



Registrar of
Community Housing

NSW Registrar of Community Housing

Annual Statement of Performance

Reporting Period 1 July 2017 – 30 June 2018

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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).

The report comprises the following parts:

1. Registrar's Message
2. Overview
3. Resources and Activities
4. Performance
5. Outcomes
6. Our Future Focus

Registrar's Message

As the NSW Registrar of Community Housing, my role is to ensure a well governed, well managed viable community housing sector that meets the housing needs of tenants and provides assurance for government and investors. My office has the role of monitoring business performance in a largely self-regulating scheme that operates under collegiate, national guidelines and agreements.

In the reporting year I have held myself to account for the same level of business performance standards that I seek from the companies I regulate. As such I have sought to improve the quality of our reporting, build our capability to verify information, test areas of risk, provide forward looking assessments of performance and viability, contribute to national systems and policies, and adapt to innovation in social housing programs and commissioning of providers.

Our public value is defined in the objects of the law we administer; to apply the national system of registration; to facilitate government investment in community housing and ensure the protection of that investment; and to support the provision of registered community housing for people on a low, very low or moderate incomes.

I have commented on the performance of providers in other reports. This report is on how the regulator has performed and attempts to remain true to contemporary better practice in regulator performance reporting. It charts our progress over the last year and sets out our direction, goals and priorities for the coming year. The report helps me to monitor our progress and demonstrate our performance against our public value, including areas for improvement as well as successes.

Along with our Annual Statement of Performance, we've recently updated our [Strategic Plan](#). Our plan communicates our priorities and objectives, defines what success looks like and what we will focus on to achieve it and it describes the behaviour and leadership that our clients and partners can expect of us – and that we can expect of each other.

As always, as part of our engagement process, I welcome feedback and input into our work. Your views are important to me as it helps me improve my service.

Neil Quarmby
Registrar of Community Housing

Overview

The Registrar and Legislation

The Registrar of Community Housing (the Registrar) is a statutory appointment under section 10 of the [Community Housing Providers \(Adoption of National Law\) Act 2012 \(NSW\)](#), referred to as the National Law. The Registrar reports directly to the Minister for Family and Community Services (FACS) and registers Community Housing Providers (CHPs) independently of FACS. While this reporting structure guarantees the Registrar's independence, the Registrar's office operates as a business unit of FACS and receives support in the areas of accounting, information technology and legal services.

The Registrar is responsible for administering the National Regulatory System for Community Housing (NRSCH) in New South Wales (NSW). The NRSCH commenced on 1 January 2014. The Registrar also administers the [New South Wales Local Scheme \(NSWLS\)](#), which registers providers who are unable to meet some of the specific pre-conditions of the NRSCH such as the "wind up clause".

In addition to these statutory functions the Registrar was commissioned in 2010 by the Aboriginal Housing Office (AHO) to undertake assessments of Aboriginal organisations providing community housing under the Provider Assessment Registration System (PARS) in accordance with the *Aboriginal Housing Act 1998* (NSW). PARS has since closed, although the Registrar undertook this function up until June 2018.

The NSW Registrar also provides operational regulatory support to the Northern Territory (NT) and Tasmanian governments. This work is also considered in this report.

The NRSCH has been established through consistent state and territory legislation. It was first enacted in the host jurisdiction, NSW, and then either applied or adopted thereafter by other jurisdictions. [Access the jurisdictional versions of the National Law.](#)

The scope of a Registrar's functions under the Act is limited to regulatory activities. The state housing agency will continue to be responsible for policy, funding and industry development decisions. [Read more about the Registrars functions.](#)

The Regulatory System in NSW

The [National Regulatory Code \(NRC\)](#) within the National Law sets out the performance outcomes that must be demonstrated by all registered providers. The Tier of registration is determined by an entity's level of risk arising from the scale and scope of its community housing activities, which in turn determines the intensity of regulatory engagement and oversight.

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. The NRC requires CHPs to be well-governed, financially viable and to perform in compliance with standards to deliver quality housing services. [Read more about us and the regulatory system.](#)

The Aboriginal Housing Sector

The PARS was established in April 2010 under the AHO's Build and Grow Strategy as the AHO's registration system for Aboriginal Community Housing Providers (ACHPs) in NSW under the *Aboriginal Housing Act NSW* (1998). Up until June 2018 the Registrar undertook registration and performance assessments on behalf of the Chief Executive of the AHO.

