

HOUSING REGISTRAR
REGULATORY
UPDATE REPORT
2019-20



The Housing Registrar

Our vision

A community housing sector that provides access to safe, secure and affordable housing solutions to Victorians in need.

Our purpose

To contribute to the development, growth and continual improvement of the Victorian community housing sector through proactive, risk-based, and outcomes-focused regulation.

Our priorities

- > Organisational excellence
- > Better regulation
- > Strong partnerships and engagement

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The Registrar's foreword

I am pleased to present the 2019-20 Regulatory Update Report which is the second of these reports prepared by the Housing Registrar.

The Housing Registrar is a business unit within the Department of Treasury and Finance (DTF), that supports me as Registrar of Housing Agencies (the Registrar) in the delivery of the delegated functions and powers under Part VIII of the *Housing Act 1983* (the Housing Act).

This report outlines the work of the Housing Registrar over the past year and its impacts, including delivery of reform projects and regulatory activities. The report also provides updates from the community housing sector for the financial year.

A key focus of the report is the progress made in the delivery of the Housing Registrar's 2018-20 *Strategic Plan* priorities of:

- > organisational excellence;
- > better regulation; and
- > strong partnerships and engagement.

The report also provides an overview of the priorities and areas of focus for the Housing Registrar for 2020-21.

The Regulatory Update Report is published separately to the *Sector Performance Report 2018-19* (published in May 2020) which contains more detailed analysis of sector performance for the financial year ended 30 June 2019¹.

The purpose of the Housing Registrar, reflected in its 2018-20 *Strategic Plan*, is to contribute to the development, growth and continual improvement of the Victorian community housing sector through proactive, risk based and outcomes-focused regulation. This approach is intended to translate into positive outcomes for the community housing sector and vulnerable Victorians (the tenants and prospective tenants of registered community housing agencies (registered agencies)).

The Housing Registrar has delivered significant reform projects this year against its three priorities in the 2018-20 *Strategic Plan*. Reform works have been targeted to increase transparency, reduce regulatory red tape and refine the Housing Registrar's risk-based approach to regulation. The delivery of these reform projects has also discharged the Housing Registrar's obligations in relation to its Ministerial Statement of Expectations² (SoE). Further detail on the Housing Registrar's response to discharging the SoE is provided on the Housing Registrar's website.

On 18 March 2020, a State of Emergency was declared in Victoria to manage coronavirus (COVID-19) and its impact on our health system. Since that time, there have been a range of restrictions (including Stage 3 and 4) in place and temporary revisions to tenancy laws that have impacted the operations of the sector and the delivery of services to tenants.

¹ The Regulatory Update Report does not contain financial information relating to the operations of the Housing Registrar. This information is reported on in the Department of Treasury and Finance's (DTF's) 2018-19 *Annual Report*, which can be viewed at dtf.vic.gov.au.

² The Assistant Treasurer is the current Minister with portfolio responsibilities for the registration and regulation of registered community housing agencies, however at the time of issuing the SoE the portfolio minister was the Minister for Finance.



We have adjusted our regulatory approach to help manage the unprecedented challenges that social landlords are facing as a consequence of the coronavirus (COVID-19) pandemic.

We have maintained a focus on monitoring the impact of the coronavirus (COVID-19) pandemic on the sector and supported registered agencies and tenants with coronavirus (COVID-19)-related advice in collaboration with the Department of Health and Human Services (DHHS) and the Community Housing Industry Association Victoria (CHIA Vic).

To support registered agencies, we postponed end of August reporting for the annual compliance assessments this year and have been flexible with reporting dates and engagement meetings.

I would particularly like to acknowledge the hard work registered agencies have undertaken to manage the impacts of coronavirus (COVID-19). This has included the implementation of robust precautionary measures, reflected in risk management strategies and business continuity plans, and the active management of potential outbreaks of coronavirus (COVID-19) amongst staff and tenants, especially those living in high-risk/high-density accommodation.

We have sought to proactively engage with registered agencies throughout the coronavirus (COVID-19) pandemic to understand the impact on the sector and to ensure there is effective regulatory oversight of precautionary measures, including the operational changes required to prioritise the safety of tenants and housing staff.

We have issued guidance information for the sector on multiple occasions as well as undertaken financial modelling and stress testing analysis to assess the potential impacts of coronavirus (COVID-19) on the financial viability of the community housing sector in the 2019-20 financial year.

We have observed that the sector has been quick to act and has proved to be resilient and agile in response to the novel challenges presented by the coronavirus (COVID-19) pandemic. Outbreaks, including in high-density accommodation, have been effectively contained and coronavirus (COVID-19) related complaints received by the Housing Registrar have been minimal.

In 2020-21, the Housing Registrar will continue to strive for organisational excellence, better regulation and strong partnerships and engagement. This will include maintaining efforts to increase transparency and reduce regulatory burden, as well as other ongoing work to achieve better regulation. The Housing Registrar will continue to collaborate with other parts of government and other key stakeholders on system design and reform opportunities.

To achieve our goals, we will continue to nurture the strong relationships we have with stakeholders and build new ones.

We look forward to continuing our efforts to drive positive outcomes for community housing in Victoria.

Yours sincerely
Bernard Gastin

Snapshot report – A year in review



Delivered **2018-19 annual compliance assessments (ACA)** for all **39 registered agencies**. The sector overall achieved a very high compliance rate of more than **97 per cent compliance** across all seven Performance Standards.



Commenced **public reporting** of ACA compliance results, executive summaries for each registered agency and formal intervention action by the Registrar.



Introduced **self-assessment** of regulator performance, with the Housing Registrar assessed as having met five KPIs and 'somewhat met' one KPI for 2019-20.



More than **95 per cent** of registered agencies completed the 2020 sector feedback survey. Results reflected **continued high satisfaction** with the Housing Registrar's resources, engagement, ACA process and Community Housing Information Management and Engagement System (CHiMES).

In 2019-20, the Housing Registrar:

- released four **newsletters** and two **annual reports**
- published two **good practice guides**
- **received endorsement** by the Registrar of the KPM Working Group's recommendation to publish performance information identified by registered agency
- updated **CHiMES** and the CHiMES registered agency **user manual**
- finalised the review of the **Regulatory Engagement Tool (RET)**
- completed updates to the **Financial Performance Report (FPR)**
- **revised case management (including complaints)** processes and procedures.

Some of the sector's key highlights at 30 June 2019 include:

19,654

tenancy (rental) units
under management

10,166

properties owned with a
carrying value of \$3.4 billion

\$48m

operating EBITDA,
up 25 per cent

\$3.7b

total assets,
up four per cent

equity

continued to represent
a major portion of total
assets, while liabilities
remained stable

97.5%

**average occupancy
rate**

The Housing Registrar adjusted its regulatory approach and focus in response to the coronavirus (COVID-19) pandemic. This included:



→ **proactive engagement** with registered agencies and high-density providers on precautionary measures and business continuity plans



→ **financial modelling** and **stress testing** of sector impacts

→ **postponing regulatory reporting** for the 2019-20 ACA

→ **three guidance notes** published in April, May and August 2020

→ **follow-up** with registered agencies about **reportable events**, to understand sector impacts and ensure effective regulatory oversight to prioritise the safety of staff and tenants



→ **working with tenants** to resolve any coronavirus (COVID-19) related complaints and queries

The Housing Registrar **actively participated** in a range of stakeholder forums and activities including:

- 1 The **NRSCH** Registrar Advisory Group forums and communities of practice meetings
- 2 The review of the NRSCH
- 3 Ongoing implementation of the Housing Registrar's refreshed **communications** approach
- 4 Ongoing delivery of improvements to **complaints processes**
- 5 Collaboration with **CHIA Vic** and **DHHS** on joint project work, reform and capability building exercises.

Looking forward: 2020-21 key deliverables



Next wave regulation reforms to increase transparency, reduce regulatory burden and promote better regulation



Joint government work to collaborate with other parts of government and other key stakeholders on system design opportunities



Continuous improvements to better understand the sector's needs, risks and identify streamlining opportunities within the Housing Registrar



Our impact

The Housing Registrar is committed to contributing to the development, growth and continual improvement of the Victorian community housing sector, through proactive, risk-based, and outcomes-focused regulation and a culture of continuous improvement.

This commitment has been driven by:

- > the Registrar's objectives, powers and functions under Part VIII of the *Housing Act 1983* (Vic) (Housing Act);
- > regulatory reform projects originating from a Ministerial Statement of Expectations (for the period 1 January 2018 to 30 June 2019); and
- > the Housing Registrar's *2018-20 Strategic Plan*.

Ministerial Statement of Expectations

The Assistant Treasurer and Minister for Regulatory Reform, the Hon. Danny Pearson MP, has portfolio responsibility for Part VIII of the Housing Act, which establishes the Registrar and oversees the registration and regulation of registered agencies.

In January 2018, a Ministerial Statement of Expectations (SoE) was provided to the Housing Registrar (for the period 1 January 2018 to 30 June 2019) containing expectations about the Housing Registrar's contribution to the Government's program to reduce red tape, increase transparency and promote better regulation.

The Housing Registrar has fully discharged its obligations in relation to the SoE. All SoE elements and the Housing Registrar's outcomes against each are detailed at **Appendix 1**.

Housing Registrar 2018-20 Strategic Plan

In July 2018, the Housing Registrar's strategic planning day identified the need for the team to invest in refining its vision and purpose. The intention was that with renewed clarity the Housing Registrar would be able to better live its purpose, to deliver proactive, risk-based and outcomes-focused regulation, to help serve Victorians in need of access to safe, secure and affordable housing solutions.

The Housing Registrar developed its *2018-20 Strategic Plan*, containing three priorities and refreshed values that have driven the team's strategic and operational approach over the last two years. A summary of all key deliverables over the life of the Strategic Plan is contained in **Table 1** on the next page. More detailed information on each deliverable is available at **Appendix 1**.

This report outlines the regulatory activities undertaken in the second year of the Housing Registrar's two-year Strategic Plan against the three priorities of:

- > organisational excellence;
- > better regulation; and
- > strong partnerships and engagement.

Our focus against each of these priorities has emphasised increasing transparency reform, reducing regulatory burden, as well as other continuous improvement efforts to achieve better regulation.

During 2019-20, the Housing Registrar has largely delivered its workplan against its three priorities, despite precedented challenges arising from the coronavirus pandemic. Discussion of these deliverables is the focus for the remaining sections of this report.

To learn more about the Housing Registrar, please visit our website: <http://www.housingregistrar.vic.gov.au>. The website includes information on Victoria's regulatory system for community housing, including Performance Standards and guidance materials, as well as newsletters and reports.

Table 1. Housing Registrar 2018-20 Strategic Plan – key deliverables**Priority Area 1: Organisational excellence****Deliverable: Develop and implement a 2018-20 Strategic Plan and workplan.**

Outcome: The Housing Registrar developed and delivered the *2018-20 Strategic Plan* and associated workplan against its three strategic priorities of organisational excellence, better regulation and strong partnerships and engagement.

A renewed Strategic Plan for 2020-22 has also been developed and is being implemented.

Deliverable: Develop key performance indicators (KPIs) for the regulator and implement an annual process of self-assessment and reporting.

Outcome: KPIs were identified and an ongoing process of self-assessment has been introduced to measure the Housing Registrar's performance, efficiency and alignment with objectives.

Deliverable: Review internal complaints and investigations processes and procedures.

Outcome: The Housing Registrar's case management system (CMS) has been revised to help mitigate risks and improve the quality, consistency and timeliness of case management.

Priority Area 2: Better regulation**Deliverable: Increasing transparency:**

1. Publication of tenancy management and rent setting policies.
2. Public reporting of compliance and performance information including regulatory intervention.

Outcome:

- (a) Guidance note issued to the sector requiring registered agencies to publish tenancy management and rent setting policies online;
- (b) Public reporting of annual compliance assessment outcomes and executive summary information commenced from the 2018-19 performance year onwards;
- (c) Publication of formal intervention action by the Registrar under the Intervention Guidelines commenced from 1 July 2019; and
- (d) Publication of a 'Landlord Report' for each registered agency from the 2019-20 performance year onwards.

