



**Registrar of  
Community Housing**

**NSW Registrar of  
Community Housing**

# **Annual Statement of Performance**

**Reporting Period July 2021 – June 2022**

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This report details our work in regulating Community Housing Providers (**CHPs**) in New South Wales (**NSW**) under the National Regulatory System for Community Housing (**NRSCH**) and the NSW Local Scheme (**NSWLS**).

This report consists of:

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## Registrar's Message

I am pleased to present the NSW Registrar of Community Housing's Annual Statement of Performance for 2021-22.

This report presents insights into the performance of my Office in our efforts at ensuring a well-governed, well-managed and viable community housing sector in line with the objects of the *Community Housing Providers (Adoption of National Law) Act 2012 (NSW) (Act)*.

We have seen a significant increase in the number of Aboriginal CHPs seeking registration. This process is underpinned by the Aboriginal Housing Office's Registration Policy from 2018 which requires Aboriginal CHPs to register under the Act by December 2022. The registration of Aboriginal CHPs remains an ongoing priority.

We continue to improve internal capability to meet the growing number of providers in NSW.

We have established an agile assessment method of compliance reporting. This process involves several compliance officers working on different parts of a provider's compliance assessment. We are now one full year in having adopted this approach. Results are encouraging and we will continue to work in this way with providers as required. The process allows a quicker regulatory response to providers.

Our office continues to undertake registration and compliance work for the Registrars of the Northern Territory and Tasmania under delegated authority. Each of these two Registrars make the final decision for the regulatory work we undertake for their respective jurisdictions. We enjoy the challenge of working with other jurisdictions. Each jurisdiction has its own particular issues over and above the common aspect of much of our work.

We finalised our new [Strategic Plan 2022-2025](#) over the last two months.

Our Plan details how we hope to make a meaningful difference in ensuring the sustainability and viability of the community housing sector for the benefit of the people of NSW.

Our office continues to focus on particular areas of compliance with a campaign being run this year on provider constitutions. The Act requires the Registrar to ensure there is a valid winding up clause in an organisation's constitution. We expect to have this campaign completed by March of 2023. Every constitution is being reviewed, with Tier 1 and 2 constitution reviews completed and substantial progress having been made on Tier 3 constitutions.

Analysis has commenced on the potential impact that rising interest rates may have on the community housing sector. CHPs' main but far from only source of financing comes from the National Housing Finance and Investment Corporation (**NHFIC**).

With the costs of servicing loans on the rise, a thorough review of CHPs' existing loan structures is being undertaken to consider the sector's ability to meet current debt obligations and the possible impact these rises may have on the sector's ability to fulfil community housing needs. Whilst the review is yet to be concluded, our preliminary findings indicate that the sector is well placed to weather the increasing interest rate cycle.

This year has seen changes to the reporting requirements of Affordable Housing developments as a result of the new [State Environmental Planning Policy \(Housing\) 2021 \(NSW\) \(Housing SEPP\)](#) which commenced on 26 November 2021. New Affordable Housing is required to be managed by registered CHPs.

I am pleased to say that our submissions to the NSW Department of Planning and Environment (**DPE**) to have the Registrar notified of Affordable Housing developments were accepted and electronic notifications are now in place. In addition, these developments will, for the first time, be subject to the [NSW Affordable Housing Ministerial Guidelines 2021/22](#). Compliance with these guidelines will be monitored by this Office. Affordable Housing is expected to be a rapidly developing area with its own regulatory peculiarities.

I would like to acknowledge the continued and valued input from our team, registered providers, industry peaks and supporting agencies, including the Housing Agencies and look forward to continuing to lead in ensuring the efficient regulation of CHPs by focussing on achieving our objectives as set out in our new Strategic Plan.

I continue to reach out to CHPs to hear from them on current or new pressures to their bottom line and any other matters, policy or program which impacts negatively or positively upon the sector or the NRSCH Performance Outcomes.

As always, I welcome feedback on this report and generally.

**Chris Valacos**

NSW Registrar of Community Housing

## Part 1 - Overview

### The Registrar and Legislation

The Registrar's position is a statutory appointment under section 10 of the Act. The Registrar reports directly to the Minister for Families and Communities, and Minister for Disability Services. The Registrar's functions are to regulate registered CHPs in accordance with the National Regulatory Code (**NRC**), which is a Schedule to the Act.

