Registrar’s Message

Welcome to this edition of Regulation Matters, the last one for 2014.

This month, I have reached a milestone in my role as Registrar. It has been 12 months this December since I commenced work at the Office of the Registrar of Community Housing. It was an exhilarating and challenging period.

Over the past several months we have completed several major projects. The first was the registration of the initial batch of providers from participating jurisdictions to NRS that commenced in January 2014. The second was the compliance assessment of providers still registered under the NSW Regulatory Code in October 2014. The third was the last round of application for registration of Aboriginal organisations under the Provider Assessment and Registration System (PARS). And last, was the performance reviews of 11 AHO-registered providers under PARS in November 2014.

In addition, we published three issues (including this one) of Regulation Matters, our corporate newsletter. More importantly, we published the fourth Annual Statement of Performance (ASOP). ASOP 2014 details our work on the NRS, NSW Regulatory Code and PARS, as well as the various engagements with the community housing sectors and stakeholders. We have a new design to reflect our new responsibilities, particularly our role in the National Regulatory System.

I expect the coming 2015 will also be busy as we complete transitioning all NSW providers under the NRS by June 2015, accept more NRS registration intake from participating jurisdictions, commence compliance assessment of NRS registered providers from the middle of next year, and continue performance reviews of AHO registered providers under PARS.

Our success in completing these projects over this period was made possible with the competent and professional RCH staff, the support of our stakeholders such as Housing NSW, AHO, the whole of FaCS, and our registered providers.


And I wish everyone a happy and safe festive season and I look forward
And I wish everyone a happy and safe festive season and I look forward to working with you in 2015.

Dr Pamela Hanrahan
Registrar

News

Regulatory Code NSW Update

The last batch of providers under the NSW Regulatory Code scheduled for compliance assessment was completed in October 2014. ASOP 2014 reported that as at the end of the FY2013-2014, there were 212 providers still registered under the NSW regulatory system.

RCH expects that between now and 30 June 2015 when the NSW regulatory system ceases to operate, most if not all NSW providers would have transitioned to the national regulatory system.

NRSCH Update

ASOP 2014 reported that as at 30 June 2014, there were 13 providers under the NSW Regulatory Code that had successfully transitioned to NRS.

By the 30 November 2014 since it commenced in January 2014, there were 62 registered providers from 4 participating jurisdictions. Fifty percent (50%) came from NSW. The Registrar of Community Housing, Dr Pamela Hanrahan, expects that this number will grow as more providers from NSW complete their compliance assessments and transition to NRS, in addition to the increasing number of providers from participating jurisdictions successfully transitioning to the national regulatory system.

The following table shows the NSW ratio to the NRS registered providers by Tier as at 30 November 2014.
**PARS Update**

We have completed the performance review of the first batch of AHO-providers registered under PARS in mid-October 2014. The reports had been sent to providers and AHO for comments and/or decision.

With the first batch out of the way, we have commenced the performance review of the second batch, which began on the third week of October 2014. There were 16 AHO-registered providers scheduled for this round of performance review. Of the total 16 invited for performance review, two chose not to participate.

RCH expects to complete reviews of this batch by the middle of November and submit reports to providers and AHO in early December. By mid-December 2014, these reports would have returned with providers' and AHO's comments and/or decisions.

We expect to commence on the third batch of performance reviews sometime in the first quarter of 2015.

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**Annual Statement of Performance 2014**

ASOP 2014 is out.

The Annual Statement of Performance (ASOP) records sector outcomes against the National Regulatory System, NSW Regulatory Code and the Aboriginal Housing Office’s (AHO) Provider Assessment and Registration System (PARS). It identifies trends and issues in the administration of these three regulatory systems.

Together with the confidence that stakeholders can draw from the requirements for community housing providers to be registered, this report provides assurance to stakeholders of the ongoing integrity and capability of the sector, and assists the sector to respond proactively to emerging regulatory issues.

ASOP 2014 presents data on the progress of registration assessment under the National Regulatory System (NRS), and the on-going work on compliance assessment of providers against NSW the Regulatory Code from 1 July 2013 to 30 June 2014 that have not transitioned to the NRS. Also, it presents aggregated data on the registration assessment outcomes of Aboriginal community housing providers against the Provider Assessment and Registration System (PARS) to 30 June 2014, as well as the progress of work toward the performance review of Aboriginal community housing providers registered under AHO. In addition, ASOP 2014 provides an account of the Registrar’s work in other areas of its responsibilities.
A re-designed cover and the use of three colours reflect the three regulatory systems for which the Registrar is responsible. The shape of the new design is more than an aesthetic consideration; it also symbolises the role of NSW in the development of a national regulatory environment for community housing.

The full report is available on the Registrar’s website under Publications and Forms.

Feature

Frequently Asked Questions on NRS

In the past several months the Office of the Registrar of Community Housing received several requests for information on the National Regulatory System. These requests had two significant themes: one is "We are already registered under the NSW Regulatory Code, do we need to register again under the NRS? The other was "What are the requirements for registration under NRS?"

1. "We are already registered under the NSW Regulatory Code, do we need to register again under the NRS?"

This query was raised by several providers during a workshops in June-August 2013. The following answer was published in the September issue of this newsletter.

All providers who are required by a funding agreement to be registered under the NSW system will need to register with the National Regulatory System for Community Housing (NRSCH). There is no automatic transfer of registration between the two systems. By 30 June 2015, the NSW registration system (Regulatory Code) will cease to exist.

2. "What are the requirements for registration under NRS?"

The first document that could provide some answers is the "Fact Sheet - Conditions of registration for providers" or the "National Regulatory Code", which articulates the seven performance areas for registration assessment. Visit the NRSCH website for details of these registration requirements.

