

Fact Sheet

January 2014

This fact sheet provides information for housing providers, tenants, investors and other interested parties on the new National Regulatory System for Community Housing (NRSCH).

Policy Intent

The vision of the NRSCH is for a well governed, well managed and viable national community housing sector that meets the housing needs of tenants and provides assurance for government and investors.

The NRSCH aims to achieve this vision by:

- providing a consistent regulatory environment to support the growth and development of the community housing sector
- paving the way for future housing product development
- reducing the regulatory burden on housing providers working across jurisdictions, and creating a level playing field for providers seeking to enter new jurisdictions.

The NRSCH seeks a clear separation between regulatory activities and state and territory policy and funding activities. Policy and funding decisions will continue to be a matter for state, territory and federal governments, which enables localised responses to meet housing need.

Eligibility

The NRSCH is designed to regulate providers of community housing, which includes social and affordable housing. Indigenous community housing providers (ICHOs) and other specialist housing providers are also welcome to apply for national registration.

There will be no obligation for housing providers to be registered under the national system. However, individual government policy and funding agencies may make registration a precondition for receiving funding or investment and for delivering funded housing services.

Registration is open to any housing provider that meets the requirements of the National Law including:

- An appropriate corporate structure for the proposed tier of registration. (e.g. Tier 1 housing providers must be incorporated as either a company limited by shares or by guarantee under the Corporations Act 2001; or a corporation incorporated under the Corporations (Aboriginal and Torres Strait Islander) Act 2006)
- Have in place mandatory arrangements that ensure in the event of wind-up and/or deregistration, surplus assets remaining after the payment of liabilities continue to be available for social housing
- Have a demonstrated capacity to meet and achieve ongoing compliance with the National Regulatory Code.

What it means for multi-jurisdiction providers

The new system will make it easier for providers who operate or wish to operate in more than one jurisdiction by reducing red tape and regulatory burden. They will no longer have to be registered separately in each state and territory.

So that a provider only has to deal with one Registrar, the Registrars from all jurisdictions in which a registered provider is operating will appoint a Primary Registrar. The Primary Registrar is typically the Registrar for the jurisdiction in which the provider has the majority of its community housing stock.

The NRSCH does not place any restrictions on a provider's trading activities or how they choose to secure their obligations to lenders.

What it means for small, single-jurisdiction providers

Currently, the vast majority of housing providers are small organizations that manage fewer than 50 properties within a single state or territory. Under the NRSCH, these providers are likely to be nationally registered as Tier 3 housing providers on an opt-in basis.

This will ensure they are subject to a regulatory burden proportionate to the scale and risk profile of their activities. Importantly, small providers will be able to apply for a higher tier of registration if they wish to pursue opportunities for growth.

What it means for new entrants

The NRSCH is designed to provide a level playing field for providers seeking to enter new jurisdictions and to avoid unnecessary restrictions on new entrants. While registration does not offer any entitlement to funding, it provides new entrants with a status that is immediately recognised by government and increasingly recognised by private investors and partners.

Core elements

National Law

The NRSCH is being introduced through consistent state and territory based legislation, referred to as the National Law. It was first enacted in the host jurisdiction, New South Wales, and either applied or adopted thereafter by other jurisdictions.

NRSCH Charter

The vision, objectives, regulatory principles and philosophy behind the new system are set out in the NRSCH Charter.

National Regulatory Code

The Code sets out the performance requirements that registered housing providers must comply with in providing community housing under the National Law. It does not prescribe how providers should run their businesses but rather focuses on the achievement of outcomes in the following areas:

- Tenant and housing services
- Housing assets
- Community engagement
- Governance
- Probity
- Management
- Financial viability.

Timing

Registration under the new system formally commenced from 1 January 2014 (Phase 2), following a six month period of system testing and evaluation (Phase 1) during 2013. Individual states and territories will transition to the national system over an 18-month period, according to Registrar timetables in each jurisdiction.