Visit our website for further information about the Office and the Registrar's functions [here](#).

The Registrar administers the NRSCH, which commenced in NSW in January 2014. The Registrar also administers the NSWLS which was enacted to monitor and regulate entities that provide community housing but are unable to be registered under the Act, almost always because they are unable to comply with the NRSCH mandated winding up clause.

The Registrar also provides operational regulatory services for the Northern Territory and Tasmania under fee-for-service arrangements. These activities have been delegated from the Registrars of both jurisdictions.

### The Regulatory System in NSW

The NRC sets out the performance outcomes that registered CHPs must demonstrate compliance against. The Tier of registration of a CHP is a factor in determining the depth of regulatory engagement and oversight, in line with the level of risk associated with the scale and scope of its community housing activities.

The objective of the regulatory system is to ensure that community housing is developed as a viable and diversified component of the NSW social housing sector. Additionally, the NRC requires CHPs to be well-governed, financially viable and deliver quality housing services.

### Our Regulatory Approach

The Registrar assesses and monitors the performance of registered CHPs in a largely self-reporting scheme. Consequently, our regulatory approach is to provide registration and performance assessment services for CHPs, their representative bodies, tenants, the 3 Housing Agencies and the government of NSW.

To assist in the sustainability and viability of the community housing sector for the benefit of the people of NSW, the Registrar seeks to encourage businesses to pursue best practice in governance, tenant services, asset management, probity, business management, community engagement and financial viability.

Where necessary, the Registrar may focus on non-compliance and investigate and take enforcement action to protect tenants and the viability of the sector as a whole. Our approach is based on assessing the levels of behaviour and acting proactively to shift CHPs towards best practice.

You can learn more about our regulatory approach here [Registrar of Community Housing - Our Regulatory Approach](#)

## The Aboriginal Housing Office (AHO)

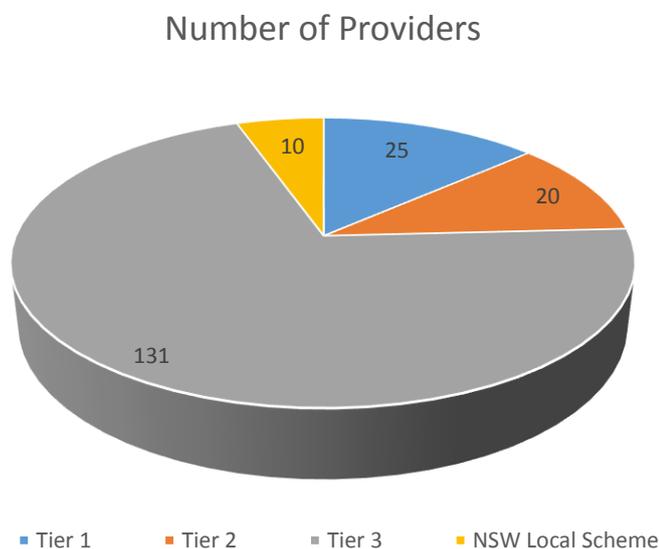
The Registrar supports the AHO while it works through a strategic shift in the Aboriginal community housing sector with the goal of recognising the NRSCH as the AHO's primary registration pathway. The AHO policy settings recommend that Aboriginal CHPs should be registered or scheduled for registration under the NRSCH or NSWLS by December 2022.

To support this work, the Registrar continues to operate under a Service Level Agreement (SLA) with the AHO. This ensures adequate funding for regulatory services to Aboriginal CHPs that may seek registration or capacity building support from the Registrar.

## The Sector We Regulate

As at 30 June 2022, there were 176 registered CHPs with NSW as their primary jurisdiction (25 Tier 1, 20 Tier 2, 131 Tier 3).

Fig 1 – Registered CHPs by Tier of registration



You can access the Community Housing Provider Register, which contains details of all nationally registered CHPs, on the NRSCH website using the following link:

[https://www.nrsch.gov.au/national\\_register](https://www.nrsch.gov.au/national_register)

The NSW Local Scheme Provider Register contains details of all local scheme registered CHPs and can be accessed via the link below:

<https://www.rch.nsw.gov.au/nsw-local-scheme/nsw-local-scheme-provider-register>

The Registrar also produces periodic reports that provide insights into identified trends and patterns in the community housing sector.

