



Communities
& Justice

Discussion Paper Consultation Summary Report

The Review of the National Regulatory System for Community Housing (NRSCH)

NRSCH Review Working Group

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1 Executive Summary

On 17 December 2018 the National Regulatory System for Community Housing (NRSCH) Review (the Review) was announced and the Discussion Paper released for public consultation. The Inter-Government Agreement (IGA) requires a review of the NRSCH after five years, or as otherwise agreed.¹

The need to review the NRSCH has also been identified by interested stakeholders on a number of occasions.

Submissions to the Discussion Paper closed on 5 April 2019 and forty-five submissions were received.² All submissions are public and are available on the [New South Wales \(NSW\) Department of Communities and Justice website](#).

In addition to the invitation for written submissions, officials from all jurisdictions agreed to conduct roundtable meetings with stakeholders including community housing providers (CHPs) and relevant peak bodies. These roundtables were undertaken during February to April 2019 across all states and territories. Roundtables were facilitated by Dr Michael Fotheringham, Executive Director of the Australian Housing and Urban Research Institute (AHURI).

This document provides a high level summary of the issues raised through the Discussion Paper submissions and roundtables. The Working Group has not included any analysis of stakeholder feedback in this document. The purpose is to only highlight the main themes and issues raised during the consultations. Analysis of these issues will be a part of the Options Paper.

Key messages

All stakeholders agreed that regulation of the community housing sector continues to be necessary. Key themes arising in the consultation process include:

- regulation of community housing remains important but reform is required
- improved transparency and administrative engagement between registrars and the sector will improve compliance
- the role of tenants needs to be considered
- regulatory burden is a challenge for the sector
- transitioning to a more national approach to regulation is required
- reform or more flexible application and administration of the tier system would benefit smaller providers

¹ Clause 8.1 IGA. Available at: <https://ris.pmc.gov.au/sites/default/files/posts/2013/05/Appendix-4_NRS-Inter-Government-Agreement.pdf>.

² The closing date for submissions was extended from 15 February 2019 on request of the sector for more time to consult and support their stakeholders in preparing their submissions.

- greater regulatory flexibility will support an evolving sector - ensure the system is 'future proofed'³.

Stakeholders felt the purposes outlined in the IGA continued to be relevant. Many recognised the work of registrars to move toward harmonising regulation across jurisdictions. Some highlighted that registrars have made ongoing efforts to improve the operation of the NRSCH since its commencement to try and keep current and flexible to a rapidly evolving sector. For example, many stakeholders indicated their support of the work to adjust the regulatory burden of Tier 3 registered providers based on their organisational factors.

One of the key suggestions offered by stakeholders was for registrars to increase their communication, with CHPs, the stakeholder community, as well as the wider public. They felt this would build greater confidence in the sector and awareness of the role of the registrar. They also suggested that this could support greater accountability and transparency of registrars.

Another suggestion to improve the operation of registrars was a structure or body that provided greater oversight of registrar performance and decision making.

Most stakeholders highlighted the impact of regulatory burden on their operations. Duplication of reporting and compliance requirements between the NRSCH and other frameworks were cited as a source of regulatory duplication. Stakeholders felt strongly that there needed to be a whole of government approach to manage changes to the regulatory system.

Stakeholders noted there were also consistent challenges faced across different jurisdictional frameworks for community housing. They also noted that given some of the differences between jurisdictions, there were lessons for the NRSCH from Victoria (Vic) and Western Australia (WA). For example, some stakeholders identified positives in the Victorian Regulatory System's (VRS) approach to regulatory engagement and timeframes for reporting. However, some stakeholders also noted comparable benefits to the NRSCH, and issues with the VRS.

The role of tenants within regulation and CHPs was an area where views varied. Tenant organisations had strong opinions about the importance of tenant empowerment and participation at all levels. However, stakeholders agreed that there was a lack of compliance and dispute mechanisms for CHP tenants across all jurisdictions.

There was strong support within the sector for a single national system, as long as this did not require compromise of the standards set by the NRSCH. There was also support for more consistent application of regulation across all jurisdictions, which recognises the circumstances within each jurisdiction.

