar 2000). Other research has focused on attitudinal and cultural dimensions of tenure choice (Altman et al. 2005; Sanders 2005).

Some recently completed research has positioned home ownership in the context of 'housing careers'¹, as the decisions individuals and families make about housing options are impacted by life circumstances such as fertility and mortality, employment and income status and family growth and breakdown. Indigenous-specific research of this kind (Birdsell-Jones and Christensen 2007) highlights the relevance of culturally specific ideas of identity and family, and diverse regional and local mobility patterns of residence. The final report for this project is not yet published, but the analysis contains a data category called 'ideologies of housing' that includes ideologies connected with home purchase.

The Australian Housing and Urban Research Institute (AHURI) has recently commissioned the University of Queensland to undertake a study to reach a qualitative understanding of the meanings of and aspirations for home ownership on Indigenous communal title lands. This emerging research has the potential to complement the study presented here.

¹ Refers to a lifelong approach to residential mobility that defines housing career in terms of type, tenure and location

1.3 Methodology

The survey instrument was designed in conjunction with the officers from IBA Homes and IBA Partnerships. The survey instrument is large for a survey of this nature, containing a mixture of 144 qualitative and quantitative questions in a semi-structured format. It is reproduced in Appendix B. In keeping with the objectives of the study, IBA decided to undertake in-depth interviews with only 60 clients, rather than broad-brush interviews with a greater number of clients. The survey instrument was validated by mock interviews with Indigenous home owners who are CAT employees.

The survey was conducted face-to-face on a household basis in four towns in the Northern Territory (Alice Springs, Tennant Creek, Katherine and Darwin) and six towns in Queensland (Mount Isa, Cloncurry, Normanton², Richmond, Charters Towers and Townsville). Basic population figures for these centres are presented below in Table 1.

Table 1 Interview locations and demographics

	Number of completed interviews	Indigenous population	% Indigenous population to total	Total population
Darwin Metro	18	10148	9.3	108760
Katherine	4	7834	41.1	19079
Alice Springs	5	4915	17.8	27626
Tennant Creek	2	3219	51.0	6307
Mount Isa	5	7248	20.7	34968
Richmond and Cloncurry	2	22 592	3.6 21.7	616 2731
Normanton	7	786	54.9	1431
Charters Towers	5	715	8.5	8454
Townsville	10	7373	5.1	143328
Total	58			

² Normanton was not included in the original sample locations, but was added to increase the diversity of the sites, based on its remoteness and the high ration of Indigenous population

IBA Loans Officers provided CAT with an initial list of recommended households to be interviewed from most of these locations. CAT researchers were also given access to spreadsheets which included anonymous demographic data of current and past borrowers. A pool of potential interviewees whose demographics and loan history matched those of the overall IBA client population was thus formed. Letters were then sent out to all households on this list to inform them about the survey and ask for consent to be interviewed. The final list of interviewees was the result of not only the willingness but also the availability of people at the time when the survey was conducted.

In addition to the household surveys, secondary data was drawn from the IBA database and the original loan application files. This was particularly useful for cross-checking the interviewees' recollections of the time of application, which was several years prior to the time of the interview, with the actual data. This applied in particular to details on household composition, employment, housing tenure and income.

Considerable efforts were taken to promote the survey, both before and during the field visits. IBA Loans Officers and CAT field researchers contacted each household at least twice to explain the survey and to ascertain the householder's willingness to participate. As well, written explanatory material and consent forms were sent out by post. All participants in the survey gave their signed consent to be interviewed, although three interviewees denied access to their original loan application file.

Interviews were undertaken by two researchers working together as a team: an Indigenous man (Kevin Ronberg) and a non-Indigenous woman (Anna Szava). The interviews were undertaken over a seven-week period, from May to July 2007. Generally, the response to the survey was enthusiastic. Once interviews were started, all were completed with very few missed questions or blank responses.

The pool of confirmed potential interviewees included 68 names; however there were four last-minute cancellations and six no-shows. Due to logistical and time constraints, four interviews were conducted via telephone, and one client sent in a completed questionnaire. In total, of the 60 interviews planned 58 were conducted. The average length of the interviews, including the ones on the telephone, was 1½ hours.

CAT researchers met with IBA Loans Officers located in Townsville and Darwin, and discussed emerging findings with them. In their day-to-day dealings with IBA Homes clients, the Loans Officers were found to have extensive knowledge of the local situation. Preliminary results were also presented at a workshop to IBA representatives in Canberra in late June to receive further input and validation.

Most IBA home owner clients are couples, married or de facto, and are thus composed of a primary and a secondary applicant. In the study sample there were 14 single applicants and 44 households with primary and secondary borrowers. Of the 58 households interviewed, data was thus collected from a potential maximum of 102 respondents. Initially, the option of including only primary loan applicants in the interviews was

considered, but a significant proportion of these were found to be non-Indigenous (15%). Depending on the particular question, it was possible to have two data streams for both the primary and secondary applicants respectively (e.g., age, gender, employment, income, etc), but for other questions the two applicants answered collectively for the household, giving just one data stream. The number of respondents thus varied considerably by question.

Responses to qualitative questions were analysed according to standard qualitative coding techniques. Where people gave multiple or long answers, responses were coded more than once. The number of *responses* thus frequently exceeded the number of *respondents*. In all cases, unless otherwise noted, percentage figures were calculated back to the base number of *respondents*, rather than *responses*. This meant that the percentage figures frequently added up to more than 100%. The reader will be reminded of this again throughout the text, as it occurs, to reduce any possible confusion.

Of the 58 households, ten had finalised their IBA loan and so were no longer IBA Homes clients. A total of 19 (33%) interviews included both primary and secondary loan applicants, nine (15%) interviews involved the secondary applicant only, and the remaining 30 (52%) involved the primary applicant only (including single households). The researchers made all due effort to interview the primary Indigenous applicant, although in five households this was not possible, and either a non-Indigenous primary borrower or an Indigenous secondary borrower was interviewed.

It is important to note from the outset that the IBA Homes Programme was an extension of the successful home ownership programme operated by ATSIC. An almost seamless transfer in operations took place from ATSIC to IBA in 2005. Some of the interviewees had loans which predated the change, and thus still refer to IBA as ATSIC. For the sake of clarity, we have corrected all such references to IBA.

The final data set was enormous, consisting of 328 columns spread across 102 rows, leading to almost 16,000 fields of data. The dataset is security protected and will be held in confidence by the Centre for Appropriate Technology.

1.4 Limits to generalisation

As of early 2007, there were 3435 active IBA Home Loans and 3773 that had been finalised, going back to September 1975 and covering a total of over 7200 households. The sample of 58 could not be and was not intended to be representative of this total number, but rather was representative of the locations in which the survey was conducted. The nine regional and rural locations were chosen in order to maximise the potential to generalise findings to a range of contexts, including community title land.

Of the total number of current loans in these nine locations, the current sample is almost 10%, which was adequate for the purposes of this study. The question is then the extent that the findings in these locations are generalisable to other locations, rather than

whether the sample is representative of the total pool of cases. Further research is therefore required to test the findings in other locations.

As can be seen Table 2, a disproportionate number of interviews were conducted in the small towns (population of less than 10,000 people) of Normanton, Charters Towers, Richmond, Cloncurry and Tennant Creek, when measured as a percentage of the total number of IBA clients in these locations. In terms of generalising the findings to community title land, these small towns hold special interest for their similarities in remoteness, economic isolation, history and the large percentage of Indigenous population. However, these five towns accounted for only one quarter of the 58 interviews, therefore this bias was not excessive.

Table 2 Interviews with finalised and current clients

	Current loans No	Respondents		Finalised loans No	Respondents	
		No	%		No	%
Darwin Metro	245	18	7	175	0	0
Katherine	35	4	11	10	0	0
Alice Springs	75	5	7	53	0	0
Tennant Creek	5	2	40	2	0	0
Mount Isa	49	4	8	41	1	2
Richmond Cloncurry	6	2	33	7	0	0
Normanton	14	5	36	6	2	33
Charters Towers	5	4	80	8	1	13
Townsville	123	4	3	131	6	5
Total	557	48	9	433	10	2

2 SURVEY ANALYSIS

2.1 Demographics

2.1.1 Gender and relationship status

A significant majority (61%) of all of the interviewees were women, including those cases where we interviewed two members of the one household. There were multiple reasons for the high number of women interviewees: the high total number of female primary applicants (45%) in couples, single women and parent-child applicants, and the more frequent availability of women who are secondary applicants for the interviews either with or without their partners. Analysis of the IBA database of current loans with single applicants found a significantly higher number of female primary applicants than males: 779 and 305 respectively. However, in 71% of all joint applications males were the primary applicants.

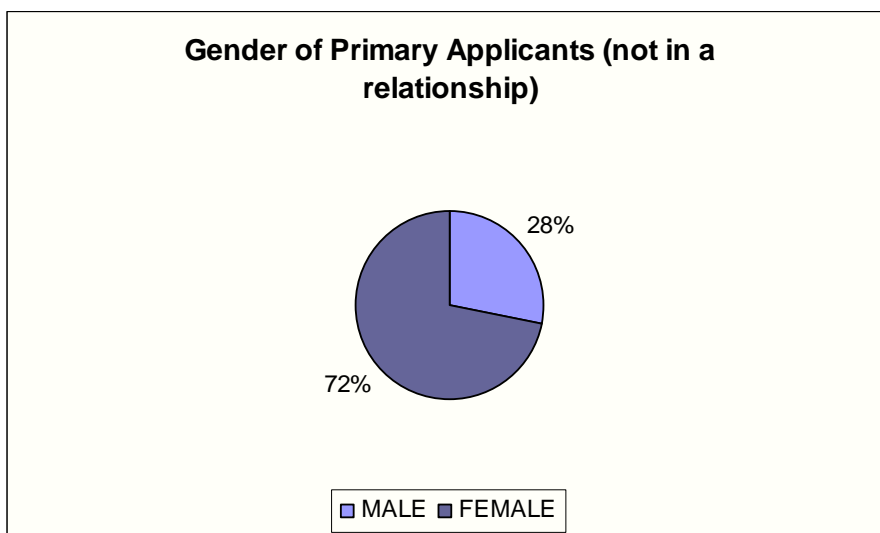


Figure 1 Gender of single primary applicants

For the study the researchers did not differentiate between married and defacto couples. Of the 3435 current loans at the time of the survey, couples made up the majority (63%). The survey sample consisted of 38 couples, 14 single applicants and six parent-child applicants. The distribution of loan applicants according to relationship status is similar to that in the total current IBA borrower population (see Figure 2 and Figure 3).

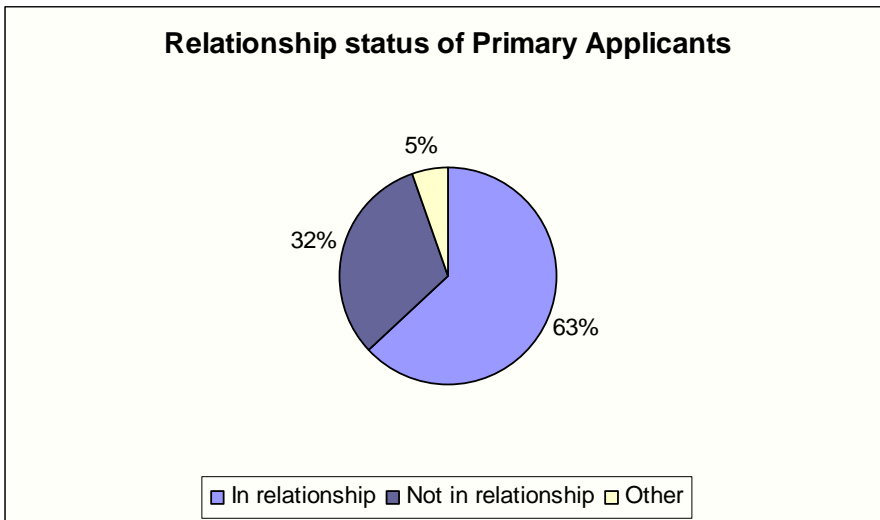


Figure 2 Relationship status of primary applicants in IBA database

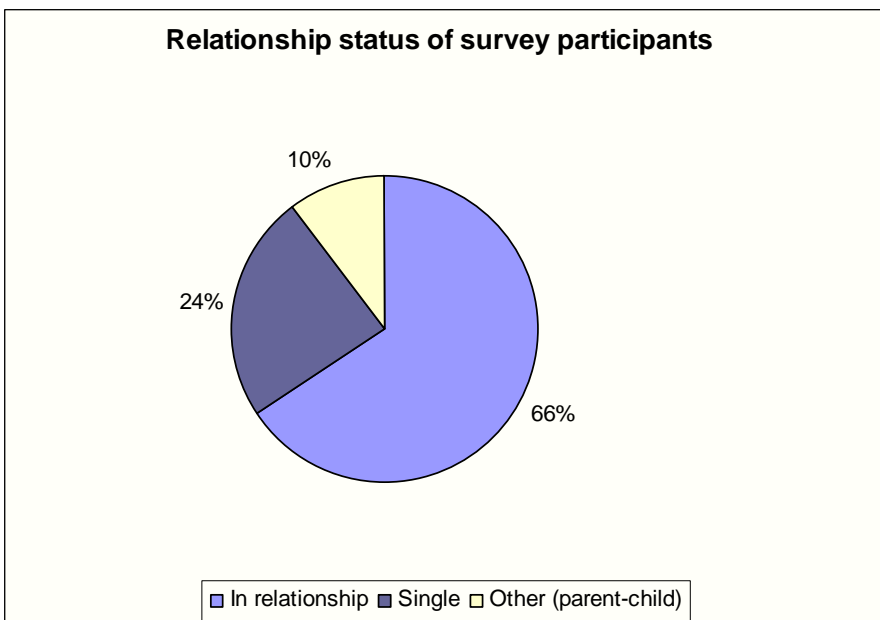


Figure 3 Relationship status of primary applicants in survey

2.1.2 Age and health

In terms of age, a wide range of people was interviewed. The average age of the interviewees was 43.2 years and the median age was 42 years, with the youngest being 23 and the oldest 75. However, the median age of the applicants³ in the sample was somewhat lower at 39 years, with the average age being 42.7 years.

³ We use ‘interviewees’ and ‘respondents’ for those people who participated in the interviews. ‘Sample’ is used in a wider sense and covers the households in which the survey took place.

The majority of the households (62%) reported no long-term health problems. Diabetes and asthma were the most frequent chronic health issues, in 14% and 12% of the households respectively. Three families struggled with mental health problems and two with disability related to injury.

2.1.3 Heritage

All households with single applicants were Indigenous, in keeping with the eligibility criteria of ATSIC/IBA. One third of households with parent-child applicants were mixed in terms of cultural heritage consisting of a non-Indigenous parent and an Indigenous child.

Approximately half of the couples (49%) are of mixed heritage (Indigenous and non-Indigenous). The proportion of mixed heritage couples in the sample is lower than in the overall Australian population, 71.5% according to the 2006 Census (Birrell and Hirst 2002; Birrell 2007), which reflects the rural and regional bias of the towns included in the study.

At the time of the survey, of all current IBA home loans 46% were held by two joint applicants of mixed heritage. These were predominantly couples, a slim majority of which (52%) had a male as the Indigenous partner. The proportion of Indigenous primary applicants in the mixed heritage couples was 58%.

2.1.4 Household size and composition

There was a great variation in household size, with 11 people being the largest. The average household was close to four (3.79) and the median household size three people. A considerable majority (68%) of the households consisted of four people or less. There were only two single-person households (3% of the sample). Overall the average size of households did not change significantly since families moved into the purchased home.

'Applicants' and 'borrowers' are used in the context of IBA Homes clients, whether they participated in the survey or not.

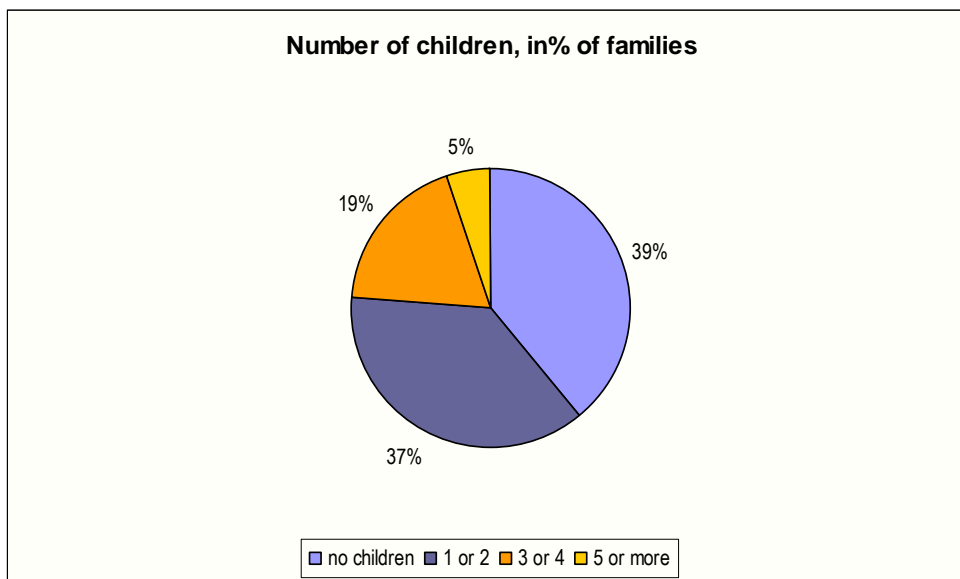


Figure 4 The number of children per household in the survey sample

In the overwhelming majority of cases, households were either nuclear families or variations of living arrangements with single adults. Nearly three quarters (72%) of households had one couple, with or without children. The number of single adult households was relatively low at 7%. In only one household did we find two couples sharing the one household. However, nearly a quarter (23%) of households had more than two, and up to five, adults, including adult children living with their parents. Three generations lived in 5% of households.

There were no children in 39% of the households. Approximately the same number (37%) of household had one or two children. While more than two children lived in about one fifth of the homes, only 5% had five or more children.

The average family size and household composition in the sample are more characteristic of average urban Australian families than of the multi-family and -generational households common to remote Indigenous settlements. This difference may reflect that people choose to live in small households if they can, when housing shortages do not otherwise influence their decisions. It also may mean that the nuclear family is the optimal model for the achievement of home ownership, which requires a degree of organisation and household budgeting in order to maintain loan repayments.

2.2 Education and employment

The survey included several questions relating to educational attainment and employment history in the households. Employment and ambitions in relation to work indicate the extent of connectedness with and integration into the wider mainstream Australian economy.

2.2.1 Educational attainment

Questions regarding educational attainment included responses from all interviewees which meant that in many cases there was more than one answer from a household, depending on how many people participated in the interview.

The survey found that a vast majority (77%) of all interviewees completed primary school and middle school. Almost all respondents (except two) had some type of formal education (including mission and correspondence schooling).

A significant majority of the interviewees were qualified or skilled in at least one trade. Many completed formal training at TAFE or other training organisations (43%), or acquired additional skills through informal workplace-based or incomplete formal training (19%). The skills most often represented were business administration, machinery operation, clerical skills, childcare and workplace training and assessment, but a small number of people were qualified in automotive and construction skills, horticulture and book keeping as well.

There were a considerable number of interviewees who studied at tertiary level (28%). Two thirds of these had completed a degree (18%) and two people had completed postgraduate studies. Business administration, information technology, community welfare, education and social work were the most frequently mentioned degrees, but we also interviewed people with tertiary qualifications in criminology, cartography and child protection.

At the time of the survey six of the people we interviewed were studying at university, three of them at postgraduate level; and a further ten were participating in certificate training, either at their workplace or with outside training providers.

The survey explored the subjects or fields of education and qualifications. Although some people studied in a field specifically related to Indigenous issues, the vast majority (91%) studied in mainstream fields.

Nearly all of the interviewees (94%) reported that their English and literacy skills were adequate. The remainder claimed to have good command of spoken English but no or

very limited literacy. The field researchers observed that all interviewees spoke English as if it was their first language⁴.

The above details regarding the interviewees' level of education show a consistent picture of job readiness, in particular in trades and to a lesser extent in professional careers.

2.2.2 Children's education

All school-age children in every family who participated in the survey were attending school. In the 58 households interviewed, a total of 74 children or young adults were studying. More than half (54%) were in or below primary and 35% in secondary education. A smaller proportion (10%) was learning a trade, and one was studying in university.

The survey also enquired about the education of a number of independent adult children, many of whom had subsequently left home and now lived some distance away.⁵ This data however proved to be of questionable accuracy, partly because the source was not direct and parents were uncertain about the type of degrees and certificates their adult children had achieved.⁶

Information was collected about the educational attainments of 46 adult children who have left school at the time of the survey. More than one half (61%) had trade certificates, some (20%) had finished year 12, and only a few (9%) achieved a degree at tertiary level. A small number of young women left high school before completion because they had children (three in Normanton and one in Alice Springs). One rural family found that supporting their daughter to study at university in the city proved too much of a strain on their limited finances and she had to withdraw.