Our most recent Performance Reports on the NSW Tier 1 and Tier 2 sectors are available on our website here: [Registrar of Community Housing - Previous Performance Reports](#)

## Part 2 - Resources and Activities

### Corporate Infrastructure and Reporting Structures

While the Registrar is directly accountable to the Minister for Families and Communities, and Minister for Disability Services, the Registrar's Office operates with the financial support of two NSW agencies: the Department of Communities and Justice (**DCJ**) and the AHO.

The Registrar directs all aspects of the operations of the office but is supported by administrative services provided by DCJ and operates in accordance with DCJ's policies, procedures, guidelines, and agreements which are common to all of its business units and staff.

All staff of the Registrar are public servants employed under the *Government Sector Employment Act 2013* (NSW) and are a part of the DCJ. Approximately 16% of positions in the Registrar's office are funded through the agreements with the AHO, Tasmania and the Northern Territory.

### Resourcing

The Registrar receives financial support to fund its operations from a number of sources, with the majority of these provided by the NSW Government. Other funding is received from both the Northern Territory and Tasmanian NRSCH jurisdictions.

Total funding from all sources received for the year was \$4,415,893.

### What Activities are Resourced?

#### New South Wales

##### **Compliance Assessments**

Our staff completed 119 compliance assessments for NSW registered CHPs as part of our scheduled engagement during the financial year 2021 to 2022. This is an increase of 26% from the 94 assessments completed in the 2020 to 2021 financial year.

Of the total assessments:

- 112 were standard compliance assessments
- 6 were targeted assessments (scheduled to improve identified gaps in provider performance)
- 1 was a triggered assessment (conducted following an event or the occurrence of a particular circumstance, such as a serious complaint, a provider notification and/or a meaningful change of circumstances within an organisation).

##### **Registration Enquiries**

The Registrar's office continues to process a large number of registration enquiries from entities seeking to register under the NRSCH and the NSWLS.

This year we received a total of 92 registration and new entrant enquiries (78 NRSCH and 14 NSWLS). These enquiries came from various organisations including Aboriginal housing providers, property developers, real estate agents and Special Purpose Vehicles (**SPVs**) set up to participate in specific state housing programs or at the request of funding/financing agencies.

One of the objects of the Act is “to ensure that registered community housing is developed as a viable and diversified component of the NSW social housing sector”.

Registration of suitable entities provides an avenue to maintain regulatory oversight of community housing providers and allows for a diverse range of entities to opt-in under both the NRSCH and NSWLS.

### Registration Assessments

In the reporting year, a total of 18 registration assessments were completed. There were 17 new CHPs that were registered under the two schemes. Of these, two were registered as a Tier 1 provider, two were registered as Tier 2 providers and 13 as Tier 3 providers. There was one assessment completed where registration was not achieved.