³ Regional Housing Ltd Submission pg3 and PowerHousing Submission pg7.

Stakeholders were keen for a flexible and inclusive system. This was to ensure all providers of subsidised housing were held to the same standard to ensure the most vulnerable members of our community were provided consistent protection, even if this meant that registration became mandatory. They also felt the system needed to be flexible to ensure appropriate regulatory burden for a diverse range of providers. The inclusion of for-profit providers was a contentious issue and raised concerns about needing to identify specific provider types within the regulatory system.

There was agreement that the identification and management of risk was a key feature of the regulatory system and in deciding an appropriate level of regulatory burden. Stakeholders agreed there needed to be further work on the current NRSCH tier structure, evidence and financial reporting requirements, to reflect the evolution of the sector and address concerns over regulatory burden on some CHPs.

Regulatory burden and compliance standards for small CHPs as well as Aboriginal and Torres Strait Islander providers was raised in submissions as a barrier to entry to the NRSCH. Many stakeholders raised concerns that the benefits of registration did not currently outweigh the burden. They were particularly supportive of a whole of government strategy to assist in addressing their unique challenges. They also raised the importance of regulatory reform being supported by a transition plan that provided support and time for CHPs to adjust to the changes. Along with other stakeholders, they strongly supported the need for sector capacity building.

The Review Working Group is currently considering these issues and carefully examining appropriate options to address them. This work will result in the development of an Options Paper, anticipated to be publicly released for consultation in the second half of 2019.

The co-chairs of the Review's Working Group will be presenting a panel session, where they will examine the role of regulation in managing the growth of the sector and ensuring the best provision of services to tenants, at the National Housing Conference, being held on 27-30 August 2019.

2 National Regulatory System Purpose

Stakeholders agreed that regulation of community housing remains necessary to provide assurance, protect tenants and public assets, and provides a set of standards for CHPs.

“Experiences from other countries, for example the UK, evidences the value regulation can bring to the sector in terms of growth, capacity and confidence of external investors.”⁴

2.1 Ongoing relevance of the NRSCH Purposes and Performance Outcomes

IGA Purposes⁵

There was general agreement on the relevance of the IGA Purposes, but questions as to whether they were being met by the NRSCH. Some felt that the prioritisation could be adjusted, but did not agree whether this involved a greater focus on financial viability to support growth of the sector or stronger measurement of tenant outcomes. Some suggested that the regulatory focus needed to expand beyond CHPs business, and support tenant involvement in the regulatory process.

Other stakeholders suggested fewer purposes to reduce the resource burden on both providers and regulators. They agreed on removing areas of duplication with other regulatory systems and contracting requirements. There was no consensus on the focus placed on tenants, or on the role it plays in protecting government funding.

The NRSCH Performance Outcomes⁶

Most stakeholders agreed that the outcomes, as regulated, were not fit for purpose and identified the following areas of concern.

Some stakeholders felt the outcomes were unachievable and needed review. They believed this resulted in a negative impact on CHPs’ reputations even if they were performing to a reasonable standard.

While some CHPs felt the financial viability outcome was critical for regulation, many found it challenging to demonstrate compliance. This outcome was particularly concerning for Aboriginal and Torres Strait Islander providers with properties on stations and reserves.

⁴ Community Housing Industry Association (CHIA) Western Australia (WA) Submission pg2.

⁵ Refer to Section 3.2 in the IGA. Available at: https://ris.pmc.gov.au/sites/default/files/posts/2013/05/Appendix-4_NRS-Inter-Government-Agreement.pdf.

⁶ Set out in the National Regulatory Code. Available at: https://www.nrsch.gov.au/__data/assets/file/0007/284650/National_Regulatory_Code.pdf.

Some identified that the interpretation and application of outcomes were not always consistent in and across jurisdictions.

Registrars indicated a preference for flexibility in their application of NRSCH outcomes to better target requirements to each registered provider.

Another issue raised was that the outcomes did not readily suit certain providers, such as for-profit and affordable housing. Some CHPs also felt this set an expectation of a single pattern of performance, rather than embracing the diversity of the sector.