Aboriginal community housing sector performance

ASOP 2014 reported that the Aboriginal community housing sector has performed very well in FY2013-2014.

As at 30 June 2014, 40 Aboriginal community housing providers were registered under the Aboriginal Housing Office. Eleven of these providers - mostly local Aboriginal land councils - were registered in FY2013-2014. Based on their registration assessment reports, these providers showed strength on most of the performance requirements, particularly for tenancy satisfaction and community involvement.

On its performance, the sector’s profitability based on expenditure before taxes, interests, depreciation and amortisation (EBITDA) margin has improved over the previous FY. A working ratio of 2.6 shows that it can meet its short-term obligations and with an operating cash adequacy of 108.4% indicates that it has the ability to cover any annual payments for long-term debts.

As at 30 June 2014 since PARS commenced in 2010-2011, the sector has:
For detailed information on the progress of PARS and performance of the Aboriginal community housing sector, refer to the full version of the Annual Statement of Performance 2014 on the RCH web site.

Staff Profile: Stacey Broadbent

PARS Manager, Stacey Broadbent, wins one of nine Chief Executive Women (CEW) scholarships. This scholarship program recognises the contribution of women at senior levels in business, not-for-profit and academic sectors.

For 2014, the Chief Executive Women (CEW) awarded a total of 16 scholarships worth $250,000.00; nine to women who made significant contributions in the areas energy, finance and indigenous rights advocacy. Two Aboriginal women received this award in partnership with the Roberta Sykes foundation this year.

Stacey's scholarship is given for her work in advocating for indigenous rights, particularly in the Aboriginal community housing sector. She says "I am a big believer that a house is not just a house, but a home - it's where your soul is and it's where you always go back to". As manager of the Provider Assessment and Registration System (PARS) she supervises a team at the

<table>
<thead>
<tr>
<th>NUMBER OF UNITS OWNED AND MANAGED</th>
<th>861</th>
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<tbody>
<tr>
<td>NUMBER OF TENANCIES</td>
<td>1574</td>
</tr>
<tr>
<td>TOTAL REVENUE</td>
<td>$6.7 million</td>
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<tr>
<td>Rent Revenue Class 3</td>
<td>$3.7 million</td>
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<tr>
<td>Rent Revenue Class 4</td>
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</tr>
<tr>
<td>ABORIGINAL COMMUNITY HOUSING PROPERTIES</td>
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<tr>
<td>EBITDA MARGIN</td>
<td>8.1%</td>
</tr>
<tr>
<td>NET ASSETS</td>
<td>$140 million</td>
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</tbody>
</table>
Registrar of Community Housing that assesses Aboriginal organisations applying to become AHO-registered community housing providers and conducts performance reviews of registered providers. Stacey adds that she would like to see a higher rate of home ownership by Aboriginal families.

The scholarship allowed Stacey to attend a short course at one of the world’s leading business schools - the INSEAD in Singapore. She says that the course not only provided her some insight into further developing her role in advocating for affordable housing for Aboriginal people in NSW but also an opportunity to share and learn about interesting projects from other award recipients.

An interview with Stacey appeared in a NSW newspaper.

RCH Barbeque 2014

The Registrar with the RCH staff.

Last 24 October 2014 RCH held its annual barbeque at Burwood Park. Undeterred by early morning fine showers and threats of a thunder storm in the afternoon, just few minutes past noon RCH staff trekked to Burwood Park with food and beverage in boxes to hold the annual barbeque.

There were sausages, chicken kebabs, vegan kebabs, onions and bread. Cooking was a team effort. Accompanying the cooked meals were couscous, rissoles, and green salad prepared by staff. Dessert included portuguese tart, chocolate tart, and pavlova especially ordered for the occasion. There were copious amount of soft drinks, fruit juices and bottled water. The temperature ranged from 24 to 28 degrees Celsius during the barbeque, but the under the shade it was very pleasant.

RCH staff cooking lunch
What's a barbeque without the joyful banter.

And a group photograph for posterity.

Forthcoming Events

News about conferences, seminars, workshops and training that are coming up.

Australasian Housing Researchers Conference
"Housing Futures: Transforming Living, Changing Lives"
18-20 February 2015
Hobart, Tasmania

Training, workshops, and other development activities are available at the following agencies. Visit their web sites for details.

Homelessness NSW:
www.homelessnessnsw.org.au/

Australasian Housing Institute:
housinginstitute.learningsource.com.au/au/upcoming-courses

NSW Federation of Housing Association:
www.communityhousing.org.au/T1_training.html

Case Study

Case Study:

The provider is a local Aboriginal land council, and aims to identify and preserve sites of cultural significance; improve the environmental, cultural, economic and social values of their land; develop effective, profitable business that improve or create employment opportunities and provide affordable housing. It has
It suffered losses in its affordable housing business. These losses however were mitigated by strong returns from other business activities, such as commercial rent and consultancy services. The provider reported an average 5.5% EBITDA margin for FYs 2010-2012, and expects that its financial performance for FY 2013 will continue to improve, particularly with its affordable housing business. It also reported an average 2.36 working capital ratio in the FYs 2010-2012, which indicated it did not have any concern meeting any immediate debt obligation. The provider’s liquidity position could further improve, if it can resolve substantially its rental arrears of its aged receivables.

The provider achieved positive operating results during the FYs 2010-2012 with a healthy balanced sheet. Its outlook is encouraging as it expects to turn around the performance of its affordable housing business by developing a repayment schedule for tenants to manage rental arrears in the future and by pursuing more vigorously growth per its business plan.