Deliverable: Reducing regulatory red tape:

1. Issue clear guidelines to the sector to support compliance outcomes.
2. Undertake CHiMES enhancements to improve user experience and system functionality.
3. Continued cost-effective alignment with the NRSCH.

Outcome:

- (a) Two good practice guides published to ensure compliance with Performance Standards and promotion of better practice policy development;
- (b) Enhancements to the CHiMES system were deployed in June 2019 to address identified business requirements; and
- (c) New and refreshed guidance materials have been published to support alignment to the NRSCH.

Deliverable: Refining risk-based regulation:

1. Development of a horizon scanning framework.
2. Undertake a review of the operational effectiveness of the Regulatory Engagement Tool (RET).
3. Streamlined and improved financial performance reporting.

Outcome:

- (a) A horizon scanning framework has been developed and finalised, incorporating aspects of future thinking into compliance activities to improve business intelligence;
- (b) The review of the RET has been finalised with implementation to commence from the 2019-20 performance reporting year; and
- (c) Updates have been implemented to the Financial Performance Report template to enable more accurate financial assessments and modelling from the 2019-20 performance year onwards.

Priority Area 3: Strong partnerships and engagement**Deliverable: Identify improvements for communicating and engaging with the community housing sector.****Outcome:**

1. Sector feedback mechanisms established through ongoing annual surveys; and
2. Proactive engagement with registered agencies throughout the coronavirus (COVID-19) pandemic to understand the impact on the registered sector and to ensure effective regulatory oversight.

Deliverable: Build the Housing Registrar's profile and presence as a trusted regulator.

Outcome: Achieved through active participation in a range of stakeholder forums including:

- (a) NRSCH Registrar Advisory Group forums, working groups and communities of practice meetings;
- (b) delivering industry peak body, CHIA Vic, training on regulation for boards;
- (c) delivering training for the Australasian Housing Institute's Regulation and Regulatory Frameworks for Community Housing Seminar in Wellington, New Zealand;
- (d) participation on the Community Housing Aboriginal Cultural Safety Framework Steering Project Committee; and
- (e) further alignment and information sharing with the NRSCH to improve regulation outcomes in Victoria and across Australia.

Deliverable: Review of the Housing Registrar's communications strategy.

Outcome: The Housing Registrar's communications strategy has been refreshed to ensure effective and timely communications to the sector.

The Housing Registrar's 2018-20 Strategic Plan is presented below:



Our values that drive the way we work

- ▶ **We work collaboratively** as a team and with our partners
- ▶ **We treat everyone with respect**, value the views of others and embrace diversity
- ▶ **We are accountable** for our actions and take responsibility for our work
- ▶ **We are innovative** and strive for continuous improvement
- ▶ **We act with integrity** and are independent, honest and transparent

Our regulatory performance framework

In 2018-19, the Housing Registrar developed a regulatory performance framework identifying key performance indicators (KPIs), which were largely based on the Australian Government's *Regulator Performance Framework*³ adopted by Commonwealth regulators.

This performance framework has been developed to evaluate our performance and measure success against our organisational and strategic objectives, including to:

- > ensure we support compliance activities through clear and effective communication and guidance to registered agencies and other stakeholders;
- > maximise our effectiveness and efficiency by continuously improving internal capability, regulatory practices and systems;
- > adopt a risk-based and proportionate approach to compliance activities;
- > understand the impact of our activities on registered agencies, supported by a strong awareness of the operating environment and organisations that we regulate;
- > contribute to the ongoing improvement of the regulatory framework; and
- > maximise the value generated from the data we collect by disseminating it to the public, registered agencies and other stakeholders to inform decisions and generate insights.

With these objectives in mind, the Housing Registrar developed the following KPIs:

KPI 1 Compliance, monitoring and enforcement activities are undertaken in a coordinated, streamlined and timely manner

KPI 2 Communications and engagement with registered agencies and other stakeholders are outcomes-driven, clear and timely

KPI 3 Regulatory and compliance risks are identified, closely monitored and proactively mitigated proportionate to the risks being managed

KPI 4 The regulator contributes to continuous improvement of the regulatory framework

KPI 5 The regulator promotes transparency in the regulatory system and the sector

KPI 6 The regulator does not unnecessarily impede the efficient operation of registered agencies

For each of these six KPIs, the Housing Registrar has identified measures of good regulatory performance and associated output/activity-based evidence that is used to self-assess performance.

The Housing Registrar also identified several measures to describe what constitutes good regulatory performance in the context of the Housing Registrar's role and responsibilities. These measures have guided the types of evidence the Housing Registrar has collected to assess performance.

³ Australian Government Regulator Performance Framework 2014, available at: https://www.cuttingredtape.gov.au/sites/default/files/documents/regulator_performance_framework.pdf

In the 2019-20 financial year, the Housing Registrar collected a mix of quantitative and qualitative evidence related to each of the KPIs. The evidence came from a range of sources to ensure there was adequate assessment of the Housing Registrar's performance. The evidence collected includes:




- > results from feedback mechanisms (including annual registered agency survey results⁴);
- > data that measures the timeliness and responsiveness of the Housing Registrar;
- > records of stakeholder engagement through multiple channels, such as consultative committees, industry forums and cross-agency initiatives;

- > records of published guidance that assists registered agencies to comply with regulation; and
- > internal records of performance metrics associated with KPIs.

Based on all evidence sources, the Housing Registrar has been assessed as having met five KPIs and 'somewhat met' one KPI. A detailed summary of the assessment of the Housing Registrar's performance for 2019-20 and evidence against each of the KPIs is available at **Appendix 2**.







Evaluation of evidence and self-assessment

In 2019-20, the Housing Registrar assessed its performance against each KPI based on a three-point Likert Scale as per the table below.

KPI assessment		
	Met: Performance met the targets	
		Somewhat met: Performance generally met the targets with some room for improvement
		
		Not met: Targets not met, significant areas for improvement identified

The Housing Registrar's performance in 2019-20

Based on the evidence identified and summarised above, the Housing Registrar's assessment of its performance is as below:

Key performance indicator	KPI assessment
KPI 1 Compliance, monitoring and enforcement activities are undertaken in a coordinated, streamlined and timely manner	 Somewhat met
KPI 2 Communications and engagement with registered agencies and other stakeholders are outcomes-driven, clear and timely	 Met
KPI 3 Regulatory and compliance risks are identified, closely monitored and proactively mitigated proportionate to the risks being managed	 Met
KPI 4 The regulator contributes to continuous improvement of the regulatory framework	 Met
KPI 5 The regulator promotes transparency in the regulatory system and the sector	 Met
KPI 6 The regulator does not unnecessarily impede the efficient operation of registered agencies	 Met

⁴ In 2019-20, the voluntary annual sector feedback survey was sent out to 38 registered agencies (noting at the time of the survey one registered agency had operationally merged with another registered agency and therefore was not sent a separate survey) with a response rate of more than 95 per cent.

Priority 1

Organisational excellence

The following section of the report contains a summary of the Housing Registrar's progress, including key deliverables, against its three priority areas for the 2019-20 financial year.

The Housing Registrar is committed to:

Ensuring the Housing Registrar has the capabilities to meet current and future challenges by enabling a high-performance culture that values and supports our people.

Regulators of all shapes and sizes are faced with challenges of both resourcing regulatory teams effectively to respond to the ever-changing operating environment, and deciding when, where and how to best utilise the limited resources available.

The Housing Registrar is proactively building capability to meet current and future challenges to create outcomes that best serve the interests of government, the community and vulnerable Victorians.

In 2019-20, the Housing Registrar undertook several activities to promote organisational excellence including:

- > renewing our Strategic Plan for 2020-22;
- > self-assessing performance against the new regulatory performance framework (as discussed in the previous section *Our regulatory performance framework*);
- > targeting recruitments to strategically enhance team capability and expertise;
- > implementing internal process improvements to streamline the ACA process to create consistency and improve quality of compliance assessments;
- > revising our case management system (CMS) with a focus on improving internal processes for managing complaints and investigations to support continuous improvement in complaints management;
- > enhancing our capacity building through attendance at a range of internal and external learning and development opportunities; and
- > delivering improvements to how we communicate and engage with the community housing sector (please refer to the *Strong partnerships and engagement* section for further information).

Internal capacity building

The Housing Registrar is committed to identifying ways to build and develop its internal capacity through recruitment, training, coaching and mentoring, collaboration and proactively sharing information. This commitment is reflected in our priorities, for all staff members.

In 2019-20, the Housing Registrar welcomed two new members to the team:

- > Chris Carlier joined the team as a Senior Financial Analyst on 14 October 2019, previously from KPMG. Chris is a qualified Chartered Accountant and has prior experience in consulting, external audit and financial due diligence services across several industries and sectors. Chris contributes key skills in financial analysis and stakeholder management in addition to enhancing the team's financial modelling capabilities.
- > Jia Xie joined the team as a Financial Analyst on 21 October 2019. Having completed all three Chartered Financial Analyst exams, and degrees including a Master of Finance and Master of Financial Management, Jia has increased the analytical capabilities of the finance team and contributes key skills in business improvement and project management following her previous experience in compliance within the not-for-profit sector. Jia is also a NAATI (National Accreditation Authority for Translators and Interpreters) Certified Interpreter (Mandarin/English) as well as a certified Aboriginal and Torres Strait Islander Mental Health First Aider.

The Housing Registrar team attended a range of internal and external learning and development opportunities over the course of the year, including:



A range of seminars on regulation

- > measuring regulatory performance and achieving regulatory excellence;
- > different forms of regulatory complexity and the challenges posed by each;
- > best practice approaches to public engagement in a regulatory context;
- > managing a structured and balanced regulatory approach;
- > what to expect from a regulator in the post-Commission world;
- > culturally responsive regulation of Aboriginal and Torres Strait Islander organisations;
- > the current approach to statutory interpretation; and
- > practical considerations for administrative decision-makers.



A range of seminars on coronavirus (COVID-19)

- > new guidelines and laws applying to landlords/tenants;
- > the economic impact of coronavirus (COVID-19) and navigating cash flow management and business preservation for small and medium-sized enterprises (SMEs);
- > navigating cyber, fraud, and trust challenges through coronavirus (COVID-19);
- > a strategic toolkit for leading a not-for-profit in times of crisis; and
- > leading through challenging times.



Other training and workshops

- > the National Housing Conference 2019, held in Darwin in August;
- > a visit from NRSCH representatives to gain a better understanding of Victoria's regulatory processes and comparing the two jurisdictions' IT systems, CHRIS and CHiMES;
- > CHIA Vic training: Taking a tenant-focussed service approach and a dedicated rent setting session for Housing Registrar staff;
- > Institute of Public Administration Australia training: Analysing and presenting data;
- > CPA Australia: Practical financial analysis;
- > Chartered Accountants Australia and New Zealand Accounting Conference 2020;
- > DTF training (on the Human Rights Charter, Occupational Health and Safety and Respectful Workplace Culture); and
- > internal team training (on the registration process; case management system and CHiMES reporting).

Streamlining regulatory reporting

Following an internal review of the 2017-18 Annual Compliance Assessment (ACA) process, a number of process improvements have been made to internal operational processes. These process improvements have aimed to streamline the Housing Registrar's regulatory reporting approach, consistent with ongoing efforts to drive organisational excellence with a focus on risk-based, proactive regulation.

As part of these process improvements, regular information sharing meetings were established in the Housing Registrar to promote consistency, identify sector trends, risks and opportunities and to reduce red tape on registered agencies (through ensuring regulatory analysts have more sector-wide information available to them). These meetings also sought to streamline work effort and agree updates to internal processes aligned to a risk-based approach, focussed on increasing regulation of housing associations.

Case management system

The Registrar has a limited and focused complaints function under Part VIII Subdivision 2 of the Housing Act. The function empowers the Registrar to accept and investigate complaints from tenants and prospective tenants regarding 'rental housing matters' that have not been resolved through a registered agency's internal complaints management system.

This complaint function exists primarily to ensure that if a registered agency's complaints management system is not operating as intended and in accordance with the Housing Act and gazetted Performance Standards, tenants can escalate unresolved rental housing matters to the Registrar on a case by case basis, to be investigated where necessary. This function gives the Registrar oversight of complaints management in the community housing sector and, importantly, provides protection to vulnerable tenants.