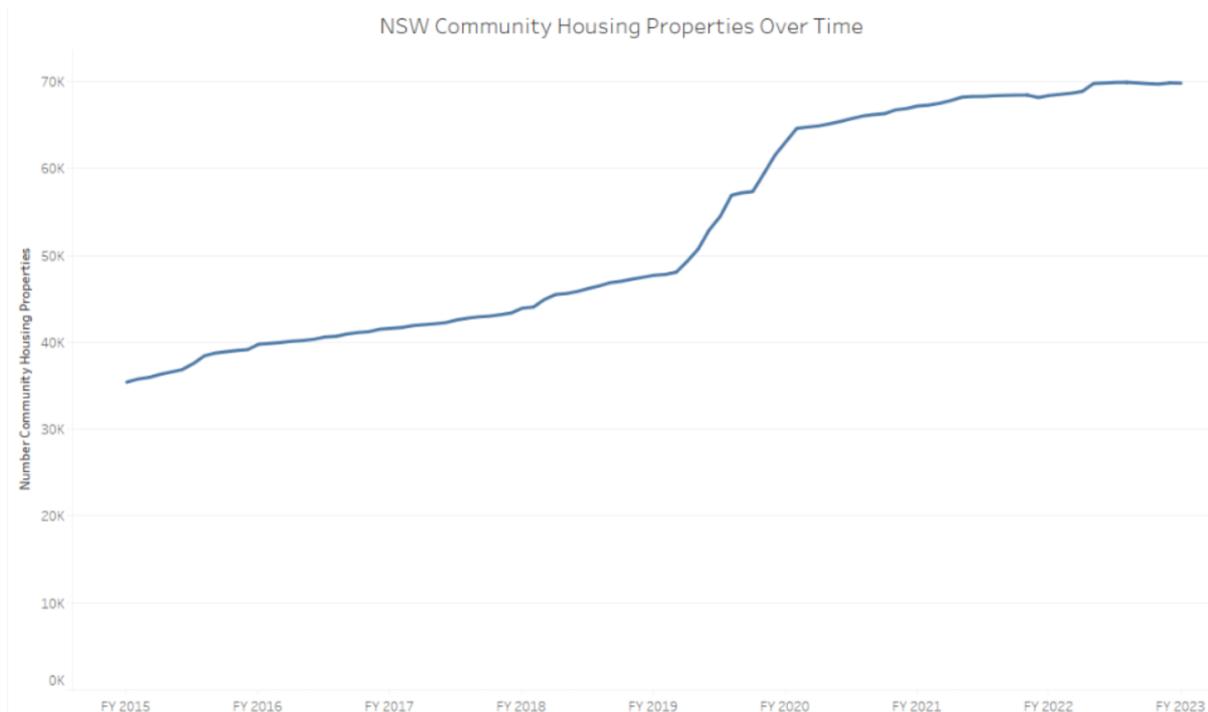
The table below shows the diverse nature of entities that achieved registration during the year:

Entity Type	NRSCH	NSWLS
Special Purpose Vehicles	3	
Local Aboriginal Land Councils		4
Aboriginal Housing Providers	7	
Homelessness Service Providers	0	
Affordable Housing Providers	1	
Faith-based Entities	0	
Disability Service	1	
Mental Health Service	1	
<b>Total</b>	<b>13</b>	<b>4</b>

### NSW Community Housing Properties Growth Over Time

Below you will find a table providing details of how we continue to see a rise in the number of community housing properties being managed by registered CHPs. A sharp spike in 2019-2020 can be seen, which is directly attributable to the Social Housing Management Transfer (**SHMT**) program.

While there has only been a marginal increase since 2020, we anticipate that there will be continued growth over the next few years as programs connected to the recent Federal Government commitments, including the building of 30,000 new social and affordable housing properties via the \$10 billion Housing Australia Future Fund (**HAFF**), are realised.



## Cases

We define a case as a notice or enquiry made to our office including CHP notifications, complaints received from tenants, registration enquiries and general enquiries on the functions of our office.

Our staff opened 381 NRSCH related cases comprising of 152 CHP provider notifications, 128 complaints, 68 registration enquiries, 23 general enquiries and 10 new entrants cases. We closed 388 cases during the year (see fig 2. below).

For the NSWLS, our staff opened 15 cases which included 11 registrations, 3 new entrants and 1 provider notification. The team closed 3 cases including 2 registrations and 1 new entrant.

In assessing these cases, our staff identified a continuing trend amongst complainants not initially accessing the complaints resolution mechanisms of registered CHPs. We continue to work with tenants and CHPs to improve communication and education regarding the complaint resolution mechanisms.

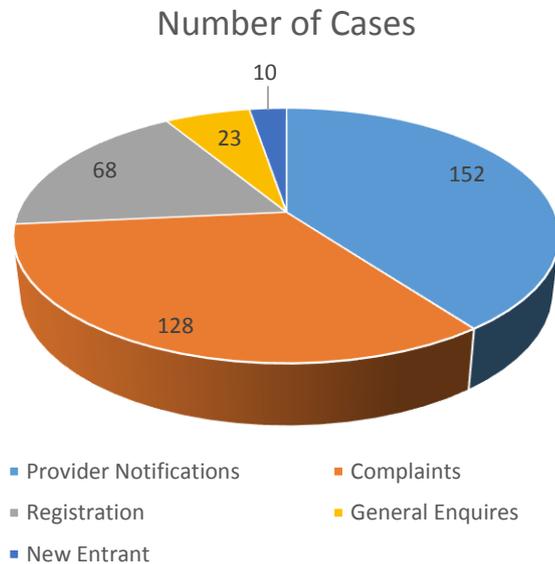
We continue to field a growing number of registration enquiries, including from Aboriginal housing providers seeking registration in line with the AHO's registration policy.

