

YWCA Response

Review of the National Regulatory System for
Community Housing



YWCA
National Housing

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1. Introduction

1) YWCA Australia

YWCA Australia is a member based organisation that has been in existence for over one hundred and thirty-five years. It is a woman lead organization that is the 'parent' of two subsidiary housing companies.

YWCA's mission is for all women, young women and girls to be safe and respected, with equal access to power, opportunity and resources. The organisation's overall goal is to positively impact the lives of more than 2 million women, young women and girls throughout Australia by the end of 2023. Our values of feminism, inclusion, innovation, integrity and excellence are embedded in our operations to assist in achieving our objective and to fulfil our purpose to be a strong, unified, national feminist organisation of women, young women and girls, working to achieve gender equality.

YWCA Australia has recently launched a Strategic Plan (2019 – 2023), detailing the organisation's four priorities over the next 5 years:

1. Safety - Increase women's safety and wellbeing through advocacy, programs and services.
2. Housing - Support women with affordable housing choices and homelessness services.
3. Leadership - Create spaces for young women to become leaders and drive positive change.
4. Sustainability - Create a purpose aligned, robust social business to optimise our impact.

Priority 2. 'Housing' is the most pertinent priority for YWCA National Housing. YWCA National Housing believes that the provision of safe, secure and affordable accommodation is vital to end inequality for women. The following enabling strategies will be implemented to achieve our Housing Priority:

- Double and diversify affordable housing property options
- Research and design a commercially sustainable housing model
- Expand and scale housing and homelessness services nationally with presence in every state

2) YWCA Housing (Victoria)

YWCA Housing is a subsidiary company of YWCA Australia - a proud feminist, secular organisation committed to building a future, where all women and girls are equal, safe and respected. YWCA Housing believes that the provision of safe, secure and affordable accommodation is vital to end inequality for women. YWCA Housing provides and advocates for improved access to safe, secure and affordable housing for low income Australians (particularly women and their children). Safe, secure and affordable housing is fundamental to women's social, economic and educational participation, and the realisation of gender equality and women's human rights.

YWCA Housing is one of the largest medium to long term housing providers for women in Victoria with 250+ tenancies. YWCA Housing currently provides over 100,000 nights of shelter to disadvantaged Victorian women each year through our owned and operated properties in metropolitan Melbourne, Bendigo and Geelong.

YWCA Housing is a regulated housing provider within the Victorian regulatory system for non-profit housing providers, meeting applicable regulatory performance standards. YWCA Housing recognises that women face some of the biggest housing affordability challenges in our community. Poverty, financial inequality and other structural barriers can limit the housing options available to women and place them in or at risk of significant housing stress and homelessness. This is seen in our day-to-day work and YWCA Housing works alongside YWCA Australia to provide support to women through housing and a range of support services including domestic and family violence services, head leasing, and case management.

3) YWCA National Housing (Queensland/ Darwin)

YWCA National Housing is a subsidiary company of YWCA Australia - a proud feminist, secular organisation committed to building a future, where all women and girls are equal, safe and respected. YWCA National Housing provides and advocates for improved access to safe, secure and affordable housing for low income



Australians (particularly women and their children). Safe, secure and affordable housing is fundamental to women's social, economic and educational participation, and the realisation of gender equality and women's human rights.

YWCA National Housing provides housing for women in Darwin, Townsville, Toowoomba and Sydney with 135 tenancies within those jurisdictions.

YWCA National Housing is a regulated housing provider within the National Regulatory System Community Housing (NRSCH) Regulatory Framework, meeting applicable regulatory performance standards. YWCA National Housing recognises that women face some of the biggest housing affordability challenges in our community. Poverty, financial inequality and other structural barriers can limit the housing options available to women and place them in or at risk of significant housing stress and homelessness. This is seen in our day-to-day work and YWCA National Housing works alongside YWCA Australia to provide support to women through housing and a range of support services including youth housing, young parents, domestic and family violence services, head leasing, and case management.