The data in Table 3 shows a marked difference in the highest educational attainment of interviewed IBA clients and their adult children, with a significantly higher number of children completing high school as well as trade and skills qualifications, but a much smaller proportion with university education. Nevertheless, the large number of adult children who did complete year 12 have at least the opportunity to return to study at a higher level should they wish to.

⁴ The principal interviewer is of Hungarian descent and English is not her first language. She has also worked closely with Aboriginal groups in Central Australia whose English is not spoken as a first language.

⁵ With these questions the survey considered adult children who had their own income, and were not contributing to the household income, regardless whether they were living in the same home or not.

⁶ The question regarding the educational attainment of adult children was not consistently asked in each household. It was not clear in the questionnaire whether those children of the interviewees who left home were to be included as well.

Table 3 Highest educational attainment of interviewees and their adult children⁷

Highest educational attainment	IBA clients (%)	Their adult children (%)
No formal education	3	0
Primary and some secondary (no further)	7	9
Completed secondary (y12) (no further)	8	21
Informal/workplace training only	19	N/A
Trade(s) and certificates	43	60
University degree	20	9
Currently enrolled in university	6	1

2.2.3 Employment at time of survey

Survey questions regarding employment included responses from all interviewees; therefore we again have more than one answer from many households, depending how many people participated in the interview.



Figure 5 Employment in the sample, at the time of survey

⁷ Percentages based on number of interviewees and number of adult children, not number of households. Also, the Table considers only the highest educational attainment for each individual, while the previous section discusses all schooling.

A great majority (88%) of the respondents were employed at the time of the survey, including all primary and secondary applicants in the survey sample. Eight of the 12 people not in employment were old age or disability pensioners, and the remainder were caring for young children or looking after a disabled family member.

Similarly, only in a very small number (7%) of surveyed households relied on government welfare payments, or unemployment benefits. Furthermore, with the exception of one, all of these families had a full employment history before retirement or permanent disability, and sometimes they were helped by family members outside the household with contributions to loan repayments or other expenses.

Nearly half of those who were employed worked in the Indigenous sector⁸ (44%) and over one quarter (29%) in government jobs at the time of the survey. A further 27% held jobs in private industry, which can be considered in three categories: 10% were employed in mining, 10% were employed in other private industry, and 7% were self employed. Examples of private industry employment included clerical and financial management positions, and jobs in steel fabrication and machinery operation. Self-employed interviewees worked in training and employment, land management, child care and machinery operations enterprise, or dealt in Indigenous art (see Table 4).

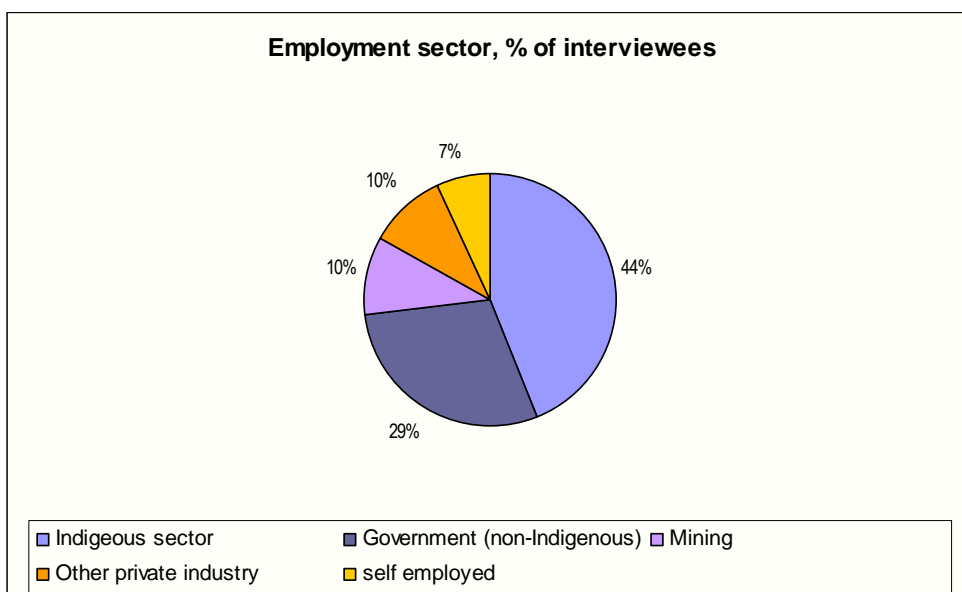


Figure 6 Employment by sector, at the time of the survey

⁸ For the purpose of the survey 'Indigenous sector' was defined as Indigenous organisations or Indigenous affairs within government departments.

Most of those who were employed worked full time (87%), with only 10% in part-time employment, while two people were working in second jobs in addition to full-time employment. The survey revealed a strong work history of households. It is interesting to note that not one person in any household was on unemployment benefit or CDEP.

2.2.4 Employment history

The survey found long-term employment in most households. At the time of the interviews, about a quarter (27%) of all employed respondents had been working in the same workplace for over ten years, with some for as long as 23 years, and only 25% had held their existing job for less than a year. The average length of employment in the workplace at the time of the survey was 5.2 years, and the median number of years was three years. All interviewees entered the workforce when young, especially the older generation who started their working life at 15 or 16 years of age.

Findings regarding employment at the time of buying a home were similar. In the vast majority of households (92%), the primary applicants were employed at that time, with 90% of all employed working full time. All those not employed were on disability, old age or carer pension. Findings regarding the length of employment at the same workplace at the time of loan application were similar to the length of employment at the time of the survey, indicating stability and long-term employment. Table 4 compares the proportion of interviewees employed by Indigenous, government and private sectors.

Table 4 Employment, % of respondents by sector

	Indigenous sector	Government sector	Private sector
Survey time	44	29	27
5 years prior	53	29	18

A relatively large proportion of respondents were employed in non-private sector employment – equivalent to nearly three quarters of all employment at the time of the survey. Comparing this with the jobs held by the interviewees in the preceding five years suggests a slight trend from Indigenous and government sector jobs into the private sector.

2.2.5 Summary: Education and employment

The survey found high levels of job readiness and skills among the interviewed home owners. Only a small number of people (all of whom were elderly) had no schooling and no literacy. The vast majority of respondents have engaged with both employment and

further learning. In every household, all school aged children were attending school, while the adult children of the householders had completed at least middle school, and a majority had trade or professional qualifications.

A solid employment history was evident in all families, mostly from a very young age. Although full employment was not a formal condition of eligibility for the loan, it was clearly a precursor to people making the transition to home ownership.

People mostly found employment in the non-private sector, particularly in government and Indigenous organisations. These learning opportunities and somewhat flexible safe environment these jobs offered helped people in maintaining full-time and stable employment. This, however, does not diminish many respondents' achievements and aspirations regarding higher education and possible careers in the private sector.

2.3 The path to home ownership

The survey explored the interviewees' housing history as children and as adults prior to buying their homes. Questions regarding home ownership in the immediate and extended family were also included.

Data gained from these questions describe the varied paths individuals and families have taken to become home owners, and provide indications to the applicability of the current IBA home buyer model to families with different housing careers.

Several of the survey questions explored the many processes that preceded the decision and actions of buying a home. Beyond the learning and the adjusting of priorities and expectations that such a major decision requires, a series of actions needed to be taken. This ranged from getting information on how to lodge the loan application, from finding the home, to completing the necessary financial transactions. Recollections of these steps during the period of transition are the subjects of sections 2.3 and 2.4.

This data will be useful in the development of educational and information materials, as well as in the improvement of loan services and the client support framework.

2.3.1 Childhood housing

Interviewees were asked to recall the experience of housing when they were a child. A picture of often highly mobile families living in a range of tenancies emerged. There seemed to be no correlation between the age of the interviewees and their childhood housing history; that is, some of the younger interviewees reported high mobility and incidences of improvised housing, while some older interviewees recalled living in homes that their family owned.

Respondents who lived in public housing as children represented the largest proportion (59%) of households and a smaller but still significant percentage (16%) were those who lived in private rental.

Interviewees in a relatively large number (21%) of households lived in improvised housing for a while as children; i.e. in tin huts or caravans either on a bush block or on a reserve. Respondents in 26% of the surveyed households lived in Indigenous community housing, either remote or rural; 5% of the interviewees grew up in institutions, mostly far from home, and often interstate.

As children, in one half (50%) of the households one or both applicants lived in homes their parents owned. For many (8%) of the survey participants, their childhood home is still in the family.

Many of the interviewed families (33%) recalled that their families moved around quite frequently and most (72%) had a childhood housing history that included more than one type of tenancy. Their parents followed around work opportunities on stations, mines and railroads, living in workers' quarters as well as public and private rental housing, or spent time in mission settlements in group housing. Only three of the interviewees reported living a traditional life when they were children.

As children, close to half (41%) of the respondents lived in small, nuclear family households. Approximately the same proportion of interviewees (45%) grew up in larger households, in families with more than five children, or in households where more than two generations or members of the extended family shared the living space. Given current predominance of nuclear families, this suggests a generational shift towards nuclear families.

Many interviewees described the housing they experienced when growing up as substandard in today's terms, but that this was acceptable at the time. Many respondents (40%) recalled that their living conditions were good or OK, and only 14% spoke about experiencing poverty and hardship.

Interviewees recalled a varied childhood housing history with high mobility between different housing tenures, which for some included experience of community and substandard housing. However, most survey participants grew up in one form of conventional housing tenure, predominantly public or private rental, but including privately owned homes, a large number of which are still in the family's possession.

2.3.2 Housing as adults, prior to buying home

Interviewees were then asked to recall their experience of housing as adults, after childhood, but before buying their current home. As adults, nearly two thirds of respondents had lived in private rental, while only 40% had lived in public housing, for

some time⁹. This data shows a change from childhood arrangements, when more people lived in public housing than in private rental. Also, a smaller proportion of respondents lived in Indigenous community housing (17%)¹⁰ and in temporary accommodation (19%) as adults than during childhood.

Table 5 Comparison of childhood and adult housing history

Type of accommodation	% of households where applicants were living in this type sometime during childhood	% of households where applicants were living in this type sometime during adulthood
Institution	5	0
Mission shed	5	0
Temporary accommodation (tent, humpy in bush, caravan)	21	19
Community housing/indigenous housing association	26	17
Workers quarters w/parents; employee housing as adult	19	22
Mainstream public housing	59	40
Private rental	16	64
Parents' own home as child; own home as adult	50	7 ¹¹
With family/friends as adult		26

In terms of peoples' housing careers prior to their current purchase, the tenure data shows a strong increase in private rental from childhood to adulthood, and a correspondingly strong decrease in home ownership. This is similar to a typical pattern

⁹ The survey questions recording the householders' housing history after they became independent adults allowed for more than one answer to encompass the whole variety of circumstances. Therefore the percentages below do not add up to 100%.

¹⁰ As their last residence immediately before buying their own home, even fewer of the families, only 11%, lived in Indigenous community housing.

¹¹ Some interviewees were not first time home owners

found in mainstream Australia where young adults leave their parents home to stay in private rental before purchasing their own home. The data thus suggests that there may be a correlation both with home ownership as a child, and with private rental as an adult. This is a tentative conclusion only, since the survey instrument was not designed to investigate housing careers per se.

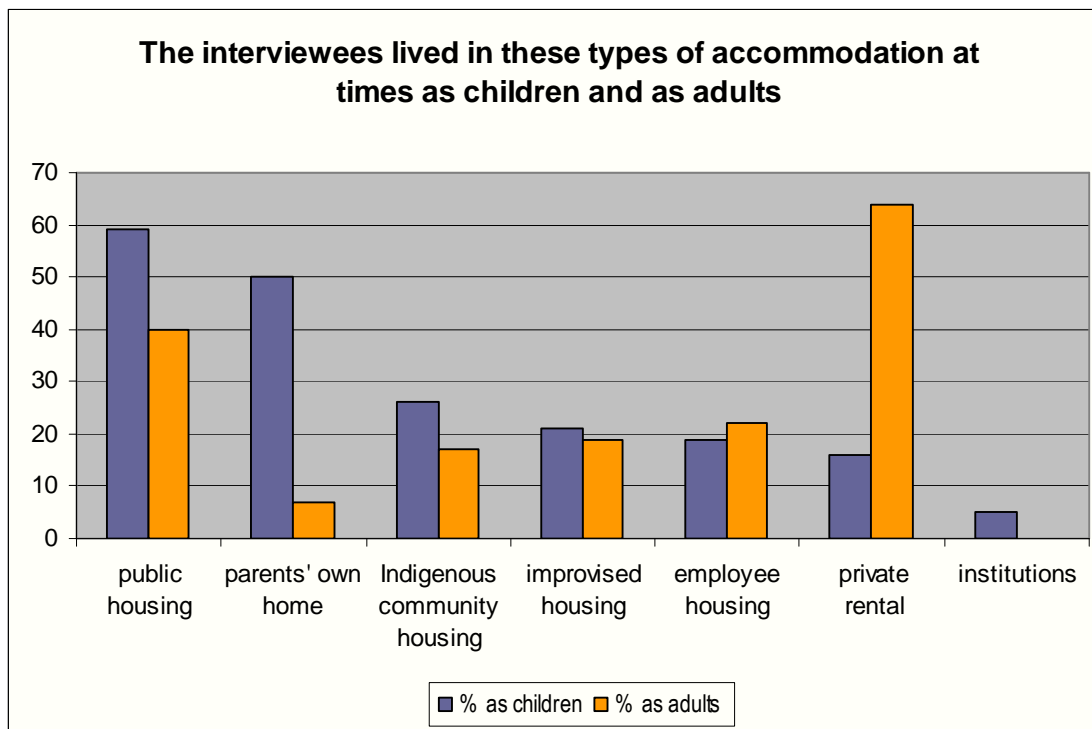


Figure 7 Comparison of housing tenures in childhood and adulthood

The length of time the survey participants resided in these housing alternatives ranged from six months to 14 years. Tenancies in private rental seemed to be shorter, which in part is indicative of the greater insecurity associated with that tenure (including rental increase, property sales, or issues with landlords and agents). However, people mostly moved on for jobs (37%) or personal/family reasons (20%), and 11% of interviewees moved elsewhere to study.

The average duration of the last tenancy before home ownership was 5.72 years with three years being the median length. More than half (56%) of the interviewees had a tenancy of at least three years duration before moving into the home they bought, and 12% had lived in the same place for over ten years. The longest prior tenancy the survey recorded was 37 years. The small proportion of families (16%) who lived in the prior home for less than a year mostly lived with family or friends to save up for the purchase. This finding suggests a strong rental history, and reasonable stability in household mobility.

Only a few families (14%) lived in the house they ended up purchasing, and these were generally former housing commission homes. The two exceptions were where people

bought private rental or employment housing. For most, buying the home they rented was either not possible (it was not for sale) or it was not an attractive option, being either run-down or in an undesirable neighbourhood. While the survey did not directly ask the question, the data suggests that people may have preferred to purchase a different home in a different location.

2.3.3 Mobility before home ownership

For most people participating in the survey, mobility had affected their housing choices throughout their lives as well as at the time of home buying. As young single adults they followed work or personal priorities. Anecdotally, men seemed to be more mobile than women, due largely to work commitments, including being in the armed forces or working for mining companies. Once young people established families, their lives became more settled, and if they moved between tenancies, it was mostly within the same town.

The survey found that even in their most mobile years, as young adults, half of the interviewees had lived in the same town or region where they lived at the time of the survey, and altogether three quarters had lived in the same State.

Interestingly, the vast majority (89%) of all respondents lived in the same town they bought their home in, and only two moved to their present home from places other than nearby towns or station. The interviewees were mostly long-term residents in the towns: over two thirds of them have been living there for over 25 years, and nearly one third for between 11 and 25 years.

To be living in the same location for over ten years, even prior to purchasing their own home, implies a settled lifestyle and a loyalty to the community they live in. A great majority (77%) of families stated they would not move to a different town, even if they moved to another house or a different neighbourhood.

In 56% of surveyed households at least one, but in 47% both, applicants were born and raised ('locals') in the town where they bought their home. This suggests a strong affiliation with the town, and most likely a large number of relatives nearby.

2.3.4 Home ownership in the family

As mentioned previously, in one half of the households one or both applicants, as children, lived in homes their parents owned. By the time of the survey the parents of nearly two third of the interviewees were home owners for at least a while. Furthermore, over half (53%) of interviewees had siblings who were home owners, and children owned homes in 7% of the families. Overall, the survey found that home ownership existed in the immediate and extended family in a very large proportion of the sample. Only 10% claimed that there was no home owner among their relations, or that they did not know about it.

Relatives of interviewed families who bought homes accessed ATSI/IBA and mainstream bank loans alike, with the families of three quarters of the respondents making use of both while only 9% relied solely on ATSI/IBA loans.

2.3.5 First home buyers

For a great majority of the interviewees, their current home was the first one they have ever owned. A number of families, however, were not first home buyers: 14% owned homes previously, most in Queensland and some in Darwin. In most cases these homes were sold to follow jobs elsewhere or for personal reasons. One of the families bought a home with bank loan and had to sell it within a year as they could not afford the repayments. None of these homes were in the possession of the interviewed families anymore.

2.3.6 Perceptions and motivations before buying the home

The survey explored the interviewees' perceptions regarding home ownership before they became home buyers. Responses to this question were relatively vague, however, with some confusion between the benefits of home ownership, and the motivations to buy. This may be so because people did not think much about the subject before they bought a home, which was what seven of the interviewees stated, and also because the actual experience of buying a home made it difficult to recall how they had felt at the time before.

The most frequent response (36%) was that home ownership was something they always wanted – it was always their dream. For a substantial proportion of families (19%), home ownership was a goal they felt they were never going to achieve. Nevertheless, a similar number of interviewees (17%) recalled that they worried about the commitment that came with home loans. These sentiments are consistent with many (25%) families' recollection of the worries which made the decision of home buying hard, mainly the difficult step towards believing in themselves and overcoming the fear of taking on such a large amount of debt.

That people did not think much about home ownership as a possibility for themselves is reflected in the large proportion of interviewees who identified coming across the idea through someone else's recommendation. For one half of the interviewees it was a family member, a colleague or a housing officer who suggested that they should consider home ownership.

In contrast to the above, the most often occurring themes regarding what motivated the interviewees to consider home ownership were that it made financial sense, and the security it would offer for their family. These sentiments were expressed in a variety of ways. Over one half (52%) of the survey participants wanted to stop paying 'dead money' for rent, and having 'something to show for the hard work'.

A large proportion of interviewees were motivated by the wish to provide a secure future for their families (43%) as well as stability (34%). Control over their living environment was also a very important reason: people aspired towards improving the house and turning it into a home, without losing the time and money that they had invested. Other, more emotive, reasons articulated were pride and empowerment as well as the positive feelings associated with having a place to call home. Being responsible to the wider community as role models was a motivation for one family, while another mentioned that they wanted to be able to pass it on to future generations. Investment was only explicitly mentioned by 12% of interviewees.

In summary, the main reasons for families to start on the path toward home ownership were related to their negative experiences of rental accommodation, such as high rent, insecure tenure, and the inability to make improvements to their place of residence. The expectation was that home ownership would be different. For most, becoming home owners meant having a 'home' and financial investment and returns were given a lower priority.

2.3.7 Summary: Path to home ownership

There were many different paths that led the interviewed families to home ownership. Despite the diversity of their family's and their own personal housing history, and the diversity of reasons for becoming home owners, the pathways of home owners converged on several fundamental points.

One of these points was a considerable experience and familiarity with conventional housing tenures, such as public housing and private rental, and the commitment of paying regular monthly/fortnightly amounts towards housing. More significantly, the vast majority of survey participants had home owners among the extended family. Consequently, the risks and responsibilities of home ownership were not unfamiliar, including dealing with banks and the repaying of home loans. Seeing members of their own family succeed as home owners, and receiving encouragement from them, was an inspiration as well.

Another point of convergence was the generational change in family size and structure, which in or before many applicants' childhoods had shifted away from traditional multigenerational living and large size families to smaller nuclear households. While aspiring to and participating in higher levels of education reflects the embracing of mainstream Australian values, it does not imply the abandonment of Indigenous value systems. A great majority of interviewees had strong ties to their extended families, which was reflected in their attachment to their 'hometowns', even in the most mobile years of their lives.

And finally, regardless of the range of motives for buying a home, most responses indicated the need to leave the negative experiences of renting behind and to be able to control their living environment and their family's future.

2.4 Buying the home

The previous sections discussed what interviewees represented as their path leading to the decision to buy a home. The following section describes the processes surrounding the actual transaction, that is, applying for the loan and negotiating the home purchase.

2.4.1 Who helped in the process?

An important part of the decision-making process was access to reliable information. Once they had made up their minds about buying a home, a large number of survey participants (38%) actively sought out ATSIC or IBA for information packages. Only a relatively small percentage (26%) recalled being approached by ATSIC or IBA Loans Officers, and a mere 3% remembered obtaining information through IBA workshops.