This year has seen a significant increase in SPVs seeking registration due to specific funding and program requirements as well as for-profit entities developing and/or managing affordable housing.

In accordance with section 15 of the Act, a condition of registration and ongoing compliance requires providers notify our office on a range of matters. These notifications include, but are not limited to, any incident that may have an adverse impact on its compliance with the community housing legislation. The Registrar closed 153 provider notifications this year consisting of 152 NRSCH and 1 NSWLS notifications. An indication that registered providers

continue to comply with the requirement to notify the Registrar of significant events includes 84 COVID-19 related notifications demonstrating the impact of the pandemic on providers.

Fig 2 – Number of Cases in NSW



### Northern Territory

We completed four standard compliance assessments and four registration assessments for CHPs in the Northern Territory jurisdiction. We have seen a small increase in both registration and assessments from the previous year, which had three compliance assessments and one registration assessment in 2021.

Our office also fielded one enquiry and one withdrawn application from entities seeking to register in the Northern Territory.

Our office closed 13 cases in the year with four of them being new entrants, four registration enquiries, two complaints and one provider notification.

### Tasmania

We completed four standard compliance assessments and two registration assessments for entities with Tasmania as their primary jurisdiction. These assessments have doubled from the previous year.

Our office also closed six cases in the year with one new entrant, two registration enquiries, two complaints and one provider notification.

## Part 3 - Performance

Our approach to ensuring efficient regulation is in line with the Productivity Commission's [Regulator Audit Framework](#) which provides guidance for auditing the performance of regulators in regard to the compliance costs they impose on businesses and other regulated entities. It complements other frameworks that are used to assess the performance of regulators regarding their efficiency and effectiveness.

The Framework outlines that for regulators to be effective and efficient, they should report on their performance which:

- focuses on the principles and particular areas of regulator behaviour that have the greatest effect on the cost of compliance for businesses they regulate;
- selects good practice indicators that best reflect regulator behaviour that minimises compliance costs while still achieving the objectives of the regulation;
- provides metrics at the highest level possible to demonstrate the satisfaction of the principle or indicator, using data and information from existing sources where available; and
- requires auditors to 'triangulate' information in forming a view of the satisfactory achievement of a principle and is included as a separate module in external audits that examine broader areas of performance of the regulator and regulation.

### The Principles of Good Regulation

The principles of good regulation reflect how the Registrar meets the public value expectations of the objects of the law. The principles below underpin the NRC and are reflected in national performance requirements. Aligned to the commitment of all community housing Registrars, we are committed to ensuring that our approach to regulation principles is:

- **Proportionate** – The level of regulatory engagement will reflect the scale and scope of risk to the CHP;
- **Accountable** – Decisions to engage with a CHP and the intended outcomes will be justified and subject to scrutiny;
- **Consistent** – Regulatory engagement will be based on a consistent approach across all participating jurisdictions;
- **Transparent** – There will be clear and open communication with CHPs about regulatory engagement;
- **Flexible** – Adopt the most appropriate engagement relevant to the desired outcome; and
- **Targeted** – Regulatory engagement will be focused on the core purposes of improving tenant outcomes and protecting tenants, protecting government funding and equity, and ensuring investor and partner confidence.

### What Did We Achieve?

#### Proportionate

The Registrar continued to monitor the impact of the COVID-19 pandemic on the operations of registered providers in light of the lockdown situation over the last 24 months. Ongoing engagement has enabled a better understanding of business continuity arrangements being implemented by CHPs to ensure they are able to deliver services in line with their service charters.

Registration under the NSWLS continues to grow, with an additional four Aboriginal housing providers registered during the financial year. In doing so, the Registrar has surpassed the performance targets of the Service Level Agreement (**SLA**) with the AHO.

The Registrar continues to contribute to legislative initiatives and planning policy settings that seek to increase and improve the supply of social and affordable housing in NSW.

### **Accountable**

The Registrar continues to undertake registration and regulation of CHPs in the Northern Territory and Tasmania through formalised SLAs. The Office is also continuing its support of the AHO's registration policy by providing registration and regulation services for Aboriginal CHPs.