2. Consultation Questions and Responses

<i>Question raised within discussion paper</i>	YWCA Response
Regulation of Community Housing	
1	<p><i>Is regulation still required and relevant for the community housing sector? What do you think regulation of this sector should aim to achieve?</i></p> <p>Regulation is still required for the community housing sector to support the sector to scale its impact. Government should legislate a national regulatory scheme that is agreed across all jurisdictions and provide confidence to the financial and investment sectors.</p> <p>The role of the Regulator should be to monitor financial sustainability of community housing providers and mitigation of any risk that would jeopardise tenant's security of tenure. Regulation could also set property standards, safety and service levels required.</p>
2	<p><i>Should community housing regulation apply to all forms of affordable housing, including for-profit providers?</i></p> <p>Any agency that supplies housing at a reduced rental or collects a tax subsidy, grant or income from government to supply social and affordable housing to vulnerable tenants should be regulated. This would include NRAS participants, government and NFP organisations that deliver housing under a variety of schemes.</p> <p><i>What modifications to the NRSCH would be required to appropriately support their inclusion?</i></p> <p>NRSCH would need to be consistent throughout Australia and develop a standardised process for all to apply and be regulated. A narrower focus for regulation may be required that identifies limited and core components of the regulatory system.</p>
3	<p><i>What do you think the vision for regulation of the sector should be moving forward and how could the design and operation of the NRSCH support this?</i></p> <p>The vision and role of the Regulator should be to monitor financial risk and sustainability of the organisation. It should provide guidance and set property standards and monitor the risk to retaining the stock within the sector.</p> <p><i>What role should the National Industry Development Framework have in the NRSCH?</i></p> <p>NHFIC and the banking sector will assess if the financial, governance and probity processes are in place to enable the CHP to access finance. They will assess the risk and the skill of Boards and management to manage those risks and ensure that there are covenants and other financial</p>



		instruments if the CHP fails in anyway. The NIDF would not be required if the CHP utilises financing instruments. For those that don't you may need to provide a framework for financial sustainability.
4	<p><i>What is the impact of having three different regulatory systems across Australia? Would there be benefits in WA and Victoria joining the NRSCH?</i></p>	<p>The current system is particularly cumbersome to agencies that operate within various jurisdictions. YWCA Housing and YWCA National Housing have been established at great cost to ensure that YWCA can operate within the community housing sector. This process is highly administrative with double reporting and has had a huge impact on organisational legal and governance structures. If NRSCH became a truly national regulatory system operating uniformly across Australia then YWCA would merge the two housing entities, release the common board and implement a more streamlined and efficient service for tenants. Currently there is a financial impact due to this irregularity and it increases the costs of administering community housing due to the regulatory system operating in different jurisdictions. The sooner there is a one national regulatory system the better.</p>
<p>Design of the NRSCH</p>		
5	<p><i>Are the purpose and objectives of the NRSCH and the IGA still relevant?</i></p> <p><i>Do they appropriately address current and future challenges?</i></p> <p><i>What changes might be needed?</i></p>	<p>YWCA believes that NRSCH purpose and objectives needs to be adapted and refined so that it reduces regulatory burden as it is trying to do too much with limited resources. Would NRSCH be confident that they are 'ahead of the game' and can assess agencies that are at risk in the future? Reporting on the past is a very big risk to NRSCH.</p> <p>One could question why the NRSCH is attempting to monitor and encourage quality improvement for the tenants within CHPs? Isn't this the role of the funding agencies? YWCA believes that NRSCH reporting is not addressing any of the current or future challenges faced by the sector. They provide no guidance or information on some of the major changes in the political and financial sector.</p> <p>NRSCH should focus on three core areas where other regulatory authorities such as ACNC, ASIC, NHFIC and State Government accreditation do not step in. This would provide NRSCH with a clear focus for purposes of monitoring and reporting and will limit the reporting requests and duplication for the CHPs.</p> <p>NRSCH needs to find the gaps in the regulatory burden that all organisations are within and focus on financial management of the assets and organisations to ensure that the stock remains in the CHP sector.</p>
6	<p><i>Is there sufficient flexibility in the NRSCH to achieve its purpose and objectives?</i></p>	<p>YWCA believes that NRSCH is attempting to cover too many items within its purpose and objectives. These areas need review and refocus to ensure that the NRSCH manages those agencies at risk. The reporting requests should be</p>