Tenant peaks argued for a greater focus on tenant outcomes and participation in regulation, but had conflicting views on the practical application. Stakeholders also sought greater clarity of expectations on the community engagement outcome.

“Although the NRSCH has been operating for just five years there have been significant changes in the composition of the sector and its operating environment since 2014.”⁷

“Although the overarching purpose and objectives of the...(IGA)...remain sound, it is our view that the NRSCH is in need of design and operational reform to respond to opportunities and challenges, satisfy diverse stakeholder requirements, and increase the overall public profile and transparency of the sector. Taking these issues into consideration, it is evident that the NRSCH is yet to be implemented as originally intended.”⁸

2.2 Types of housing and providers regulated

Inclusion of Social and Affordable Housing

Stakeholders mostly agreed that all social and affordable housing should be regulated under the same system. It was recommended to remove or provide flexibility on exclusionary wind-up and body corporate clauses,⁹ which removes the need for local schemes.¹⁰ It was suggested that ensuring flexibility supported effective future operation.¹¹ Stakeholders felt this could also support the development of a smoother transition for clients between different housing types. Homelessness peaks felt strongly that Specialist Homelessness Services should not be included.¹²

⁷ CHIA New South Wales (NSW) Submission pg5.

⁸ Bridge Housing Ltd Submission, pg3.

⁹ NRSCH Registrars Submission pg2.

¹⁰ NSW NRSCH Registrar Submission pg11.

¹¹ PowerHousing Submission pg7.

¹² Shelter Tasmania Submission p2 and Homelessness NSW Submission pg2.

Some stakeholders suggested that regulation should apply to all government subsidised housing or housing provided at a reduced rental rate. It was noted that the VRS already includes affordable housing providers, even those without government subsidy.¹³ Some CHPs were concerned that the current system needed improvement before expansion, possibly through a phased introduction.

They agreed the inclusion of other housing types needed to be supported by nationally consistent definitions and terminology. It was suggested this consistency should extend beyond the regulatory system¹⁴ and that it would support national benchmarking.

CHPs disagreed whether for-profit providers should be included. Some felt that only not-for-profit providers were suited to supporting the NRSCH purposes. Victorian stakeholders and some CHPs wanted their exclusion to prevent their access to government funding. Affordable housing providers argued for the opposite. Some suggested a cautious approach, either through increased regulatory requirements or a separate regulatory framework. Those who supported their inclusion, wanted to ensure consistent standards and oversight across all providers and types of housing.

CHPs suggested that the term 'Community Housing' should only belong to not-for-profit providers. They suggested other providers could be included through different classes of registration and known as 'registered housing providers'. Aboriginal and Torres Strait Islander providers were also supportive of having their CHPs separately identified.

Whilst not in scope for the Review, a range of stakeholders suggested the inclusion of state owned and operated public housing. They felt this would ensure consistent standards and support the ability to compare data across all forms of social housing.

"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."¹⁵

"...the term 'community' is taken to be synonymous with the not for profit sector and as an industry we want to maintain this distinction."¹⁶

¹³ CHIA Victoria Submission pg3.

¹⁴ AIHW Submission pg2.

¹⁵ YWCA Submission, pg4.

¹⁶ CHIA Submission pg6.

Inclusion of Aboriginal and Torres Strait Islander Providers

A limited number of stakeholders directly addressed the issues of the role of the NRSCH over Aboriginal and Torres Strait Islander providers. Of those that did, there was conditional support for Aboriginal and Torres Strait Islander providers where the NRSCH could support their participation in the framework. Some suggested cultural competency should be included under the NRSCH performance outcomes.

Stakeholders suggested providers across multiple jurisdictions would require support and capacity building to reach NRSCH standards. It was suggested that larger CHPs could provide coaching and advice.

Many suggested that there was a need for transparent and transitional regulations to balance capacity issues and support greater inclusion of Aboriginal and Torres Strait Islander providers under the NRSCH.

Consideration could be given to a provisional form of registration building to full registration. Stakeholders felt there needed to be recognition of issues specific to this sector, including models of governance with cultural obligations. They also felt there needed to be consideration and recognition of cultures and traditions, and the unique role these providers have in the sector. It was also recommended to have a flexible application of the wind-up clause.