More frequently, interviewees sought out advice and information from family and friends, and from a network of people already experienced in home buying (29% of interviewees). A small number of the households (15%) used their personal networks to access information from ATSIC or IBA by either working there, or through friends or family members employed there. Later on, however, once the home loans were in place, all households had an ongoing close relationship with the IBA Loans Officers.

The survey found that there had been a lot of encouragement from close and extended family as well as from friends and workmates regarding home ownership. Nevertheless, the small proportion (18%) of those who received financial assistance from their family may suggest a reluctance to ask for help with finances (other than advice) and therefore include the home in the more traditional family economy of sharing and obligations¹².

2.4.2 Income at the time of application

The research considered household income at the time of application as an indicator of two parameters in making the decision to buy a home. One was the income level at which families felt confident enough to take on home ownership; the other was the adequate income level for their applications to be approved by IBA. This data was obtained from IBA records. For seven households it was unavailable, partly because the clients did not give consent.

¹² It is possible that some of the relations were not in the position to help; however, during the interviews there was no hint of bad feelings because of possible rejection.

Table 6 Combined annual and weekly household income at application

	Annual income at application (\$)	Annual income at application, adjusted to June 2007 (\$)	Weekly adjusted income (\$)
Average	41,965	51,470	990
Median	40,692	50,240	966

At the time of their loan application the annual average combined household income was \$41,965, and the median household income \$40,962. These amounts, considering the average 6.3 years length of loans and the Labour Price Index (formerly Wage Cost Index) are the equivalent of \$51,470 and \$50,240 respectively at June 2007 levels, or just under \$1000 per week.

Mean income levels at the time of the loan application were not high, although significantly higher than the \$543.74 weekly unemployment and family benefits could provide for the sample’s average size household of 3.79, i.e., two adults and two children.¹³ Compared to the \$672.06 per week poverty line for the June quarter of 2007 for the benchmark household,¹⁴ the mean application–time income levels adjusted to 2007 are only 44% higher¹⁵. (MIAESR2007)

According to the ABS, households with less disposable income than the highest value of the third decile¹⁶ of income data are classified as low income. There is no analytical relationship between the third decile measure and the poverty line. Nevertheless statistically, since 1994, the poverty line has been between 66% and 75% of the third decile measure. This locates the low income threshold, using the June 2007 poverty line, between \$896 and \$1018 per week. The mean adjusted weekly income of surveyed households at the time of applying for the loan, as shown in Table 6, sits virtually in the middle of this range.

¹³ A family of two adults and two dependent children would be eligible for a total of \$543.74 weekly payments, as at June 2007, consisting of: Basic Payment (person 1) \$191.40; Basic Payment (person 2) \$191.40; Family Tax Benefit (A) \$140.84; Family Tax Benefit (B) \$20.10 (MIAESR 2007)

¹⁴ Benchmark household: ‘a family comprising two adults, one of who is working, and two dependent children’ (MIAESR 2007)

¹⁵ Whilst beyond the scope of the current study, it would be interesting to compare the LVR (loan-to-value ratio: i.e., initial loan divided by appraised value). IBA have advised that this data is available within their loan application records.

¹⁶ The third decile of the income distribution that has been divided into tenths, is those whose income exceeds the incomes of from 10% to 20% of the population.

www.personal.umich.edu/~alandear/glossary/d.html

The relatively low income levels explain why most interviewees turned to IBA for home loans and not to mainstream banks, as discussed in the following section 2.4.3. The income levels also justify the slow pace of asset accumulation, considered later in sections 2.5.7 and 2.5.8.

Furthermore, it is evident that the IBA Homes Programme supports that segment of Indigenous households which, although low income earners on average, have disposable income nearly double of what government benefits could provide. This latter point is important in the consideration of a home ownership programme in areas where there is little employment opportunities, i.e., in remote communities.

2.4.3 Dealings with IBA

As mentioned above, there is widespread experience of home ownership in the immediate and extended family of the interviewed households, through a variety of ATSIC, IBA and mainstream bank loans. Therefore, we can assume that many of the survey participants were familiar with home loan arrangements prior to making the decision to purchase. It is likely that because of this familiarity, a considerable majority (66%) of IBA clients in the survey sample chose to only apply for their home loan through IBA, and only a very small number (9%) even explored the option of a mainstream bank home loan. Those families who did apply for home loans from financial institutions had a low rate of success. This is further discussed in section 2.5.1.

Only a very small number of interviewees (9%) recalled being encouraged to become home owners by ATSIC or IBA housing officers, further confirming the influence the extended family's experience may have had on the choices the interviewees made regarding their home loan (see section 2.4.1 above).

A vast majority of respondents rationalised their decision by the affordability of the IBA loans, mainly the low interest rates (59%) and low deposits (28%). At the same time there were important social aspects of dealing with IBA, which encompass such things as the flexibility and cultural appropriateness of the process, and the confidence and ease attributed to transactions when 'dealing with my own [Indigenous] people' (26%). In the words of one young interviewee:

Our whole family is productive, working, responsible; mainstream banks do not understand the impact of being Aboriginal, the importance of family: they just look at family and all they see is dependents; despite being of good rating we got knocked back for the second loan.

As shown in Table 7, the vast majority of survey participants were very satisfied with the services they received concerning how their loan was arranged. Some comments were made regarding the lack of availability of information about some of the settlement costs, and explanations about property management.

Table 7 Satisfaction with IBA at application

	% very satisfied	% satisfied	% not satisfied
Information available	72	21	5
Support offered	74	19	3
Conditions of the loan	69	31	0

Even with the support offered, some clients found the process difficult. Issues raised included restrictions and rules on loan conditions, the inability to consolidate the home loan with other debt, and that families had to reduce or pay out all pre-existing debt before they were approved for home loan. Delays with the approval of loans, the short deadline to find the property to buy, and the ambiguity of the approved loan amount were other problems mentioned.

2.4.4 Search for the home

The survey found that the strength of ties to the 'hometown' dominated the families' choices with regard to where they were buying homes. As indicated before, at least one of the couples in more than half (56%) of the households were 'locals', having been born and grown up in the same location where they were living at the time of the survey. Consistently, more than half of the interviewees (52%) chose where they bought their home because it was their hometown, or to be close to family.

However the lifestyle the location offered played an important part in their choice for a considerable majority (77%) of the survey participants. Many families preferred their towns or neighbourhoods for other functional characteristics, such as their closeness to facilities such as school, store, hospital and public transport (33%), while some wished to live in a quiet, stable and peaceful neighbourhood (20%), preferably with not many housing commission homes around. Four families settled down on rural blocks even if it meant a daily commute to their workplace in town. Only a small number of households (19%) cited the reputation of the suburb for potential resale value as a reason to buy where they did.

The homes of the survey participants were modest, with the majority being detached houses on average (quarter to half acre) urban blocks. The only exceptions were four rural properties and two strata-title units. The median number of bedrooms was three, while the average was 3.38 bedrooms. Only one home had two kitchens – a house with a self-contained flat added to it after purchase. Only about one third of the homes had two bathrooms (33%) or more than one toilet (36%). A few houses had swimming pools (28%).

The survey did not have a specific question about the condition of the homes when they were bought. However, those interviewees who bought former housing commission homes recalled that the condition of those houses was relatively poor at the time of purchase. Several interviewees otherwise commented on how their approved loan amount limited their choice to somewhat run-down houses. Nevertheless, at the time of the interviews most (71%) households regarded their home being in better than average condition, and 16% stated it was in excellent order. This was confirmed by the observations of the field researchers.

The substantial majority (83%) of families claimed that their home suited their needs, although six households found their home to be too small at times, especially when their children who studied elsewhere returned home for holidays.

Most responses indicated that prospective home buyers used the same means of getting information about homes for sale as any other buyer would: real-estate agents, newspaper advertisements and their own observations. However, a relatively low number of families (4 of 58) used the internet. People tended to not use their networks of family or friends to find the home. While looking for a home to buy, three or four interviewees encountered real estate agents they described as racist, wanting to steer them to areas where other Indigenous families lived, where 'the agents thought Indigenous people *should live*'.

The great majority of homes were bought already established, and only 19%, or 11 families, built on land they either included in the IBA loan package or already owned. Five of these were land and house packages. There were four transportable homes built with IBA Home loans, all in remote Queensland: three in Normanton and one in Hughenden. Of the seven interviews conducted in Normanton, five indicated that they lived in homes they built themselves.¹⁷ The prevalence of self-built homes in these locations is evidence of the lack of affordable homes available for sale.

2.4.5 Transition time

Consistent with the comments about the insufficient information regarding the cost of settlement and establishing a new home, interviewees in a majority of households recalled unexpected expenses. Less than half (38%) of the surveyed households were aware of what to expect.

Most hidden costs were the result of necessary repairs due to the condition of the house that had to be done after settlement (29%). The amount of rates and insurance fees

¹⁷ This probably occurred through their participation in an innovative housing construction programme operated by Bynoe Community Advancement Co-operative Society Ltd.

seemed to take a large number (36%) of families by surprise, while for a smaller number of households (17%) the total of settlement expenses ended up unexpectedly high.¹⁸

For the majority (54%) of the respondents, home ownership was not different from what they expected. Yet, when asked whether it was easier or harder, more people seemed to think it was indeed different from their expectations. Although over half of the surveyed families (54%) found that home ownership was easier than expected, for the remainder it was harder, or it was a mixed experience, which nevertheless taught them to cope with the difficulties.

2.4.6 Summary: Buying the home

The surveyed households had a mean income level approximating the low income threshold as defined by ABS. However, their mean income level was significantly higher than what relying on unemployment and family benefits would amount to.

In spite of their tight budget, very few households relied on help from their extended family for the home purchase, a decision which drew clear boundaries and allowed them to prioritise their loan repayments. At the same time, they depended on advice and information from their relatives, many of whom were home owners themselves.

The homes purchased with IBA loans were modest but mainly in good condition. Being in their 'hometown', close to facilities and in quiet neighbourhoods were the main priorities, more so than the investment potential of the location. This was consistent with the aspiration of the survey participants to establish a 'place to call home' for their families, as opposed to maximising financial gain.

There was an overall high degree of satisfaction with IBA's services, in terms of how the loans are set up as well as the support from the Loans Officers. Many clients, however, felt ill-prepared for some of the expenses and responsibilities home ownership entailed. Some recommendations regarding how to improve and extend their facilities are discussed later, in section 2.8.

¹⁸ This data was obtained by using open questions in the survey, with multiple answers allowed. Therefore the percentages do not add up to 100.

2.5 Managing home ownership

This section examines the ways IBA clients manage financial and social pressures. It focuses on those conditions which are essential in ensuring successful home ownership outcomes considering the social-economic characteristics of the surveyed households.

2.5.1 Having loans before and since the purchase

A majority of households had loans for a variety of consumer goods or personal reasons before they embarked on home ownership; only 10% had no prior loans. Therefore having debt and managing loan payments were not new experiences for most families in the survey sample.

Before home ownership, a large majority of interviewees (83%) had car loans, while a smaller proportion had personal loans and credit card debt (22% and 17% respectively). The use of store credit was widespread, for daily shopping with Coles and Woolworth cards, as well as for purchasing household items through lay-by.

Also, a small number of families (17%) had been home owners before becoming IBA clients. Of the survey sample, eight families owned homes before, six in Queensland and two in Darwin, and of these, three families were accepted for bank home loans previous to the IBA loan.

A significant proportion of survey participants explored the possibility of home loans from mainstream financing institutions before applying for the IBA loan. Over one third (35%) of the families applied for bank loans, and another 5% investigated it but decided not to apply. A large number (40% of those who applied and 14% of the total sample) were not approved for home loans because their income was not high enough. Only three families (5%) were offered mainstream home loans, but they chose IBA because of the financial benefits of the IBA loans. In other words, in the rare instances where applicants were eligible for both mainstream and IBA home loans, the IBA package was preferable.

Since becoming home buyers with the IBA Homes Programme, some families obtained mainstream home loans to buy their current home. Of the 58 interviewed clients, ten had finalised their IBA loan and so were no longer IBA Homes clients. Of these ten, five bought another place, two refinanced the same home; and one had finished repayments and taken out an investment loan, all with bank loans.

The pattern of using loans for high value items such as cars and household goods continued after the home purchase. This will be further discussed in section 2.5.7.

The most prevalent way of buying cars, both before and after the home purchase, was via car loans, which suggests that households have already had a basic credit rating before home ownership. On the other hand, learning about budgeting through the management

of car loans, personal loans and lay-by, was considered useful in managing the home loan.

2.5.2 Combined household income

As previously discussed, the primary loan applicants in all of the surveyed households were in either full-time employment or else were carers or old age pensioners, and a majority of secondary applicants were employed as well. In several families people had two part-time jobs, worked more than full time, or had teenage children holding part-time jobs.

Data regarding the combined household income at the time of the survey is not complete, as some households were unable or reluctant to give exact amounts or any information at all (12%). In three households the interviewees did not know how much the other family members earned, and four families did not answer the question. Including their income would have increased the average and median income of the total sample, as none of these households were at the lower end of the income scale (e.g., none were pensioners). Five survey participants gave a range instead of an actual number; in these cases we used an average.

Figure 8 shows the distribution of income levels across the survey sample. Considering only those households which the survey obtained data from, a great majority of households (74%) had more combined income annually than \$60,000. Table 8 indicates the remarkable changes of average and median household income between the time families applied for the home loan and the time of the survey.

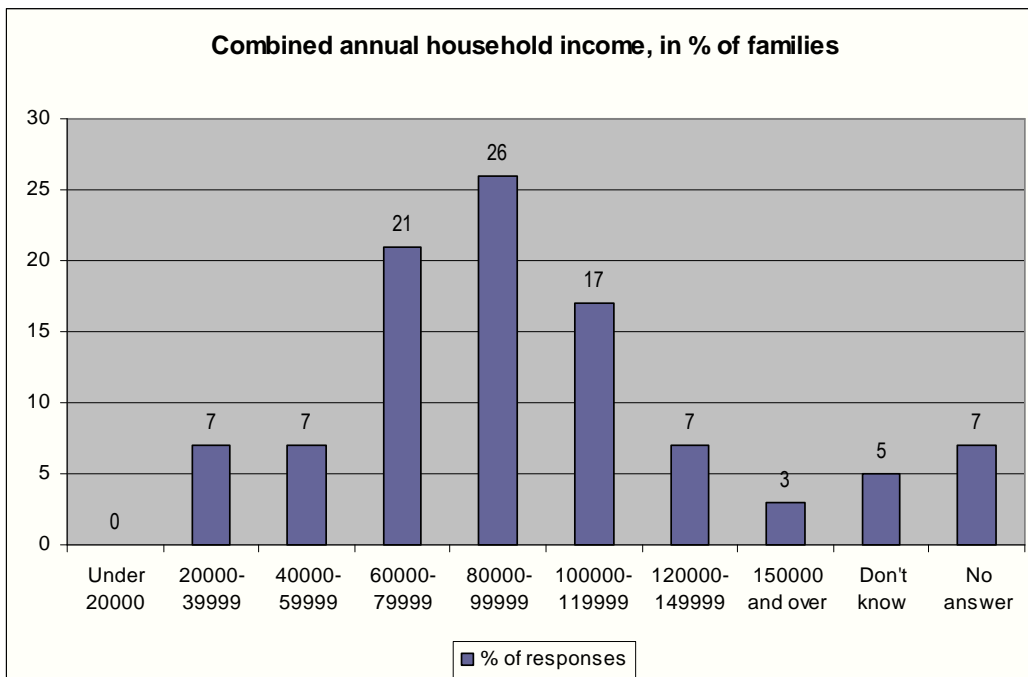


Figure 8 Combined annual household income at the time of the survey

Comparing the past and present income of individual households, taking into account that for 22% of the families there was no available data for comparison, the survey found that a majority (59%) of the participating families earned at least \$20,000 more at the time of the survey than when buying the home, and three households had higher incomes by as much as \$100,000. The 69.2% growth of median combined household income in the sample since the commencement of home ownership is even more significant if we consider that the median length of the loans was a short 5 years.

Table 8 Increase of annual combined household income

	Annual income at application, adjusted to June 2007 (\$)	Annual income at the time of survey (2007)	Growth	\$/person in household (2007)
Average	51,470	83,102	61.5%	21927
Median	50,240	85,000	69.2%	28333

2.5.3 Budgeting and planning

Most families in the survey (57%) shared the bills as well as the decision making about how to spend their household income. In the case of couples there seemed to be a gender balance in terms of who was making the financial decisions.

The primary applicants took responsibility for the loan payments in about one half (52%) of the households, including the single adult households, while in a large number of families (43%) both partners contributed to the repayments.

Nearly all families reported that they managed their finances well, although a few (12%) had difficulties every once in a while, with only two households who claimed being in debt all the time. There was a somewhat formalised yearly or monthly budget in the majority of households (57%), and a few interviewees acknowledged that managing car loans previously taught them a lot about budgeting.

A great majority of families (84%) stated that they could keep their spending within the limits of their income. Those few with occasional budgeting problems employed a variety of coping strategies, including paying bills late, borrowing from family, taking on extra work, or simply 'going without' for a while. There seemed to be a preference to using store credit lines and little reliance on credit cards.

An evidence of the success in budgeting, beyond their generally good loan history, is that most families funded a majority of large scale purchases as well as home improvements by saving up for them. However, this will be discussed in more detail later in sections 2.5.7 and 2.6.4.

2.5.4 Managing the repayments

All of the surveyed families placed the highest priority on paying the loan payments. Most families utilised automatic fortnightly deduction of the loan repayment from wages or Centrelink payments, and it was considered a great help in managing the budget by 39% of the interviewed households. Many households used this facility to pay other bills as well.

The IBA clients' commitment in prioritising the loan repayments, as well as the supporting mechanisms such as the direct debit facility and IBA's flexible case management approach, made an outstanding loan history possible. Of the 13 families (22% of the sample) with some history of arrears, only two had what IBA deems as 'long-term reportable' arrears; the remainder were non-reportable (under two months).

All interviewees knew that they could count on the flexibility and support from IBA if they encountered problems with meeting the loan payments. Although there were not many families in need of assistance with repayments, the safety net which IBA's case management approach offered was highly valued, and likely to be an important reason for interviewees wanting to stay with IBA for other, non-home related banking transactions as well.

A large majority (75%) of the interviewed families paid more than the minimum repayment. There were various reasons given for this including paying it off faster to own it sooner (23%), to reduce interest paid (16%), and to have a safety margin in case something happens (14%). Only a small number of families (12%) reported that they worried about meeting the repayments sometimes.

2.5.5 Dealing with family

Creating boundaries and some economic distance between the loan holding household and the extended family seemed to be an essential tool for the management of not only the repayments but the home itself. This pattern is evident in the controlling of family visits as well as accessing help with the purchase of household goods or home improvements, as discussed in the following sections. These aspects of the cultural change occurring in Indigenous families are described by Peterson and Taylor (2003) and (Schwab 1995).

As discussed earlier, the average size of the households participating in the survey was under four people, and the great majority of families were nuclear families, consisting of parents and children. Although many families reported some change since they moved in to the home they purchased, these were mostly related to children being born or growing up and leaving the household. There was no perceivable difference in the average household size between the times of the home purchase and the survey.

Living in small and nuclear households is a departure from how Indigenous families lived in the past in traditional groups, and from the household patterns of current remote settlements. Although this does not necessarily mean a fundamental transformation in the value placed on family, there seems to be a subtle ongoing change. While many of the families in the survey were ready to help members of the extended family in need with a place to stay, they also managed family visits in a way which did not interfere with their ability to service the home loan or to maintain the home in a good condition.

There were a number of households (22%) where other family members lived temporarily or for a longer period while they were looking for jobs or sorting out personal issues. Also, a considerable number (31%) of households regularly had visitors, mostly for a holiday or to see family, who stayed for a while. These extended visits, however, were only found burdensome for a small number of families (10%) in terms of added cost or housework. The remainder of the households with regular visits expected their visitors to contribute to the household expenses as well as to housekeeping, some reporting to have even set up explicit rules. As one respondent said:

Sometimes it is hard to own a place: it goes against trying to help your family and people; I can starve to pay the loan but how do you explain that to other people [family]?

Having most or all of the extended family live in the same town, as was the case for the majority (71%) of survey participants, may have contributed to the ability of householders to manage or not have longer visits. Also, in a majority of the survey sample there was widespread home ownership in the extended family, which, judging by the data obtained in the survey, implies a less mobile lifestyle.

2.5.6 Mobility since home ownership

Consistent with the stated reasons for home buying, the survey found a settled life style, with very little mobility since people had moved into their own home. With the exception of five households, at the time of the survey all of the participating families lived in the home they bought. Three of these five families followed work opportunities, although one still maintained the ownership of the home purchased with IBA loan (the only home that was rented out). Two families finalised their IBA loan to move to the place they preferred, one because there was too much family pressure where they originally bought a home; the other to a rural block.

Only a very small number (11%) of households reported any of its members living elsewhere at times. In four families one of the partners worked away from home, either on a weekly or three-weekly cycle, and in two families children were studying in boarding school.