Our office's submissions to the Department of Planning and Environment to have the Registrar notified of Affordable Housing developments were accepted and electronic notifications are now in place. We are presently receiving about 2 notifications per day. Compliance with the Affordable Housing Guidelines will be monitored by this Office for Affordable Housing providers under the Housing SEPP 2021. This is a new and rapidly increasing area of compliance work.

Our office has been analysing the potential impact that rising interest rates may have on the community housing sector's ability to service existing loans and fulfil the needs of the community in increasing housing supply. Early indications are that the sector is in good financial health and can weather the increasing rate cycle. This issue will be closely monitored.

### **Transparent**

The Registrar has now embedded the publishing of individual provider executive assessments on the National Provider Register in line with our public reporting focus.

We continue to offer providers an opportunity to receive a copy of their full assessment (registration and/or compliance) in our efforts at providing more transparent and accountable information to the sector.

### **Flexible**

During the year, the Registrar adjusted timelines for regulatory engagement enabling providers to focus on key business continuity priorities and ensure safety of their staff and tenants. This measure was taken in response to the impacts of the COVID-19 pandemic.

Our staff attended a number of conferences throughout the year including the National Homelessness Conference and Affordable Housing Development & Investment Summit to keep abreast of developments influencing the strategic intent of providers.

### **Consistent**

Our office continues to seek opportunities for red-tape reduction by strengthening information-sharing protocols with the NSW Housing Agencies. We will also continue to develop our intelligence gathering capabilities to further strengthen the oversight function of the office.

## Targeted

Our office is continuing to embed a targeted regulatory engagement approach that reflects the specific risks of provider cohorts and the various housing and funding programs that support their businesses.

As a result of the consultation process that took place between Tier 3 providers and NRSCH participating jurisdictions back in 2018, Tier 3 regulation was reformed by applying principles of segmentation, flexibility in evidence and flexibility in scheduling. Our segmentation program ensures we group providers into cohorts and better understand their performance.

In NSW, real estate agents are an example of a unique entity coming into the NRSCH. To provide the Registrar with an ongoing regulatory assurance of performance, Additional Standard Conditions of Registration (**ASCoRs**) are applied to this cohort. The ASCoR has terms including the restricting of real estate agents to managing only affordable housing products, altering the scheduled frequency of engagement to yearly and altering the performance data required. Real estate agents are grouped as a market segment.

Our office also segments those providers who own and/or manage 10 or fewer community housing assets. We stage the regulatory approach by assessing performance outcomes 1, 2 and 7 in year one, and the remainder of the performance outcomes in year 2. This is a targeted and less intrusive way of reducing regulatory burden by adding a more frequent but lighter engagement with our office, while still ensuring we cover all 7 Performance Outcomes over the two-year period.

This approach continues to work well for our providers and our office. Providers have expressed support for this program.

## Part 4 - Outcomes

### Objects of the National Law:

“... to provide for a national system of registration, monitoring and regulation of community housing providers... ... to make it easier for community housing providers to operate in more than one participating jurisdiction... A purpose of registration is to identify appropriate entities to which government funding for community housing might be provided under other legislation or policies of a jurisdiction...”

- The Registrar continues to adjust operational capability to respond to the rise in entities seeking registration, thereby enabling businesses to participate in new opportunities designed to improve tenants' experience.
- The Registrar undertakes operational work on behalf of other jurisdictions to ease the burden on providers doing business across borders. As at 30 June 2022, there were 15 multi-jurisdictional CHPs with NSW as their primary jurisdiction that provide community housing services in other participating jurisdictions.

### Objects of the NSW Act that introduces the National Law:

“... to apply as a law of this State a national law for the registration and regulation of community housing providers under a national system of registration.”

- The Registrar continues to report on the performance of the regulatory system and the sector in order to get the right balance in public value and regulatory capacity. This relates to regulatory oversight of the suitability of CHPs and their compliance with legislation to assist the sector perform above thresholds. Based on this, CHPs' performance is monitored regularly and their suitability for registration continues to be assessed.

### Objects of the National Law:

"...to encourage the development, viability and quality of community housing." Objects of the NSW Act that introduces the National Law: "...to ensure that registered community housing is developed as a viable and diversified component of the New South Wales social housing sector"...to support the provision of registered community housing for people on very low, low or moderate income."