As part of the Registrar's functions (section 79(e) of the Housing Act), the Registrar also has discretion to investigate general enquiries from the public that do not satisfy the Housing Act definition of a complaint but contain information that evidences potential systemic failures of a registered agency to comply with Performance Standards.

The Registrar's powers under the Housing Act are broad and can, amongst other actions, direct registered agencies to remedy a complaint or take other action to reduce the likelihood of future, similar complaints.

The Housing Registrar previously conducted a review of its case management system (CMS) in 2018-19. The overall objective of that review was to achieve better regulatory and tenant outcomes from a more targeted framework.

Following the findings of this review, which were reported in last year's Regulatory Update Report, a key reform project implemented during 2019-20 was to revise the Housing Registrar's case management processes and procedures to help mitigate risks and improve the quality, consistency and time taken to conduct cases.

The purpose of the case management project was to ensure that:

- > cases are managed by the Housing Registrar in accordance with the relevant provisions of the Housing Act and Performance Standards;
- > investigations are undertaken in a thorough, consistent and timely manner with care and due diligence (i.e. receiving, recording, processing, responding to and reporting on cases) to ensure fair outcomes for registered agency tenants;
- > Housing Registrar staff:
 - adhere to guiding principles to act fairly and in accordance with procedural fairness; and
 - proactively manage risks which are escalated where necessary;

- > complainants are provided with information regarding alternative dispute resolution bodies where a complaint is outside the Registrar's jurisdiction, and
- > data is collected and stored appropriately to identify opportunities to support ongoing CMS improvements and Housing Registrar and registered agency decision-making.

The case management project commenced with a review of best practice complaints management policies and processes from key oversight bodies and stakeholders including the Victorian and NSW Ombudsman, DHHS and the NRSCH system.

The findings from the review were used in conjunction with the Housing Registrar's own experience in case management to inform the key outputs of the project including:



Process maps

Providing a high-level overview of the key steps that form the Housing Registrar's overall CMS processes;



A revised Case (including complaints) Management Policy

Providing guidance to Housing Registrar staff, and people who wish to make a complaint, or are referring a complaint, about a registered agency, on the key principles and concepts of our case management system;



A revised Case (including complaints) Management Procedure

Providing a step-by-step guide for Housing Registrar staff, including key templates, to ensure cases are handled fairly, efficiently and effectively and that we have in place clear processes for receiving, assessing, recording, responding to and reporting on cases; and



Fact sheets

Providing information on useful alternative sources of support.

Team information and training sessions were held to seek feedback prior to finalisation of each key output and to support ongoing capacity building, monitoring and evaluation. Key areas of future focus for the CMS include conducting annual reviews to ensure its ongoing relevance and effectiveness; and delivering team training as required.



Priority 2

Better regulation

The Housing Registrar is committed to:

- > Supporting registered agencies to achieve good governance, financial viability and quality tenancy and asset management through regular compliance assessment.
- > Reducing the regulatory burden on registered agencies.
- > Facilitating greater investment in the sector by promoting confidence in the performance of registered agencies.
- > Making our regulatory approach and processes more accessible and transparent.
- > Identifying opportunities for improvement, including through feedback mechanisms.

The Housing Registrar's values promote a culture of innovation which strives for continuous improvement through better regulation.

As a regulator we are aware of the impact of our work and strive to create and administer a regulatory approach that improves outcomes, promotes transparency and reduces regulatory red tape.

In 2019-20, the Housing Registrar undertook several activities to promote better regulation including:

- > timely completion of Annual Compliance Assessments (ACA) against Performance Standards for each registered agency (39) by 3 April 2020.
- > continued delivery of transparency reform work through:
 - (i) the inaugural publishing of ACA outcomes and executive summaries for the 2018-19 performance year, published 3 April 2020 on the Register of Housing Agencies (Public Register); and
 - (ii) endorsement by the Registrar of the KPM's Working Group recommendation to publish categories of performance information delivered through a 'Landlord Report' for each registered agency on the Public Register for the 2019-20 performance year;
- > initiatives aimed at reducing regulatory red tape for the community housing sector through:
 - (i) the publication of two good practice guides, *Registered Agency Ending a Tenancy Policy* and *Registered Agency Code of Conduct Policy*, to ensure compliance with Performance Standards and promotion of better practice policy development;
 - (ii) system updates to the Housing Registrar's business system, Community Housing Information Management and Engagement System (CHiMES), to support enhanced public reporting of annual compliance assessments; and
 - (iii) updating the CHiMES registered agency user manual to assist users in completing regulatory reporting and compliance tasks in the system;
- > refinement of the Housing Registrar's risk-based regulatory approach through:
 - (i) finalisation of the review of the Regulatory Engagement Tool (RET), for implementation from the 2019-20 performance year; and
 - (ii) completion of the final stage of updates to the Financial Performance Report (FPR).

Annual Compliance Assessments outcomes

Outcomes for the 2018-19 performance year

Annual Compliance Assessments (ACAs) are one of the major outputs of the Housing Registrar's regulatory calendar. A registered agency's compliance with Performance Standards is determined by assessment of evidence collected by the Housing Registrar during the ACA and other reporting requirements throughout the year. Any compliance and performance risks that are identified during the ACA process will be monitored through an individual registered agency's regulatory plan and associated action items for the following year. This provides an opportunity for registered agencies to voluntarily address compliance and performance risks prior to reaching 'non-compliance' and more formal intervention by the Registrar under the Intervention Guidelines.

The ACA process includes regulatory engagement meetings with each registered agency in accordance with its risk profile and assessment of a range of evidence reported to the Housing Registrar. Each registered agency has a detailed regulatory action plan, which includes regulatory action items tailored for each registered agency's business and is designed to promote compliance and achieve continuous improvement and capability building.

Assessing the whole sector concurrently presents resourcing challenges for the regulator. However, it provides the benefits of the availability of complete sector-wide compliance and performance data and the active management of risks and promotion of continuous improvement opportunities for each registered agency.

The ACA outcomes for 2018-19 indicate that the sector overall achieved a very high rate of compliance. Of the 39 registered agencies, 38 were assessed as meeting all Performance Standards, an improvement from 36 in 2017-18. The number of registered agencies assessed as meeting the Housing Registrar's reporting requirements significantly increased from 19 in 2017-18 to 34 in 2018-19.

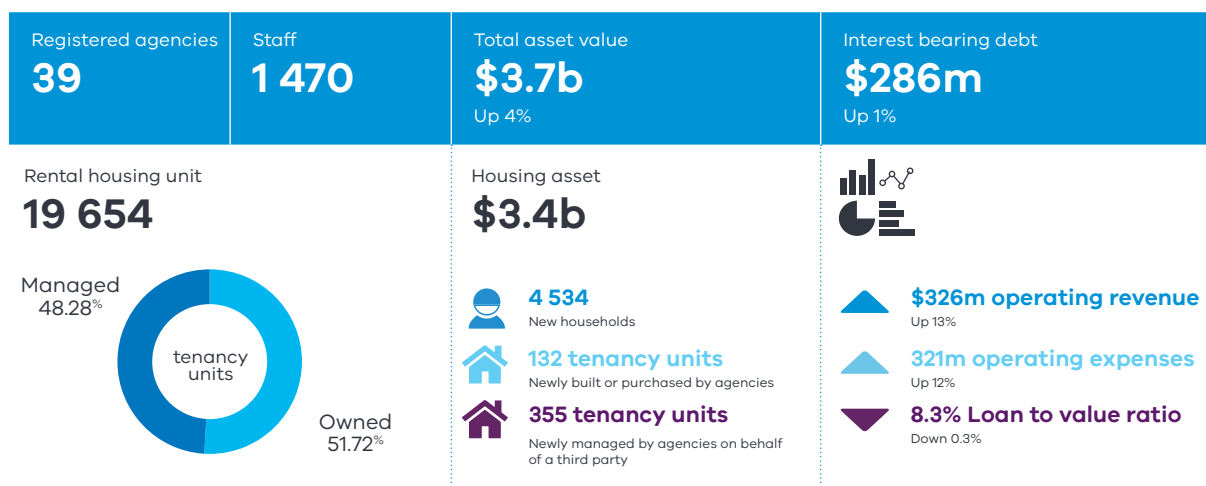
Some of the sector's key highlights at 30 June 2019 include:

- > 19 654 tenancy (rental) units under management, of which housing associations managed 72 per cent and housing providers 28 per cent;
- > 10 166 properties owned by the sector in total with a carrying value of \$3.4 billion;
- > operating EBITDA (earnings before interest, tax, depreciation and amortisation) of the sector increased to \$48 million;
- > total assets of the sector increased by four per cent to \$3.7 billion;
- > equity continued to represent a major portion of total assets, while liabilities remained stable; and
- > the average occupancy rate across the sector was 97.5 per cent.

Registered agencies are required to conduct tenant surveys at least every two years to obtain feedback from tenants and residents on its services. Of the 39 registered agencies, 25 conducted tenant surveys during 2018-19. Of the tenants that responded, 85.9 per cent indicated they were satisfied with the housing services provided, which remained steady from the previous 2017-18 survey results (at 85.7 per cent).



The diagram below provides an overview sector snapshot for 2018-19. Further information on sector outcomes for the 2018-19 performance year can be found in the Sector Performance Report 2018-19.



Transparency reform

(i) Public reporting of registered agency compliance outcomes

From 1 July 2019, for the first time in Victoria, the Housing Registrar introduced public reporting of compliance and regulatory information for all registered agencies on the Public Register (on the Housing Registrar's website).

Changes to public reporting include:

1. Publishing outcomes of ACAs for each registered agency, in addition to an executive summary. This information will be published annually from the 2018-19 performance year onwards.
2. The publication of the Registrar's use of formal regulatory intervention powers⁵ under the Housing Act and Intervention Guidelines (including binding instructions).

These changes were driven by the Housing Registrar's commitment to increasing transparency in the management, delivery and regulation of the community housing sector in Victoria to:

- > promote market confidence in the sector to facilitate growth (through both private sector and government investment and funding);
- > empower and protect tenants by providing more visibility over a registered agency's compliance with Performance Standards;
- > improve the capability of the sector through the availability of sector-wide compliance and performance data to enable similar sized agencies to compare and benchmark their performance; and
- > promote the accountable use of government investment in the sector.

⁵ If non-compliance is identified which is unable to be resolved in a reasonable timeframe with the registered agency, the Registrar may consider using intervention powers which will now be made publicly available. In practice, identified issues of non-compliance or risk of non-compliance is often managed cooperatively with registered agencies and monitored through regulatory action plans with statutory intervention being a matter of last resort.

A guidance note notifying the sector of these changes was published in December 2019 following consultation with the sector and various stakeholders.

Information published on the Public Registrar includes a five-year rolling table, commencing from the 2018-19 performance year, of each registered agency's compliance with each of the seven Performance Standards (scored against the criteria of 'met', 'capacity to meet' and 'did not meet'). There is also an executive summary of each registered agency's ACA. The executive summary provides a brief summary of the registered agency and outlines the overarching findings of the ACA, including any significant milestones, development activity, new services or partnerships and any organisational changes. The Housing Registrar's publication of regulatory intervention actions and ACA compliance outcomes and executive summaries also aligns with the NRSCH to create consistency between jurisdictions.

The Housing Registrar is committed to promoting greater accountability and transparency in the management, delivery and regulation of community housing in Victoria, including closer alignment to the NRSCH, and this will remain a key priority in 2020-21.

(ii) Public reporting of Key Performance Measures

The Housing Registrar circulated a feedback paper to the community housing sector in June 2019 outlining a proposal to promote greater accountability and transparency in public performance reporting. Following consultation and feedback from the sector and CHIA Vic it was agreed that a Key Performance Measures (KPMs) Working Group (Working Group) would be established to identify options to publish KPMs data from the 2019-20 ACA onwards (identified by registered agency) for consideration by the Registrar.

Currently, the Housing Registrar publicly reports deidentified performance information by financial year (from 2009-10) for each registered agency, presented in Excel format on the Government's DataVic website: <https://www.data.vic.gov.au>.

