

NSW Registrar of Community Housing Annual Statement of Performance 2017

Sector Overview

Registrar's Overview

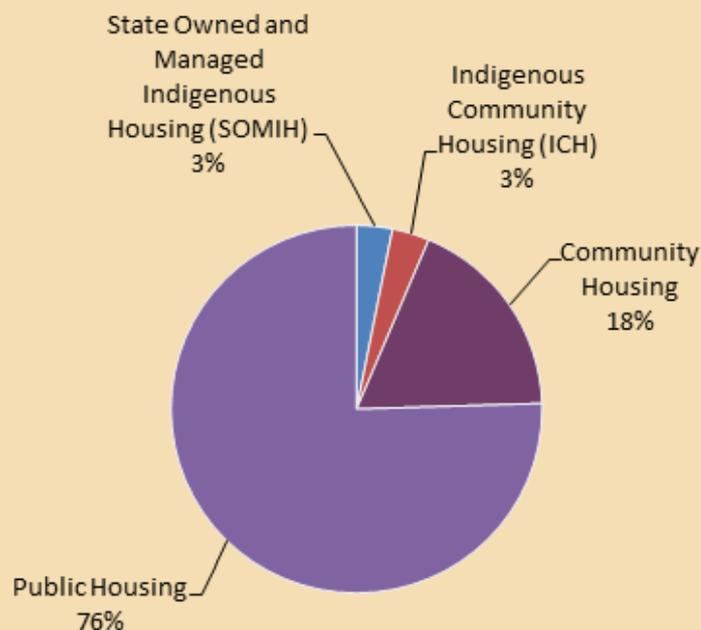
This Sector Overview report provides a picture of the NSW social housing sector within which the Registrar of Community Housing operates. Jurisdiction-specific performance is contained in the associated Registrar Outcome 1, 2 and 3 reports.

In overview, the Registrar notes that:

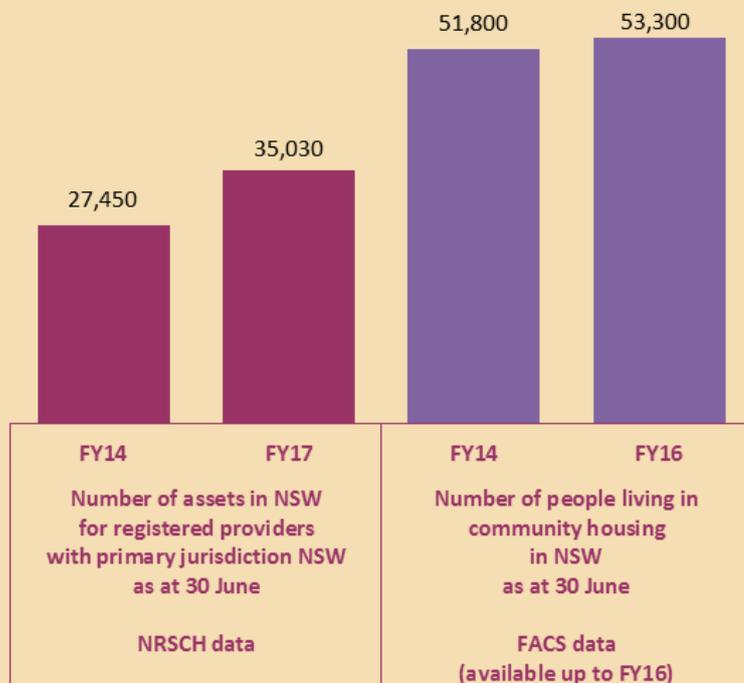
- The community housing sector in NSW has consolidated after transition from a state to national scheme and providers are, on the whole, preparing their businesses for a period of sector growth and enhanced public expectation. To support this, the Registrar is enhancing capability to assess complex financial and business models in 2017-18. (See Outcome 3 report)
- There is an observable difference in the performance of providers operating in a fully regulated market, compared to providers subject to monitoring through only contract management. This is especially clear in transparency and responsiveness to required improvements. This variance in scheme performance supports current policy to encourage providers to become registered under a regulated system, including public housing and other providers involved in assisted accommodation support in NSW. (See Outcome 1 report)
- While community housing providers are on the whole performing well, the Registrar has targeted improvements of a few providers in relation to their governance and management. (See Outcome 1 report)
- In addition to the standard compliance assessment process, in 2017-18 the Registrar has an added focus on:
 - repair and maintenance standards
 - better practice in the visibility of appeals processes, evictions, notifications and other key procedures
 - targeted improvements in property utilisation reporting
 - business capacity and planning to meet the heightened expectations of the doubling of the NSW community housing sector over the next three years.
- To support continuous improvement, the Registrar is developing guidance on what “good practice” looks like in key performance areas, in particular Performance Outcome 3: Community Engagement.