Over the last few years we have been supporting a strategic shift in the Aboriginal community housing sector. In 2015 the AHO introduced a new corporate plan which included a goal of recognising the NRSCH as the AHO's new registration pathway. Under the [AHO Registration Policy](#) (released in 2018) the AHO policy settings mandate providers seeking to register with the

AHO to be registered or scheduled for registration under the NRSCH or NSWLS by December 2022.

To support the strategy the Registrar has recently signed a Service Level Agreement (SLA) with the AHO. The objective of the AHO SLA is to ensure that the Registrar is adequately funded to provide regulatory service to ACHPs that may seek registration or capacity building support from the RCH. The SLA is for a period of four years, with funding negotiated annually between the AHO and RCH.

As part of the SLA, information shared between the Registrar and the AHO will uphold the principle of maintaining separation between funder and regulator. Both parties commit to active reduction in red-tape where able and commit to transparency on arrangements with impacted providers. This protocol does not, of itself, alter the independence of the Registrar or the AHO Chief Executive in the conduct of their statutory functions and accountabilities.

The NSWLS

In October 2016, NSW Parliament enacted an amendment to the National Law to establish a local system of registration for the monitoring and regulation of entities that provide community housing but are unable to be registered under the National Law in NSW. In August 2017 the [NSWLS](#) formally commenced under Ministerial directive to the Registrar with the NSWLS open for registration applications on 1 January 2018.

[Read more about the NSWLS.](#)

The Sector We Regulate

As at the end of June 2018 we regulated 151 providers who managed nearly 45,000 properties.

This includes assets held in NSW and properties in other states managed by providers with primary jurisdiction NSW. It also includes assets in NT and Tasmania, for those providers regulated by the NSW Registrar on behalf of other governments. To see the list of providers we regulate you can access the [Provider Register](#), which contains details on all nationally registered CHPs.

At the end of June 2018 there were:

- 147 registered providers with primary jurisdiction NSW who managed 41,806 properties.
- (Tier 1 – 35,645 properties, Tier 2 – 3,259 properties and Tier 3 – 2,902 properties)
- Two registered providers (both Tier 1) with primary jurisdiction Tasmania who managed 2,548 properties
- Two registered providers (both Tier 2) with primary jurisdiction NT who managed 515 properties

The providers we regulate 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

Tier 1 and 2 providers dominate the NSW jurisdiction by the number of tenancies and assets managed. The Registrar has produced a series of public reports on sector performance. The

reports provide insights on trends and patterns in the community housing sector. [See a copy of the reports.](#)

More recently the Registrar released a Performance Report for the NSW Tier 3 sector. This report acts as supplementary information to the broader CHP performance report mentioned above. The Tier 3 sector accounts for 79% of registered CHPs with primary jurisdiction NSW. The sector is diverse in terms of both its primary business type and financial size. [See a copy of the NSW Tier 3 Performance Report](#)

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

Our Regulatory Approach

The Registrar monitors business performance of CHPs in a largely self-regulating scheme. Hence the regulatory approach is to provide registration and performance intelligence services for providers, their representative bodies, tenants, housing agencies, and the government. To assist the sustainability and viability of the community housing sector to 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. Our approach is based on assessing the levels of behaviour and acting proactively to shift providers to best practice.

Resources and Activities

Corporate Infrastructure

While the Registrar is directly accountable to the Minister for Social Housing, the Registrar's office operates with the assistance of two main portfolio agencies: FACS and the AHO .

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

Through formalised agreements the Registrar also undertakes the registration and regulation of CHPs in the NT and Tasmania. The NSW Registrar acts under a delegated function of both jurisdictions.

All staff of the Registrar are public servants employed under the [Government Sector Employment Act 2013 \(NSW\)](#), on the establishment of the Department and seconded to the Registrar. Approximately 20% of the office staff are funded through tied programmes such as for AHO, Tasmania and NT support.

The Office and Our Staff

The Registrar continues to improve internal capability beyond core compliance skills to include improved intelligence reporting, improved case management and targeting.