An indication of stability was also the large number of households who were satisfied with their present home, with only 34% suggesting that they would move elsewhere if they could. Most of these families would stay in the same location although in a better

house or a preferred neighbourhood, and only five families indicated that they would rather live in another town. For four families having to move for work seemed to be an imminent, and not altogether welcome, possibility.

2.5.7 Consumption patterns

The survey found a slow but steady accumulation of consumer goods in the participating households. Acquiring cars did not seem to have slowed down after the home purchase, despite 91% of the families having at least one car before they became home owners. After purchasing their home, 24% of families replaced their old car and, more significantly, a second car appeared in nearly half (45%) of the households. Buying second cars in so many families may partially be explained by the necessity for more household members to get to work, as employment became a high priority with a home loan to pay.

Although a great majority of families (66%) purchased essential furniture and white goods since becoming home owners, there was no dramatic change in the consumption of household goods, and it was mostly to replace old items or fulfil the needs of the growing family. The frequency of the acquisition of items which were described as luxurious¹⁹ grew significantly: having these more expensive household goods before home ownership was reported by only three families, while eight families purchased some of these since they bought their homes.

Figure 9 illustrates the various ways the surveyed households funded high value items such as vehicles, furniture and white goods. The most remarkable data in the table is about the use of savings and cash to pay for furniture and white goods, and even cars, occurring in 28% of the families before home ownership, a percentage which virtually doubled after the purchase of homes. A much smaller proportion of households utilised the availability of lay-by and interest-free store loans both before and since home ownership. Similarly, a smaller proportion of cars were bought with car loans since home ownership than before, indicating a preference to buy outright and not accumulate more debt. It also implies the ability to save up large amounts of money, indicating good budgeting as well as certain levels of disposable income.

¹⁹ Luxuries were loosely defined as activities and goods better than standard quality, or in addition to what was strictly speaking necessary, including entertainment and holidays as well as expensive furniture.

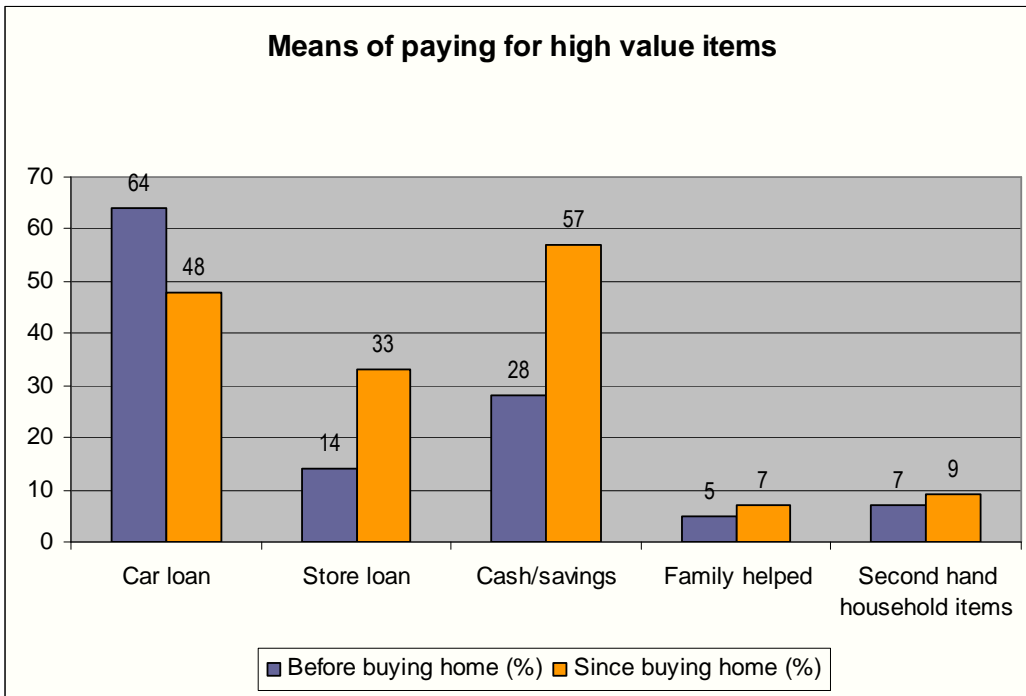


Figure 9 Means of funding high value consumer goods

There was relatively little help from the extended family in terms of purchasing assets, both before and after buying homes. This was consistent with the finding of little reliance on family at the time of buying the home, or with home improvements. A small portion of people reported relying on second-hand purchases for household goods, although this was more frequent with vehicle purchases.

The survey questionnaire included an open-ended question about lifestyle luxuries in the interviewed families' lives. It was left for the respondents to define what they considered a luxury, and many interviewees interpreted it as a treat or a small indulgence.

A small number of households (17%) claimed that they could not afford anything beyond basic necessities. Typically, these households had a combined household income below the sample's average. Also, their average loan repayments represented a larger proportion (18.5%) of their income, compared with the average 11.8% of combined annual income in the entire sample²⁰. It is important to note that only one of these families had arrears history and they had met their loan payments in the past two years. So while not in a position to afford luxuries, they were still able to manage their loan repayments.

The majority felt they had some money to spend on luxuries; however, the magnitude varied greatly. Many families (40%) found at least some entertainment, such as dining out, affordable, although this often meant fast food. Other entertainment activities were

²⁰ Still, the 18.5% rate is considerably lower than the 27% of gross income average of first home buyers nationwide spend on mortgage repayments (ABS 2007b).

mainly for the children. Only a smaller proportion regarded going on holidays with their children within their means (29%).

Some households reported spending money on private school fees and school trips for children (12%), as well as fees to cover sports activities for both adults and children (12%), among their luxuries. For six families alcohol, cigarettes or occasional gambling fell into this category, while occasional DVD hire and subscribing to Austar cable TV were considered luxuries by 19% of the survey participants.²¹ Exceptions to the modest consumption patterns included a single woman in a high paying job regularly taking overseas holidays, and a couple with a car racing interest.

Although these consumption patterns were modest and high-cost consumer items were not within the reach of many, the interviewed families seemed to feel principally positive about what they had achieved so far, as well as about their future. They had a sense of getting ahead.

2.5.8 Growth of assets

A slow and steady growth of assets characterised the surveyed households in regards to property as well. Nearly all families (91%) asserted that their home had gained value since they bought it; however, the magnitude of value increase differed greatly, most significantly influenced by geographic location. Normanton residents were the least confident regarding the quantity of gain in the value of their property, with two families thinking it had not increased at all, which is a reflection of the small population and limited housing market there. Some Alice Springs and Katherine families as well were unsure about whether their homes gained value or not.

Although value gain was considered a very positive outcome for the families themselves, home prices going up also made them worry about their children and grandchildren. They were concerned that the younger generation would not be able to enter the market with the cost of homes growing at the present rate.

Virtually all families in the survey were well informed about the housing market, suggesting a high degree of understanding of and interest in asset growth. Many families are keeping their eyes on the selling prices in the neighbourhood (38%), or getting information from real estate agents (12%). One third (34%) of interviewed families had their property appraised since they bought it. Nevertheless, this seemed to be more for their sense of achievement than for actively seeking better deals; as discussed later the main focus appeared to be on creating a home rather than on wealth creation. The

²¹ This data was obtained by using open questions in the survey, with multiple answers allowed. Therefore the percentages do not add up to 100.

survey did not inquire about the actual increase or otherwise of property values, and although some interviewees offered information there is no consistent data to draw conclusions.

Very few people owned property other than their home at the time of the survey. Of the five families who did, three owned vacant blocks for future development; two of these properties were obtained through family transactions. One planned to develop a cultural tourism venture on a block they had purchased on their traditional country, in a gazetted township. One couple whose loan was finalised some years ago reported that they have bought two rental properties. With the exception of the two families mentioned above, all investment properties were bought with bank loans. Only two families had access to traditional land held under community title, and visited those for recreation.

2.5.9 Summary: Managing home ownership

Financial literacy and the familiarity with loan repayments through previous purchases were prerequisites of the successful management of home ownership.

Employment-generated income allowed families to not only service their loan with very low occurrence of arrears, but to be also able to cover repair and maintenance expenses. The extensive home improvements, detailed in section 2.6.4, as well as a slow but steady accumulation of assets were the evidence of good budget management and increasing disposable income levels.

Maintaining a settled and stable family life, with a strong control of spending priorities, while still maintaining ties with the extended family, were also essential to the management of home ownership.

2.6 The meaning of home ownership: home vs investment

The following sections focus on the economic and social benefits deriving from home ownership, based on perceptions of the survey participants and their reflections on their achievement since becoming home owners.

2.6.1 Perceptions: the upsides of being home owners

The emerging pattern of answers shows that overall the most important positive aspects of home ownership for the interviewees were about having a place to call home, although this is not to say that financial considerations did not play an important part.

Some of the replies are strongly influenced by the negative experiences of past tenancies. As Table 9 illustrates, for over half of the respondents the ability to have control over their living environment, and not having to worry about intrusive inspections, were very significantly positive characteristics of home ownership.

Table 9 The positives of home ownership

Response	% of interviewees giving this response²²
Independence/control	55
Makes financial sense	40
Pride/sense of ownership	36
Can not be kicked out/stability	26
Look after it better/improvements	21
Investment	19
Goal/something to show at the end	17
No wait for R&M	17
Something for the kids/security	16
No restrictions	14

Having independence and control also means that home owners can personalise, improve and generally shape their place to suit their needs and preferences. Many interviewees mentioned that they looked after their home better, and indeed, as discussed in section 2.6.4, virtually all households had undertaken some home improvements since they became owners. Taking responsibility for and making decisions regarding repairs and maintenance were welcome features for a number of respondents.

More intangible incentives, such as feelings of satisfaction and pride that come from owning one's home, as well as getting more respect, and the sense of working towards a goal, were represented very significantly in the interviews. For a large number of respondents, being free of the uncertainties of renting, being able to stay in one place and stability for the family were important motives. Having no restrictions regarding pets or who can stay, and having no interference with their privacy, were regarded by many families as important improvements in their quality of life.

At the same time, interviewees were aware of the material benefits connected with buying their homes. Again, some of these benefits were expressed in terms of contrasting them with the negative experiences of rental: paying 'dead money'; 'paying off someone else's

²² This data was obtained by using open questions in the survey, with multiple answers allowed. Therefore the percentages do not add up to 100.

debt'. Home ownership, as opposed to renting, made financial sense for 40% of interviewees and 19% talked about it as good investment. A smaller number, 16%, volunteered that home ownership was beneficial for their family's security and future.

In addition to the emphasis on the social and emotional benefits of home ownership, the achievement of a situation which made economic sense, and which put families on the path of wealth creation, was also a significant benefit to home owners, even to those who did not express it directly.

2.6.2 Perceptions: the downsides of being home owners

Over one quarter (28%) of the surveyed families were so positive about home ownership that they could find nothing wrong about it. Most people had some reservations about being home owners, but the issues raised as negatives were not as strong as the positives.

Although for some interviewees the responsibility for repairs and maintenance was an empowering experience, many families regarded it as the most significant downside of home ownership. Having to pay for utilities and rates was also seen as a disadvantage; however, most people acknowledged that they had to pay for those as tenants as well, even though they were hidden in rent.

Table 10 The negatives of home ownership

Response	% of interviewees giving this response²⁴
Nothing	28
Maintenance/repairs	33
Paying rates/utilities	22
Being in debt/broke	9
Chain around ankle/commitment	7
Repayments high/increase	7
Buying a run-down house	5
Failing to pay repayments	5

²⁴ This data was obtained by using open questions in the survey, with multiple answers allowed. Therefore the percentages do not add up to 100.

The remainder of the responses indicated concerns about the financial burdens and the commitment that came with paying a loan. For three families, buying a run-down house which needed a lot of repair was a source of financial strain as well as disappointment.

Even though five families considered renting as a good solution in certain circumstances, and for short-term purposes, it was generally seen as a negative alternative. The fundamental worth of home ownership was never questioned by any of the survey participants.

2.6.3 Responsibility for repairs and maintenance

As discussed in the previous sections, responsibilities were regarded variously as positive and negative aspects of home ownership by the surveyed families. Although daunting at times, the sense of empowerment and pride made possible by taking control and making independent decisions, as well as the learning process and growing confidence, seemed to be an overall affirmative experience.

This perception is reflected in attitudes regarding responsibility and paying for repairs and maintenance, which for one third (33%) of the interviewees was not held to be a burden, but 'part and parcel' of being a home owner. Beyond accepting this responsibility, 30% of interviewees said that repair work felt good, in the knowledge it was for their own home, and that they would reap the benefits of their efforts.

A number of households reported doing most repairs themselves (14%). Only a small number (17%) found that paying for repairs and maintenance caused financial difficulties.

2.6.4 Home improvements

Although most houses were in good condition, as discussed in section 2.4.4, a great majority (78%) of households put significant efforts into improving their living environment. While some home improvements were on a large scale, including additions to the existing structure, others were restricted by the capacity of the home owners; e.g., painting or gardening. Table 11 details the types of home improvement works and their occurrence in the surveyed households.

Most of the work done in the homes was of a cosmetic nature (painting, new floor coverings). A large number of households invested in their outdoor living environment; for example, extending or improving the verandah, landscaping and fencing. Relatively expensive home improvements such as adding new rooms, upgrading kitchens and bathrooms, or electrical work, occurred somewhat less frequently.

A majority of the households (62%) provided details of the amounts they spent on renovations and other works. It was evident that the cost of the home improvement work was substantial, ranging from \$100 to \$92,500, with an average of \$15,968.

Table 11 Home improvement work in surveyed households

Work done	In % of households interviewed²⁵
Structural work/extension (new)	14
Kitchen/bath renovation	17
Shed/carport/verandah upgrade	33
Painting/new floor covering	41
Heating/air conditioning	16
Electrical upgrade	10
Fence/security	19
New spa/pool	2
Landscaping/tree lopping	29
No improvements	22

The survey found that half (49%) of home improvement work was funded with money the householders saved up for this particular purpose. Only a small portion (16%) of households used IBA renovation loans, whether as a second mortgage or included in the initial loan. It needs to be noted that IBA Homes provides a ‘gap product’, with the objective of helping Indigenous families to become first home buyers. Their policy of having restrictions on renovation loans, unless they are for essential repair and maintenance, explains the low incidence of this type of loan.

As with the issue of how the deposits for the home purchase and ongoing repayments were raised, it seemed that family networks have not been tapped into regarding home improvements; only three families had help from family and friends, and in only six of the homes were recycled or gift materials used.

Many families had put a lot of ‘sweat equity’ into their homes. In one third of the households people did all of the home improvement work themselves, and an additional 35% of the families did at least some or most of the work to improve their homes.

That so many families have improved their homes in one way or another, a process that seemed to start very soon after they moved in, was one of the most important findings of

²⁵ This data was obtained by using open questions in the survey, with multiple answers allowed. Therefore the percentages do not add up to 100.

the study. The new home became a focus of their aspirations, as demonstrated by the considerable sweat equity they invested, and by their motivation to direct savings or take on additional debt to cover the costs of improvements.

2.6.5 Wealth accumulation and the home

As previously discussed, most households in the survey sample were first home buyers. The perception that they were buying a home for their family rather than investing in property was apparent from the views they held regarding the benefits of home ownership and from their actions to increasingly adjust the new home to their family's needs and preferences. This notion was also evident in the attitudes towards possible future opportunities once the home loan was paid off.

A number of interviewees stated that they would invest in other property (26%) or make other investments such as starting a business (9%) after their home loan was paid off. For some of the families, mostly relatively recent borrowers, that time was too far in the future to even think about (22%). For an equal number (22%), however, lifestyle improvements such as holidays, renovations or moving to a better house, which they could not afford at the time of the survey, were priorities where they wished to spend surplus money in the future. A small number (14%) of the interviewees asserted that they would just keep their money in the bank.

There were ten households in the sample who had finalised their IBA loans. The majority of these families sold their homes and moved to a house better suited to their needs, tapping into mainstream bank loans for those purchases. Four families, however, stayed in the home which they purchased with the IBA loan, and only one ventured into buying rental investment property.

A great majority (91%) of respondents did not use their homes bought with the IBA loan to generate income. A total of five families derived income from their home. Three families ran business from home – two were contractors, and the third operated a family day care facility. One family had tenants, because they lived in another town where they worked, and another had a boarder.

2.6.6 Using equity

'Equity' was a concept that the field researchers had to explain to many survey participants. A substantial number of interviewees (40%) reported that they had already used the equity of their home for different purposes, nearly half of those for financing home improvements; the remainder for a variety of other financial transactions in which their equity served as collateral, ranging from refinancing and consolidating debts to buying investment property or a new home.

The majority of the interviewees were uncertain about borrowing against the equity in their homes they already have, or will have built up in the future. Many regarded it as

taking too much risk, which seemed to be acceptable only if the money was invested into the home itself. This is consistent with the small number of households who were willing to take the risk of getting into more debt by using the equity for other than home improvement purposes.

Table 12 Future plans, and how they would be funded, in the percentage of households²⁶

	Spend surplus money after loan paid off %	Borrow against equity %
Home improvements or renovation	9	54
Moving to a better house	5	24
Helping out family	7	37
Investing in other property	26	39
Starting or buying a business	9	25

The focus on either the existing or a future new home further illustrates the point that home buying for the interviewees was less a strategy for financial gain than for establishing a place for family life. Still, when specifically asked about whether they would consider the opportunities the growing equity of their homes offered, many families gave positive answers. Over one third of the interviewed families stated that they would borrow against their home to invest in other property and, for a somewhat smaller number, to start a business. Maybe not surprisingly, over a third (37%) of the survey participants were willing to take on more debt to help out family, although these responses were usually qualified by the closeness of kin and the justification of their need, such as emergencies.

Overall, it appeared that risking their homes and taking on more debt did not appeal to the large majority of householders, and that even if they did plan to use the opportunities their growing equity offered, it was to be some time in the future.

2.6.7 Better off?

In the whole sample there was only one family who believed that they were not better off since they became home owners. Interestingly, this was one of those families who sold

²⁶ This data was obtained by using open questions in the survey, with multiple answers allowed. Therefore the percentages do not add up to 100.

the home they bought with the IBA loan to buy another that met their aspirations better, and they now felt 'stretched' with too much debt.

Table 13 Being better off

Response	% of families giving this response ²⁷
Financial: wealth/equity/credit rating	34
Happier/more comfortable	24
Stability/security of tenure	22
Know where the money is going	12
Freedom/autonomy/own boss	10
Asset for the children/future	10
Other	10
Learnt about responsibility	9
Pride/achievement	7

Many interviewees referred to economic benefits when interpreting the term 'being better off'. For one third of the respondents it meant being wealthier, through ownership of assets and equity, and even to having a better credit rating. Appreciating what the property meant for the future of the family, in particular for the children, was also an important reason. As one interviewee stated, '[you] can't get ahead without an asset', while others maintained that knowing 'where the money is going' was also an aspect of 'being better off'.

The majority of responses, however, focused on how home ownership contributed to their family's social and emotional well-being, in particular to feeling happier, more secure, having a goal to work towards, feeling pride and a sense of achievement. These views further confirmed that the main purpose of home buying was just that, with less emphasis on the financial benefits that may flow from it:

Gets you out of the welfare mentality, [you] can't walk out of your job. Builds your confidence.

Learning from home ownership was also a positive outcome, as people's understanding of budgeting, commitment and responsibility increased with the experience.

²⁷ This data was obtained by using open questions in the survey, with multiple answers allowed. Therefore the percentages do not add up to 100.

2.6.8 Summary: Home vs investment

The main benefits of home ownership for the households in the survey were independence and control, not paying 'dead money', pride in their own achievement, and security for the family. Although important for a number of respondents, financial gain seemed to be a somewhat lower priority, as illustrated by a quote from one of the interviewees:

The main reason for buying house was independence, not material gain; as an Aboriginal person [I am] still ambivalent with material gain: [we] haven't grown up like that.

The most frequently mentioned disadvantages associated with home ownership were the responsibility for repairs and maintenance and for rates. Nevertheless, for a great majority of applicants these were integral parts of being home owners, and those who found it hard initially, learnt to cope with the responsibility with time.

A strong focus on the transformation of their purchase into a 'real home' was evident. Although most houses were in good condition at the time they were purchased, the majority of home owners invested significant amounts of money and sweat equity into enhancing and personalising them. Home improvements were described with a great sense of pride, accompanied with plans for more work in the future.

Property was not a source of considerable income for any of the interviewed families, except one. There was not much property ownership outside the home they lived in, and only a small number of families were drawing income from their home through rent or running a home-based business. A majority of interviewees were reluctant to take risk with their equity, even in the future.

It is clear that all interviewed families were aware that they were on the path of asset building, even though many of them are only considering property investment or moving to a better house for the moment. Home renovations do not merely improve comfort but increase property values as well. Nevertheless, although many informants acknowledged their growing wealth with pleasure, according to their perceptions the most valuable changes home ownership brought in their lives were still those of social and emotional wellbeing.

2.7 Legacy and role models

Some of the survey questions explored what aspirations families held for the younger generation, and their views on how to assist other Indigenous families to home ownership.