Type and size of social housing in NSW as at June 2016



Assets and residents under direct regulatory authority of the Registrar



Type and size of social housing in NSW

- Social housing is a composite of public housing and community housing.
- Providers of social housing in NSW are engaged across a range of services including:
 - crisis and refuge housing
 - social housing
 - transitional housing
 - affordable housing
 - specialist homelessness services
 - disability services
 - health services
 - child, youth and family services including out of home care
 - aged care
- Aboriginal tenants make up approximately 8% of public housing and 10% of community housing tenancies.

Size of NSW sector by assets

- See final page for further details.
- For community housing providers, there has been an increase in asset numbers within the State of NSW from 27,450 in 2014 to 35,030 in 2017.
- Providers manage more assets on behalf of the NSW Government than they own. In NSW:
 - 25% of total assets under national regulation are owned by registered providers
 - 30% of assets managed by Aboriginal providers are owned by registered providers.

Size of NSW sector by residents in community housing

- The size of the NSW sector by the number of people living in community housing continues to grow and is expected to double under current government initiatives over the next three years.

Notes:

- Figures contained in this report are drawn from Family and Community Services (FACS) strategic reporting and providers reporting to the Registrar.
- Asset numbers quoted are self-reported by NRSCH registered providers and data is not fully validated.

National Regulatory System for Community Housing (NRSCH)

The NRSCH commenced on 1 January 2014 when it was established by the *Community Housing Providers National Law*.

The NRSCH replaced the NSW regulatory system which was established in 2009 under the *Housing Act 2001* (NSW) (NSW Regulatory Code).

A transition period for implementation of the NRSCH ran from 1 January 2014 to 30 June 2015. During the transition period, the Registrar regulated some providers under the National Law and some providers under the NSW Housing Act. From 1 July 2015, regulation is conducted under the National Law only.

Further information is available on the Registrar's website at www.rch.nsw.gov.au and the NRSCH website at www.nrsch.gov.au.

- 39,278 assets are managed by providers with NSW as their primary jurisdiction. 10% (4,248) of these assets are located in secondary jurisdictions.
- Between 2014 and 2017 there was a shift in the number of registered providers, tiers of providers and assets related to the transition from the NSW regulatory system to the national system, including specialist services providers separating from the regulated system (see below).
- Tier 1 and 2 providers dominate the NSW NRSCH jurisdiction by the number of tenancies and assets managed.

NSW Regulatory Code (NSW Housing Act)

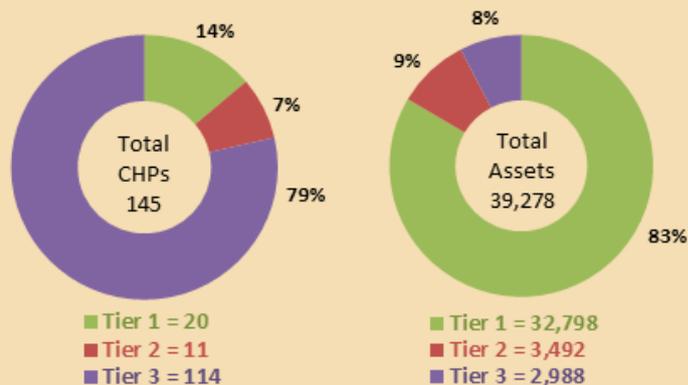
- The NSW Regulatory Code included providers associated with tenancy services but not specifically managing housing. Therefore around 100 providers did not transition to the NRSCH. Many of these continue to provide services other than housing under contract oversight arrangements.

Provider Assessment and Registration System (PARS)

PARS is an Aboriginal Housing Office (AHO) registration system for Aboriginal community housing providers in NSW. Under PARS, the Registrar undertakes registration and performance review assessments on behalf of the Chief Executive of the AHO.

- Out of 40 providers, two providers have grown in size and have moved from Class 4 (with 30 or less properties) to Class 3 (with 31 or more properties).

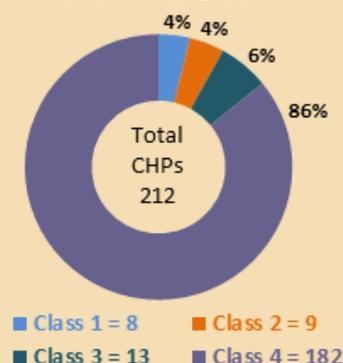
NRSCH Registered Providers by Tier and Total Assets (includes assets outside NSW) Primary Jurisdiction NSW as at 30 June 2017



NRSCH Registered Providers by Tier Primary Jurisdiction NSW as at 30 June each year

Tier	FY14	FY15	FY16	FY17
Tier 1	7	17	19	20
Tier 2	5	11	11	11
Tier 3	1	100	111	114
Total	13	128	141	145

NSW Regulatory Code Registered Providers by Class as at 30 June 2014



PARS Approved Providers by Class as at 30 June each year

Class	FY14	FY15	FY16	FY17
Class 3	13	15	15	15
Class 4	27	25	25	25
Total	40	40	40	40

Entity Types

- The sector comprises a “diverse” range of providers in accordance with the objects of the National Law.
- The Registrar has noted an increase in “for profits” seeking registration to engage in the development and management of social housing. This may impact on how regulation occurs in the future, especially where provider performance differs by type including taxation levels and dividend payments. The Registrar will continue to monitor the regulatory effects of commercialisation within the community housing sector.