Some of the key internal administrative achievements for the 2017-18 financial year included:

- Securing funding and budget position for 2018-19 to appropriately resource the Registrars work commensurate with the sector experiencing substantial growth.
- Negotiated the Service Level Agreement with the AHO for the period, 1 July 2018 to 30 June 2022, ensuring the Registrar is adequately funded to provide regulatory service to ACHPs that may seek registration or capacity building support from the Registrar.
- Managed an organisational restructure with a view to further support our regulatory activities, including embedding an induction training system to support new staff.
- Developed and implemented our corporate training plan which included five staff completing the Certificate IV in Government Investigations and having all compliance officers trained in contemporary regulatory and intelligence practices.
- Developed and implemented the strategic, business and operational plans for the office, to ensure we met the functions under the Act and conform to the standards we expect of the providers we regulate.

Resourcing

The Registrar receives financial resources from a number of sources. The vast majority of income was provided by the NSW government. Other income was received from both the NT and Tasmanian governments and the AHO in NSW.

The total funding for the year was \$2,420,832 million.

What Activity is Resourced?

This section of the report presents the compliance related activities of the Registrar's office. In addition to compliance work, the office also conducts daily interaction with a range of government and non-government bodies to educate, inform, guide and advise. This work is difficult to count and is not reflected below. The total numbers for our 2017-18 compliance work include (including the NT and Tasmania jurisdictions):



New South Wales

- 76 standard compliance assessments of NSW registered providers were completed which reflects scheduled engagement with the registered providers.
- 16 targeted assessments for providers were completed with a 300% increase related to a shift to risk-based targeting of emerging issues
- Three new registrations were conducted of providers with primary jurisdiction in NSW.
- One registration cancellation of a Tier 3 provider due to a request from the provider for cancellation under S16(1)(a).
- In addition to this scheduled work, our staff opened 267 cases in the 2017-18 FY. The majority of these cases were complaints or enquiries. 274 cases were closed and managed according to policy and procedure with a result recorded. At year end 16 cases remained open with work in progress to resolve.

Northern Territory

- One standard compliance assessment and one registration assessment was completed for providers within the NT jurisdiction.
- Five enquiries were opened with four cases closed and managed according to policy and procedure with a result recorded.
- At year end one case remained open with work in progress to resolve

Tasmania

- Three compliance assessments were completed on behalf of the Tasmanian Registrar in the 2017-18 FY, including two standard assessments and one targeted assessment.

- Our staff opened four cases in the 2017-18 FY with three cases closed and managed according to policy and procedure with a result recorded.
- At year end one case remained open with work in progress to resolve.

New Business Growth

To respond to a surge in enquiries of application to register under the NRSCH and NSWLS, the Registrar has established a team dedicated to new entrant work. The Registrar has introduced a prioritisation system that takes into consideration the program interests of the NSW government as well as the business needs of applicants. The registration process is a time-consuming and involved process, and accords to nationally set procedures and standards. Failure to progress registrations in a timely manner would place the Registrar in the position of disabling government intent in meeting housing, planning and disability needs.

There were three registrations in the 2017-18 FY within the NSW jurisdiction. Expected registrations for 2018-19 FY are likely to be between 8 – 16 with the largest proportion of these being Tier 3.

In the 2017-18 FY there were 68 providers seeking registration of which half are likely to progress. In the 2016-17 FY there were 42 enquiries of which 10% progressed.

Investigations and Complaints

In the 2017-18 FY the Registrar conducted a number of significant investigations as a result of complaints or notifications. Investigations require focused and substantial effort and can sometimes lead to additional compliance and/or targeted assessments, enforcement action or the cancellation of registration.

A coordinated effort and intensive casework approach is taken, a number of analysts and staff are involved and various controls are put in place to ensure investigations are carried out according to the National Law, national policy and the Australian Government Investigation Standards.

Some of the benefits we have seen as a result of the investigations work include:

- Behavioural changes in providers involved in investigations. Evidence of improved performance was identified in subsequent compliance assessments with improvements identified in business activities. Three of four providers subject to investigation responded positively to the advice of the investigations team leading to significant turnaround in business performance and maturity and reduced the need for protracted enforcement action.
- Building better partnerships with regulators. In one significant case, the Registrar engaged over 11 regulators and stakeholders in an investigation in order to synchronise compliance effort and interests.
- Systems improvements. Investigative review has informed national process improvements. This includes IT system refinements in the case system and our framework, policy, law and processes.
- Improving our intelligence on provider performance. Investigations into single providers have led to a number of more general concerns warranting preventative action across the jurisdiction.