Once a provider elects to start the registration application process, their application is processed by the relevant Registrar according to the following timeframes:

Initiation & EFT stage	Date
Provider briefing	Start date entered
Provider contacted by Primary Registrar	ETF Date – 1 week
Registrar releases Eligibility and Tier Form (EFT)	ETF Date (Schedule Date)
Provider submits completed EFT	ETF Date + 2 weeks
Registrar completes EFT assessment	ETF Date + 4 weeks
Application for registration stage (AFR)	
Registrar releases Application for Registration Form (AFR)	ETF Date + 4 weeks
Provider submits completed AFR	ETF Date + 10 weeks
Registrar sends letter identifying evidence gaps	ETF Date + 12 weeks
Regulator Issues Draft Determination	ETF Date + 16 weeks
Provider responds to Draft Determination	ETF Date + 18 weeks
Determination	
Final Determination Report Issued	ETF Date + 19 weeks

Applying for registration

Housing providers can apply for national registration via a common application form used by all Registrars and which is accessed online via the password protected CHRIS portal.

At the time of application, if the housing provider operates or intends to operate in only one state or territory, they must apply to the Registrar acting for that state or territory. If the housing provider operates or intends to operate in more than one state or territory, the Registrars from those states and territories will appoint a Primary Registrar for that provider. The Primary Registrar will oversee all regulatory engagement with that provider.

A suite of Operating Guidelines have been developed to help providers prepare for national registration including the:

- Tiers Guidelines:
- Evidence Guidelines
- Enforcement Guidelines:
- Regulatory Framework:

All relevant guidelines and guidance notes are available on the NRSCH website.

Registration tiers

Registered providers are placed on a single National Register in one of three tiers according to the scope, scale and complexity of their business activities:

- **Tier 1:** housing providers with asset procurement and development functions (and the ability to grow social and affordable housing supply through construction, purchase or acquisition) and/or complex tenancy and property management functions that operate at scale
- **Tier 2:** housing providers typically involved in moderately complex asset and tenancy management activities
- **Tier 3:** housing providers typically involved in small-scale tenancy management activities.

Governance

Housing Ministers have an overall supervisory and policy-making role in relation to the NRSCH using the decision-making processes of the Council of Australian Governments' Select Council on Housing and Homelessness (SCOH).

The Housing Ministers' Advisory Committee (HMAC) or its successor will continue to advise housing ministers on policy requirements for regulation to meet government priorities and objectives, and will resolve cross-jurisdictional disputes that cannot be resolved using the national system protocols or operational guidelines (e.g. disputes about the appointment of Primary Registrars).

A National Regulatory Council (NRC) is being established as an independent advisory committee, appointed by housing ministers, to oversee the operation of the NRSCH.

Registrar powers

Registrars will have the power to register providers, monitor provider performance, to intervene when non-compliance occurs, and to cancel the registration of non-compliant providers.

The National Law sets out the specific obligations on registered housing providers including:

- Complying with the National Regulatory Code
- Providing information, records or documents requested by the Registrar
- Allowing the Registrar to carry out inspections
- Notifying the Registrar of anything that could affect their registration status
- Maintaining a register of social and affordable housing assets.

The National Law also gives Registrars powers to intervene where a provider is not meeting their obligations. These powers are intended to provide staged, proportionate intervention provisions that reflect the seriousness and potential consequences of a provider's failure to meet their obligations.

The focus is on the Registrar engaging early when warning signs are identified in order to avoid the possibility of serious non-compliance, on working to return the housing provider to full compliance where non-compliance occurs or, as a last resort, deregistering the provider.

All intervention powers will be subject to legislated procedural fairness and appeal provisions. Intervention protocols guide Registrar actions.

Other

Working with other systems

National regulation sets the minimum requirements to be registered as a community housing provider.

The registration requirements of the NRSCH may overlap with the requirements of other regulatory and assurance systems, such as the National Community Housing Standards or the Australian Charities and Not For Profit Commission. All jurisdictions are working closely to ensure the overall regulatory burden is kept to minimum, and to establish 'mutual recognition' of the evidence used to demonstrate compliance.

Industry development

A consistent regulatory environment under the NRSCH will support the growth and development of the community housing sector by reducing the regulatory burden and streamlining providers' operating environment.

A National Industry Development Framework has been developed alongside the NRSCH to provide high-level national guidance to state and territory funding and policy agencies supporting industry development appropriate to the local context.

Jurisdictions that fund Industry peaks to support industry development nationally will continue to do so.

For more information

For more information please visit the NRSCH website at: www.nrsch.gov.au or contact the Registrar or funding and policy agency in your state or territory.