2.7.1 Aspirations for children

The survey included questions about the aspirations the interviewed families have for their children. These were open questions and allowed participants more than one response, and covered educational and professional attainments as well as general achievements in their lives. Many responses reflected an overall support for the children – ‘whatever they choose we support’ – but more indicated actual expectations.

The most frequently expressed expectation, by 40% of the interviewed families, was that their children would get higher education or become professionals, and 40% wanted to see their children get a trade or a good job. Several (6) families hoped to see their children finish high school so they would have a choice afterwards. This emphasis on education and employment reflects the parents’ life experience, and an appreciation of the role education and employment played in their achievements.

Some of the parents wanted only that their children would grow up to become decent and respectful people, while 19% said they would support their children in whatever they chose. Some aspirations were more specific: 21% of respondents expressed a hope that their children would own their home, and four families thought that their children should own a business in the future.

A desire that their children would do better than themselves was clearly expressed in the interviews, and although this did not necessarily reflect an anticipation of higher education or professional career, there was an evident expectation of a productive life.

The emphasis the interviewees placed on the importance of stability and security for their families implies the conviction that by providing a stable and secure environment, families help their children to achieve their aspirations.

2.7.2 Wills and inheritance

The survey inquired about whether the participants had definite plans in regards to what happens to the home when they pass away. A vast majority of the families indicated that it was a high priority to have control over what would happen with their home. Only a small number of families, 16% of the sample, had not thought of making a will at the time of the survey. Nevertheless, there were not many families who actually did have a current will (17%); the remainder intended to start or were in the process of writing it.

The interviewees expressed very strong sentiments about wanting their children to inherit the home (with the exception of five). In some instances, partners or siblings were

included in the beneficiaries as well. While they had a clear position regarding who should benefit, they were much less decisive about what should happen with the home once they passed away. Only a small number of families (10%) wished explicitly that the home be kept within the family; all the others wanted to leave it up to the children to decide.

There was an appreciation of what the home may mean for the family, and specifically for the children. This understanding went beyond its value as an asset, and included qualities like stability and children seeing their parents in the roles of home owners. At the same time, most interviewees recognised that their children may want to make different choices, including the sale of the family home after their parents passed away.

2.7.3 Role models and advice to others

Being a role model was considered of high importance, for not only the children or the extended family, but for the wider Indigenous community as well. Home ownership was seen as a matter of pride within the circle of families and friends.

Visitors to many of the interviewed households (40%) expressed a sense of pride in the household's efforts and considered the ownership a great achievement. Three or four families cited their children being proud of the fact that they are buying their home.

Just as the survey participants were encouraged by home ownership in their extended family, their own visitors became inspired by their example. Altogether, the vast majority (81%) of the interviewed families thought that their example was being followed by family and friends.

The interviewees reflected on that many of their friends and family turned to them for advice on how to proceed with their plans for buying a home. Beyond encouraging other people to 'go for it', some specifically suggested that they should apply to IBA (21%).

At the same time, they emphasised the need for caution and warned about the long-term financial commitment of a home loan and the importance of getting good information. They outlined several conditions of success: being employed; earning enough income to afford the repayments; not having too much other debt; being ready for a long-term commitment; and putting any extra money towards the loan.

[When you have a home loan] you have to put any money you got against the loan, get out of it as quick as possible.

Several families offered to share their experience with new home loan clients, and two talked explicitly about setting up and contributing to a mentoring system.

2.7.4 Summary: Legacy and role models

The key sentiments about how their family and wider community would benefit from home ownership were the legacy of social and financial values for their children to inherit,

and the successful role models they have provided for other Indigenous families to follow.

It was seen that home ownership will benefit not only their families but the wider community as well. The key sentiments were the legacy of social values and financial benefits that their children will inherit, and the successful role models they have provided for other Indigenous families.

All the families saw their experience in becoming home owners as an important example for others and they considered the lessons they learnt exceptionally valuable for other potential Indigenous home buyers.

Home ownership was an aspiration that many families held for their children, and they intended to ensure that their efforts in buying the home will bring economic benefits for the young generation. Nevertheless, they also expected that the children will succeed in their own right and do better than their parents in terms of education and career achievements.

2.8 Interviewees' comments and feedback to IBA

The interview with each family concluded with a question which allowed the interviewees to express any concerns, comments or questions regarding the IBA Homes Programme, or more generally the experience of home ownership, that the questionnaire did not cover. A very positive picture of the programme emerged, in particular in praise of the Loans Officers. There were some recommendations as well about how to make the home loan packages more suitable for Indigenous families, and two specific target areas: youth and isolated towns.

The following sections depict those perceptions and comments the survey recorded regarding the IBA Homes Programme, some of which may conflict with the reality. If this is the case, improving communications and information transfer between IBA and the loan clients should be considered.

2.8.1 Praise

There was no question among the survey participants about the worthiness of the IBA Homes Programme. They regarded it an 'invaluable' and 'terrific programme', and one of the interviewees stated that the predecessor of the IBA Homes Programme was one of the most successful of all the ATSIC schemes. Many families held the opinion that home loans with mainstream banks would not work for Indigenous people; therefore the IBA loans should be made available on a wider scale.

Every single household was positive about their relationship with the IBA Loans Officers, indicating how supportive they were throughout the application process as well as since then. They appreciated the friendliness, understanding and flexibility as well as the

proactive approach the Loans Officers offered. Many of the clients had known the IBA staff for many years, as most Loans Officers seemed to have been working in the same positions in the ATSIC Homes Programme before IBA took it over. Beyond the financial advantages of dealing with IBA, all interviewees demonstrated a clear preference towards IBA for any future loan arrangements, largely on the strength of these relationships.

The field researchers observed and appreciated the rapport between the IBA clients and the IBA Loans Officers. This played a fundamental role in ensuring that the survey was received with interest and that people were willing to collaborate. The IBA Loans Officers were familiar with every household included in the study.

2.8.2 Information and support

There was some criticism regarding the information available in regard to the IBA home loans. It was recommended that the IBA information pack is offered in plain English, and that some of the details need to be made unambiguously, including the following:

- information on rates and how they change;
- the availability of, and process for, loans for extensions and home renovations;
- eligibility, in particular for pensioners and others on Centrelink payments.

Some families, above all those working in the mining industry and on CDEP projects, were worried about their job security and about what would be the consequences of losing their job in relation to their home loan: whether they can get the payments adjusted and what would happen if they had to move to a different town to find employment. One family recounted how they were on the waiting list for a loan but had to move for work and lost their position, delaying their approval.

In addition to improving the information package, several interviewees suggested that IBA should proactively target specific groups. People in small and somewhat isolated country towns asked that IBA visits small communities to promote the programme, or have a representative based there (e.g., in Katherine). As one client in Normanton related:

IBA [could] come out and give us more information about home ownership and other opportunities; plenty of people in town [are] willing to buy homes; there is a lot of talk from government, they want Aboriginal people to buy homes; they should come out and help.

A list of recommended real estate agents as well as case studies of how other borrowers managed the process of applying for a loan and the subsequent first years of home ownership would, according to several interviewees, be very useful tools for new IBA clients. Two families brought up the need for help with negotiating the right purchase price. As mentioned earlier, some families even volunteered to help with this information and to mentor potential new Indigenous home buyers, to help them better understand the risks and responsibilities associated with home ownership.

2.8.3 Criticism of the loan package

Some of the restrictions and limitations of the IBA home loans were criticised. These included the inability to consolidate loans with IBA. For some families it was hard to clear up all the debt before the loan is approved, further delaying the process which, according to some interviewees, took up to six months²⁸. Delays meant that families missed out on a good house or could also miss out on an affordable home and be potentially left out:

[IBA] need to speed up the application process; prices are too high, so only well-educated Indigenous people or those in good jobs can buy.

Also, once the loan was approved there was a deadline to settle on the new house, which for some of the families was difficult to achieve. Not being able to buy homes on auction was brought up as an impediment, leading to some families missing good opportunities.

Some interviewees complained that 'IBA does not help a second time'²⁹; they argued that in some special cases there needed to be more flexibility about ending an old loan and starting a new one, and not just limiting it to the one chance. Yet another issue raised was the absence of an overdraft facility which, for a few IBA clients, would be a very useful feature.

2.8.4 Diversify

IBA's other loan services to Indigenous people, beyond home loans, were a matter of interest for several survey participants. It seemed that not everyone understood, or knew about, the whole range of services available. Those respondents interested in investment property suggested that IBA could assist people with investment opportunities. Others recommended that IBA should extend the types of loans they offer to second mortgage for home improvements as well as to refinancing, so people do not have to go to mainstream banks. It was apparent that the majority of interviewed families preferred to deal with IBA for any future financial transactions as they 'have more faith in IBA'.

The wealth creation workshop run by IBA in Darwin was very useful for all who attended, and those who missed out regretted it. Some interviewees suggested that IBA offer property management and financial information and advice.

A couple who were very active in their community, assisting a lot of families, put forward the idea that Indigenous people with bank loans should be able to shelter with IBA if their circumstances change, and that someone from the community could take over the home loan, as an investment for them, but at the same time to keep the family in the home.

²⁸ It was unclear whether the interviewees referred to the waiting period before being offered a loan or the length of time to have the loan approved. It was a lengthy process in their perception.

²⁹ These interviewees were not aware of IBA's product for precious borrowers, indicating some deficiencies in the information flow.

2.8.5 Young people

A distinct area that many interviewees wanted IBA to focus on was assisting young people into home ownership. They were worried about the younger generation not being able to buy homes because prices are getting higher and higher, and admitted feeling ‘sorry for young kids who have to come up with the deposit’. Another concern was that young people will leave country towns if they don’t get support with their own housing there.

Programmes specifically targeting youth would be important, and could include setting up a mechanism for them to be able to save the deposit bit by bit, a process which would also gauge the strength of their commitment. Several survey participants suggested that creating incentives to start saving up would help young people get into their own homes:

It would be a good thing if IBA could help them to secure their own place, it would make them more accountable, they would look after it better.

A system for loan guarantors to help out young families was also suggested, as was sending application information to young people, including school leavers, so they become interested in home ownership from a young age.

2.8.6 Interest in research results

During the survey, regardless of the information sheet and explanations given to the interviewed families, there were a lot of questions about why IBA needs this research and how the results would be used. All households were interested in receiving a copy of the report summary.

3 CONCLUSIONS

3.1 Summary of Findings

The demographics of the families interviewed were similar to those of mainstream Australia. All were nuclear families. The median house size was three people with an average of 1.1 persons per bedroom. Overcrowding was not a concern in the surveyed households, not even for short periods. People generally did not report problems with visits from extended family members, or had taken measures to control it. The household composition was generally stable, with little change since the time of purchase. There were few major health problems and little disability.

Not surprisingly, disaggregation of the data by location showed that the levels of education and income were higher in the large urban centres of Darwin and Townsville. Across the other towns in the sample, education and income levels were reasonably uniform. The remaining data, including the history of home ownership in the extended family, was otherwise reasonably uniform across all nine locations, regardless of the population or location of the centre.

Almost half of the couples interviewed in the survey (49%) were of mixed ethnicity, which is less than the national average (71.5%), as recorded in the 2006 Census. This is very different from the situation found in remote settlements, where the proportion of mixed marriages is much lower (e.g., 13% for the Northern Territory excluding Darwin). Equally, it is considerably less than the levels found in capital cities (typically 85%) (Peterson and Taylor 2003, 111). Thus the level of mixed marriages from the survey reflects the rural and regional locations of the interviews.

The housing careers of people in the surveyed households prior to home purchase, including their childhood, revealed a history of living in rural towns and pastoral stations. Only a quarter had any prior experience of community housing, whether in remote settlements or through an urban based Indigenous Community Housing Organisation (ICHO). Half had lived in multi-family and -generational households at one time in the past, and a quarter had lived in improvised housing, suggesting the likelihood of some prior experience of marginal and crowded housing conditions. By far the dominant form of prior housing tenure was private rental. Interestingly, in half of the households, respondents had experienced home ownership as children, and most had immediate or extended family who were, or had been, home owners.

Almost all of the people living in the households surveyed were in full-time employment, including partners, unless people were retired or caring for children or others. People typically had a solid work history, which included both full-time and long-term positions, with a consistent record from a young age. It is interesting to note that no IBA client in any household was on unemployment benefits or CDEP. In comparison, educational outcomes were not outstanding, with only 38% completing high school. For all respondents, English was spoken at first language level and, with the exception of a very

few older people, all were also literate in written English. All school-age children in all of the households surveyed were attending school.

These demographics are in part indicative of the IBA loan approval process, whereby loan applicants are screened for their job history and income. Still, there was an self-evident correlation between successful loan management and a stable income to replay the loan, much as exists with mainstream home ownership everywhere. Whether through selection or life choice, there is necessary correlation between employment and home ownership. This was stated by some of the interviewees themselves: 'once you have debt you have to stay in your job'.

The purpose of the study, as stated in the Introduction, is to inform the debate about the benefits of home ownership for Indigenous Australians, including its extension to community title land. Community title land mostly exists in remote and very remote Indigenous settlements. The demographic profile of the survey participants as seen above, and we can safely assume this to be the case regarding the entire IBA Homes client list, describes a population very different from remote community people. The applicability of the findings of the study will be further discussed in the next section.

Almost all respondents were first home buyers. Interviewees were asked about what propelled them to the option of buying a home, prior to applying for a loan or even contacting IBA. The decision seemed to largely be a reaction to their negative experience of renting, in terms of problems with landlords, a lack of control, and paying out 'dead money'. People generally took advice from members of the extended family and friends who were home owners. While all remembered how daunting the prospect seemed at the time, they took courage from others who had managed the transition. This underscored the importance of role models among the broader Indigenous community. People also had some prior experience of debt, primarily through car loans, which to some extent prepared them for what lay ahead.

The survey explored the actual transition to home ownership, including securing the loan and purchasing the home. Most interviewees said that they found the transition to be easier than expected. IBA Loans Officers offered guidance and information, as did family and friends. Once the loan was secured, the house was found by the usual means, through real estate agents, newspaper advertisements and just driving around and looking for 'For Sale' signs. There were claims that some real estate agents were discriminatory, directing them to places where Indigenous people 'should' live.

After settlement of the house purchase, many families struggled with unexpected initial expenses and the adjustment to paying for rates, insurance and maintenance. But down the track, at the time of the survey, three quarters (75%) of people were ahead with their payments and a similar proportion (78%) had no arrears. Direct debit facilities made it easier to deal with loan payments as well as other bills, and many (57%) had a system of household budgeting. Most home owners were also simultaneously managing other loans, including car loans, personal loans, lay-by and store (e.g., Coles) cards, but very

little credit card debt. Most (69%) had plans to leave the house to their children, but only a few actually had wills (17%).

When asked about the benefits of home ownership, most interviewees stated that it made good financial sense, that there was something to show for their hard work and, interestingly, so that they could see the returns of maintaining and improving it. People also perceived benefits in terms of security, stability and something to hand on to their children. Most strongly expressed were feelings of independence and control as well as pride, ownership and respect. While people commented on the financial sense of the decision, no one expressed the benefits in solely investment or financial terms.

Since an objective of the study was to determine economic and non-economic benefits, the survey delved deeper into this area. It was clear from observation that people were living simply with little extravagance. Most families had three bedrooms and one bathroom – the typical Australian home. All survey participants (bar one) were living in the houses they were buying with the IBA loan and not renting them out, although one had a boarder. Only one family derived income from other property. A slow accumulation of consumer goods was evident, but again, this was not extravagant. Nonetheless, most people (91%) were aware of the increase in property value, through knowledge of what houses were selling for in the neighbourhood, from their rates assessment, or by getting appraisals done. A sizable proportion (40%) had taken advantage of the equity value of the house, mostly for home improvements. People were reluctant, however, to borrow against their home in ways that might put their investment at risk. So while the motivation for home ownership was not primarily for economic gain, people have clearly enjoyed this benefit.

There was widespread acknowledgement of the role played by IBA. The Indigenous staff employed by IBA were locally recruited and were often known to potential home owners. The IBA case management approach was flexible to individual circumstances and provided a safety net. Clients knew who to call in IBA if they ran into trouble with their loan repayments. This approach was clearly beyond what would normally be undertaken by a mainstream lender. IBA's low interest rate and deposit was also seen as attractive, especially in comparison to mainstream lenders, and all interviewees stated a preference to use IBA for any future home loans and, if available to them, other loan products.

Although very satisfied with IBA's level of service, respondents did have some suggestions on how to improve the loan process. Some expressed frustration at the length of the loan process, and then the short deadline to find a property once the application was finally approved. Others requested that promotional material be written in simpler English. Some felt the information provided did not account for, or was not clear enough, about all of the costs involved. The rules for renovation loans were said to be ambiguous. Some interviewees also asked that IBA be involved more with negotiating the purchase price, and to provide a list of preferred real estate agents.

The future entry point for their children to home ownership was a major concern for respondents, especially in locations where house prices were rising rapidly. They thus suggested that IBA target young people to encourage them towards home ownership at an early age, long before they are eligible to apply for a home loan. One recommended way to target youth would be a deposit saving scheme.

From visual observation, all of the houses were in a reasonable standard of repair. Home owners carried out repairs and maintenance themselves, on an as-needed basis. Furthermore, almost all borrowers had undertaken improvements and extensions, for the most part by themselves, including the addition of verandahs and extra rooms, new floor coverings and painting, garden and landscaping work and kitchen and bathroom upgrades. These improvements were mainly paid for from savings, but some were paid through IBA or bank loans.

As they themselves had looked to others in making the move to home ownership, the vast majority of interviewees (81%) now saw themselves as role models for others to follow. Their advice to others was solid: 'first decide how much you can afford to pay'; 'it is a long-term commitment'; 'you have to be employed'; 'you have to put any money you get against the home loan'; and, 'pay it off as quickly as possible'. Some people offered their help to mentor others who were interested in becoming home owners.

There was some evidence of socio-economic changes that accompanied home ownership. While all respondents were now living in a nuclear family setting, half of them had in the past lived in multiple-family households. Although people now described little mobility and extended family visits, this was different from their recollections of childhood and early adulthood prior to purchasing. Perhaps the most compelling account of the changes that accompanied home ownership relate to the relationships to the extended family. Despite the considerable evidence of demand sharing in traditional Indigenous culture, most informants indicated that they did not receive financial help with the deposit or subsequent loan repayment. Mirroring this, there is relatively little sharing of their newly accumulated assets with the extended family.

This did not equate, however, to people abandoning their culture or community. Almost all (89%) had purchased in their home town with family nearby. Several interviewees described how they stayed with family while saving for the deposit and some were also willing to assist their extended family by offering them temporary shelter or emergency funds. However, they clearly prioritised their loan repayments over the needs of the extended family. Home owners were thus travelling a middle path – advancing into the mainstream economy through home ownership required the placing of some limits on family, but by balancing obligations and priorities, people still maintained strong ties to their extended family and community.

This is consistent with the argument put forward by Indigenous leaders such as Noel Pearson (1999) and Rose Kunoth–Monks³⁰, who have recognised the need for cultural change, while acknowledging the importance of a strong and distinctly Indigenous culture and identity, one however, that is adaptive, robust and multi–dimensional. They argue for a duality in capacity in both Indigenous and non–Indigenous domains, and the intercultural spaces in between. As argued by Noel Pearson (2005), biculturalism should not be seen as a loss in culture, but rather as a predicator of cultural survival. While many of the families in the survey were ready to help members of the extended family in need with a place to stay, they also managed their relationships in a way which did not interfere with their ability to service the home loan or to maintain the home in good condition.

At the time of purchase, most households had an income level approximating the low income threshold defined by the ABS, which justifies the special measures provided by IBA (low interest rates and deposit) in comparison to mainstream lenders. That people were unwilling to draw on the family’s help with the purchase, even when on such low income, emphasises their determination to maintain some independence and control with regards of their new home.

One of the strongest results from the survey is how their level of income increased in the years after respondents purchased their homes, from an average of \$55,000 at the time of application to \$85,000 at the time of the interviews: an increase of more than 50% over an average period of six years. Furthermore, there was also evidence that people were now using cash to pay for consumer goods, whereas prior to home ownership, they were more inclined to borrow.

In summary, the survey participants expressed no regrets. A high importance was placed on the family’s social and emotional wellbeing, expressed in terms of happiness, security, pride and a sense of achievement. All clearly acknowledged the learning they had experienced in budgeting, maintenance and responsibilities. All considered that they were better off financially and socially and that they were more empowered by the change.

3.2 Generalisation to community title land

Of all of the results of the survey, one of the strongest was the clear correlation between home ownership and employment, both in terms of employment being full–time and the longevity of employment in different jobs. In contrast, only a very small proportion of people living in remote settlements have a strong employment history, mostly because of

³⁰ Speech given at Desert Knowledge Symposium, November 3rd 2006, Alice Springs
<http://bulletin.ninemsn.com.au/article.aspx?id=158532> accessed December 2006

the poor availability of jobs. As well, the socio-economic conditions and housing careers among most households in remote communities are entirely different from the survey sample (Memmott and Moran 2001).