Performance

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

The Framework outlines that in order 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, utilising data and information from existing sources where available;
- 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. These principles below underpin the National Regulatory Code 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 is:



Proportionate	In 2017-18 the registrar has addressed proportionality through the introduction of case conferences, external validation processes and the development of a trust model. These enhancements are designed to improve our understanding of business risks and leverage the best advice in determining an appropriate response.
Accountable	The Registrar has introduced more public and ministerial reporting on issues affecting the sector in order to record regulatory performance against the objects of the law administered. The Registrar has also opened all regulatory decisions for review and challenge beyond those recognised as statutory appeals.
Transparent	<p>The Registrar has improved transparency in 2017-18 by focusing on embedding more open intelligence reporting. Such reporting provides assurance to our stakeholders to promote confidence in the good governance of registered CHPs and to facilitate government investment in the community housing sector and ensure the protection of that investment</p> <p>This includes conducting campaigns and reporting on trends and patterns, collecting information from a broader range of sources, improving and making available our policy and procedures for complaints and establishing protocols between other government agencies.</p>

Flexible	In 2017-18 the Registrar saw a shift in demand for registration, triggering the need for a flexible approach to respond to the varying types of business risks of providers approaching the Registrar for registration.
Consistent	In 2017-18 the Registrar has focused on internal quality assurance with an emphasis on improving consistency. This has included working closely with the National Secretariat and other Registrars to develop the IT functionality and capability for resulting in improved data quality and consequently enabling clearer reporting.
Targeted	The Registrar has applied a targeted approach to regulatory activities with a stronger focus on protecting government funding and equity by implementing better practices. This has meant intervening early, detecting poor practices, targeting information sessions to stakeholders and implementing a capacity building program. In 2017-18 the Registrar triggered five campaigns targeting potential areas of emerging risk. See a copy of these reports

What do providers think of us?

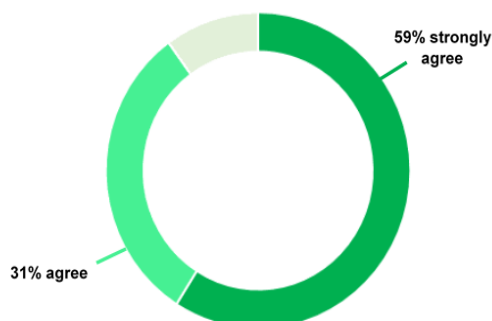
The results from the NRSCH Regulatory Service Evaluation Program show that we provide an effective and quality service to providers.

Service Evaluation Surveys are completed by CHPs following a compliance assessment. A survey is sent to the provider seven days after the assessment is finalised. One survey is sent for each assessment completed. Due to the small numbers (three in NSW) of registrations only compliance assessments results are presented.

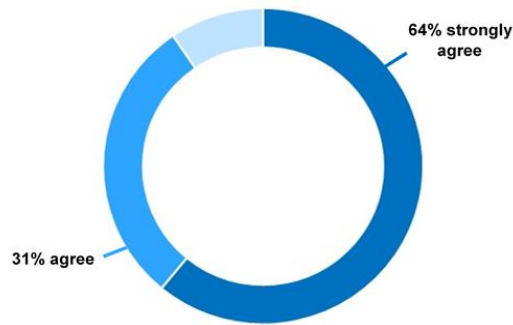
Overall the results from the 2017-18 Service Evaluation Survey told us:

- The quality of our contact with providers is timely and professional;
- Our guidance to providers is balanced, transparent and trustworthy;
- Our regulatory approach encourages providers to self-assess;
- Our explanation of assessments is clear to providers; and
- Providers want more information and guidance to support them in the completion of the registration and compliance returns.

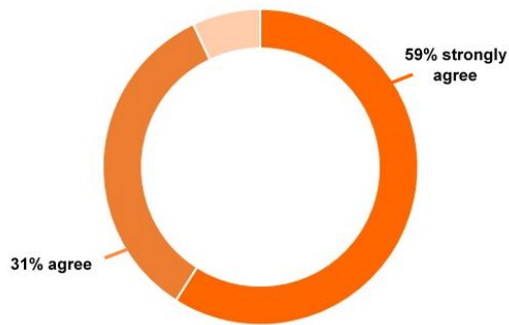
The results in more detail:



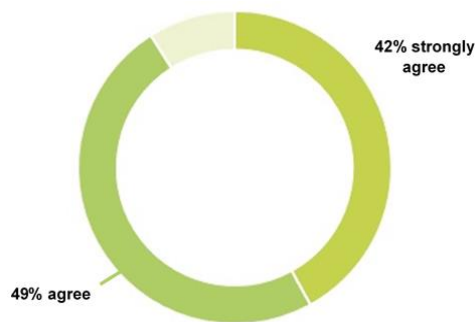
Timely manner - Overall CHPs agreed that the Registrar's staff responded to enquires in a timely manner.