- The Registrar continues to monitor and review sector viability, whilst contributing to strategies being developed by policy-making bodies to mitigate risks.

### Objects of the National Law:

"...to promote confidence in the good governance of registered community housing providers so as to facilitate greater investment in that sector." Objects of the NSW Act that introduces the National Law: "...to facilitate Government investment in the community housing sector and ensure the protection of that investment."

- The Registrar regularly assesses the sector's financial performance, providing assurance that CHPs continue to deliver sustainable and fit-for-purpose housing solutions now and into the future, resulting in improved public and private investor confidence.

## Part 5 – Spotlights

### Affordable Housing and the Housing SEPP

The issue of regulation of affordable housing and its associated risks are being considered. Some of the risks are currently managed by the Registrar; others require coordinated responses at an inter-agency level.

The Housing SEPP requires that affordable housing and boarding houses are managed by CHPs. Electronic notifications have recently commenced and the Registrar is involved in ongoing discussions with the DPE.

It is in the public interest that the Registrar be informed by the DPE as to who is making affordable housing development applications and when the properties become available for occupation. This ensures that the planning concessions which were granted are reflected in correspondingly suitable affordable housing rents. The law requires this quid pro quo. The legislative gap has now been closed.

Additionally, these developments are now subject to DCJ's Ministerial Affordable Housing Guidelines, which apply to all new Affordable Housing developments, and monitored by this Office.

## Regulation of Boarding Houses in NSW

The Registrar has been given further jurisdiction under the Housing SEPP, particularly over new boarding house developments.

The Housing SEPP requires new boarding houses to be managed in perpetuity by registered CHPs as a form of affordable housing.

Co-living and independent living units are also introduced as new housing types.

The SEPP also regulates Build-to-Rent housing and Seniors' housing and includes planning rules for caravan parks, group homes and special provisions for the NSW Land and Housing Corporation.

Registration enquiries to our office by boarding house developers have increased as a result.

## Special Purpose Vehicles (SPVs)

Registered CHPs are increasingly setting up subsidiary or affiliated entities known as SPVs. These are separately registered CHPs for a specific purpose; usually as part of a major public and private partnership or a major commercial development for which NHFIC has granted loans to CHPs. The key reason for the growth of SPVs, which are CHPs, is to ring fence debt risk. It has the overall effect of allowing the sector to grow. Risk continues to be closely monitored and SPVs report in the same manner as any other CHP.

Some SPVs have been set up just for development purposes, with the intention that once construction has completed, the tenancies will be managed by the parent CHP.

Providers are also setting up SPVs which won't transfer the assets back to the registered CHP once the project is complete. The tenancies may be outsourced in most cases to the parent provider to manage, but the assets ownership remain with the SPV. A key driver is that SPVs are favoured by the National Housing and Finance Investment Corporation (**NHFIC**).

## Review of all Constitutions

Our office regularly runs "campaigns" to improve a particular area of community housing sector performance. Past campaigns have included "Conflict of Interest Management" and "Improving Tenant Satisfaction with Maintenance".

The current campaign is a review of the winding-up clause in CHP constitutions. The Act requires the Registrar to ensure that there is a valid winding up clause in an organisation's constitution. To be valid, the wind up clause should ensure that any community housing assets on the winding up of the company are transferred to another registered CHP or Housing Agency. This ensures that government funding and assets are protected.

The campaign is being completed in stages. Stage 1 dealt with the review of all Tier 1 and Tier 2 CHP constitutions. The review found that approximately 75% of the CHPs had fully compliant constitutions, with the remainder acknowledging changes had to be made to their constitution to ensure compliance with the National Law.

Stage 2 of the campaign has commenced reviewing Tier 3 CHP constitutions. The campaign is expected to be completed by March 2023.

## Interest Rate Deep Dive

Analysis has commenced on the potential impact that rising interest rates may have on the community housing sector. CHPs' main source of finance is obtained through NHFIC.

NHFIC provides a range of low cost, long-term finance options to registered CHPs to support the provision of affordable and social housing. These loans vary in their structure from fixed to variable interest options.

With the cost of servicing loans on the rise, a thorough review of CHPs existing loan structures is being undertaken to consider the sector's ability to service existing loans and the possible impact these changes may have on the sector's ability to fulfil the needs of the community in increasing housing supply.