With one exception, the households included in the survey were nuclear families. This is again indicative of the marked difference from remote settlements, where multi-family households are widespread, and where a single house may be doing the job of three or more houses. In remote settlements such multi-family households are not only a function of housing shortages, since some families choose to reside in such large household groupings, in keeping with their traditions (Memmott and Moran 2001, 23).

These differences in socio-economic conditions strongly suggest that home ownership will only be feasible for some households on some communities. Nonetheless, earlier studies suggest that there are people who aspire to home ownership in remote settlements (Moran et al. 2002). The survey revealed the significant role played by role models in the spread of home ownership in urban settings, and it is reasonable to expect a similar catalyst effect on community title land.

In terms of suitable candidates for home ownership on community title land, a prior history of rental payments may be a reasonable proxy for employment, but this should be viewed cautiously. The survey results clearly indicate that the transition to home ownership involved a considerable life change. Beyond the obvious financial benefits, employment is also an integral part of the path of engagement with the wider society. Employment (and education) thus prepares people for the transition to home ownership more than just financially.

Most respondents to the survey had experience of home ownership, either as children, or through connections to their extended family, which is unlikely to be the case for most people living on community title land. The extent of the social transition will therefore be much more acute. This suggests the need for an educational and guidance programme for potential home owners, over and above than the current case-management approach of IBA. Furthermore, this capacity-building programme should be available from the time when people are considering the option, rather than starting with the loan application, as per the current IBA arrangement.

Interviewees generally acknowledged the role and support provided by IBA, which operated well beyond the normal mandates of a bank or other financial institution. IBA's role is thus better conceptualised as a 'managing agent', of which the financial aspects of the loan were just one (albeit major) part. The need for this broader role will be much greater for home ownership on community title land.

Interestingly, people did not view IBA as a government authority. The survey did not explore the reasons for this, but we consider there are four contributing factors: the transfer from ATSIC, which was seen as a representational body rather than a government instrumentality, to IBA was fairly seamless in terms of the programme and staff; a high

proportion of local Indigenous staff are employed by IBA; the relative longevity and stability of the programme (compared to other government programmes); and IBA's standing as a statutory authority rather than a government department. This again strongly supports the finding that a supportive governance environment will be an essential component in extending home ownership to community title land. It also strongly cautions against assigning the role of 'managing agent' of a home ownership programme on community title lands to a mainstream government department.

The governance arrangements for the IBA home clients were also very simple, with only three different entities; buyer, seller (and their agent), and IBA. In comparison the arrangements for home ownership unfolding on community title land in the Northern Territory at the time of writing involve a confusing institutional conflation between buyer, head lease agent, IBA, FaHCSIA and potentially the local ICHO and NT Housing. These respective roles should be sensibly integrated into one or two agencies, or if this is not politically feasible, then the respective responsibilities between the different agents must be carefully spelled out.

In the public arena, concern has been raised that the value of property on community title land will not increase with time, and that it might even decrease. The survey found that the perceived benefits of home ownership were as much its economic rewards as the security and empowerment it offered. Respondents were well aware of the capital gain that they had enjoyed. Clearly, people were not losing money, and although they may not have been primarily concerned about becoming rich through home ownership, it is reasonable to assume that they were interested in not losing money either.

According to the experience with Native American settlements in the United States and Canada, a fledgling housing market can develop on community title land with time (Moran 1997). This, however, cannot be expected initially in the remote Australian context. A valuation formula will be required in the interim, with a managing agent acting as an intermediary for all sales. In the absence of a housing market, an overarching management structure is required to protect people from losing their investment.

One of the most persuasive findings of the study is the extent to which home owners not only maintained their homes, but also upgraded them. Their new home became a focus of their aspirations, as demonstrated by the considerable sweat equity they invested, and their motivation to direct savings or take on additional debt to cover the costs of improvements. Nonetheless, the costs of maintenance and home improvements were significant, and affording them may only be possible at the income levels of the households with full employment.

If people assumed responsibility for the maintenance of their homes, the cost saving to governments, in terms of the ongoing costs of maintenance and refurbishment as well as the extended life cycle of houses, is enough to justify a subsidy to the capital costs. Sensibly, the IBA Home Ownership on Indigenous Land (HOIL) programme includes a

range of such subsidies. As described above, the study has revealed how home ownership is a life choice which involves a fundamental change in household practices and responsibilities. While a subsidy is required to improve affordability and the high construction costs of remote housing, this should not be so great as to undermine the tradeoffs involved when one chooses home ownership. Should this occur, it is questionable whether the social, and ultimately financial, benefits described by the respondents of the study, would eventuate. Clearly, the right balance has to be found between subsidy and responsibility.

Few people in the survey purchased their prior rental homes, largely because they were not available for purchase. During the survey, homes were generally observed to be in good physical condition; however, this was strongly correlated to the condition of the house at the time of purchase. Those few who bought ex-housing commission homes struggled with the expense of maintaining and renovating them. For people living on community title land, buying former community rental homes may be the only option available. A solution to issues of affordability on community title land could be to make houses available for purchase at or near the end of their lifecycle, which is exactly what occurred with the disastrous trial of home ownership in Queensland in the 1980s, known as the 'Katter Leases' (Moran 2006). The difficult transition to self-managed housing maintenance for home owners requires that the house be fully functional at the time of sale. Purchases may not necessarily be limited to new homes, but given the wear and tear on rental houses in most remote communities, used houses will need to be refurbished to meet the standards set out in the National Indigenous Housing Guide, and this should be independently verified.

Home ownership on community title land needs to be handled carefully, but it has significant potential to shift the dominant paradigm, and reduce intractable problems with maintenance and short housing lifecycles. It needs to start small in a few places, with those communities and households who have expressed an interest, and not as a blanket policy applied to all households in all settlements. There is strong need for existing policies to be refined through one or more pilot projects, including ongoing evaluation and social and economic impact assessment. The importance of role models in increasing levels of home ownership on freehold land suggests that, assuming the necessary support structures as outlined above are in place, a successful model will spread with time.

Appendix A: Bibliography

- ABS (Australian Bureau of Statistics). 2007a. *Census shows increase in Aboriginal and Torres Strait Islander Population*. Australian Government.
<<http://www.abs.gov.au/ausstats/abs@.nsf/7d12b0f6763c78caca257061001cc588/a0dbf953e41d83d3ca257306000d514b!OpenDocument> [accessed January 2008].
- . 2007b. *Housing Occupancy and Costs 2005–2006*. Canberra: Australian Government.
- Altman, J.C., C. Linkhorn and J. Clarke. 2005. *Land Rights and Development Reform in Remote Australia*. Melbourne: Oxfam Australia.
- Birdsell–Jones, C.L. and W.J. Christensen. 2007. *Aboriginal Housing Careers in Western Australian Cities and Towns*: Australian Housing and Urban Research Institute.
- Birrell, B. 2007. *Considerations of Intermix: Results and Implications from the 2006 Census*. Presentation at The Bennelong Society Conference 2007: The Task Ahead.
<<http://www.bennelong.com.au/conferences/conference2007/conference2007.php> [accessed January 2008].
- Birrell, B. and J. Hirst. 2002. Aboriginal Couples at the 2001 Census. *People and Place* 10 (3):23–28.
- CAT (Centre for Appropriate Technology). 1995. *Old Mapoon Planning for a Healthy Community: Stage II Main Report*, edited by M. Moran. Cairns: Queensland Health, Tropical Public Health Unit. Unpublished.
- Haar, P. 2000. A Self–Help Approach to Remote Area Housing, St Paul's Village, Moa Island, Torres Strait, 1986–92. In *Settlement: A History of Australian Indigenous Housing*, edited by P. Read, 221–236. Canberra: Aboriginal Studies Press.
- Memcott, P. and M. Moran. 2001. *Indigenous Settlements of Australia*. State of the Environment 2001: Technical Papers [online]: Environment Australia.
<<http://www.ea.gov.au/soe/techpapers/indigenous/index.html> [accessed April 2007].
- MIAESR (Melbourne Institute of Applied Economic and Social Research). 2007. *Poverty Lines: Australia – June Quarter 2007*. University of Melbourne.
<<http://melbourneinstitute.com/labour/inequality/poverty/> [accessed November 2007].

- Moran, M. 1997. *Technology and Health in Indigenous Communities: USA, Canada and Australia* [online]: Winston Churchill Memorial Trust. <<http://www.mfmoran.com> [accessed April 2007].
- . 1999. *Home Ownership for Indigenous People Living on Community Title Land in Queensland: Scoping Study Report* [online]: Aboriginal Coordinating Council, Aboriginal and Torres Strait Islander Commission. <<http://www.mfmoran.com> [accessed April 2007].
- . 2000. *Housing and Health in Indigenous Communities in the USA, Canada and Australia: the Significance of Economic Empowerment*, Aboriginal and Torres Strait Islander Health Bulletin (7) [online journal]. <<http://www.healthinonet.ecu.edu.au> [accessed June 2005].
- . 2006. *Practising Self-Determination: Participation in Planning and Local Governance in Discrete Indigenous Settlements*. University of Queensland. School of Geography, Planning and Architecture [Unpublished PhD Thesis. Electronic copy]. <<http://www.mfmoran.com> [accessed April 2008].
- Moran, M., P. Memmott, S. Long, R. Stacy and J. Holt. 2002. Indigenous Home Ownership and Community Title Land: A Preliminary Household Survey. *Urban Policy and Research* 20 (4):357–370.
- Moran, M., P. Memmott, R. Stacy, S. Long and J. Holt. 2001. *Home Ownership for Indigenous People Living on Community Title Land in Queensland: Preliminary Community Survey* [online]: Aboriginal Environments Research Centre, Aboriginal Coordinating Council, Aboriginal and Torres Strait Islander Housing. <<http://www.mfmoran.com> [accessed April 2007].
- PC (Productivity Commission). 2007. *Overcoming Indigenous Disadvantage: Key Indicators 2007 Report*. Canberra: Steering Committee for the Review of Government Service Provision.
- Pearson, N. 1989. The Deed of Grant in Trust and Hope Vale Aboriginal Community, North Queensland. *Aboriginal Law Bulletin* 2 (38):12–14.
- . 1999. *Our Right to Take Responsibility*. Cairns: Noel Pearson and Associates.
- . 2005. *Peoples, Nations and Peace*. Mabo Oration, Address to the Anti-Discrimination Commission of Queensland, Viewpoint. Cairns: Cape York Institute for Policy and Leadership.
- Pearson, N. and L. Kostakidis-Lianos. 2004. *Building Indigenous Capital: Removing Obstacles to Participation in the Real Economy*. Viewpoint. Cairns: Cape York Institute.
- Peterson, N. and J. Taylor. 2003. The Modernising of the Indigenous Domestic Moral Economy: Kinship, Accumulation and Household Composition. *Asia Pacific Journal of Anthropology* 4 (1&2):105–122.

- Sanders, W. 2005. *Housing Tenure and Indigenous Australians in Remote and Settled Areas*. Discussion Paper No. 275/2005. Canberra: Centre for Aboriginal Economic Policy Research, Australian National University.
- Schwab, R.G. 1995. *The Calculus of Reciprocity: Principles and Implications of Aboriginal Sharing*. Discussion Paper No. 100/1995. Canberra: Centre for Aboriginal Economic Policy Research, Australian National University.



PERCEPTIONS OF HOME OWNERSHIP AMONG IBA HOME LOAN CLIENTS

CLIENT REPORT

January 2008



Centre for Appropriate Technology
PO Box 8044
32-38 Priest Street
Alice Springs NT 0871
Telephone (08) 8951 4311
www.icat.org.au

Indigenous Business Australia
Level 5, Bonner House West
Neptune Street
Woden ACT 2606
Telephone 02 6121 2670
www.iba.gov.au

Acknowledgements

The research team is grateful to all IBA Staff, and especially the IBA Loans Officers for their generous support throughout all phases of the study. Their contributions were vital to our work.

Special thanks go to Kevin Ronberg for his help and company during the field survey and to Laurence Wilson for his assistance with data analysis. Also, we are thankful to our colleagues at CAT for kindly taking on the role of mock interviewees.

Lastly and most significantly, the authors are extremely grateful for the generosity and friendliness of the Indigenous home owners and their families who participated in the interviews. Without their patience and insightful contribution this study could not have been completed.

Anna Szava and Mark Mor

4 STUDY BACKGROUND

In recent times there have been lots of discussions about home ownership for Indigenous Australians. Although home ownership among Indigenous people is increasing (32% in 1996 to 36% in 2006), there is still a significant difference between Indigenous and non-Indigenous Australians, 70% of whom are home owners.

Indigenous Business Australia (IBA), through its IBA Homes Programme, is leading a major Australian Government initiative to increase the level of home ownership among Indigenous Australians. The IBA Homes programme is an extension of the prior ATSIC home ownership programme.

In March 2007 IBA commissioned the Centre for Appropriate Technology (CAT) to undertake a research project. The main objectives of the study were to contribute to the home ownership debate and to assist IBA in better targeting and improving their services.

Loans Officers and researchers together selected the ten towns: Darwin, Katherine, Tennant Creek and Alice Springs in the Northern Territory; and Townsville, Charters Towers, Normanton, Richmond, Cloncurry and Mount Isa in Queensland. The interviewees were selected from the list of old and existing IBA Homes clients (some people had old loans originally with the ATSIC home ownership programme, which was transferred to IBA in 2005). The list included a diversity of households in terms of family make-up, age, income and location.

Loans Officers and researchers contacted all potential interviewees to see whether they wanted to volunteer for the survey, and sent out written information. Interviewees were guaranteed that all information would be treated in strict confidence and before the interviews they gave their written consent to participate.

The survey team consisted of two CAT researchers: Anna Szava and Kevin Ronberg. Together they completed 58 interviews.

5 WHO WERE THE INTERVIEWEES?

5.1 The families

The survey sample consisted of 38 couples, 14 single applicants and six parent-child applicants. A majority (61%) of all of the interviewees were women. The average age of the interviewees was 43.2 years, with the youngest being 23 and the oldest 75 years old.

Approximately half of the couples (49%) were of mixed heritage (Indigenous and non-Indigenous). The proportion of mixed heritage couples in the sample is lower than in the overall Australian population, which is 71.5% according to the 2006 Census. All households with single applicants were Indigenous.

There was a great variation in household size, from 1 to 11 people. The average household size was under four (3.79) with 68% of the households consisting of four people or less. Overall the average size of households did not change significantly since families moved into the home they purchased.

Nearly three quarters of households consisted of a couple, with or without children. The number of single adult households was relatively low at 7%. However, nearly a quarter of households had more than two, and up to five, adults, including adult children living with their parents. More than two generations lived in 5% of the households.

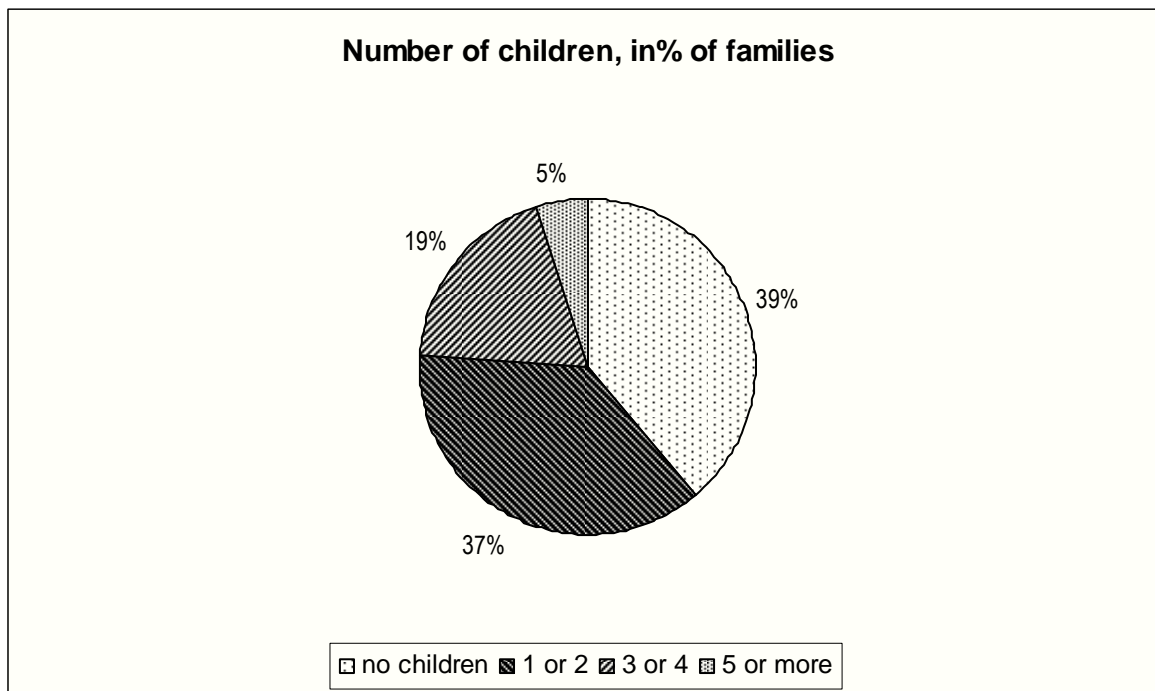


Figure 10 The number of children in the families interviewed for the survey

5.2 Education

All except two interviewees had some type of formal education (including mission and correspondence schooling), and 77% completed primary school and middle school.

A majority of the interviewees were qualified or skilled in at least one trade. Many completed formal training at TAFE or other training organisations (43%), or informal workplace-based training (19%). They had skills in business administration, machinery operation, clerical work, childcare and workplace training and assessment, and a small number of people were qualified in automotive and construction trades, as well as horticulture and book keeping.

There were a considerable number of interviewees who studied at tertiary level (28%), and had degrees in business administration, information technology, community welfare, education or social work. Two people had completed postgraduate studies

At the time of the survey six of the people we interviewed were studying at university, three of them at postgraduate level.

All school-age children in every family who participated in the survey were attending school.

5.3 Employment

88% of the interviewees were employed at the time of the survey. Only a very small number (7%) of surveyed households relied on government welfare payments, or unemployment benefits, and all of these families had a full employment history before retirement or permanent disability.

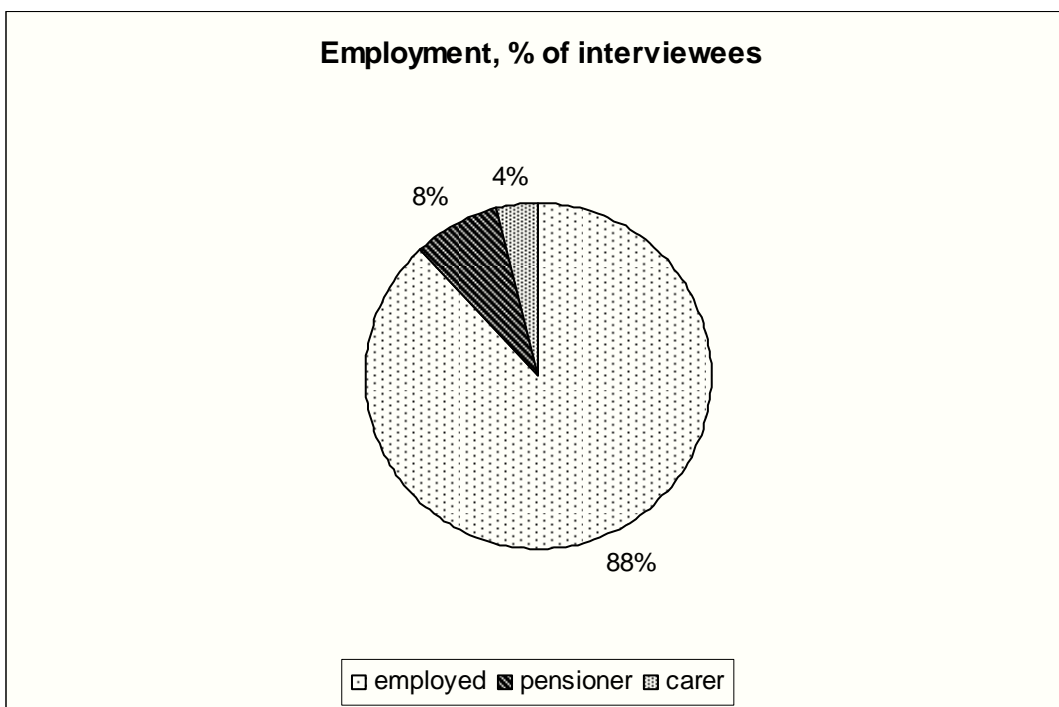


Figure 11 Employment in the households interviewed for the survey

Close to half of those who were employed worked in the Indigenous sector (Indigenous organisations or Indigenous affairs within government departments) and over one quarter in government jobs at the time of the survey. Examples of private industry employment included clerical and financial management positions, and jobs in steel fabrication and machinery operation. Self-employed interviewees worked in training and employment, land management, child care and machinery operations enterprise, or dealt in Indigenous art.