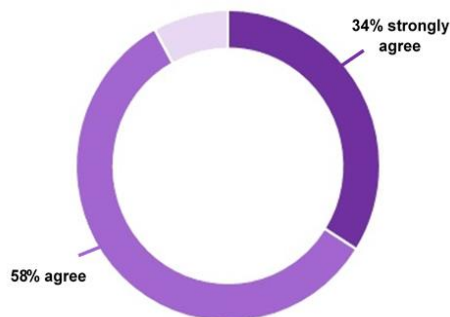
Professional manner - The vast majority of the sector agreed that the Registrar's staff responded to enquires in a professional manner.



The guidance provided by the Registrar - Overall 90% of CHPs agreed that the Registrar's staff were balanced, transparent and trustworthy in their dealings.



The clarity of the Registrar - The general consensus is that overall the Registrar provided a clear explanation of the assessment.



Regulatory approach - Overall 92% agreed that the Registrar requirements encouraged their organisation to self-assess when appropriate.

Areas for improvement – arising from this feedback include:

- Guidance provided by Registrar – 19% (11 providers) strongly disagreed, did not agree or were undecided that the Registrar's staff focused on performance outcomes rather than detailed prescription.
- Usefulness of resources - 32% (19 providers) were either neutral, disagreed or strongly disagreed saying that the Registrar's website was relevant and resource materials on the website were useful.
- NRSCH Guidelines - 27% (16 providers) were either neutral, disagreed or strongly disagreed that the NRSCH guidelines were clear and instructive.

What remains 'to do':



<p>Proportionate</p>	<p>Legislative improvements</p> <p>Investigative work has raised some areas for legislative review. The increasing complexity of businesses suggests the delegations of investigative functions could allow for the engagement of specialist expertise and reinforce the Registrar's function as a statutory office independent from FACS as the funding body.</p> <p>To effectively assure government of provider's sustainability and viability, the Registrar has identified the need for powers to seek information from various sources and access information on tenants where complaints arise. These issues will be raised and considered as part of the review of the NRSCH and amendments to the NSW enabling laws. In one investigation in the reporting period, these factors tended to inhibit the functioning of the investigations team.</p>
<p>Accountable</p>	<p>Improving the timeliness and efficiencies of our regulatory activity</p> <p>Whilst the office undertook a restructure and has made some significant changes over the last year in the way we operate, the timeliness of assessment processes and decisions remains a challenge. Staffing changes, recruitment, restructure and growth in the sector has contributed to some delays in assessment timeframes.</p> <p>To address this we have made some changes to the way we conduct assessments, prioritising risks and streamlining our assessment processes. Understanding the public and government expectations of regulatory work in the disability and affordable housing sector is an area of accountability the Registrar will seek to define in 2018-19.</p>
<p>Transparent</p>	<p>Changing negative perceptions of public reporting</p> <p>The Registrar has a number of reporting functions under the National Law and over the last year has had a strong focus on increasing public reporting. An area of focus in 2017-18 included the introduction of tailored performance reports to CHPs and their boards, providing clearer assessment of their comparative performance. Discussion papers and trend and pattern reporting have been released to assist broader better practice improvement and scheme stewardship. Our challenge is to create a sense of accountability to stakeholders, promote transparency and</p>

	<p>improve awareness of performance measuring data. Meaningful reporting provides assurance to stakeholders of the ongoing integrity and capability of the sector and assists the sector to respond proactively to emerging regulatory issues. It helps stakeholders make informed business decisions and stimulate quality improvement. These are the first steps in a longer term programme to publish more information.</p>
<p>Flexible</p>	<p>Improving our relationship with other regulators</p> <p>The increase in providers seeking registration to engage in the development and management of social and affordable housing is made up of real estate agents, developers, disability service providers and Aboriginal housing providers. Nationally the Registrars have recognised that the registration of For-Profit providers, such as real estate agents, will necessitate the Registrar's collecting more information at an asset and rent level; testing the regulators' systems and current capacity.</p> <p>We are working closely with other relevant regulators, both NSW and Commonwealth, on the exchange of intelligence and in an effort to cut red tape and drive greater efficiencies and better outcomes. This is particularly key for our Tier 3 providers.</p> <p>New arrangements with other regulatory bodies overlapping the community housing sector are required; including NSW Fair Trading (who license real estate agents), National Disability Insurance Authority (NDIA) and the aged care regulators. The Registrar is in the process of establishing a joint oversight relationship with NSW Fair Trading on developing a range of collaborative activities such as an audit of real estate agents who approach the Registrar for registration as a CHP.</p>
<p>Targeted</p>	<p>Managing emerging risks</p> <p>Learnings from campaign work will be enhanced in 2018-19, this will also support co-designed guidance for our CHPs and assist with developing procedures for national intervention work.</p> <p>In 2017-18 the Registrar also conducted a detailed study into sector viability issues projecting into the futures. This critical study will shape further advisory and assessment work in 2018-19.</p>