The Working Group was established by the Housing Registrar in December 2019 as a collaborative project between key stakeholders across the sector, to improve the transparency of the performance of registered agencies and the sector more broadly. The Working Group included representatives from registered agencies, CHIA Vic and the Housing Registrar.

The Working Group met four times to:

- > approve its terms of reference;
- > identify options to further transparency reform for reporting of KPMs;
- > identify issues/risks associated with the options identified;
- > make recommendations to the Registrar to support the future publication of KPMs reporting; and
- > agree arrangements to review the effectiveness of the proposed reporting changes.

A range of options were identified by the Working Group for consideration and approval by the Registrar, and the preferred option was to publish identified KPMs, in a 'Landlord Report' for each registered agency on the Register of Housing Agencies (the Public Register). The Working Group preferred this option because it provides a simple, annual, narrative statement and performance snapshot for tenants (and other stakeholders generally) on how a registered agency is performing against specific KPMs. This recommendation was endorsed by the Registrar in June 2020.

The format of the Landlord Report will be reviewed and continuously improved over time and is similar to the approach utilised by the Scottish Housing Regulator, considered by the Working Group to provide a better practice approach to public performance reporting.

Other practical options from the Working Group to the Registrar included:

- > promoting registered agency self-reporting (e.g. on a selection of KPMs) in annual reports, through the publication of a better practice guidance note to the sector; and
- > improving KPMs data integrity, with the Housing Registrar carrying out regular and scheduled data validation exercises with registered agencies as part of ongoing regulatory engagement.

The KPMs identified for inclusion in the Landlord Report are:



Homes and rents

- > total number of housing units owned and managed (*separated by Long Term and Transitional Housing Management property types*);
- > total annual rent due to each registered agency;
- > rental arrears as a percentage of total annual rent due (*separated by Long Term and Transitional Housing Management property types*);
- > average long-term vacant tenatable turnaround days;



Tenant satisfaction

- > tenant satisfaction with housing services provided;
- > tenant satisfaction with tenant consideration of views;



Complaints

- > total number of complaints received;
- > complaints resolved within 30 days;



Maintenance of homes

- > completed urgent requested repairs within 24 hours;
- > completed non-urgent requested repairs within 14 days; and
- > tenant satisfaction with repairs and maintenance.

These KPMs were identified on the basis that they most accurately reflect the registered agency's performance in a performance cycle and corresponding obligations under the two Performance Standards of *Tenant and Housing Services* and *Housing Assets*.

The Registrar and Working Group agreed the adoption of the Landlord Report will enhance transparency of the Victorian regulatory reporting framework for KPMs.

The Housing Registrar team is progressing internal arrangements to facilitate the publication of Landlord Reports from the 2019-20 performance cycle onwards. The Working Group has agreed that a standard caveat will be included in each registered agency's Landlord Report to note the potential impacts on KPMs data as a result of the coronavirus (COVID-19) pandemic.



Reducing regulatory red tape

(i) Guidance to support compliance outcomes

Since December 2019, the Housing Registrar has published two good practice guides: *Registered Agency Ending a Tenancy Policy* and *Registered Agency Code of Conduct Policy*. These guides were developed in consultation with CHIA Vic and DHHS and provide information for registered agencies developing and revising these policies to promote compliance with Performance Standards and better practice policy development.

These guides are intended to be the first in a series of guides to be published on key tenancy management and rent setting policies. The impact of the coronavirus (COVID-19) pandemic in 2020 has delayed the publication of other good practice guides, however, more are expected to be published in 2020-21 with a focus on rent setting and complaints management.

(ii) CHiMES upgrades and user manuals

In February 2020, the Housing Registrar released an update to its business system, CHiMES (used to submit, store and exchange regulatory information between the Housing Registrar and registered agencies). The updates were designed to support improved public reporting of registered agency compliance outcomes. The changes to the Public Register, which is generated by CHiMES and available on the Housing Registrar's website, include a table providing an executive summary of each registered agency's ACA, its compliance against each of the seven Performance Standards and any formal intervention by the Registrar under the Housing Act.

The information on the Public Register page has been reformatted to align with the NRSCH Provider Register. The Housing Registrar has also decommissioned the individual registered agency profile pages generated by CHiMES, instead providing a link to a registered agency's website from the Public Register.

In October 2020 an updated CHiMES registered agency user manual was published to assist approximately 150 users across 38 registered agencies in completing regulatory reporting and compliance tasks in the system. The updated manual provides step-by-step instructions and screenshots as well as information about the business context for each of the functions in the system.

Refining risk-based regulation

(i) Regulatory Engagement Tool

The Housing Registrar is committed to identifying strategies to improve our risk-based approach to regulation, to more effectively use resources and reduce regulatory red tape. Currently, the frequency of engagement with each registered agency is assessed according to a number of variables, including: its categorisation of registration; the regulatory engagement tool (RET); annual compliance assessment outcomes; and data validation assessments.

In late 2019, the Housing Registrar initiated a project to undertake a review of the RET. The RET is a profiling tool which identifies regulatory risks associated with an individual registered agency that drives the frequency of regulatory engagement each year. The purpose of this project was to review the operational effectiveness of the RET, re-assess risk indicators and risk weightings and test RET functionality in light of regulatory outcomes and past performance of registered agencies.



The project aimed to improve accuracy of the tool and ensure that risk assessments are consistent with the inherent scope, complexity and regulatory posture of the registered agency under consideration and that the frequency of regulatory engagement with registered agencies is adequate.

To date, the Housing Registrar has completed the following project milestones:

- > comparison of the previous RET outcomes with actual registered agency risks identified in ACAs and identification of inconsistencies between the findings and RET indicators;
- > reviewing the criteria weightings in the RET and running sensitivity tests to assess responsiveness of the RET to adverse findings;
- > gathering further data on registered agency risks and discussing potential additional risk indicators; and
- > reviewing the RET formulas and functions and comparison with imbedded weightings and formulas in CHIMES.

The Housing Registrar is progressing the project to having the revised RET ready for 2019-20 compliance assessments. The revised RET will provide the following benefits:

- better integration of the findings of the horizon scanning function into the RET;
- more simplified, targeted and responsive risk assessments;
- ability to focus on financial and non-financial risks separately; and
- ability to include investigation findings and regulatory engagement outcomes into the assessment criteria and formulate risk escalation steps for certain events.

(ii) Financial Performance Report template

The Housing Registrar takes an integrated approach to regulation that utilises both financial and non-financial performance information to assess compliance of registered agencies and to produce meaningful data for stakeholders. The Housing Registrar has made enhancements to the Financial Performance Reporting (FPR) template used to gather financial information from registered agencies from the 2019-20 ACA onwards. The new template enables the Housing Registrar to collect and process more comprehensive financial information in relation to registered agencies' development projects, financial facilities and corresponding obligations, detailed breakdown of operating and administration costs and to capture the value of construction work in progress in the balance sheets.

In 2019-20, the Housing Registrar continued its review of the FPR template, making further updates to those implemented in 2018-19. The scope of the 2019-20 review considered:

- > whether the FPR captures all relevant data required to undertake a deeper analysis in relation to the capacity of registered agencies and the sector to grow;
- > whether there is scope to separate out some of the aggregated entries to obtain a more detailed view of the registered agency;
- > how to enhance review mechanisms to cross check the data entered into the FPR to identify discrepancies before the FPR is submitted;
- > ways to collect targeted information in relation to a registered agency's development and financing activities; and
- > methods to capture and record construction works in progress.

The Housing Registrar has completed the final stage of FPR updates in 2019-20. These updates include:



- Enhanced data completeness**
- > Increasing the level of financial data collected on the profit and loss statement and balance sheet. These updates include breaking down operating expenditure, adding construction work in progress to the balance sheet and adding another comprehensive income section to the profit and loss statement.
 - > Adding a loans and finance page to better understand and analyse registered agencies' financial risk profiles. This page captures the provider, maturity date, covenants commitments and whether covenants have been met, the purpose for the loan or finance and whether it relates to a development project.
 - > Adding a development project page to ensure all developments being undertaken by registered agencies are included in the FPR. This page captures, for each development, the number of properties, the project budget, financial performance and work in progress at period end and funding sources.



- Enhanced data accuracy**
- > Adding a reconciliation page to cross check the data entered into the FPR and to reconcile the FPR with the audited financial statements to identify discrepancies prior to submission of the FPR to the Housing Registrar.

(iii) Horizon scanning update

In addition to the information collected directly from registered agencies, the Housing Registrar relies on intelligence from a range of other sources to inform its regulatory approach. Horizon scanning is a structured evidence-gathering process, involving researching, collecting data and reviewing a broad range of information sources.

The aim of this process is to identify potential risks and opportunities and assess their effects on the sector, regulatory environment and the government's housing priorities to support:

- > the Government's commitment to cost effective alignment with the NRSCH and to enable the Victorian regulatory system to remain consistent with initiatives proposed for implementation by the NRSCH;
- > more intelligence for compliance and enforcement activities to promote innovative solutions, early detection of opportunities and preventive actions to protect Victorians in need and the Government's investment in social housing;

- > a regulatory approach that evolves to keep pace with the operating environment;
- > the identification of gaps in intelligence required to better monitor and assess the sector behaviours or emerging issues within the regulatory system; and
- > guidance to the sector on systematic issues and opportunities for improvement and capability building.

The Housing Registrar recognises horizon scanning is a useful regulatory and capacity building tool that should be incorporated into regulatory activities.

The Housing Registrar intended to implement horizon scanning in three stages. The first stage involved the publication of the horizon scanning framework in June 2020. However, the Housing Registrar reassessed its work priorities considering the coronavirus (COVID-19) pandemic and other resourcing constraints which has resulted in delays to the publication of the horizon scanning framework.

The Housing Registrar will continue to work towards delivery of the horizon scanning framework in 2020-21.

Priority 3

Strong partnerships and engagement

The Housing Registrar is committed to:

- > proactively building high-value and purposeful relationships
- > being visible, open and engaged
- > raising awareness of the regulatory system and the Housing Registrar's role
- > providing advice and guidance to the community housing sector to support the regulation of registered agencies

The Housing Registrar works in a diverse stakeholder environment consisting of registered agencies, tenants, the three tiers of government, industry bodies, other regulators, advocacy groups and interested communities and members of the public.

It is vital to our success that we build and maintain strong working relationships with our valued stakeholders and partners whilst maintaining regulatory independence and arm's length decision making.

Over the past year, the Housing Registrar has proactively sought to strengthen collaboration with its key stakeholders and has worked to continuously build open and engaged relationships. This has been demonstrated by:

- > positive sector feedback from the 2019-20 annual survey;
- > engagement with external stakeholders, such as the NRSCH, NHFIC, CHIA Vic and DHHS on joint government work to identify continuous improvement opportunities (including to raise the Housing Registrar's profile, promote market confidence and raise the reputation of the sector);
- > adjustment of our regulatory approach and focus throughout the coronavirus (COVID-19) pandemic including proactive engagement with registered agencies, publishing guidance materials, undertaking financial modelling and increasing monitoring of the implementation of high-risk/high-density accommodation safety measures;
- > participation on the Community Housing Aboriginal Cultural Safety Framework Steering Project Committee; and
- > the continuation of regular communications with the registered sector (including publication of the Housing Registrar's quarterly newsletter, EQUIP, and the second *2018-19 Sector Performance Report* (May 2020) to increase the effectiveness and quality of the Housing Registrar's external reporting to ensure information is available more quickly, focused on key data and metrics which may impact the sector).

Sector feedback

The Housing Registrar continues to proactively seek feedback from stakeholders to promote greater accountability, transparency and continuous opportunities in our regulatory approach and impact.

To enhance the Housing Registrar's established feedback mechanisms, several changes were made to the 2020 sector feedback survey.

Modifications were made to better align questions with the NRSCH's survey and the Housing Registrar's Key Performance Indicators.

The 2020 survey was conducted in May 2020 following the completion of the Registrar's 2018-19 ACA cycle. The voluntary survey was sent out to all 38 registered agencies and included 23 questions across five key areas; 95 percent of all surveys were returned (**Table 2**).