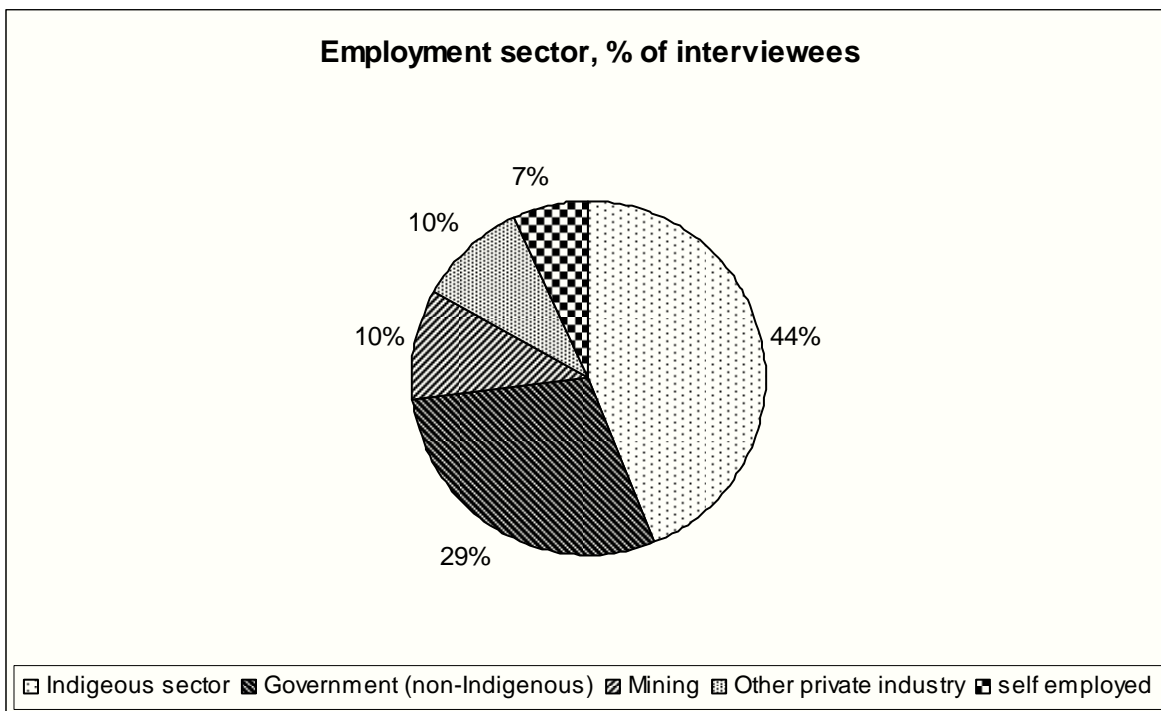


Figure 12 Employment by sector in the households interviewed for the survey

6 HOUSING HISTORY OF THE FAMILIES

6.1 Housing history

Interviewees recalled a varied childhood housing history with high mobility, moving between different housing tenures. Most of these families (72%) lived in more than one type of tenancy as the parents followed around work opportunities on stations, mines and railroads. The largest proportion lived in public housing for a while as children.

Interviewees in nearly a quarter of the surveyed households lived in Indigenous community housing as children. Also, many lived in improvised housing for a while, i.e. in tin huts or caravans either on a bush block or on a reserve. 5% of the interviewees grew up in institutions, mostly far from home, and often interstate. Several of the interviewees reported living a traditional life when they were children.

As children, in one half of the surveyed households one or both applicants lived in homes their parents owned. For many (8%) of the survey participants, their childhood home is still in the family.

As children, close to half of the interviewees lived in small, nuclear families. About the same proportion grew up in larger households, in families with more than five children, or in households where more than two generations or members of the extended family shared the living space. As mentioned before, the current number of large households is much smaller and very rarely includes more than two generations or extended family as a permanent arrangement.

Many interviewees described the houses where they grew up as substandard in today's terms, but that this was acceptable at the time, and others said that their living conditions were good or OK. Only 14% spoke about experiencing serious poverty and hardship when they were children.

The interviewees' housing history as adults shows a strong shift towards private rental. The graph below compares the tenure types they lived in as children to those they lived in as adults, before they bought their home.

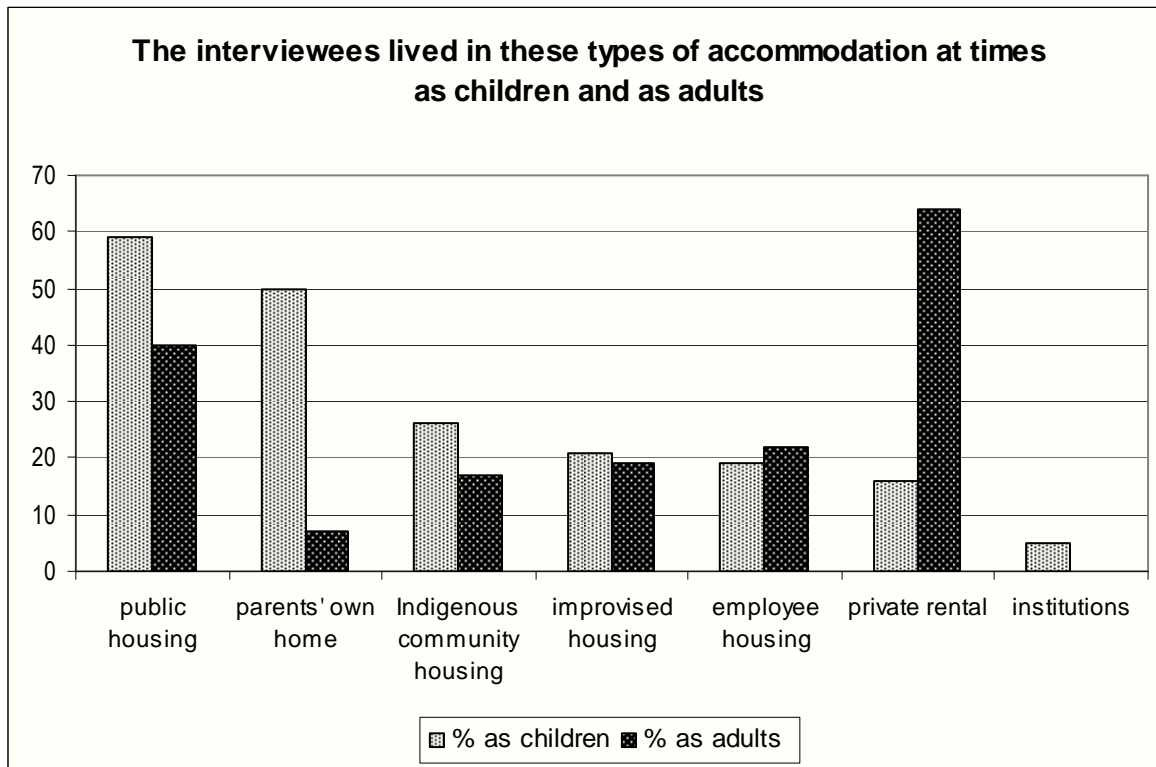


Figure 13 Comparison of housing tenures in childhood and adulthood

The length of time in the same residence ranged from six months to 14 years, with 5.7 years as the average. Tenancies in private rental seemed to be shorter, partly because of the greater insecurity, including rental increase, property sales, or issues with landlords and agents. However, people mostly moved on for jobs or personal and family reasons, and some of the interviewees moved elsewhere to study.

6.2 Hometown

As young single adults the interviewees followed work or personal priorities and many of them moved about quite frequently. It seems that men were more mobile than women, mostly because their work with the armed forces or mining companies made them shift from place to place. Once young people established families, their lives became more settled, and if they moved between tenancies, it was mostly within the same town.

The survey found that even in their most mobile years, as young adults, half of the interviewees had lived in the same town or region where they lived at the time of the survey, and altogether three quarters had lived in the same State.

The vast majority (89%) of all interviewees lived in the same town they bought their home in. The interviewees were mostly long term residents of the given location: over two thirds of them have been living in town for over 25 years. In nearly half of surveyed households both applicants were 'locals', born and raised in the town where they bought their home.

A great majority (77%) of families stated they would not move to a different town, even if they wanted to move to another house or a different neighbourhood.

6.3 Home ownership in the family

As mentioned previously, in one half of the households one or both applicants, as children, lived in homes their parents owned. By the time of the survey the parents of nearly two thirds of the interviewees were or had been home owner. Furthermore, over half of the interviewees had siblings who were home owners. Overall, the survey found that home ownership existed in the immediate and extended family in 90% of the surveyed households.

7 PATH TO HOME OWNERSHIP

7.1 Perception of home ownership prior to home buying

The most frequent answer about what people thought of home ownership before they bought their home was that home ownership has always been their dream. For some families (19%), home ownership was a goal they felt they were never going to achieve. Many (25%) families said the decision of home buying meant to take a difficult step towards believing in themselves and overcoming the fear of taking on such a large amount of debt.

The main reasons for families to start on the path toward home ownership were related to their negative experiences of rental accommodation, such as high rent, insecure tenure, and the inability to make improvements to their place of residence. They

expected that home ownership would be different: for most, becoming home owners meant getting a ‘home’, while financial investment and returns were given a lower priority.

7.2 Dealing with IBA and banks

Many of the survey participants were familiar with home loan arrangements prior to making the decision to purchase. Because of this familiarity, a considerable majority (66%) of IBA clients in the survey sample chose to only apply for a home loan through IBA, and only a very small number (9%) even explored the option of a mainstream bank home loan.

Those families who did apply for home loans from financial institutions had a low rate of success. Approximately half of those applications were declined, due to a lack of adequate income.

For a vast majority of interviewees the affordability of the IBA loans, mainly the low interest rates and low deposits, were the main reasons for choosing IBA. At the same time there were important social aspects of dealing with IBA, such as the flexibility and cultural appropriateness of the process, and the confidence and ease of transactions when ‘dealing with our own [Indigenous] people’.

Table 14 Satisfaction with IBA at application

	% very satisfied	% satisfied	% not satisfied
Information available	72	21	5
Support offered	74	19	3
Conditions of the loan	69	31	0

A majority of survey participants were very satisfied with the services they received when their loan was arranged. There were some critical comments though, mainly about the lack of information available on the settlement costs, the restrictions included in the loan conditions, the inability to consolidate the home loan with other debt, delays with the approval of loans, and the short deadline to find the property to buy.

7.3 Transition time

Most households in the survey sample were first home buyers.

Interviewees in a majority of households recalled unexpected expenses and only 38% of the surveyed households were fully aware of what to expect. Most hidden costs were for repairs, necessary to carry out after settlement, due to the condition of the house they bought. The amount of rates and insurance fees seemed to take a large number (36%) of families by surprise, while for a small number (17%) the total of settlement expenses ended up unexpectedly high.

For many people home ownership was not different from what they expected. Yet, when asked whether it was easier or harder, over half of the surveyed families (54%) found that home ownership was easier than they imagined. For many interviewees it was a mixed experience, which nevertheless taught them to cope with the difficulties.

8 MANAGING HOME OWNERSHIP

8.1 Budgets and repayments

All of the surveyed families placed the highest priority on paying the loan payments. Most families used direct debit, a fortnightly deduction of the loan repayment from their wages or Centrelink payments. Many households used this facility to pay other bills as well.

We found that in the families of the survey sample an average of 11.8% of combined household income was dedicated to loan repayments, compared to first home buyers nationwide, whose average mortgage payment represented 27% of their gross household income in 2005–06.

All interviewees knew that they could count on the flexibility and support from IBA if they encountered problems with meeting the loan payments. The safety net offered by IBA's case management approach was highly valued. Although 22% of the sample had some history of arrears, a vast majority of these were non-reportable (under two months).

For various reasons 75% of the interviewed families paid more than the minimum repayment. Reasons included wanting to pay it off faster, to reduce interest paid, and to have a safety margin in case something happened. Only a small minority (12%) of families reported that they worried about meeting the repayments sometimes.

Nearly all families said they managed their finances well and could keep their spending within the limits of their income. A few had difficulties every once in a while and used coping strategies such as paying bills late, borrowing from family, taking on extra work, or simply 'going without' for a while.

In 57% of the households there was a yearly or monthly budget. Several interviewees acknowledged that managing car loans previously taught them a lot about budgeting. There seemed to be a leaning towards the use of store credit lines as opposed credit cards. Most families funded a majority of large scale purchases as well as home improvements by saving up for them.

8.2 Home improvements

Although most houses were in good condition, a great majority (78%) of households put significant efforts into improving their living environment. While some home improvements were on a large scale, including additions to the existing structure, others were restricted by the capacity of the home owners and were small changes such as painting or gardening.

Some households did not provide details of the amounts they spent on renovations and other works, but it was evident that the cost of the home improvement work was substantial, ranging from \$100 to \$92,500, with an average of \$15,968.

Table 15 Home improvement work in surveyed households

Work done	In % of households interviewed
Painting/new floor covering	41
Shed/carport/verandah upgrade	33
Landscaping/tree lopping	29
No improvements	22
Fence/security	19
Kitchen/bath renovation	17
Heating/air conditioning	16
Structural work/extension (new	14
Electrical upgrade	10

Half of the households funded the home improvement work with money they saved up for this particular purpose. Only a small portion (16%) of households used IBA renovation loans, whether as a second mortgage or included in the initial loan. Many families had put a lot of 'sweat equity' into their homes. In two thirds of the households people did all or at least some of the home improvement work themselves.

9 GROWTH

9.1 Income

Some interviewees were either reluctant or unable to give exact amounts or any information at all regarding the combined household income at the time of the survey. Therefore this data is incomplete. Considering only those households which the survey obtained information from, three quarters of the households had more than \$60,000 combined annual income.

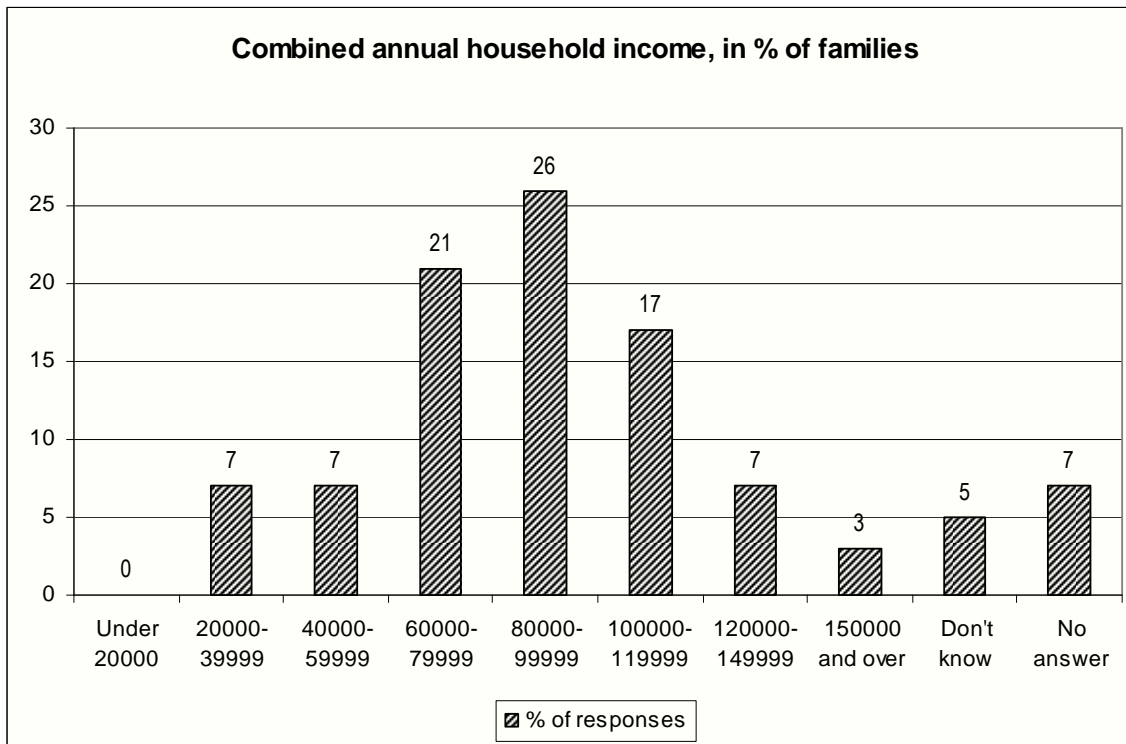


Figure 14 Combined annual household income at the time of the survey

There was a remarkable change of median household income between the time families applied for the home loan and the time of the survey. Considering only the families for whom data was accessible for both points in time, the survey found that 59% of the participating families earned at least \$20,000 more at the time of the survey than when buying the home, and three households had income growth as much as \$100,000.

Table 16 Increase of annual combined household income

	At the time of loan application, adjusted to June 2007 (\$)	At the time of survey (2007)	Growth	At the time of survey (2007), per person in household
Median annual income	50,240	85,000	69.2%	28,333

9.2 Assets and consumption

The survey found a slow but steady accumulation of consumer goods in the households. Before becoming home owners 91% of the families had at least one car. After purchasing their home, 24% of families replaced their old car and a second car appeared in nearly half of the households.

Although two thirds of the families purchased essential furniture and white goods since becoming home owners, it was mostly to replace old items or fulfil the needs of the growing family.

Figure 15 illustrates the various ways the surveyed households funded high value items such as vehicles, furniture and white goods. There seems to be a growing preference to buy outright and not accumulate more debt. This also shows an ability to save up large amounts of money, a result of good budgeting as well as of adequate levels of disposable income.

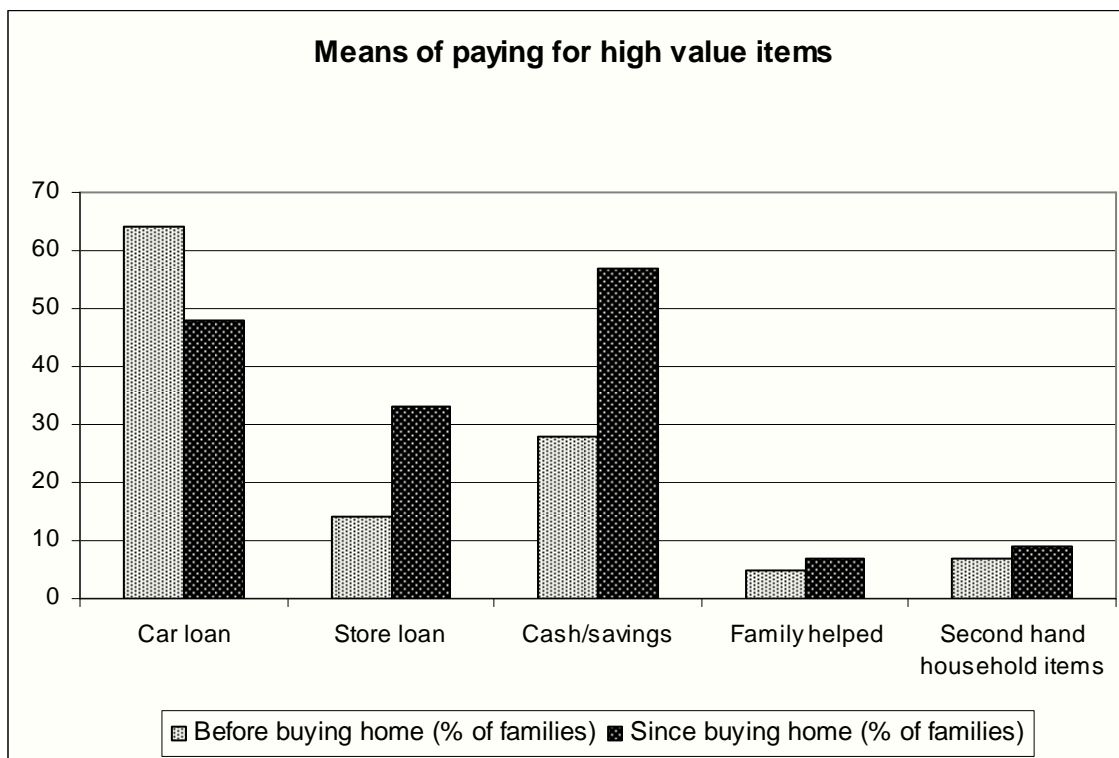


Figure 15 Means of paying for high value items, before and since home purchase

The majority of interviewees felt they had some money to spend on modest luxuries. Dining out was affordable for 40% of the families, although this often meant fast food. Other entertainment activities were mainly for the children. Only a smaller proportion reported holidays with their children within their means (29%). Some households spent money on private school fees and school trips for children (12%), as well as fees to cover sports activities for both adults and children.

Nearly all families said that their home had gained value since they bought it; however, the amount of increase differed greatly, especially between geographic locations.

Virtually all families in the survey were well informed about the housing market. Many families kept their eyes on the prices in the neighbourhood or got information from real estate agents.

Although value gain was considered a very positive outcome for the families themselves, home prices going up also made them worry about their children and grandchildren. They were concerned that the younger generation would not be able to enter the market with the cost of homes growing at the present rate.

Although the progress for most households was modest, the interviewed families seemed to feel positive about what they had achieved so far, as well as about their future, and had a sense of getting ahead.