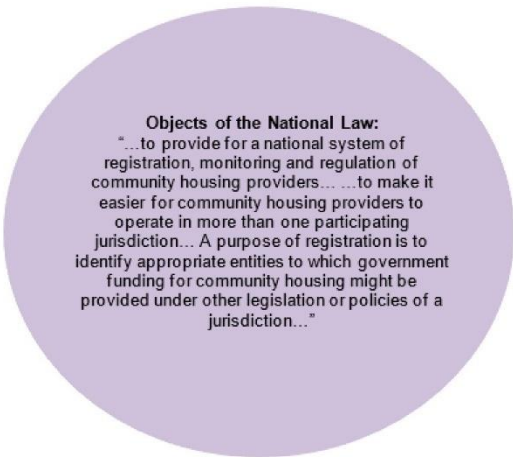
Outcomes

National Objects

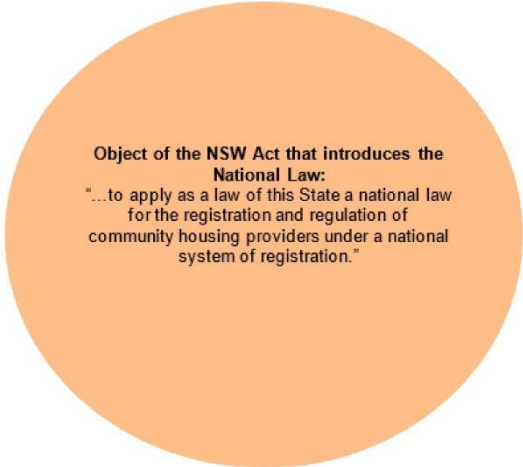
Under the Objects of national community housing law, the Registrar’s regulatory work seeks to reinforce the viability and diversity of the community housing sector, protect government and tenant interests, and also induce confidence and encourage financial support for the sector.

Within this framework, the Registrar seeks assurance from the community housing sector via the registration and compliance assessment process that the Objects of the law are maintained.

Hover over each Object below to understand more.



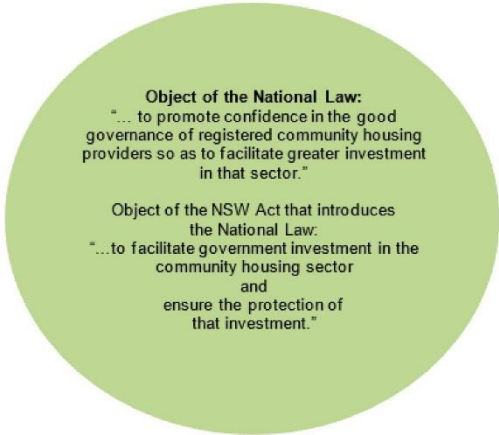
Objects of the National Law:
“...to provide for a national system of registration, monitoring and regulation of community housing providers...to make it easier for community housing providers to operate in more than one participating jurisdiction... A purpose of registration is to identify appropriate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



Object 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.”



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 a very low, low or moderate income.”



Object 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.”
Object 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.”