Some stakeholders noted the similarities of the challenges and needs of these providers and other small, specialised CHPs. They said it included the need for providers with specialist skills and unique service models to promote and facilitate their registration and compliance, and the flexibility to support cohort specific challenges.

Aboriginal and Torres Strait Islander providers also had the challenge of balancing regulatory burden with limited resourcing and the additional regulatory issues associated with land identified under Native Title and land rights arrangements.

“...the NRSCH needs to be more sensitive to culture... and fit the landscape of communities rather than making the communities fit the standards.”¹⁷

2.3 Tenants’ engagement with the NRSCH

Some stakeholders indicated that tenant outcomes and engagement with the NRSCH is important and should be prioritised, but views on how this would be done varied.

¹⁷ NSW Aboriginal CHIA (ACHIA) Submission pg2.

A common theme was increased transparency by registrars and CHPs through making information clearer and more accessible to tenants. There was a suggestion to move to providing information in plain-English.

Stakeholders also suggested there needed to be greater information including assessments of CHPs performance, how tenant feedback informs this process and outcomes from tenant complaints to registrars. Tenant and social services peaks referenced the Scottish and UK regulatory regimes as good practice examples of tenant engagement models.

Stakeholders' views differed as to the nature of contact registrars and CHPs should have with tenants.

Tenant peaks suggested CHPs should be required to provide tenants with their policies and procedures, and by request, any other information relevant to their tenancy through a Freedom of Information process. They also wanted the system to require CHPs to demonstrate a systematic approach to tenant empowerment and participation. They said this could include tenant involvement in reviewing CHP policies, procedures and performance, participation in CHP boards for larger providers, and CHPs supporting this involvement through the provision of training and development.

Stakeholders generally agreed that the community engagement outcome should include engaging with tenants and their representative organisations. They also suggested that tenant representative organisations could have a role in the design and oversight of the regulatory system.

Some noted concern that tenants did not have access to independent and effective dispute resolution suited to the needs of community housing tenants. This was a particular concern in the Northern Territory (NT), given the exclusion of CHP tenants from the Residential Tenancies Act. Opinions varied on whether it should be part of the regulatory system (like the VRS)¹⁸ or separate.

“...the purpose of Protecting Vulnerable Tenants and Improving Tenant Outcomes should be more central in the assessment of CHPs' achievements against regulatory requirements.”¹⁹

2.4 Registrars' Communication and Oversight

Oversight of Registrars

CHPs were concerned that the oversight functions in the IGA had not been implemented. They felt that better oversight of registrars would provide greater transparency in their performance and functions through the development and measurement of registrars' performance standards.

¹⁸ CHIA Victoria Submission pg4.

¹⁹ Tenants Qld Submission pg1.

They felt oversight would support an examination of whether the NRSCH has been operationalised as recommended, and ensure independent approval of the NRSCH protocols and operational guidelines.

Registrars' Communication

Stakeholders recommended changes to the registrars' approach and communication of publicly available information. They suggested that registrars needed to ensure all their communications were timely and accessible. They felt there needed to be a proactive approach to increase the NRSCH public profile that included transparent information and evidence of the role, performance and challenges of the NRSCH, and about the performance and regulatory decisions on registered providers. It was recommended that registrars could also provide de-identified national benchmarking data.

They felt the registrars could assist in the development of consistent definitions, terminology, and data collection quality and practices across the entire community housing sector. They felt this would then support registrars to undertake various analyses of the CHP-provided data through regulatory reports, such as: sector trends; areas of improvement within the sector; horizon scanning and financial forecasting; and multiple comparative analyses. It was suggested that CHPs may need to support the NRSCH activities in this area by providing contextual information.

Many CHPs gave positive feedback about regulatory staff, often citing them as being 'constructive' and 'professional'. CHPs and their peaks also recommended a single interpretation of compliance requirements through clear and consistent guidance. They requested timeliness and regularity of feedback and communication and to ensure that the NRSCH staff understand the sector, CHPs' business and the impact of regulation. They also requested greater clarity and transparency in decision-making.