**PARS, NSW Regulatory Code, NRSCH Primary Jurisdiction NSW
Registered Providers by Entity Type
as at 30 June each year**

Entity Type	30-Jun-14			30-Jun-15		30-Jun-16		30-Jun-17	
	PARS	NSW	NRS	PARS	NRS	PARS	NRS	PARS	NRS
Aboriginal Corporation	13	2	1	13	1	13	1	13	1
Aboriginal Land Council	20	4	-	20	-	20	-	20	-
Charitable Trust	-	-	-	-	-	-	-	-	-
Church entity by an act of parliament	-	8	7	-	6	-	8	-	7
Company incorporated with shares	-	2	5	-	1	-	3	-	5
Company limited by guarantee	3	76	-	3	72	3	77	3	81
Co-operative	4	1	-	4	2	4	3	4	3
Incorporated association	-	119	-	-	46	-	49	-	48
Unincorporated association	-	-	-	-	-	-	-	-	-
Total	40	212	13	40	128	40	141	40	145

Nature of regulation in the NRSCH

The scheme is self-regulatory in nature, meaning providers work together and through their representative bodies to identify risks, solutions and promote better practice. The Registrar acts as a performance monitoring and intelligence based regulatory oversight body for this self-regulatory system.

NRSCH – Community Housing Assets

Registered Providers Primary Jurisdiction NSW (n=145) as at 30 June 2017

Note: Asset numbers quoted are self-reported by NRSCH registered providers and data is not fully validated

Ownership – NSW	
Owned (Wholly Or Partly)	9,445
Managed On Behalf of Another Entity	25,585
Total Owned/Managed – NSW Assets	35,030

Ownership – All Assets	
Total Owned/Managed – Assets in NSW	35,030
Total Owned/Managed – Assets outside NSW	4,248
Total Assets Owned/Managed	39,278

Class of Assets – NSW	
Class A	4,273
Class B	1,306
Class C	2,919
Class D	3,643
Class E	14,581

Type of Accommodation – NSW	
Long Term	31,272
Transitional	1,702
Crisis	402

Planned Growth - Five Years – NSW	
Total Tenancy Units Planned Next 5 years	7,388
Total Tenancy Units Vested Next 5 years	344
Total Tenancy Units Acquired Next 5 years	3,203
Total Units Planned Major Refurbishment	2,676
Net New Leases Planned	2,572
Net New Fee for Service Leases	5,741
Net New Properties Managed	4,685
Net New Total	12,998

Maintenance Liabilities – NSW	
No Responsibility For Maintenance	6,823
Responsive Repairs Only	1,032
Responsive And Cyclical/Planned	15,538
All Responsibilities (Including Structural)	11,224

Age of Portfolio – Responsive & Cyclical Responsibilities – NSW	
(R) 0-9 Years	4,026
(R) 10-19 Years	2,735
(R) 20-29 Years	2,010
(R) 30-39 Years	2,635
(R) 40+ Years	4,989

Age of Portfolio – All Responsibilities – NSW	
(L) 0-9 Years	7,671
(L) 10-19 Years	635
(L) 20-29 Years	571
(L) 30-39 Years	133
(L) 40+ Years	960

Net Leases for year to 30 June – NSW	
Net Leases – Tenancy Units	17,929
Net Leases – Commenced	1,741

Change of Assets Owned in year to 30 June – NSW	
Changed Assets - Disposed	23
Changed Assets - Developed	240
Changed Assets - Vested	236
Changed Assets - Acquired	62
Total Changed Assets	515

State Housing Authority Vested Interest – NSW	
Total SH Vested Interest - NSW	8,898

Class of assets as defined by the National Law:

Class A	Class B	Class C	Class D	Class E
Land vested in the provider by or under the community housing legislation of a participating jurisdiction	Land acquired by the provider wholly or partly with funding provided by a Housing Agency of a participating jurisdiction	Land vested in the provider on which a Housing Agency of a participating jurisdiction has constructed housing or made other improvements	Funds provided to the provider by a Housing Agency of a participating jurisdiction for the purposes of community housing	Any other asset of the provider that is of a class of assets declared by the community housing legislation of a participating jurisdiction as community housing assets for the purposes of the National Law