		on the future activities only and instigate requirements when there is major change for an organisation. There is too much reporting about past outcomes not expectations of the future challenges.
7	<p><i>Are there existing forms of regulation that overlap with the NRSCH?</i></p> <p><i>What is the impact of this?</i></p> <p><i>What should community housing regulation offer that is not covered by existing schemes?</i></p>	<p>Yes, ASIC, ACNC, Financial covenants, Government reporting and contracts all overlap with NRSCH requirements.</p> <p>This increases reporting, compliance and administration for the CHP</p> <p>One option for consideration would be to strip back the regulation and focus so that NRSCH relies on the other regulatory reporting and covenants through those agencies.</p>
8	<p><i>Is there any other role the NRSCH should be undertaking that it is currently not?</i></p>	<p>NRSCH could become the ombudsmen for tenants and establish the property standards for community housing. This would rely on a refocus of the the vision of the regulation and its intent.</p>
9	<p><i>Is the current design of the NRSCH conducive to efficient and effective regulation of the sector?</i></p> <p><i>Could the design of the NRSCH be improved or streamlined?</i></p>	<p>YWCA believes that NRSCH and the regulatory system in a variety of states focusses too heavily in areas that are not important. It seems to focus on the past reports and issues and limits the focus and risks on the future strategies of the organisation. It does not rely on other legislative reporting and requests additional information that is meaningless. There is also a heavy reliance on the web site, and this is an administrative burden to the agencies as they must load documentation on each of the regulatory sites.</p> <p>Report feedback from the regulators is always in retrospect and is always so late that if there were issues then it would have occurred by the time the Regulatory Plan was provided. Most regulatory plans are provided by March of the year for the previous financial year reviews.</p> <p>It is imperative for the future growth of the sector that NRSCH is a truly national regulatory system that covers all states in Australia. It needs to be adequately resourced to focus on three key areas and has trust in other regulatory systems on the reports provided to them.</p>
10	<p><i>Is there currently sufficient oversight over the operation of the NRSCH, or are governance arrangements listed in the IGA required?</i></p>	<p>YWCA believes that there is not enough oversight and governance responsibilities to ensure that the NRSCH has been operationalised as recommended. To have a centralised NRSCH regulatory system then you would need oversight from a MAC or NRC.</p> <p>YWCA would recommend a nationally aligned regulatory system that covers every State in Australia that is governed by a Ministerial Advisory Committee to ensure accountability and focus.</p>
11	<p><i>Should the NRSCH be modified to better regulate smaller CHPs?</i></p>	<p>YWCA would suggest a 'light touch' regulatory system for small CHPs. If there was intent to grow, then the CHP should be assessed for risk and monitored in more depth as required.</p>



	<i>What would be needed to achieve this?</i>	One option could be that government to clarify the Tier structure for access to different levels of funding streams and risk profile. The CHP would then need to designate what Tier of accreditation and regulation that must be met and monitored.
12	<i>Are the indicators and thresholds in the Evidence Guidelines appropriate for demonstrating compliance with the National Regulatory Code and do they provide sufficient confidence to stakeholders regarding CHP financial viability, governance and management?</i>	<p>Regulation audit and supplying evidence all adds additional costs to the organisation. Annual reporting is burdensome to agencies and YWCA would suggest 3 – 5 years or within an established strategic planning framework.</p> <p>Most external agencies will do their own due diligence on CHP registered within NRSCH if they fund or partner with them. It is not clear how many external stakeholders utilise the NRSCH regulatory reports or Tier structure to make a judgement or agreement with the CHP. Who is the audience for this? Why isn't there more transparency in reporting about the outcomes or challenges from the regulator?</p>
13	<i>Are registrars' enforcement and investigative powers sufficient to protect tenants and public assets allocated to CHPs?</i>	<p>Yes, YWCA believes that there are sufficient enforcement powers.</p> <p>The Victorian regulatory system creates the need for subsidiaries and legal structures to protect the company and its other non-CHP assets. This creates legal, financial and administrative burden to organisations when it can easily be clarified by NRSCH.</p> <p>More sophisticated legal contracts and structures could be implemented to provide for asset protection with government funded assets vs organisational owned land and assets.</p>
<i>How could this be improved?</i>		
Operation of the NRSCH		
14	<i>Has the NRSCH been implemented in a way that is consistent with its regulatory principles and the regulatory philosophy and practice articulated in the National Regulatory Code?</i>	<p>YWCA believes that whilst there has been a good attempt to implement NRSCH consistently it has not occurred as there isn't an agreed national regulatory system accepted by all states.</p> <p>All states need to reach agreement so that this NRSCH can be implemented nationally.</p>
15	<i>How could CHPs' data reporting requirements be better streamlined to reduce compliance burden, included overlap with other regulatory systems?</i>	<p>NRSCH and the state governments need to agree on a set of reporting requirements that they are willing to share across the Departments.</p> <p>Reduce requirements to key areas that identify risk and compliance that is signed off by directors or CEOs and is linked to other reports provided to government for funding and capital grants.</p>
16	<i>Does NRSCH provide sufficient information to stakeholders, including tenants, providers, investors and governments? What ways could it be improved?</i>	Improvements could occur if NRSCH provided clarity on their role to stakeholders, narrowed their focus, provided guidance notes and reported on the outcomes. A transparent reporting release that occurred in a timely manner that identified areas of improvement for CHPs could assist external stakeholders.
17	<i>Are NRSCH communications with stakeholders effective in demonstrating the</i>	Unclear about the effectiveness of NRSCH in this area.