CHPs and their peaks also recognised that resourcing of registrars has impacted on their ability to effectively communicate with all stakeholders.

"Other than publishing the Annual Report on the website, we see no visible evidence of any communication from the NRSCH: it has no visible profile."²⁰

"...the funding of the NRSCH should be commensurate with its duty to provide assurance..."²¹

²⁰ CHIA WA Submission pg8.

²¹ CHIA Submission pg1.

3 Regulatory Burden and Compliance Issues

3.1 The NRSCH Tier Structure and Regulatory Burden

Tier Structure

There were consistent themes raised by stakeholders about issues with the tier structure, but variation on their suggested changes. They agreed that risk is a key component of the regulatory system. There was also agreement that the NRSCH tier system was misunderstood and considered a performance ranking system with Tier 1's the highest performers, and as a result was often used inappropriately to support funding decisions. They agreed there needed to be education on its role for NRSCH stakeholders.

Some stakeholders suggested that education on the NRSCH tiers was sufficient to address any issues, which could be supported by revising the tier guidelines to provide clarity on its structure and how judgements are made assigning CHPs to a tier. It was noted that this misperception and misuse of tiers has also been a challenge for the VRS.

Most felt the policy reform of the Tier system is required and not just better communication of its purpose and basis for assessment. They felt it does not capture the risk of the organisation effectively noting the differences of operators across the different tiers.

Other issues stakeholders highlighted were:

- a lack of sufficient distinction between the tiers
- the design of arrangements under each tier is not targeted or proportional
- overly cautious and 'backwards facing' approach to risk
- did not effectively take into account cross-jurisdictional portfolios
- creating unnecessary regulatory burden
- encouraging risk-averse CHPs.

Stakeholders suggested that scale alone should not determine how a CHP is regulated. Some stakeholders identified that both the NRSCH and VRS can exclude large organisations from higher tiers if their housing portfolio is small overall, or within that jurisdiction.

Stakeholders agreed on the benefits of recognising the reduced risk of smaller CHPs to in turn reduce regulatory reporting. They recommended a minimum standard without compromising regulatory purposes and system integrity.

There was support for seeking specialist advice on an appropriate tier structure and some ideas on how it could look. Some suggested rating against both risk and organisational context and performance. Another suggestion was a risk-based approach recognising both impact and probability (e.g. VRS regulatory engagement tool) with emphasis on

compliance processes, rather than registration. Alternatively some suggested a layered (modular) or graduated approach identifying CHP risk levels.

There was general agreement that the tier structure should distinguish organisations by their degree of regulatory engagement and scale up regulatory requirements where there is an expectation of future growth.

Most stakeholders indicated a preference for a segmentation approach to regulation, on the basis that segmented regulation would offer the registrar greater flexibility to manage organisations with wider purposes than community housing.

Stakeholders suggested key areas of risk to focus on including: finance, governance, asset portfolio and management, tenant outcomes, service profile and delivery, and business direction.

Suggest “a more sophisticated risk-based approach than the current Tier system is adopted that distinguishes organisations by the degree of their regulatory engagement, not simply their size and scale.”²²

“The Registrars have some operational design authority and have been co-designing new approaches to monitor performance, initially in the Tier 3 sector, through market segmentation and risk-modelling.”²³

Regulatory Burden

Stakeholders consistently raised similar concerns about the source and impact of regulatory burden and potential solutions. They identified three main areas where they felt regulatory burden in the NRSCH could be reduced:

- inefficiencies in the NRSCH reporting process and system
- duplication with other regulatory bodies (including multiple community housing regulatory regimes)
- duplication with government funding contracts.

The NRSCH Reporting

Stakeholders felt there were inefficiencies in the current reporting, including:

- limited timing
- duplicative reporting of documents under different performance outcomes
- the burden of time, expertise and cost required to complete both registration and compliance processes.

CHPs felt compliance processes generally took resources away from the provision of frontline services. Stakeholders, regardless of jurisdiction, felt that the burden of regulation was not commensurate with the benefits.

²² CHIA Submission pg1.

²³ NRSCH Registrars Submission pg5.