Table 2. Response rates for the 2020 sector feedback survey

Registration type	Number of surveys sent	Number of surveys returned	Per cent returned (%)
Housing associations	10	10	100
Housing providers	28	26	93
Total	38⁶	36	95

Respondents to the survey told the Housing Registrar that the top three benefits from their organisation's involvement in Victoria's regulatory system was that regulation:

1. Ensures the registered agency is working within the law
2. Enhances the reputation of the registered agency particularly with banks, funders, government agencies, commercial entities (particularly developers), the Australian Charities Commission and the wider community
3. Improves a registered agency's overall performance and services to renters and clients

Respondents indicated that being involved in Victoria's regulatory system also benefits agencies through:

- > Improved proactive management of services, assets and risks
- > Improved business processes and systems
- > Improved regulatory compliance

Compliance is vital when being considered for funding or partnerships, and provides the credibility we require

Resources provided by the Housing Registrar are useful

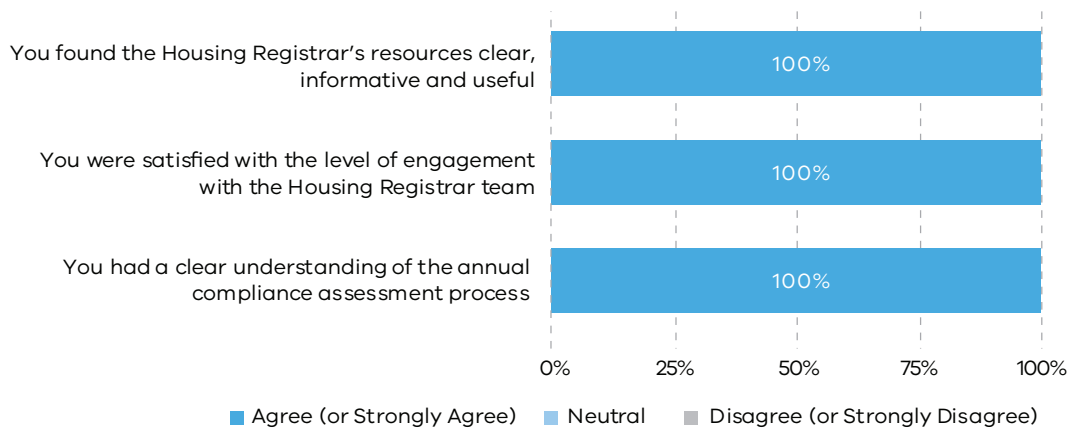
Comparison provided with like organisations is useful

⁶ At the time of the survey one registered agency had operationally merged with another registered agency and was not sent a separate survey.

Figure 1 shows the individual areas where continuing high satisfaction rates were recorded by respondents as per the previous survey conducted in 2019.

All responses to each of the five sections identified in the survey are discussed in greater detail below.

Figure 1. Areas with continuing high rates of respondent satisfaction

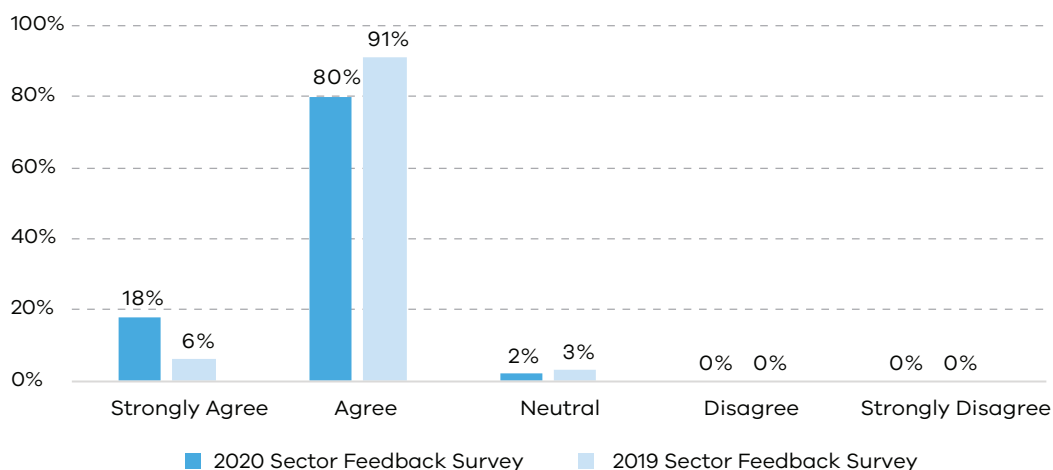


(i) Resources

All respondents either agreed or strongly agreed that they found the Housing Registrar’s resources clear, informative and useful (Figure 1). Most respondents (94 per cent) indicated that they trusted and utilised the reports and analysis published by the Housing Registrar.

A question regarding whether registered agencies were satisfied with the resources available to support the organisation was retained in the 2020 survey, with a higher rate of agreement received this year (Figure 2).

Figure 2. You were satisfied with the Housing Registrar’s resources available to support your organisation.



The top five most useful resources identified by registered agencies included:

- > guidance notes;
- > ACA reports;
- > Good Practice Guides and the Evidence Guidelines;
- > details of lead regulatory and financial analysts; and
- > the Housing Registrar’s website.

Suggestions for improvements included enhancements to the Key Performance Measures guidance document and a refresh to the rent setting information sheet. A review of these published materials is scheduled during the 2020-21 financial year.

(ii) Engagement with the Housing Registrar Team

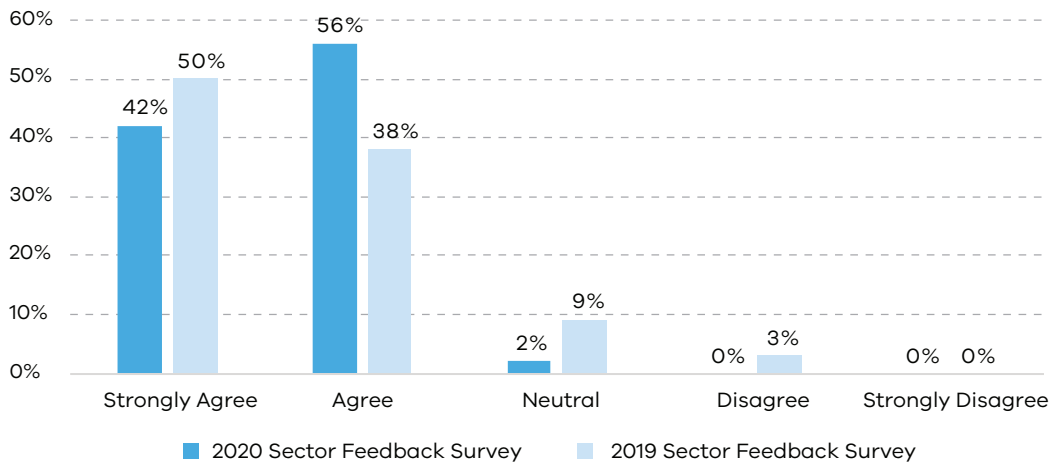
All respondents were satisfied with their level of engagement with the Housing Registrar team (Figure 1) and 97 per cent agreed (or strongly agreed) that the Housing Registrar team was helpful and responsive to their regulation requests.

In relation to complaints management, 100 per cent of respondents indicated they understood their registered agency’s responsibilities and the Housing Registrar’s role under the Housing Act and gazetted Performance Standards.

Ninety five per cent of respondents agreed (or strongly agreed) that the Housing Registrar team demonstrated professionalism and a good understanding of the registered agency’s business.

In terms of regulatory engagement, 98 per cent of survey respondents agreed or strongly agreed that the Housing Registrar’s regulatory engagement approach was consistent with compliance requirements under the Housing Act and gazetted Performance Standards (Figure 3).

Figure 3. The Housing Registrar’s regulatory engagement approach was consistent with compliance requirements under the *Housing Act 1983 (Vic)*.



Comments received from registered agencies acknowledged their positive experiences engaging with the Housing Registrar team over the 2019-20 financial year. Respondents told the Housing Registrar that:

‘Our experience of the Housing Registrar team was overwhelmingly positive. The team had a clear understanding of our particular business and provided us with support and guidance.’

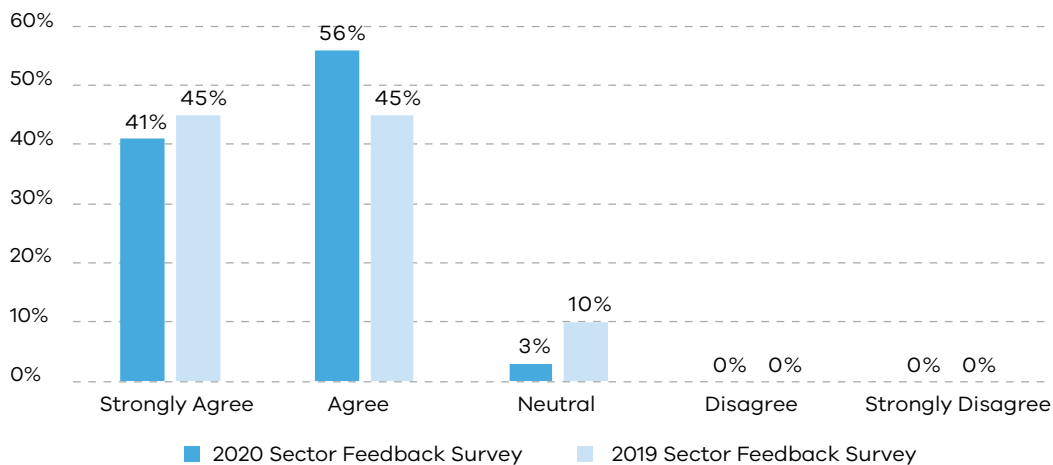
‘The Housing Registrar team is both approachable and knowledgeable. Our lead regulator is most helpful. We have enjoyed our regulatory engagements and the positive attitude of our lead regulator.’

(iii) Annual Compliance Assessment Process

All respondents agreed or strongly agreed they had a clear understanding of the ACA process (Figure 1) and 89 per cent indicated that the Housing Registrar's approach was responsive and adaptable to changing conditions in the regulatory environment.

Ninety seven per cent of respondents agreed or strongly agreed that regulatory plan action items and recommendations were reasonable, targeted and achievable. This is a seven per cent improvement from 2019 (Figure 4).

Figure 4. Regulatory plan action items and recommendations were reasonable, targeted and achievable.



A question relating to the timeliness of the Housing Registrar's ACA and another regarding the engagement level of a registered agency's governing body in the compliance assessment process recorded similar results to those from the 2019 survey (Figures 5 and 6).

Figure 5. The annual compliance assessment was completed and outcomes communicated with your organisation within a reasonable timeframe.