9.3 Equity

A large number of interviewees (40%) reported that they had already used the equity of their home for different purposes, many for financing home improvements. There was also a variety of other financial transactions in which their equity served as collateral, ranging from refinancing and consolidating debts to buying investment property.

The majority of the interviewees were uncertain about borrowing against the equity in their homes. Many regarded it as taking too much risk. Still, over one third of the interviewed families stated that they would borrow against their home to invest in other property and, for a somewhat smaller number, to start a business. Also, more than a third of the survey participants were willing to take on more debt to help out family, although these responses were usually qualified by the closeness of kin and the justification of their need, such as emergencies.

Table 17 Future plans, and how they would be funded, in the percentage of households

Borrow against equity for:	% of households
Home improvements or renovation	54
Moving to a better house	24
Helping out family	37
Investing in other property	39
Starting or buying a business	25

Overall, risking their homes and taking on more debt did not appeal to the large majority of householders, and that even if they did planned to use the opportunities their growing equity offered, it was to be some time in the future.

10 THE PERCEPTIONS OF HOME OWNERS

10.1 Upsides

Overall the most important positive aspects of home ownership for the interviewees were about having a place to call home, although financial considerations also played an important part. Some of the replies were strongly influenced by the negative experiences of past tenancies.

Table 18 The positives of home ownership

Response	% of interviewees giving this response
Independence/control	55
Makes financial sense	40
Pride/sense of ownership	36
Can not be kicked out/stability	26
Can make improvements	21
Investment	19
Goal/something to show at the end	17
No wait for R&M	17
Something for the kids/security	16
No restrictions	14

Many interviewees mentioned that they looked after their home better. Feelings of satisfaction and pride that come from owning one's home, as well as getting more respect, and the sense of working towards a goal, were often mentioned in the interviews.

At the same time, interviewees were aware of the material benefits connected with buying their homes, that they are no longer paying 'dead money'; 'paying off someone else's debt'. Home ownership, as opposed to renting, made financial sense.

10.2 Downsides

A number of the surveyed families (28%) were so positive about home ownership that they could find nothing wrong about it, but most people had some reservations about being homeowners.

Although for some interviewees the responsibility for repairs and maintenance was an empowering experience, many families regarded it as the most significant downside of home ownership. Having to pay for utilities and rates was also seen as a disadvantage; however, most people acknowledged that they had to pay for those as tenants as well, even though they were hidden in rent. For a handful of families, buying a run-down house which needed a lot of repair was a source of financial strain as well as disappointment.

Table 19 The negatives of home ownership

Response	% of interviewees giving this response
Nothing	28
Maintenance/repairs	33
Paying rates/utilities	22
Being in debt/broke	9
Chain around ankle/commitment	7
Repayments high/increase	7
Buying a run-down house	5
Failing to pay repayments	5

10.3 Better off?

97% of the families believed that they were better off since they became home owners. Many interviewees interpreted the term 'being better off' in a financial sense, meaning to be wealthier, to own assets and equity, and to have a better credit rating. They appreciated what the property meant for the future of the family, in particular for their children.

The majority of responses, however, focused on how home ownership contributed to their family's social and emotional well-being, in particular to feeling happier, more secure, having a goal to work towards, feeling pride and a sense of achievement.

Table 20 Reasons given for feeling better off

Response	% of families giving this response
Financial: wealth/equity/credit rating	34
Happier/more comfortable	24
Stability/security of tenure	22
Know where the money is going	12
Freedom/autonomy/own boss	10
Asset for the children/future	10
Other	10
Learnt about responsibility	9
Pride/achievement	7

Learning from home ownership was also a positive outcome, as people's understanding of budgeting, commitment and responsibility increased with the experience.

The fundamental worth of home ownership was never questioned by any of the survey participants.

11 MESSAGE TO IBA

There was no question among the survey participants about the worthiness of the IBA Homes Programme. They regarded it 'invaluable' and 'terrific'. Every single household was positive about their relationship with the IBA Loans Officers, indicating how supportive they were throughout the application process as well as since then. Many families held the opinion that home loans with mainstream banks would not work for Indigenous people; therefore the IBA loans should be made available on a wider scale.

Several interviewees suggested that IBA should proactively target specific groups. People in small and somewhat isolated country towns asked that IBA visits small communities to promote the programme, or have a representative based there (e.g., in Katherine).

Many interviewees proposed that IBA focus on assisting young people into home ownership. As home prices are getting higher it is becoming more difficult for the younger generation to buy homes. Another concern was that young people will leave country towns if they don't get support with housing there.

Many survey participants suggested that programmes specifically targeting youth including setting up a deposit-saving mechanism and a system for loan guarantors to help out young families, as well as creating incentives to start saving up would help young people get into their own homes.

Others suggested that a list of recommended real estate agents, as well as case studies of how other borrowers managed the application process and the transition to home ownership, would benefit new IBA clients. Some families volunteered to mentor potential new Indigenous home buyers, to help them better understand the risks and responsibilities associated with home ownership.

With regards to the loan conditions, some interviewees argued that more flexibility about ending an old loan and starting a new one – a ‘second chance’ – would be helpful. Another issue raised was the absence of an overdraft facility which, for a few IBA clients, would be a very useful feature. Others suggested that Indigenous people with bank loans should be able to shelter with IBA if their circumstances change; and that if a family is failing with their repayments someone from the Indigenous community could take over the home loan, as an investment for them, while the family could stay in the home.

A wider range of services were recommended by several interviewees, including investment loans, second mortgage for home improvements, and refinancing. The majority of interviewed families preferred to deal with IBA over banks for any future financial transactions.

The wealth creation workshop in Darwin was very useful for all who attended, and those who missed out regretted it. Some interviewees suggested that IBA offer property management and financial information and advice.

12 EXAMPLE AND INHERITANCE

The legacy of social values and financial benefits that their children will inherit, and the successful role models they have provided for other Indigenous families to follow, were key sentiments through which home ownership benefits families and the wider community alike.

All the families saw their experience in becoming home owners as an important example for others and they considered the lessons they learnt exceptionally valuable for other potential Indigenous home buyers.

Home ownership was an aspiration that many families held for their children, and they intended to ensure that their efforts in buying the home will bring economic benefits for the younger generation. Nevertheless, they also expected that the children will succeed in their own right and do better than their parents in terms of education and career achievements.

Appendix C: Survey Form

IBA HOME OWNERSHIP RESEARCH CONSULTANCY
INDIGENOUS ATTITUDES TOWARDS HOME OWNERSHIP

QUESTIONNAIRE

(220507)

INSTRUCTIONS TO INTERVIEWER

- a) Hand out and discuss Information sheet
- b) Collect signed consent form
- c) Discuss the circumstances of the interview in terms of who is the main participant and how others will contribute. If possible, it should be an Indigenous person, and one of the borrowers. The family can work it out who will be the main interviewee, and after that they can only help.
- d) Text appearing in *Italics* is instructions or prompts for the interviewer

REF NO:

1 General information

1.1 Date

1.2 Place/Ref no

1.3 Main participant(s) (*choose form below categories and complete the column*)

	Primary Applicant	Secondary Applicant	Co-borrower	Co-borrower
Age				
Gender				

1.4 Other people present at the interview (*we do not need names, just relationship to main participant, approximate age and gender*)

1.4.1 (*describe their contribution at the completion of the interview*)

1.5 Please describe your home briefly (*let people talk first then ask specific questions*)

1.5.1 No. of bedrooms kitchen / bathroom / toilet / laundry / yard / shed / garage / other

1.5.2 General condition (*assessed by participant*)

1.5.3 Did you buy it as an established home, or did you buy land and built on it?

2 Household information

2.1 When did you buy this house?

2.1.1 When did you move to this town?

2.2 How many people usually live here? (*this is the "household" for the purpose of this interview*)

2.2.1 Adults: Children: Couples:

2.3 Are there any general health issues in the household? (*explain if necessary: permanent disability, chronic illness, frail old person*) Y/N

2.4 About your education (*only interview participant(s)*)

Note below which: PA, SA, CB	Highest year in school	List of skills and trades in which you have qualifications	Did you attend TAFE or University?	If yes, what certificates or degrees did you complete?	Are you studying at the moment?	If yes, what?	Do you find that your literacy or English skills are sufficient in your studies or at work?
			Y/N		Y/N		Y/N
			Y/N		Y/N		Y/N

2.5 About your children's education:

2.5.1 Are they studying? Y/N

Children	What year are they attending now, or what is their highest level of schooling if finished?	If in trade or tertiary school, what are/were they studying?
1		
2		
3		
4		
5		

2.5.2 What do you hope they will achieve?

2.6 About your employment:

Note below whether: PA, SA, CB	Are you employed?	If yes, in what job?	P/T or F/T?	For how long have you worked at this workplace?	What other jobs did you have in the last five years? (<i>list</i>)
	Y/N				
	Y/N				

2.6.1 Who else is employed in the household?

Person	employed	If yes, in what job	F/T or P/T
1	Y/N		
2	Y/N		
3	Y/N		
4	Y/N		
5	Y/N		
6	Y/N		

2.7 We would like to find out about the current income of the household

	Wages/salary	Government benefit type	Government benefit amount
Adult 1			
Adult 2			

Adult 3			
Adult 4			
Adult 5			
Combined wages:		Combined benefits:	

2.7.1 Total yearly household income:

2.8 Who are contributing to the repayment of the loan?

2.8.1 Is this arrangement fair in your opinion? Y/N

2.9 Do members of the household live in other places at times? Y/N

2.9.1 Who and where?

2.10 Does anyone from this household own property elsewhere? Y/N If yes:

2.10.1 when was it purchased?

2.10.2 where is it?

2.10.3 is it rented out?

2.10.4 who is using/looking after it?

2.10.5 Is it on traditional country/land?

Thinking back to the time before you bought the house

2.11 Going back to your childhood, describe us your family's history of housing (*let people talk first then ask specific questions*)

2.11.1 What type of housing did you live in as a child? Where? (*prompt if necessary: community or public housing, private rental, bush/homelands, institution*)

2.11.2 What were the living conditions like?

2.12 Please tell us about the various other places you lived in since you grew up

Approx. year	Town or location	Public or community housing, or private rental	Reason for moving there and leaving

2.13 Where were you living when you bought this home?

2.13.1 For how long have you lived there?

2.13.2 What kind of housing was it?

2.14 Have you ever had loans before? Y/N If yes, what for? *(list)*

2.15 Is this the first home you have owned? Y/N If not, tell us about the other time(s):

2.16 Do (or did) any of your relations own their home? Y/N

2.16.1 If yes, where and when did they buy it?

2.16.2 Did they apply for an IBA or ATSIC loan to purchase that home?

3 Thinking back to the time when you bought the house

3.1 What did you think about home ownership before you purchased a home?

3.2 Tell us about how you decided to buy a home.....*(let people talk first then ask specific questions)*

3.2.1 What were your main reasons?

3.2.2 Did anyone suggest it to you? Y/N If yes, who and how?

3.2.3 Was it a difficult decision to make? Y/N Why (not)?

3.3 Did anyone help you find out what you needed to know to do it? Y/N

3.4 How did you go about finding this house?

3.5 Does this house suit your family's needs? Y/N Why(not)?

3.6 Why did you choose this town/suburb/neighbourhood?

3.7 Who moved here with you at first? (*list*)

3.7.1 Did the household change since then? Y/N If yes, how?

3.8 Were you employed when you bought this place? Y/N

3.8.1 In what job? Was it P/T or F/T?

3.9 Did your family or friends help you buy the house or with the repayments in any way? Y/N

3.10 Why did you apply for an IBA or ATSIC home loan?

3.10.1 How satisfied were you with how the loan was arranged in regards to:

	very satisfied	satisfied	not satisfied	Do you have any comments about this aspect of the arrangements?
information available	V	S	N	
support offered	V	S	N	
conditions of the loan	V	S	N	

3.10.2 Do you know how to get help if you have trouble with managing your repayments? Y/N

3.10.3 Have you ever needed help? Y/N

3.11 Have you ever applied for home loans other than IBA or ATSIIC home loan(s)? *(only continue this question if Yes)* Y/N

3.11.1 If yes, were you accepted? Y/N

3.11.2 If you were accepted, why did you still choose IBA or ATSIIC?

3.11.3 If you were not accepted, what reasons were given?

4 Thinking about your current situation

4.1 How much of your family live in this town/neighbourhood or nearby?

4.2 Do you often have family or friends visit and stay for extended periods (for more than a few days)? Y/N

4.2.1 How do these visits go *(prompt if necessary: issues of overcrowding, cost, damage)?*

4.2.2 Do your visitors comment on your home ownership? Y/N If yes, what about it?

4.3 What do you think are the main differences between renting and owning? *(let people talk then ask if they can think of anything else they have not mentioned yet?)*

4.3.1 Good things about owning

4.3.2 Bad things about owning

4.3.3 Good things about renting

4.3.4 Bad things about renting?

4.4 Is being a home owner different from what your expected? Y/N Easier or harder?

4.4.1 What were the unexpected difficulties or expenses? *(prompt if necessary: council rates, body corporate fees, interest rates, power connection, water, insurance)*

4.5 Did you renovate or change anything in or around the house since you bought it?
Y/N *(list)*

Renovation or change	How much did it cost (approximately)	How did you fund it?	Did a household member do some of the work?
			Y/N
			Y/N
			Y/N
			Y/N
			Y/N
			Y/N

4.6 How do you feel about being responsible and paying for repairs and maintenance on your house?

4.7 Are you paying back more than the minimum monthly repayments? Y/N If yes why?

4.8 How do you make decisions about spending your household income, beyond the loan repayments?

4.8.1 Is there a budget or plan? Y/N

4.8.2 Can you usually keep your spending within your earnings? Y/N

4.8.3 If not, why and how do you cope with that?

4.8.4 What luxuries are included in your household budget? *(prompt is necessary: eg. entertainment, fashion articles, new electronic goods, dining out, travel)*

4.9 Do you or your family have worries about the repayments? Y/N Why (not)?

4.10 Would you move to another house or town if you could? Y/N
If yes where? To what sort of house?

4.11 Which one of these assets did or do members of the household own:

	Did you have before you bought the home?	How did you fund it?	Did you buy since you became a home owner?	How did you fund it?
Car 1	Y/N		Y/N	
Car 2	Y/N		Y/N	
Other vehicle (boat, motorcycle, truck)	Y/N		Y/N	
Savings account	Y/N		Y/N	
Expensive household items (big TV, good furniture, etc) <i>(list if possible)</i>				
Anything else? <i>(list if possible)</i>				

4.12 Have you thought about what will happen with this property when you pass away?
Y/N

4.12.1 What would you like to see happen to it?

4.13 Has your house has gained value since you bought it? Y/N

4.13.1 How do you know?

4.14 In your own assessment are you better off since you became a home owner?
Y/N

4.14.1 Please explain your answer

4.15 Do you plan to stay in the home until you paid off the loan? Y/N

4.15.1 If yes, what do you think you will do with the income that you will not need to use for repayments?

4.16 Do you have future plans that build on the equity value of your home? *(explain 'equity' and note if people understand these opportunities)* Y/N

4.17 Have you though of taking out a loan against your equity for:

		If Yes, give details	Would you prefer to go back to IBA for this new loan?	If you can't borrow from IBA will you take a loan from a mainstream bank?
home improvements or renovation	Y/N		Y/N	Y/N
moving to a better house	Y/N		Y/N	Y/N
helping out family	Y/N		Y/N	Y/N
investing in other property	Y/N		Y/N	Y/N
starting or buying a business	Y/N		Y/N	Y/N
other plans	Y/N		Y/N	Y/N

4.18 Have you already used the equity in your house for other purposes? (*prompt if necessary: to buy/finance business, or get another loan*) Y/N

4.18.1 If so, what for?

4.19 Are you making any income with the help of owning this house? (*prompt if necessary: working from home, letting it out*) Y/N

4.19.1 If yes, how?

4.20 Are your children or other relatives interested in home ownership to follow your example? Y/N

4.20.1 What is your advice to them?

4.21 In summary, does home ownership make you feel more or less positive about the future? Y/N

Appendix D: Interviewee Information Sheet

HOME OWNERSHIP RESEARCH INFORMATION SHEET

Who are we?

We are part of a research team from the Centre of Appropriate Technology (CAT) in Alice Springs. We work with Indigenous communities, helping them understand and cope with the changes they face living in contemporary Australia. Some of the projects we do are mostly technical, some others are asking how people think and take action about what is important for them.

Because of CAT's long experience working with Indigenous people IBA asked us to help with this research project.

The researchers visiting this area are Anna Szava and Kevin Ronberg. Anna has been working with Aboriginal people in Central Australia for ten years. Kevin is a Luritja man, born west of Alice Springs. He has worked for long years with community councils and resource agencies. Both of us are well known in communities in NT, WA and SA.

There are two more people working on this project from CAT: Mark Moran is the Project Leader, and Elliat Rich will help with graphics.

How will we do our survey?

Earlier you have received a letter and a Fact Sheet from IBA asking you to participate in this survey. The participating families were chosen from those who bought their homes with the help of IBA Home loans and agreed to be interviewed.

We will interview about 60 home owners all together in two states: Qld and NT. All participants will be asked the same questions, and the answers will be combined. No one will be able to identify your name and what you said, and it will not be used for the purposes of managing your loan.

The interview will take about 1 ½ hours including these explanations. You can let us know if you feel uncertain about some of the questions, if you do not want to answer some of them, or if you want to stop altogether. You can change your mind after we finished and ask not to use what you said. You can also ask us to read back to you what we have written down to make sure we understood your answer.

What other information will we use in the research?

IBA would like to compare your financial and social circumstances now and when you applied for your home loan, to see if there has been any improvements in your life that

are related to owning a home. To do this IBA will let us access some of the information from your loan application. This information will be kept in strict confidence and you will not be identified.

Why does IBA need this information?

IBA aims to help as many Indigenous Australians into home ownership as possible. IBA needs to know whether you think home ownership has helped you, financially or in other ways. This will help IBA meet the needs of other Indigenous people who want to own a home, and to improve their lending products to better suits their current and future clients.

How will we present what we found out at the end of our research?

We will write a full report for IBA to use for improving their services and developing new ideas. We will also produce a summary version for you and the other participants so you can find out what other IBA home buyers think.

Who else will read the report?

It is likely that some Commonwealth and State departments will be interested in reading the report for new policy development. We also think that Indigenous and mainstream organisations who manage public and community housing will find the information useful.

You may also find it interesting to read what other people in similar circumstances think.

How does talking to us help you?

This is an opportunity to be a part of a very unique research that has not been conducted here in Australia before. We hope this research will assist IBA in developing more and better ways to assist more Indigenous people into home ownership. Although there will be no direct financial benefit for you, your extended family may benefit from this work in the future.

Do you need more information about the project?

You can contact:

Centre for Appropriate Technology, Alice Springs, Mark Moran 08 8951 4320

IBA, Canberra, Kirsti McQueen: 1300 662 803.

Appendix E: Interviewee Consent Form

CONSENT FORM

PARTICIPANT:

1. I, *(please print name)* wish to take part in the research project entitled:

IBA HOME OWNERSHIP RESEARCH:
INDIGENOUS ATTITUDES TOWARDS HOME OWNERSHIP

2. I have read, or had explained to me, the Information Sheet called:

HOME OWNERSHIP RESEARCH INFORMATION SHEET

Consent to interview

3. The researcher..... has answered my questions about the project.

4. I agree to take part, and

I know I can say yes or no.

I don't have to answer any question I don't want to.

I know that I may change my mind and stop at any time.

5. I have been given the opportunity to have a member of my family or a friend with me while the project was explained to me.

6. I have been offered an interpreter if necessary.

7. I do/do not agree to this interview being taped. *(please circle)*

8. I understand that all the information I provide is treated as confidential and will not be released without my approval.

- 9. I agree that information gathered for this project may be published as long as I can't be identified.
- 10. I understand that any personal benefit I may receive from working on this project will be openly discussed at the outset of the project.
- 11. I understand that if I have any questions about the project I can contact Kirsti McQueen from IBA Partnerships on (02) 6121 2629.

Consent to obtain financial records

- 12. I agree that IBA and the researcher, the Centre for Appropriate Technology (CAT) may exchange my personal financial information with each other for the purposes of this research.
- 13. I give my permission for CAT to access the information I/we provided to IBA when I/we initially applied for an IBA home loan.
- 14. I understand that any information obtained by IBA or CAT about me will not be released for any commercial gain and will be maintained in a secure location as required under the Privacy Act 1988.

General

- 15. I will be given a copy of this Consent Form and the Information Sheet to keep.

.....
(signature of participant) *(date)*

RESEARCHER:

I have described to.....
(name of participant) the purpose, methods, demands, inconveniences, and possible outputs of the research (including publication of research results). In my opinion s/he understood the explanation.

Name and role in project:

.....

.....

(signature)

(date)

The contact details of the researcher are as follows:

Anna Szava 08 8951 4324 and Kevin Ronberg 08 8951 4328, Centre for Appropriate Technology,
Alice Springs

OTHER/S PRESENT AT INTERVIEW (list):

.....