There were a number of recommendations to reduce the NRSCH regulatory burden. As per the VRS, it was suggested that reporting systems be open all the time and allow for multiple users.

Some suggested more regular and less intense reporting, lined up with financial year timeframes and other reporting requirements. Other CHPs suggested to move to less frequent reporting within a strategic planning framework.

It was generally agreed the reporting process needed to be more efficient, less complex and informed by the 'collect once, use often' principle, including across subsidiaries under a parent company.

To support this it was also recommended to accept standard business documents (e.g. annual reports) in place of current templates. Many felt there needed to be strong guidance and support preparing CHPs for these processes and that the NRSCH needed to ensure that information requested was only what was needed for regulation and not for any other purposes.

"...the original, state objectives of the NRSCH remain valid. However, outcomes can potentially be achieved through alternative, less burdensome means."²⁴

"Depending on the size and current capacity of various CHPs, the compliance process itself may be partly or entirely offsetting any of the expected benefits of registration for individual CHPs."²⁵

"...since the implementation of the NRSCH CHPs have yet to fully realise the benefits brought by regulation."²⁶

Duplication of Reporting

There were common themes from all stakeholders who felt they had an increased regulatory burden as a result of duplication of reporting. This resulted in some stakeholders raising concerns about sector over-regulation. Consistent across all areas of duplication, they identified challenges including multiple and often conflicting definitions, data sets, systems, reporting templates and timings. They felt this resulted in members of the community having a lack of clarity about which standards apply, and when and how they are managed.

Some had concerns over multiple community housing regulatory regimes. They suggested it resulted in a lack of comprehensive sector data and caused the burden of establishing multiple housing entities. They suggested this was

²⁴ NT Shelter Submission pg6.

²⁵ Regional Housing Ltd Submission pg3.

²⁶ CHCSA Submission pg2.

an impediment to achieving national consistency in regulation, a focus on the full business of registered entities and sector cohesion.

Tenant peaks also suggested that variation in tenancy law across jurisdictions has impacted on the ability of regulatory regimes and CHPs to provide consistent and uniform policies and procedures to all tenants.

Stakeholders also noted experiences of duplication between the NRSCH and government funding contracts, as well as between different contracts within a single agency, across all levels of government.

Some stakeholders suggested that funding contracts provide an allowance for the cost of compliance. It was recommended there be an investigation into the feasibility of streamlining CHPs reporting arrangements across the NRSCH and other systems.

Ideas included developing Memorandums of Understanding and information sharing protocols between key regulatory bodies and contracting agencies. Some felt that the NRSCH could be reduced to areas not covered by other regulatory regimes.

Alternatively, it was suggested that CHPs only report to NRSCH, and they either share information or act as a reference agency, providing proof of compliance. Another suggestion was the creation of a single reporting process for CHPs through a national database for community housing that all entities can access, or through leveraging existing portal systems to reduce duplication between the reporting requirements of different regulatory regimes.

“Having different standards to adhere to in different states makes their task of compliance more difficult. An example is The Salvation Army which has separate housing companies throughout Australia, created as a result of the three different regulatory systems. Likewise, the St Vincent de Paul Society has stayed out of Victoria for that reason.”²⁷

“...since the implementation of the NRSCH CHPs have yet to fully realise the benefits brought by regulation.”²⁸

²⁷ Churches Housing Submission pg7.

²⁸ CHCSA Submission pg2.

4 Role of a National Framework

4.1 Achieving a Consistent Approach

The majority of stakeholders supported a single national approach, which included all jurisdictions and was applied by all regulators in a consistent way. Opinions varied on whether a modified version of the NRSCH, or a new system is required. Some felt it important it did not involve compromising standards. Many CHPs were broad in their suggestions. The Safe Work Australia model was often cited as a good example.

Stakeholders highlighted that the development of a single system could lead to the development of:

- clear guidelines on the role of the regulatory system and CHPs
- consistent national standards, definitions and benchmarking
- sufficient oversight of the regulatory system to ensure high performance
- reduced regulatory burden for registered providers
- greater engagement and involvement with key stakeholders, such as tenant advisory groups.