<p>Regulatory activity</p>	<p>Our team has been refining internal systems and processes to improve our compliance function and strengthen regulatory activities including:</p> <ul style="list-style-type: none"> • Conducted registration assessments as a higher priority and allowing for registration assessment decisions to be defended if challenged by providing reasons for decisions and guidance for improvement. • Provided case specific trends, analysis and audits across business activities to examine provider behaviour within performance areas, contributing to a strengthened evidence base. • Implemented additional conditions of registration for CHPs where business risks deviated from the norm. • Confirming better practices by intervening early in four big providers to change governance, detecting and improving poor practices. • Changing the way we present our compliance reports by generating an Executive Assessment (EA). The EA acknowledges both good and bad performance and allows for more comparable information. • Developed a tool to assist in prioritising assessments; the tool will inform future compliance schedules, with a greater focus on risk prioritisation.
<p>Complaints and Investigations</p>	<p>Conducted an internal review of the complaints process and refined procedures ensuring continuous business improvement including updating policies for complaint handling.</p> <p>Focused on upskilling analysts beyond core compliance skill-sets in investigation techniques and implementing recent GIPA training techniques. As a result there has been a reduction in repeat complainants and positive feedback from complainants has been received.</p>
<p>Reporting</p>	<p>Over the last year we have focused on increasing our reporting functions through a range of tools such as informal reports, intelligence briefs and public statements of performance.</p> <p>Reporting provides assurance to our stakeholders of the ongoing integrity and capability of the sector, and assists the sector to respond proactively to emerging regulatory issues.</p> <p>We have focused on embedding better intelligence reporting by providing advice directly to the Minister, other jurisdictions, the Housing Agency and funding bodies. We have recently reported on registration demands, the ACHP sector activities, campaign outcomes and responded to Ministerial requests for information.</p> <p>By reporting on the performance of ACHPs in NSW we assisted AHO in the design of the next five year strategy. All reports are available publicly.</p> <p>To improve transparency we have also commenced publishing enforcement and other performance activity on the website.</p>

<p>Sector Engagement Activity</p>	<p>In 2017-18 the Registrar co-designed five campaigns targeting areas of risk with CHPs and their representative bodies. The findings and solutions arising from this work have been communicated back to the CHP sector.</p> <p>In addition the Registrar engaged heavily with the Tier 3 sector to consider ways to improve their regulatory experience and reduce red-tape.</p> <p>Over the last year we have also conducted a range of information briefings with the sector on the compliance process, campaign outcomes and the Tier 3 review. One face to face session and five webinar sessions on the NRSCH compliance process was held with 75 providers (39 Tier 1 and 2 providers and 36 Tier 3 providers).</p> <p>There was also one face to face session and one webinar session held with 18 providers to co-design Tier 3 reform of regulation.</p> <p>As a result of our engagement activities, providers are connecting with us more frequently and understanding the Registrars role and expectations of compliance.</p> <p>We have also engaged the Housing Agency to establish a better understanding of contemporary regulation, improving lines of communication across operational matters and to increase the profile of the Registrar relative to the Housing Agency. As a result, we have seen significant improvements in information sharing and strategic regulatory design and stewardship.</p>
<p>Internal systems and operation improvements</p>	<p>We have had a focus on working with the National Secretariat over the last year to develop our IT functionality and capability by making changes to the IT system to enhance and improve business systems. This includes adding various validation rules creating a better experience for providers using the system. We also upgraded the IT system to implement and support the NSWLS.</p> <p>Improvements to our internal systems have included better data quality and collection which supports clearer reporting and analysis. Also the experience for providers using the system has improved, For example more descriptive error messages have been included to assist providers when inputting data. The heightened user experience with less need to manually validate data, improves the compliance process overall. Efficiencies in regulation have resulted in reducing the validation of data</p>

Spotlight on: Capacity Building

The NSW Registrar's capacity building initiative is a regulatory process/tool designed for use by regulatory staff and NRSCH applicants to:

- streamline and improve regulatory functions in registration and compliance assessments
- contribute to a well governed and viable community housing sector
- contribute to the ongoing development, viability and sustainability of the community housing sector

Capacity building occurs on three levels:

- **Targeted:** conducted through face to face discussions between the provider and the Registrar's staff. A further tailored program may then be undertaken, particularly if the provider has expressed they wish to grow and enter into development opportunities.
- **Significant:** for providers who have consistently had issues with meeting requirements for tenancy management, asset maintenance, governance and financial performance.

Providers with this history would benefit from a significant amount of capacity building in the flagged areas.

- **Intensive: is a capacity building design** for providers that have not previously met regulatory requirements and have not engaged in performance review process as expected. Providers in this cohort would require intensive capacity building across all areas of the NRC in order to at least achieve a 'capacity to comply'.