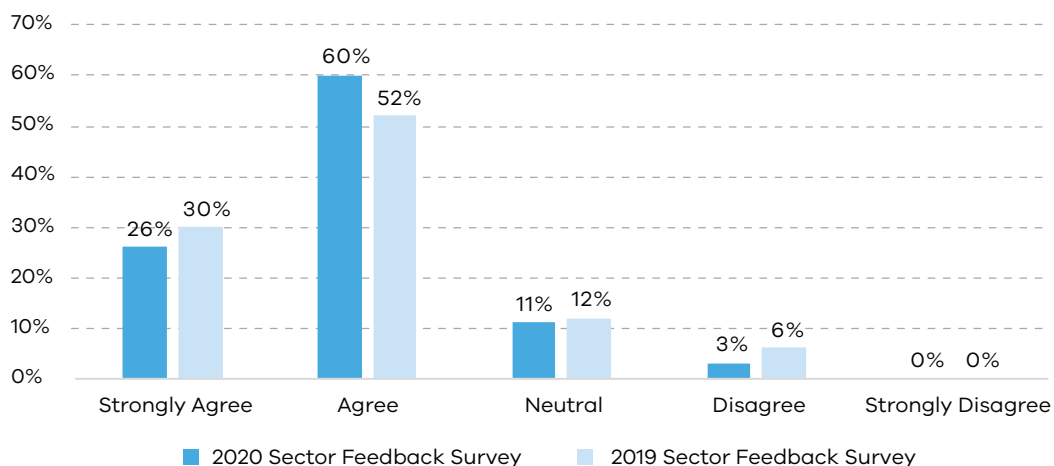
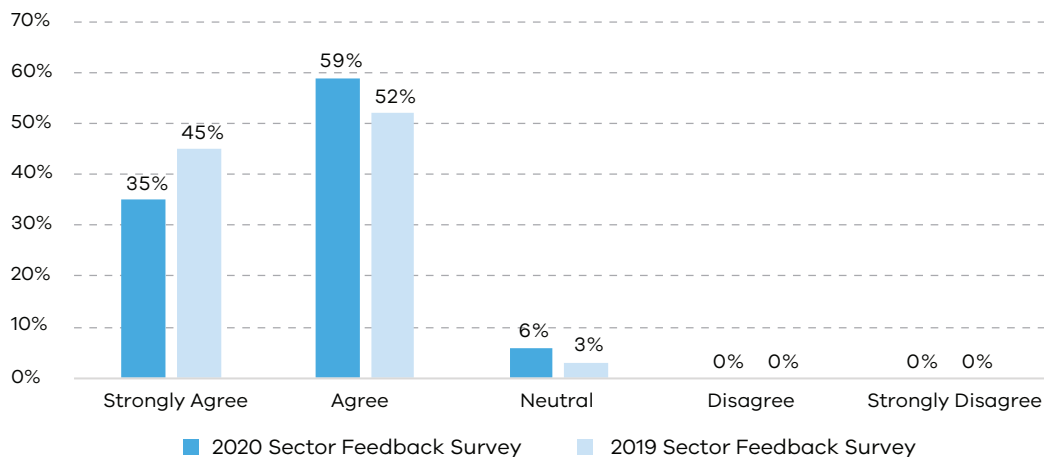


Figure 6. Your Board/ governing body was actively engaged throughout the annual compliance assessment process and understood their role under the *Housing Act 1983 (Vic)*.

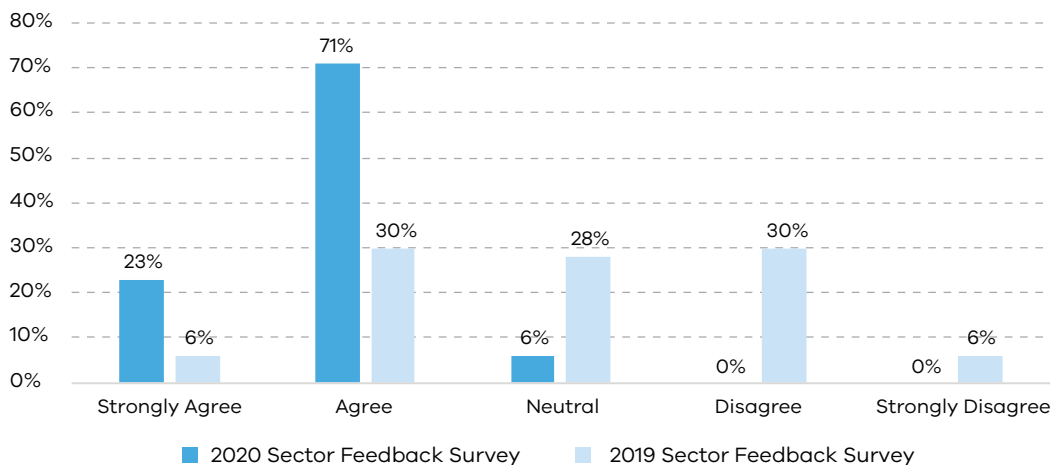


Respondents expressed strong interest in additional information and presentations from the Housing Registrar for their board members. The suggested topics have been noted and will be incorporated into the Housing Registrar’s 2020–21 workplan.

The Housing Registrar received positive feedback about including executive summaries in the published ACA report, for example:

‘The executive summary is a relevant and useful addition to the report.’
‘The published executive summary has improved the annual compliance assessment process.’

Figure 7. You were satisfied with the accessibility and usability of CHiMES.



(iv) Community Housing Information Management and Engagement System (CHiMES)

Ninety four per cent of respondents were satisfied with the accessibility and usability of CHiMES following implementation of system enhancements in June 2019. This is a significant improvement from the 2019 satisfaction rate (Figure 7).

Respondents identified the most useful CHiMES functions as:

- > the compliance section on the home page for monitoring report due dates;
- > the registered agency profile page for updating details; and
- > the report generating function for downloading asset lists, reportable events, regulatory plan items, KPMs and performance against Performance Standards reports.

The Housing Registrar has also noted other changes recommended by registered agencies, which will be considered as part of any future CHiMES enhancement project.

(v) Continuous improvement

Suggestions on improvement opportunities were received from respondents in the following areas, which will be used to promote better regulation and enhance Victoria's existing regulatory framework:

- > supporting registered agencies to enhance performance against gazetted Performance Standards;
- > reducing the regulatory burden on registered agencies;
- > facilitating greater investment in the sector by promoting confidence in the performance of agencies; and
- > making the Housing Registrar's regulatory approach and processes more accessible and transparent.

Feedback from the 2020 survey will be taken into consideration in developing the Housing Registrar's 2020-21 workplan.

Sector consultation and engagement

(i) Raising our profile and promoting our role as regulator

Promoting stronger partnerships and enhancing engagement with external stakeholders has been a key area of focus for the Housing Registrar to build our profile and presence as a trusted regulator, driving an effective risk-based regulatory approach. Key highlights this year include:

- > Working with and alongside the NRSCH to better align systems, share Victoria's strengths, enhance the Victorian Regulatory Framework and communicate changes accordingly. This has involved attending regular Registrar Advisory Group forums and Communities of Practice meetings. Representatives from Queensland also attended our office in Melbourne in August 2019 to better understand CHiMES and share information.
- > Proactively working to understand and influence reform opportunities as part of the NRSCH review in conjunction with DHHS, CHIA Vic and NRSCH Registrars.
- > Working closely with the sector and CHIA Vic on several collaborative projects including:
 - ensuring greater transparency in the publication of tenancy management and rent setting policies following a review of individual registered agency policies online to promote better online policy practices across the sector, with an emphasis on both accessibility and content;
 - public reporting of ACA executive summaries and intervention actions under the Housing Act from 1 July 2019 onwards; and
 - establishment of the KPMs Working Group recommending options to the Registrar on publicly reporting identified registered agency KPMs information from 2019-20onwards.



- > Publishing new guidance materials and reviewing some existing guidance materials, as discussed in the Better Regulation section of this report. Items include: the updated reportable events guidance (in July 2019 and in May 2020 as a result of coronavirus (COVID-19)); good practice guides (*Registered Agency Ending a Tenancy Policy* and *Registered Agency Code of Conduct Policy*) and the updated CHIMES registered agency user manual.
- > Changing the Housing Registrar's approach to forums, with one forum to be held per year in May with December forums no longer proceeding. The timing of the May forum allows the Housing Registrar to update the sector on the outcomes of the previous annual reporting period and provide information and discussion around new processes and initiatives leading into the next compliance reporting period. As reported previously in this report, the Housing Registrar's 2020 annual forum, scheduled for 5 June 2020, was cancelled due to coronavirus (COVID-19) physical distancing measures.
- > Promoting ongoing efforts to improve and streamline our complaints approach.
- > Dissolving the Registrar's Advisory Panel (in September 2019) in consultation with DHHS to reduce regulatory red tape, continue the delivery of Victoria's commitment to cost-effective alignment with the NRSCH and increase decision making agility in response to urgent regulatory matters.

(ii) Coronavirus (COVID-19) response

On 18 March 2020, a State of Emergency was declared in Victoria and there have been a range of restrictions (including Stage 3 and 4) in place and temporary revisions to tenancy laws which have impacted the operations of the sector and the delivery of services to tenants.

In response to the coronavirus (COVID-19) pandemic, the Housing Registrar has adjusted its regulatory approach and focus to support the community housing sector with COVID-19-related advice in collaboration with DHHS and CHIA Vic. Considerations of the risks to tenants and registered agency staff have been paramount

The Housing Registrar has proactively sought to engage with registered agencies throughout the coronavirus (COVID-19) pandemic to understand the impact on the registered sector and to ensure there is effective regulatory oversight of the operational changes required to prioritise the safety of staff and tenants.

To support registered agencies to reprioritise their businesses, the Housing Registrar postponed ACA reporting for the 2019-20 performance year (end of August reporting) and have been flexible with reporting dates and regulatory engagement meetings.

The Housing Registrar has included issuing guidance information for the sector as well as undertaking financial modelling and stress testing analysis to assess the potential impacts of coronavirus (COVID-19) on the financial viability of the community housing sector in the 2019-20 financial year as well as identification of registered agencies at risk of material financial impacts requiring closer regulatory oversight.



Engagement and communications provided to the registered sector have included:

- > A sector-wide update on 2 April 2020 regarding updated regulatory reporting requirements due to coronavirus (COVID-19). These measures include changes to reportable events requirements to include any known cases of coronavirus (COVID-19) within registered agencies and weekly reporting requirements for any registered agency materially impacted by coronavirus (COVID-19).
- > A *Guidance Note – Coronavirus (COVID-19) – Housing Registrar update* (May 2020) published on the Housing Registrar website including information for the registered sector on:
 - the consideration to be given by the Registrar to the impact coronavirus (COVID-19) and precautionary measures may have on KPMs for 2019-20;
 - preliminary results of the Housing Registrar’s stress testing on the financial impact of coronavirus (COVID-19) on the registered sector (outlined in further detail below);
 - information for registered agencies on new temporary tenancy requirements included in the *Residential Tenancies Act 1997* following the commencement of the *COVID-19 Omnibus (Emergency Measures) Act 2020* (Omnibus Act); and
 - additional reportable event requirements for any registered agency wishing to end a tenancy or increase rents during the operation of the Omnibus Act.
- > An updated *Guidance Note – Coronavirus (COVID-19) communication and reporting to the Housing Registrar* (August 2020) published on the Housing Registrar website updated to include:
 - a link to the DHHS coronavirus (COVID-19) webpage;
 - updates to reportable events following the Victorian Government announcement on 20 August 2020 to extend the pause on evictions and extra renter protections to 31 December 2020; and
 - check-in emails from lead regulatory analysts to registered agencies to ensure material impacts on registered agencies are appropriately monitored.

Financial modelling

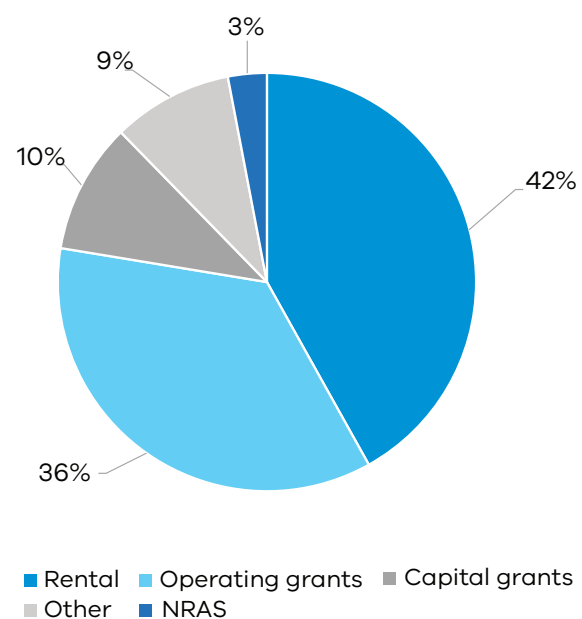
The Housing Registrar conducted preliminary stress testing analysis during 2019-20 to assess the potential impacts of coronavirus (COVID-19) on the financial viability of the community housing sector in the 2019-20 financial year. The stress testing also sought to identify any registered agencies at risk of a material financial impact and requiring closer regulatory oversight.

The Housing Registrar engaged with the sector and the feedback received indicated an average reduction in rental revenue of approximately five per cent in the 2019-20 financial year due to:

- > tenants unable to pay rent due to loss of earnings;
- > loss of rental revenue for landlords through untenable accommodation; and
- > restrictions placed on rent increases during coronavirus (COVID-19).