In terms of practical operation, some stakeholders suggested:

- a single national regulator with offices in each jurisdiction
- consistent legislation in all jurisdictions to ensure legally enforceable powers
- a set of national standards that includes an appropriate exemptions framework
- statutory independence from housing ministers (e.g. of registrars or the whole NRSCH)
- an advisory body.

There were concerns raised about the current opt-in approach to regulation. Many felt that a national system should lead to all providers being regulated either by government funding providing the incentive by requiring registration, or becoming mandatory for all providers.

Stakeholders felt it would lead to developing nationally consistent standards, definitions, data and benchmarking and as a result, reduce CHPs regulatory burden and costs and improve stakeholder communications. This would then improve confidence in the sector, particularly for investors. They felt it would share the costs of the regulatory system across a larger group, including the addition of Commonwealth funding. According to stakeholders, the benefits would include sector growth and regulators within each jurisdiction having access to greater internal staffing and resources.

“The current system of harmonisation has not produced a truly national system.”²⁹

“We do not see any up-side for WA CHPs in having a separate regulatory system.”³⁰

“...there should be an integrated and consistent national approach to regulation of the community housing industry.”³¹

²⁹ CHIA Victoria Submission pg4.

³⁰ CHIA WA Submission pg5.

³¹ CHIA NSW Submission, pg1.

5 Issues outside a National Framework

5.1 Community Housing Strategy and Capacity Building

A common issue raised was that there is no clear whole of government strategy for the sector. Aboriginal and Torres Strait Islander providers felt this was of particular concern. They felt a strategy could provide greater ease for CHPs to financially forecast for regulation, a vision and support for sector development and growth, greater investment in the sector (e.g. National Housing Finance and Investment Corporation), and identification of and addressing issues within the sector.

There were conflicting ideas from stakeholders as to the role of the regulatory system in capacity building of CHPs. Some felt there is a conflict of interest between regulatory and capacity building roles and some suggested that it could be included, but as a separate work unit. Registrars noted that capacity building is usually a standard component of regulatory systems.

It was suggested that registrars' feedback during registration and compliance processes was already building capacity and improving the business of CHPs. CHPs identified they also had responsibility for their own development. It was suggested that the regulatory system (like the VRS) should encourage a culture of continuous improvement in CHPs. It could provide a framework for good practice, based on high-performing CHPs. It could also develop a practice system for CHPs to identify and seek advice on improvements needed to successfully register and remain compliant.

Peaks felt strongly that the role of registrars was only to target improvements at a systemic level through compliance processes. They suggested that registrars could support industry-led development by analysing CHP data to identify system wide issues and risks, as well as reporting on CHP performance.

Some noted the sectors' development and growth was an area for Commonwealth involvement. Stakeholders argued for that Commonwealth funding of the NRSCH would promote a consistent approach across the sector.

Some suggested updating the National Industry Development Framework to support regulatory reform and sector capacity building. Tenant peaks were concerned whether this document was appropriate for small and specialised organisations.

“...there needs to be a whole of government approach to address the compliance regulatory system.”³²

³² NSW ACHIA Submission pg3.

“There is, however, a need for capacity building across the sector – regulation by itself does not build capacity or growth.”³³

5.2 Transition Issues

CHPs and their peaks were concerned about the impact of regulatory regime changes. They suggested the existing status of currently registered providers across all schemes is recognised and any further regulatory requirements are confined to areas of material difference between the schemes. Stakeholders felt strongly there needs to be a transition process that provides support and time for changes to be implemented.

“ACHPs are having and see challenges with entering the system.”³⁴

“The registration process for CHOs transitioning to the NRSCH should be confined to where there is material difference between the two schemes.”³⁵

“We think overall, that despite some initial transition costs and perhaps even some ongoing challenges, that the system will be better for all parties if it is uniform across all jurisdictions.”³⁶

³³ CHIA WA Submission pg10.

³⁴ NSW ACHIA Submission pg2. Note- Aboriginal Community Housing Providers (ACHPs).

³⁵ CHIA Submission pg7. Note - Community Housing Organisations (CHOs).

³⁶ Shelter Tasmania Submission pg2-3.