It is worth noting that the Registrar provides NHFIC with a detailed Regulatory Report before a CHP receives NHFIC funding. NHFIC also undertakes its own detailed due diligence before approving a loan and both the Registrar and NHFIC assess the CHPs' ability to fund ongoing debt repayments.

## Aboriginal Housing Strategy and the NSW Local Scheme (NSWLS)

The Registrar was directed by a previous Minister for Family and Community Services to enact the NSWLS. The NSWLS mirrors the NRSCH but for the requirement to have a wind up clause. The purpose of the NSWLS is to provide an avenue of registration for providers who are unable to meet the wind up clause requirement of the NRSCH.

The NSWLS allows Local Aboriginal Land Councils (**LALCs**) to participate in a recognised scheme that enables access to a range of housing and funding opportunities.

The local scheme has become a significant part of the Registrar's support to the NSW Aboriginal Housing Strategy for some time now and is seen as a particularly useful means of encouraging the growth of Aboriginal CHPs.

## Capacity Building with Aboriginal Community Housing Providers

The Registrar assists CHPs, especially in the Aboriginal CHP sector, to build capacity and become "registration ready". The notion behind capacity building is that better regulation means better outcomes for tenants.

The AHO has a Registration Policy 2018 which sets out that all housing providers in receipt of assistance from the AHO must be registered under the National Law or NSWLS by December 2022. The 2018 Policy's purpose was to make sure that those organisations which receive AHO assistance or assistance from another Housing Agency are regulated under the community housing legislation.

The AHO has recently approved a mechanism to recognise Aboriginal housing providers as registered organisations under the *Aboriginal Housing Act 1998* (NSW) (**AHO Act**). In short, the AHO will accept that Aboriginal Housing Organisations need only register under Part 5 of the AHO Act and not the National Law, provided their community housing properties are managed by a registered Aboriginal CHP under the community housing regime.

The Registrar is monitoring this development to ensure that Aboriginal housing providers with community housing assets register under the National Law or the NSWLS as required by law.

## Alternative Insurance Model for CHPs

Due to the increasing cost of insurance for CHPs, 27 CHPs are currently exploring alternative insurance models. In the last 5 years, CHP insurance premiums have risen 56% for CHPs. Significantly, the deductible limit has increased exponentially; for example, fire has risen from a \$1,000 to a \$100,000 deductible limit in that period, meaning that in addition to increased premium costs, less of the CHP's losses are covered by traditional insurance. Further, there is an extremely limited pool of insurers willing to cover CHPs. This is especially true for small CHPs who simply cannot get property insurance.

After some research and consultation, an alternative model which has been agreed by the participating CHP collective has been selected, known as the Discretionary Mutual Trust (**Mutual**). The peak body leading the project is PowerHousing Australia and is currently in phase 3 of the project. The Registrar's office was briefed late in Phase 2 in December 2021 and is monitoring developments closely.

Broadly, members pay a contribution to the Mutual and the Mutual creates a "pooled cover" layer between members and Indemnity Providers, from which the majority of claims will be paid. There is also indemnity cover above the pooled cover layer which will cover claims above a certain amount through traditional insurance.

## Part 6 - Our Future Focus

### Strategic Plan 2022 - 2025

Our office has developed and implemented a new [Strategic Plan 2022 - 2025](#).

Our strategic plan outlines some of our key priorities for the next year. These include:

- Providing a well governed, well managed and viable community housing sector that meets the housing needs of tenants and provides assurances for government and other investors into the sector.
- Maintaining the National Register of Community Housing Providers jointly with the Registrars of other participating jurisdictions.
- Providing information about the registration of entities and information about the compliance of registered community housing providers with community housing legislation.
- Sharing information and cooperating with Registrars of other participating jurisdictions for the purposes of community housing legislation.

Our vision for the future is to have an increasingly close rapport with both the Housing Agencies and the sector. This includes the flexibility to adapt to emerging opportunities such as:

- Innovative corporate structures for CHPs such as "Special Purpose Vehicles";
- Increased oversight of affordable housing including new Boarding Houses;
- Shared accommodation for persons with additional needs;
- Meaningfully increased and proactive interaction with the Housing Agencies;
- Emergence of non-traditional registered CHPs, including private "for-profit" developers; and
- Thought leadership at a national level.