

ORIGINAL MASTER

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Senator the Hon Nigel Scullion MP
Commonwealth Minister for Indigenous Affairs
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Dear Senator *Nige*

I write to advise the Territory's position on future arrangements for land tenure in Jabiru.

As you would be aware, the Commonwealth Government owns freehold title to all land in Jabiru, vested in the Director of National Parks (DNP). The DNP controls a head-lease over the town to the Territory through the Jabiru Town Development Authority. The head-lease and all subleases expire in 2021.

In 2009, the Commonwealth Government decided that Jabiru will become Aboriginal land under the *Aboriginal Land Rights (Northern Territory) Act 1976 (Cwth)* (ALRA) to settle the Mirarr native title claim over the town.

A condition of the grant of Aboriginal land was that Jabiru would be immediately leased back to the Commonwealth Executive Director of Township Leasing for 99 years and that all existing lease interests would preserve until 2021.

At the time, the Territory proposed an alternative leasing model, accepted by the Commonwealth, where the Territory would take up a direct section 19 head-lease over the majority of the individual town lots to administer a sublease title system in Jabiru.

To provide a framework for its native title settlement, the Commonwealth subsequently amended the ALRA to require that by 2021, all land within the town boundary of Jabiru will be granted as Aboriginal land conditional upon either of two leaseback scenarios:

- a section 19 lease arrangement, whereby the Territory is to control a lease over most of the town; or alternatively;
- a section 19A township lease to the Commonwealth Executive Director Township Leasing.

The Territory's key objectives have been to create conditions favourable to sustainable economic growth, and for the town to be a regional hub for both government service delivery and the tourism industry.

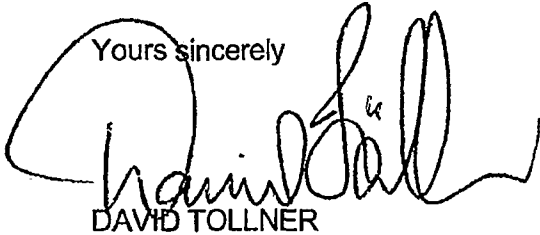
The tenure which would best advance the development of Jabiru as a regional centre would be the same freehold regime as operates in all open towns in the Territory. That option appears to have been closed by the Commonwealth's decision to grant ALRA title over the entire town.

The intention of the alternative leasing model envisaged by the Territory, therefore, was that Jabiru would as far as is possible resemble an open property market with existing non-Government sub-lessees having the opportunity to "purchase" a further sublease upon the grant by the Commonwealth.

After initial negotiations with the relevant parties, the Territory has, however, reached the view that the conditions currently proposed on any leasing arrangement would establish a level of control over ownership, use and transferability of subleases that is inconsistent with an open economy for Jabiru, and its commercial viability post mining.

Accordingly, and recognising that both the grant of Jabiru as Aboriginal land and the mining future of the Ranger Project Area are Commonwealth decisions, the Territory has decided to discontinue any negotiations for future tenure arrangements in the town.

Yours sincerely



DAVID TOLLNER

- 8 DEC 2015