In 2017-18 FY our staff provided capacity building to five providers, of these four received an intensive level of capacity building and one received significant capacity building. This work has been recently consolidated under a SLA with the AHO. The Registrar is funded for over a four year period (starting from the 1 July 2018) to undertake capacity building, registration and compliance related activities of ACHPs to the NRSCH and NSWLS.

The Registrar's office is on track to achieve targets for engagement, education, self-assessments and registration assessments of organisations in accordance with the agreement. The priority of effort is being accorded to those providers with an assessed ability to register in the short term with some assistance. The Registrar continues to implement a cautious approach to encouraging registration to avoid unachievable expectations. The number of organisations responding to engagement remains low.

Spotlight on: Campaigns

The Registrar conducts targeted 'campaigns' on performance issues that appear to be common across the sector and in which the Registrar needs to form a position for guidance to the local jurisdiction. Such action is designed to assist the sector to respond proactively to emerging regulatory issues and as well as for other Registrars to consider national guidance.

Campaigns allow the Registrar to focus analytical effort and portray a snapshot of an area of performance at a point in time. Reports arising from campaigns are prepared and released to the sector, to assist with identifying issues and suggest areas for improvement to current systems.

In 2017-18 a number of campaigns were conducted resulting in significant behavioural improvements and positive response from providers.

Campaigns included:

- Use of Section 85
- Visibility of Policy and Procedures
- Repairs and Maintenance Satisfaction
- Property Utilisation Reporting
- Preparedness for Growth – Community Housing Viability

While these largely focused on the performance of Tier 1 and 2 providers, there was concentrated effort on Tier 3 providers to improve their notification systems during the compliance assessment programme.

Generally most campaigns have identified common improvements such as:

- improving current systems such as reviewing guidance material, clarifying definitions and improving training and support arrangements.
- increasing intelligence linkages between various FACS business units
- reviewing the NRSCH Community Housing Regulatory Information System (CHRIS) to make appropriate changes to improve data quality.
- improving property utilisation reporting ensuring the property utilisation metrics capture real sector performance
- improving the visibility of CHP policy and procedures

The Registrar has received positive feedback on the approach to consultation and offering providers the chance to have input into campaigns.

Our Future Focus

Our Strategic Plan for 2018 – 2021 outlines that over the next year the key priorities are:

- Improve transparency of the regulator
- Engagement with other Regulators to establish working protocols for “red tape” reduction and improved reporting
- Public reporting on the NRSCH’s strengths and weaknesses
- Provide guidance to new entrants to NRSCH and NSWLS to ensure new entrants can progress applications with minimal delay
- Contribute to the NRSCH Reform including Tier 3, financial reporting and community engagement reforms
- Improved capability of the Regulator including enhanced skills of team members, improved intelligence reporting, improved case management and targeting
- Identify and assess the impact (financial and operational) of the planned transfers of public housing stock to the community housing sector
- Provide guidance on the impact of growth of affordable housing in social housing sector
- Scope, design, develop, implement and monitor the Registrars Capacity Building program
- The Registrar is currently negotiating a service agreement with the NT Registrar for the provision of regulatory services including capacity building awareness for NT Government staff and work with a number of NT organisations seeking to become NRSCH registered

Some of our key activities will be:

- Re-drafting our Complaints Management Framework Policy
- Implement the second round of recruitment to fill remaining vacant positions
- Implement partnership with NSW Ombudsman to discuss complaint processes, policies and procedures
- Business system enhancements - build and develop case management requirements in CHRIS
- Continue to develop and improve our investigation and complaints procedures and templates
- Building better operational knowledge and stakeholder engagement with relevant bodies and operational staff, especially in the area of national disability provider accreditation and affordable housing provision.
- Provide program support to the Housing Agency - especially in the areas of the social and affordable housing fund and property transfers
- Publish compliance reports on the website
- Publish registration guidance notes as necessary
- Red tape reduction in collaboration with other regulators by standardisation and sharing of IT support systems, liaising with Landcom with a view of minimising the burden on providers concerning registration for land releases, gather intelligence to broaden and deepen our assessments.
- Strengthening and implementing better working relationships and collaboration with a range of other regulators and stakeholders including with Fair Trading, NCAT, Planning, aged Care regulatory systems, NDIA Quality Commissioner and local governments.
- Further implement the Capacity Building program
- Conduct Campaigns into conflict of interest, membership of CHP, Affordable Housing and regulation of Specialist Disability Accommodation
- Finalise the Sector Viability Project and discuss next steps with the community