	<i>purpose, operation and performance of the NRSCH and relative performance of CHPs?</i>	
18	<i>Does the NRSCH provide CHPs with clear guidance and feedback regarding registration, compliance assessment and enforcement? Are there any issues with the operation of CHRIS or of any guidance or forms?</i>	There is always issues with CHRIS and having time periods where you can access to submit reporting. This should be structured differently as it is a large workload for the agency to provide all documentation and updates in this 'window'
19	<i>How has NRSCH affected tenant outcome? Have tenant outcomes improved?</i>	No one would know as the NRSCH doesn't provide any surveys, research or outcome measurements for their work in this area. YWCA would suggest that tenants do not understand that there is a NRSCH and how this would impact on their lives. Independent research would need to occur by NRSCH to understand if NRSCH has improved tenant outcomes.
Current and Future Challenges		
20	Should the NRSCH be modified to better regulate Aboriginal and Torres Strait Islander CHPs? What would be needed to achieve this?	YWCA would agree that all agencies that receive a government or tax payer subsidy should be included within the regulation. More funds should be available to build capacity within organisations so that all agencies can improve their service delivery and asset management systems. These funds wouldn't be received from NRSCH as that would be a conflict, but government should invest in this area.
21	Is the current risk management approach to the NRSCH appropriate given the current and emerging community housing environment? Do you think the current tiered registration system is adequately targeted and flexible enough to capture the level of risk for CHPs of varying sizes? How could this be improved?	YWCA would suggest that NRSCH does not have the correct approach as it is too retrospective in reviews. It is YWCA opinion that the Tier system doesn't work as it doesn't capture risk of the agency. A small tier 3 agency could be at a higher risk than a Tier 1 provider in certain circumstances. The Tier system needs to be revised. The use of big data would build the capacity within the NRSCH staff and provide better reporting tools. NRSCH should focus only on the performance standards of risk and financial viability of the organisation.
22	Has the NRSCH reduced regulatory compliance costs for multi-jurisdiction and/or multifunction CHPs?	No the regulatory burden has increased as the States still want their reporting on programs and projects as before. YWCA would state that the regulation has increased costs for organisations particularly where they operate across jurisdictions.
23	How has the NRSCH impacted CHPs decisions to enter new jurisdictions? Have barrier to entry been reduced? Has it encouraged registration across participating jurisdictions?	Victorian government does not accept those agencies registered only through NRSCH so only Victorian regulated organisations operate in Victoria. YWCA operates across jurisdictions and has two regulated and registered entities. If there was a national regulatory system in every state, then the YWCA would merge those two companies.
24	What role should the NRSCH have in building organisational capacity within the sector?	None, funders and those that want to use the CHP sector as growth vehicles should invest in capacity building.

25	Could CHPs data reporting requirements better support increased investment in the sector? What is a reasonable level of regular reporting?	Financial KPIs with more commercial reporting frameworks would provide confidence to the finance and external stakeholders. Banks and Investment do their own due diligence and have covenants on the financial instruments that must be provided as requested within timeframes. Stakeholders don't rely on the regulator reports as these reports are delayed and not current enough for the financiers, government and philanthropic funders to rely upon.
26	Has NRSCH impacted sector growth and development? Has it increased access to private finance and improved organisational capacity within CHPs?	Yes, as indicated earlier it costs the CHP sector to be regulated, be compliant and ensure that standards are met. YWCA would suggest that it has improved access to finance however the level of finance is somewhat reduced by the burden of compliance and resources required to deal with the reporting systems, websites and poorly crafted data requests by both the Victorian and NRSCH regulatory systems.

3. Preferred Regulatory System

YWCA National Housing and YWCA Housing would prefer one centralized national regulatory scheme that is implemented consistently within every jurisdiction in Australia. It is imperative for the growth of the sector that NRSCH refocuses its vision to financial risk for organisation's into the future rather than past reporting compliance. It is suggested that the following occur:

- All entities that receive housing subsidies for social and affordable housing should be regulated. This includes state housing authorities, aboriginal housing providers, faith-based organisations and private sector organisation that operate within tax incentivised schemes such as NRAS;
- NRSCH narrows its focus to financial risk and sustainability of organisations to protect the assets and the tenants;
- NRSCH provides guidance on property and safety standards and could act as an Ombudsman function for tenants that are aggrieved. This will capture evidence of poor management of people and property;
- NRSCH should build internal capacity and resources to undertake financial forecast reports on all regulated entities and report the findings to the public. This should be undertaken in the current financial reporting times rather than retrospectively as is the current case;
- NRSCH should have oversight from a Ministerial Advisory Committee to ensure that the implementation of this system is undertaken consistently and that appropriate resources to undertake the tasks as required is provided by the States or Federal Government;
- NRSCH should be centralised to ensure consistency of approach and develop internal staffing capacity and knowledge of the sector; and
- A new website should be developed as a one stop shop reporting area that provides transparent and accountable reporting of the regulated entities to the public and also NRSCH reporting on their ability to regulate, how many interventions were required, what is the shape of the sector, is their identified risk to the sector from external forces such as government policy changes, rental markets and construction costs, finance etc.