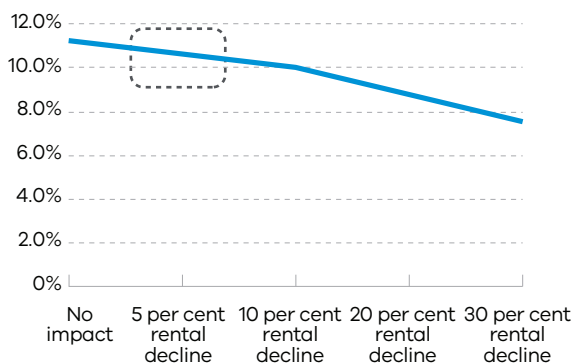
The stress testing model examined the impact of rental revenue and corresponding cash flow decreases until the end of 2019-20. No other adjustments and/or impacts were considered.

2019-20 Forecast revenue breakdown



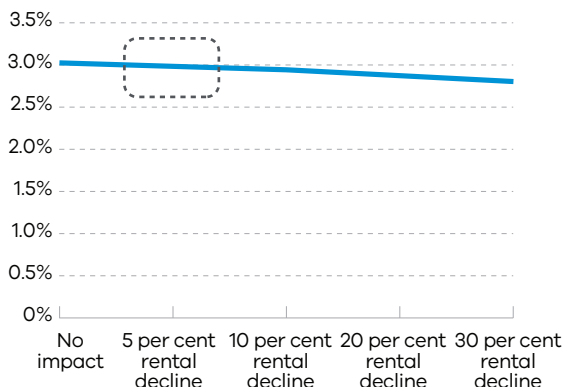
It is estimated that rental revenue (accounting for 41.9 per cent of 2019-20 forecast revenue) could be materially impacted by coronavirus (COVID-19). Grants, National Rental Affordability Scheme (NRAS) and other revenue sources (cumulatively accounting for 58.1 per cent of 2019-20 forecast revenue) are unlikely to be impacted.

2019-20 operating EBITDA stress testing



Forecast operating EBITDA is expected to be marginally impacted for the 2019-20 financial year, decreasing by 0.6 per cent when rental revenue declines by five per cent.

2019-20 current ratio stress testing



Forecast liquidity in the 2019-20 financial year was estimated to not materially erode (as the current ratio remained at 3.0 when rental revenue declined by five per cent). It was also estimated that registered agencies will be able to meet their forecasted interest expense commitments for the 2019-20 financial year.

However, some registered agencies have reported more significant financial impacts of coronavirus (COVID-19) than others. The Housing Registrar will continue to monitor the impacts on the sector and work with individual registered agencies to understand these impacts.

The Housing Registrar will continue to update its stress testing model during the 2020-21 financial year, to monitor the impact of coronavirus (COVID-19) on the sector and to revise its regulatory approach where required.

Rooming houses and other high-density accommodation

Managing outbreaks in rooming houses and other high-density accommodation has created additional risks and challenges for those impacted agencies. The Housing Registrar has worked closely with registered agencies who manage rooming houses to understand and evaluate the measures implemented to protect the safety of tenants in shared accommodation.

Detailed on the next pages are two case studies from many good practice examples provided by registered agencies showcasing how the community housing sector has responded quickly and efficiently to the coronavirus (COVID-19) pandemic.

Community Housing (Vic) Ltd – Queen’s Road, Rooming House Plus Program

The Queens Road Rooming House (RHPP) is a joint registered agency partnership between Community Housing (Vic) Ltd (CHVL) and Sacred Heart Mission (SHM).

RHPP houses 67 residents in long-term supported accommodation. The criteria to be housed at RHPP includes a history of long-term homelessness and complex mental or physical health issues, with many residents also having issues with substance abuse. All residents require some form of low-level support.

RHPP’s response to coronavirus (COVID-19) focussed on the need to be quick and effective with the sole aim of protecting the health and safety of all residents and staff. This was undertaken while also ensuring the effective management of the complexities of RHPP’s residents.

Major risks identified for RHPP in relation to the coronavirus (COVID-19) pandemic included:

- > the dense population of RHPP, with up to 20 residents on each floor;
- > multiple common areas utilised by residents to alleviate isolation;
- > hands-on support and interaction between residents and staff; and
- > most residents being regarded as vulnerable.

In early March 2020, CHVL and SHM began planning a coronavirus (COVID-19) response including required supplies and service delivery continuity.

Throughout March 2020 the following measures were implemented by RHPP in response to the coronavirus (COVID-19) pandemic:

- > physical distancing between staff and residents;
- > signage put in place throughout RHPP;
- > sanitisers in offices and throughout RHPP, including hand sanitiser pumps installed on every floor;
- > closure of the resident lounge, garden, art studio, dining room, gym and computer room;

- > change of meal delivery to takeaway containers for lunch and dinner, with residents required to eat meals in their room after collection;
- > boxes provided to each resident with weekly breakfast supplies;
- > daily cleaning and disinfecting of all hallways, elevators, laundries and offices;
- > physical distancing markers placed on floors;
- > cancellation of weekly shopping trips in the RHHP van;
- > acceptance of a donation of over 300 meals from RACV as a contingency if kitchen food deliveries were unable to be received; and
- > allocation of any vacant rooms put on hold to allow for distancing of residents if required.

Specifically, in terms of service delivery to residents and ensuring resident welfare, CHVL and SHM undertook the following:

- > continuation of meal service, cleaning, washing and dispensing of medication;
- > facilitation of tele-health appointments for both physical and mental health;
- > NDIS meetings and plans completed over the phone;
- > additional welfare checks for each resident, including a focus on whether they had the required essentials, mental health and substance use; and
- > consideration of the psychological impacts of isolation and implementation of physically distanced forms of interaction.



CHVL and SHM also implemented several measures to ensure the safety of RHPP staff while maintaining service delivery. These included:

- > purchasing and providing PPE (masks, gloves and eye protection);
 - > changing the procedures for dispensing medication (one room, one resident at a time, full cleaning of the room occurring between each resident);
 - > answering resident queries through the service window;
 - > CHVL having one staff member working onsite and one working at home;
 - > SHM staff separating into two teams to reduce interaction and possible transmission;
 - > kitchen staff reducing to one to reduce the possibility of transmission;
 - > staff wellbeing checks including employee counselling, non-work-related meetings and time off where required to avoid burn out; and
 - > increased communication to ensure all staff felt valued.
- > providing all residents with hand sanitiser, disinfectant and toilet paper;
 - > gifting residents with a microwave, toaster and kettle for use in their room if needed to reduce the use of the common kitchen area;
 - > removing some furniture from common areas to increase the distance between seating;
 - > locking common area toilets to reduce access as residents could use the toilet facilities in their own room;
 - > replacing the pin pad for front door entry with a swipe card entry;
 - > affixing hand sanitizer stations to the front door entry and internally to three hallways;
 - > increasing cleaning of common areas to daily;
 - > availability of VincentCare Support Services team members on site for several hours from Monday to Friday; and
 - > phone call check-ins with each resident on Saturday and Sunday with support staff attending in person.

VincentCare Community Housing – Rooming House response

VincentCare Community Housing (VincentCare) manages a 22-bed rooming house in Sunbury. The rooming house residents are all aged over 50 and many have multiple health issues. Each resident has their own bedroom, small living room and bathroom, however the kitchen facility is shared. From the onset of the coronavirus (COVID-19) pandemic, VincentCare identified this site as one of significant risk.

In response to the coronavirus (COVID-19) pandemic, VincentCare implemented the following actions:

- > conducting two house meetings between staff and residents to provide explanations to residents as to how to keep safe during the coronavirus (COVID-19) pandemic;
- > placing laminated posters throughout common areas explaining physical distancing, non-contact greetings, washing hands and cleaning with pictures and simple language;

(iii) Aboriginal Cultural Safety Framework

In July 2020, CHIA Vic launched the Community Housing Aboriginal Cultural Safety Framework, guiding community housing providers to ensure a culturally safe community housing sector for Aboriginal staff and tenants.

The Community Housing Aboriginal Cultural Safety Framework was developed under the leadership of a steering committee chaired by Darren Smith, the CEO of Aboriginal Housing Victoria. The committee includes members from CHIA Vic, DHHS, community housing organisations, the Housing Registrar and an Aboriginal person who is a current community housing tenant and has strong experience in delivering policy and programs in her community.

The Housing Registrar welcomes the recommendations made under the Framework and has committed to working with government, CHIA Vic and the community housing sector to explore implementation options.

(iv) Communications

Four newsletters

The Housing Registrar's newsletter (EQUIP) was published in August and October 2019 and January and May 2020. This newsletter provides quarterly Housing Registrar updates on regulatory matters and key priorities. It also incorporates sector news from registered agencies on new initiatives and developments. Previous newsletters can be viewed on the Housing Registrar's website.

Two annual reports

The Housing Registrar continues to publish two separate annual reports: a Sector Performance Report and a Regulatory Update Report. This format ensures that sector performance data, along with the Housing Registrar's detailed analysis, is released publicly after the completion of ACAs. *The Sector Performance Report 2018-2019*, published in May 2020, is available on the Housing Registrar's website.

Annual forum

The Housing Registrar's annual forum is an opportunity to share and discuss the sector's performance results and regulatory updates from the Housing Registrar team and key updates from the community housing sector, DHHS and CHIA Vic. In recent years capacity building has featured as a focus for forum agendas, with registered agencies presenting on a range of topics including complaints and asset management.

The Housing Registrar did not proceed with its scheduled annual forum in June 2020 due to physical distancing measures in place for coronavirus (COVID-19).

To keep abreast of updates from the Housing Registrar and the sector in the interim, please refer to recent published resources on the Housing Registrar's website (including this *Regulatory Update Report 2019-20*, *Sector Performance Report 2018-19* and EQUIP newsletters).



Highlights from registered agencies

National Housing and Finance Investment Corporation funding

The National Housing Finance and Investment Corporation (NHFIC) is a Commonwealth entity dedicated to improving housing outcomes, with a focus on affordable housing. It provides concessional loans, grants and equity finance for eligible infrastructure projects to provide new affordable housing.

In November 2019, NHFIC announced its second bond issue of \$315 million. This NHFIC bond will provide a fixed rate of 2.07 per cent for 10.5-year interest only loans to Community Housing Providers (CHPs) to provide subsidised housing. These loans are estimated to save CHPs around \$50 million in interest payments over the next 10 years.

In June 2020, NHFIC announced its third bond issue of \$652 million. This NHFIC bond provided a fixed rate of 2.06 per cent for 12-year interest only loans to CHPs. These loans are estimated to save CHPs around \$80 million in interest payments over the next 10 years.

CHPs can also use the funds to help support critical housing-enabling infrastructure. This includes new or upgraded infrastructure for:

- > electricity and gas;
- > water, sewerage and stormwater;
- > transportation including roads;
- > telecommunications;
- > site remediation including the removal of hazardous waste or contamination; and
- > onsite and linking infrastructure.

The terms of NHFIC finance are flexible to suit the applicant's project requirements. These may include, for example, concessional interest rates and/or longer loan tenure or extended period of capitalised interest.

The 2019 NHFIC bond provided loans to seven CHPs, including three registered agencies:

- > HousingFirst and the Port Phillip Housing Trust (\$72m);
- > Loddon Mallee Housing Services (trading as Haven; Home, Safe) (\$65m); and
- > Housing Choices Australia (\$55m).

The 2020 NHFIC bond provided loans to ten CHPs including two registered agencies:

- > Common Equity Housing Limited (\$50m); and
- > Women's Housing Limited (\$9m).

HousingFirst

The \$72 million loan enables HousingFirst to refinance all its existing debt and to leverage with further debt, saving the organisation an anticipated \$10.7 million over the 10.5 years.

These savings will assist HousingFirst to add to their stock of affordable homes by 275 dwellings across St Kilda, Preston, Box Hill and Rowville. These savings will also provide the opportunity to support HousingFirst's tenant-led programs – which link tenants to a full range of services and opportunities within their local community, enabling them to improve their personal wellbeing.

Loddon Mallee Housing Services (trading as Haven; Home, Safe)

The long-term low interest loan of \$65 million to Haven; Home, Safe provides savings of around \$10 million in interest and other costs relating to its existing debt and supports the delivery of around 99 new social and affordable homes.

The cost savings from NHFIC's finance also gives Haven; Home, Safe the ability to improve the availability of sustainable housing for their vulnerable client group by increasing the number of new homes it can provide together with utilising its integrated homeless service to provide critical support services to further enhance the chance of the tenancy being successful.

