

Part 2

NRSCH Regulator's Report

Annual Report 2021-2022



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ABOUT THIS DOCUMENT

This Report provides an overview of the work of Registrars administering the National Regulatory System for Community Housing (NRSCH) during the reporting period.

This is the second part of a series of four reports to be issued for the NRSCH reporting period 2021-2022.

The functions of Registrars are set out in Section (10) (1) of the National Law. These functions relate primarily to the registration, monitoring and regulation of community housing providers. In addition to these functions, Registrars commit to a program of work each year to support the continuous improvement of the administration of the NRSCH. Registrars progress this work within timeframes aligned to the availability of resources. This report sets out the focus of work for Registrars over the past 12 months in addition to the regulatory activities outlined in Part 1 NRSCH Overview 2021-2022.

This report is compiled by the NRSCH National Office in collaboration with all NRSCH participating jurisdictions. Previous published NRSCH reports can be found at <https://www.nrsch.gov.au/publications-and-resources/performance-reports.html>

Scope of this report

This report provides data and analysis for participating NRSCH jurisdictions only.

In this report, Part 2 – NRSCH Regulator’s Report you will find an update on the work of regulators including project delivery and key initiatives.

Information about sector performance is planned for the following publications:

Part 3 – Sector Performance – Non-Financials provides a picture of the community housing sector against non-financial performance measures.

Part 4 - Sector Performance – Financials shows the viability of Community Housing Providers (CHPs) assessed against a suite of indicators used to assess financial performance.

OUR YEAR AT A GLANCE

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

Highlights

- Finalised standard compliance assessments for 153 registered providers
- Registered 19 new providers
- Completed planned engagement with 13 providers through targeted assessments
- Responded to nine requests for regulatory opinions from NHFIC to support community housing providers access finance
- Implemented changes to the National Register of Community Housing Providers to improve the transparency of information
- Reinstated Service Evaluation Surveys to collect feedback from providers on the compliance and registration process and to identify opportunities for improvement

The year ahead - Priorities for 2022-2023

1. Launch of a new NRSCH website with improved accessibility that reflects industry best practice
2. Working collaboratively with stakeholders to seek solutions to barriers to registration for Aboriginal community controlled organisations
3. Assessment of business need and options for the future of the Community Housing Regulatory Information System (CHRIS)



FOCUS AREA 1:

Accessible and transparent data and intelligence to promote confidence in registered providers and the NRSCH

Improving the transparency of information on the National Register

Improving the transparency of information on the National Register of Community Housing Providers is a key NRSCH strategy to deliver accessible and transparent data and intelligence to promote confidence in registered providers and the NRSCH.

The delivery of this project created no additional burden for community housing providers. The information was already collected from providers and is now drawn from the regulatory information system.

Changes implemented this year included the capacity for community housing providers to record their website, email address and a description of the services provided on the National Register. Information was also expanded to include details of community housing assets specifically:

- Total owned properties
- Total managed properties
- Community housing assets by program type

The intent of expanding the information available on the National Register is to:

- Enable investors/financiers to access key information about providers when seeking to target investment/development opportunities
- Improve opportunities for engagement/communication and potential partnerships
- Improve the visibility of data relating to registered community housing providers
- Deliver an incentive for community housing providers to maintain the accuracy of information

FOCUS AREA 2:

Commit to establishing feedback mechanisms to provide guidance and opportunities for improvements to regulators and providers

Feedback mechanisms to improve regulatory services

Service Evaluation Surveys were previously issued to providers following the completion of an assessment of a registration or compliance return. These surveys were disabled in 2020 following a system release that impacted a third party application the NRSCH used to issue the surveys.

The surveys have now been reinstated with improved functionality and reporting capability. Reporting on survey results will commence next year once there are sufficient responses to report.

Preliminary work has also commenced on a survey for providers who withdraw from the process prior to registration. It is anticipated that this will provide key insights into potential barriers to registration.

Maintaining collaborative relationships

Registrars continue to engage with sector and policy representatives through biannual meetings with the Regulatory Advisory Group. The purpose of the advisory group is to provide advice on systemic issues that impact the ongoing effectiveness of the NRSCH and related housing regulatory systems in Victoria and Western Australia.

In addition, individual Registrars may engage with policy and sector representatives at a jurisdictional level based on local arrangements.

Using feedback to identify barriers to registration for Aboriginal Community Controlled Organisations

During the reporting year Registrars committed to exploring opportunities to encourage the registration of Aboriginal Community Controlled Organisations. A preliminary analysis of feedback from jurisdictions and relevant peak bodies has been completed identifying key challenges to registration. They can be grouped into four broad categories:

1. Governance
2. Workforce management and training
3. Capacity building
4. Regulation – registration and compliance

Registrars will advance this work in collaboration with key stakeholders over the next year.

At an administrative level, changes have been made to improve the capacity to report on Aboriginal Community Controlled Organisations applying to register or registered under the NRSCH. This is key to measuring trends in registration and compliance for Aboriginal Community Controlled Organisations.

FOCUS AREA 3

Establishing working protocols for 'red tape' reduction, information sharing and fact checking

Ensuring NRSCH regulatory information systems remains fit for purpose and efficient

During the reporting year, Registrars commissioned work to investigate the viability of the Community Housing Regulatory Information System (CHRIS) as the primary IT solution for the management of regulatory activities.

The assessment found that CHRIS, as a Salesforce legacy system, has a limited shelf life and limitations in its functionality. The report recommended an upgrade to a newer Salesforce platform or a replacement regulatory system.

Registrars recognise the need for an efficient and flexible system that can readily adapt to a changing regulatory environment whilst minimising the burden on providers. Work will continue in 2022 to secure a long term solution for the management of regulatory information in consultation with community housing providers and regulatory staff.

Data collection and analysis collaboration

The NRSCH commenced preliminary work with NHFIC to explore opportunities for data sharing and analysis to facilitate a body of research to establish the nature and scale of the community housing sector in Australia. This work will continue in 2022-2023.

Supporting providers access NHFIC funding

The NRSCH responded to nine requests for regulatory opinions for registered community housing providers operating in Tasmania, New South Wales, Queensland and South Australia seeking finance from the NHFIC. Regulatory opinion reports provide an independent assessment of the CHP's compliance with the National Regulatory Code and any other information relevant to the application being assessed by NHFIC.

Agreement to share information with Victorian Registrar

State government incentives are attracting interest from interstate providers seeking to operate in Victoria. Victoria are receiving registration applications for new entities that are reliant on NRSCH registered parent companies. Given the relationships, the performance and interdependency of these providers there is relevance for NRSCH Registrars and the Victorian Registrar.

To support the registration of multi-jurisdictional providers a Memorandum of Understanding (MOU) was executed between NRSCH Registrars and the Victorian Housing Registrar. The MOU facilitates notifications of particular events, information sharing, with the consent of the provider, and a reduction of burden for NRSCH providers seeking registration in Victoria or vice versa.

PRIORITIES FOR THE YEAR AHEAD

Priorities for the year ahead are primarily focused on the collection, maintenance and reporting of regulatory data.

The priorities for next year are:

Securing a solution for the management of regulatory information

The regulatory information system is now eight years old and, whilst substantial enhancements have been implemented over the years, a system that is flexible and adaptable to the changing regulatory environment is needed.

Work will continue on securing resources to identify options and implement a solution for the management of regulatory information that meets business need.

Identifying or enhancing initiatives for working collaboratively with other stakeholders

- Work with NHFIC to explore opportunities for data sharing and analysis to support community housing sector research
- Investigate opportunities to encourage the registration of Aboriginal Community Controlled Organisations
- Working collaboratively with CHPs and regulatory staff to identify business requirements for a regulatory information system.

Exploring opportunities for interactive reporting on the NRSCH website

The launch of the new NRSCH website provides an opportunity to embed interactive report within the website. NRSCH Registrars will continue to strive for greater transparency in data for the public, financiers and policy makers to make informed decisions during 2022-2023.

Review of the Financial Performance Report for Tier 3 providers

NRSCH Registrars will scope the feasibility of yearly financial reporting for Tier 3 providers based on a reduced data set. This may include a modular approach for Tier 3 financial reporting that allows for the collection of information, in addition to a minimum data set, based on a risk assessment or local policy requirements.

The objective is to deliver a revised Financial Performance Reporting template that maintains consistency in reporting and imposes the least necessary burden to maintain the standards set by the NRSCH.

For more information

For more information on the National Regulatory System for Community Housing, please visit:

www.nrsch.gov.au