'Achieving finance on more favourable terms considerably improves our capacity to deliver on our purpose: to house and support those most vulnerable in the communities we operate.'

Common Equity Housing Limited (CEHL)

The \$50 million loan enables CEHL to refinance all its existing interest bearing debt and utilise further debt to acquire 23 new properties at Braybrook and Alphington that will generate a net benefit to support CEHL's cooperative housing program. Interest cost savings over the 12 years are estimated to be approximately \$4 million.

'Knowing that we are able to secure long-term low-interest funding with NHFIC means that we are no longer having to refinance or seek loan extensions every few years allowing us to place greater attention on the financial resourcing of longer-term maintenance and property asset recycling'

Housing Choices Australia (HCA)

The \$55 million loan from NHFIC has been used to refinance existing bank debt (\$37m) and provide additional capacity for new projects. The low NHFIC interest rates allow an increase in debt from \$37m to \$55m for approximately the same annual interest cost. Interest rates fixed for 10.5 years have allowed HCA a hedge against potential interest rate rises and certainty of cashflows to better plan for the future.

The additional debt over and above that used to refinance existing debt will provide funding for 10 projects across Melbourne delivering 82 new social housing outcomes.

Women's Housing Limited (WHL)

The \$9 million loan has enabled WHL to refinance \$5.5 million of its existing interest bearing debt and the remaining \$3.5 million will contribute toward building new, safe homes for women.

'As an example of this benefit, we've been able to purchase seven one-bedroom units outright, at a significantly reduced cost, in a great location in the Melbourne suburbs – close to hospitals and major amenities. Women are able to live in these units, paying 75% of the market rent, and we can afford to do this because of the lower borrowing costs with NHFIC'

Unison Housing social housing complex, Footscray

Unison has transformed an aged and dilapidated block of 17 small units into 54 brand new self-contained apartments in Melbourne's West. The new social housing complex in Footscray, launched in June 2020, was developed with funding from the Victorian Government's Victorian Property Fund⁷.

People living in rooming houses managed by Unison, and people who lived in the property prior to the redevelopment, have had the opportunity to move into a brand new apartment that provides more privacy and amenity, as well as more safety and security.

The new development is aligned with Unison's strategy of moving away from rooming houses to self-contained units and give tenants a sense of having their own place.

⁷ The Victoria Property Fund supports Registered Housing Agencies to carry out development projects to increase the supply of long-term affordable housing for low income and disadvantaged Victorians.

Australia's first Professor of Urban Housing and Homelessness and Chair of the Unison Housing Research Lab at RMIT University, Prof. Guy Johnson, said

'The evidence is clear: self-contained housing is more effective in sustaining tenancies. Our research also shows that providing the housing is only part of the response to homelessness. Helping people settle in and make that housing into a home is equally important.'

For that reason, the building comprises a Place Management office to facilitate timely and personalised support, which will further assist in sustaining tenancies. In addition, McAuley Women's Community Support Services will be co-located on site for part of the week to strengthen support for women they have referred to the development.

Design and services

The building is close to shops, health and support services and public transport with Footscray station just 400m away, facilitating positive integration in the community and therefore better outcomes for tenants. The new development was designed with a focus on residents' wellbeing and quality of life, with great natural light and airflow, friendly large communal area and outdoor garden, high-standard energy efficiency, accessible facilities, and enhanced safety measures.

Features include:

- > Rooftop solar to lower utility costs and environmental footprint;
- > Rainwater harvesting system for toilet flushing and irrigation;
- > Embedded network;
- > High-performance glazing and energy efficient building services; and
- > Secured bike storage facility.

'Unison made sure in this development they introduced sustainability measures that were over and above what was needed.'

First impressions

Katrina, Manager Place Management at Unison shared her impressions:

'I felt really excited showing people through a lovely building. I had women asking if they could bring back their sister, or mother or friend, to show them where they would be living. They were so proud.'

'Unison believes every person should have a quality, affordable home and belong to a thriving community' says James King, Acting CEO at Unison. 'Unison is committed to housing those most vulnerable in our community and we are really proud of this development and the high standard it sets for social housing in Victoria.'

Operational management at Housing Choices Australia

Driving operational efficiency at Housing Choices Australia (HCA)

Operational management is dealing with design, management and continuous improvement of the processes to create services that are valued by customers and stakeholders. HCA spent the last year reviewing its operations to create a consistent, high-achieving way of working.



Coxswain Alliance, a specialist business improvement consultancy with significant community housing experience, was employed by HCA to support it to review and focus on areas where greater operational efficiency could be achieved.

HCA embarked on a process mapping program and through collaborative 'team sprints' developed an 'operating rhythm' aligned to its vision of supporting tenants in sustaining their tenancies.

The process

Following an eight-step process, HCA aligned its required outcomes as a management team and then developed a new way of working from the ground up through engaging frontline staff in a series of workshops. HCA started with a series of alignment sessions (Step 1), which involved benchmarking visits to other companies (both CHPs and 'Blue Chips') where HCA observed in 'real-time' what a high-achieving operating rhythm looked like. This gave HCA the belief that it could build something uniquely specific for the organisation and its culture that was fit for purpose.

Following the benchmarking visits, HCA was equipped to:

- > acknowledge and agree its current state (what needed to change); and
- > set its vision, defining 'who we wanted to be' and 'what good looks like', which were expressed as outcome statements for HCA's core processes and activities.

The outcome statements set HCA's 'to-be' mindset and became the guiding principles framed as 'resident centric' language – defining how each process was helping HCA's residents.

Steps 2 and 3 were devoted to first planning the right program sequence and engaging HCA's staff. With the consultant's assistance, HCA used an approach to facilitate change from the ground up; working side-by-side with staff doing the work, helping them to determine 'what good looks like', and then building a way of working that supports that definition. The amazing 'puzzle' session at the outset of this work was a major aspect, as it opened eyes and minds to what was possible, inspiring HCA to think differently about how work was done.

With an engaged team, HCA set about mapping its processes (Step 4), identifying pain points and bottlenecks in both work execution and work management. This built the foundation to define the future way of working and enable the setting of HCA's robust internal standards for quality and service (Step 5).

Alongside this work HCA developed its management capability and 'operating rhythm' (Steps 6 and 7). This involved *Engaged Management Behaviours Training* and simultaneously implementing new management practices (e.g. daily/weekly/monthly management operating rhythm) using a test, measure and learn approach. HCA's staff felt that creating this rhythm was, and is, the cornerstone to having a consistent high-achieving way of working.

HCA believes that a good sustainable 'operating rhythm' runs from the frontline to senior leadership, which enables 'real-time' attainment measures to be set, brings managers closer to their team and creates an environment for coaching and continuous improvement. Continuous improvement focusses not just on the work, but on improving the 'operating rhythm' (Step 8) as well.

The outcomes

An immediate improvement in rent arrears was observed, achieving HCA's best outcomes in two years. Rent reviews and allocation processes also became consistent and more efficient seeing a reduction in time and effort to complete – no more mad rush at deadline time!

Following these successes, HCA further applied the 'operating rhythm' principles to develop its Community Programs and improving urgent maintenance. In addition, HCA defined and enhanced its HR processes, and has commenced a Contractor Relationship Model to develop high-value, stronger relationships with contract partners.

Transforming operations hasn't been easy for HCA. As part of its continuous improvement program, Consultant Coxswain Alliance will provide ongoing support, coaching and training to staff.



Priorities for the year ahead

In 2020-21, the Housing Registrar will continue to work towards delivery of its Strategic Plan priorities of:

- > Organisational excellence;
- > Better regulation; and
- > Strong partnerships and engagement.

Key projects for 2020-21 include:

Next wave regulation reforms:

- > changes to public reporting of compliance and performance data, following the Registrar's approval and adoption of the KPM Working Group's recommendation to publish a Landlord Report for each registered agency of selected KPMs;
- > continuing internal KPIs data collection and publishing detailed assessment and reporting on the regulator's performance in the Regulatory Update Report;
- > transitioning the Housing Registrar's website platform to the 'vic.gov.au' site to promote transparency and accessibility of information to tenants, prospective tenants and the public;
- > publishing more guidance documents to make it easier for registered agencies to meet compliance obligations to reduce regulatory red tape; and
- > further revisions to financial and non-financial risk and engagement assessment tools, data capture and reporting (including amendments to CHIMES).

Joint government work:

- > National Housing Finance and Investment Corporation (NHFIC). The Housing Registrar provides regular reports to NHFIC to support financing requests. Victoria currently has five Expressions of Interests with NHFIC of \$144.5 million and one application of \$68 million which is likely to continue to increase.

- > Joint project work with:
 - Community Housing Industry Association Victoria (CHIA Vic) and the Department of Health and Human Services (DHHS) to describe the differences between public and community housing to identify potential reform opportunities; and
 - CHIA Vic, DHHS and the Office of the Commissioner for Residential Tenancies to produce better practice guidance for the sector on rent setting.

Continuous improvements:

- > Refreshing information on the Housing Registrar's website, including available guidance and policies (e.g. on case (including complaints) management), to enhance communications and promote more clarity and understanding of our role and regulatory oversight with a focus on improving tenant outcomes;
- > Ongoing monitoring of and reporting on the impact of coronavirus (COVID-19) on the sector;
- > Delivering the horizon scanning framework in 2020-21 with publication of the horizon scanning report in 2021-22; and
- > Continuing the Housing Registrar's annual sector feedback survey, with information being used to self-assess and identify continuous improvement opportunities to promote greater accountability and transparency in the management, delivery and regulation of the community housing sector in Victoria.

As a team we look forward to continuing efforts to drive positive outcomes for community housing in Victoria.

Appendix 1

Housing Registrar progress against the 2018-20 Strategic Plan (including Ministerial Statement of Expectations)

Priority area	Deliverable ⁸	Outcome
Organisational excellence	Housing Registrar Strategic Plan	Development of a new 2018-20 Strategic Plan, identifying clear priorities and values linked to the Housing Registrar's workplan and individual performance plans.
	Standardised performance plans	Development of standardised performance plans across the team to support consistency and transparency as part of biannual assessments.
	Clarification of values and success measures	Consideration of 'how we work' including what our values mean to us to help drive how we work and deliver key cultural measures of success.
	Capacity building	(a) Targeted recruitments to strategically enhance team capacity and skill sets; (b) Enhancements to our capacity building through attendance at a range of internal and external learning and development opportunities; and (c) Introduction of regular meetings to promote consistency of approach to ACAs and streamline work effort.
	Key Performance Indicators (KPIs)*	Identification of KPIs to measure the Housing Registrar's performance, efficiency and alignment with objectives. Inaugural assessment and reporting on the performance of the Housing Registrar against KPIs for the 2019-20 financial year to help drive transparency and continuous improvements.
	Improvements to complaints processes*	Revision of the Housing Registrar's case management system (CMS) to help mitigate risks and improve the quality, consistency and timeliness of complaint management across the team.

8 Deliverables with * indicate initiatives undertaken by the Housing Registrar to meet key governance, performance objectives and targets set in the ministerial SoE (for the period 1 January 2018 to 30 June 2019). The Housing Registrar has fully discharged its obligations in relation to the SoE. For more information, please visit <http://www.housingregistrar.vic.gov.au/About-us/The-Housing-Registrar>.

Priority area	Deliverable ⁷	Outcome
Better regulation	Improved timeframes for key outputs	Timelier delivery of the 2017-18 annual compliance assessment process (finalised a month earlier than the 2016-17 annual compliance process).
	Transparency reform work*	<p>Greater transparency through:</p> <ul style="list-style-type: none"> (a) Intervention Guidelines developed and published in September 2018, outlining the regulatory escalation process related to the Housing Registrar's use of intervention powers. (b) Corporate Group Structures and the Victorian Regulatory Framework guidance note developed to outline the regulatory requirements related to group structures, published online in November 2018. (c) Registered agencies publishing their tenancy management and rent setting policies online in compliance with the Housing Registrar guidance note issued 6 February 2019 – <i>Agency publication of key policies guidance</i>. This was supported by audits by lead regulators in June 2019 to ensure compliance across the sector. (d) Identifying and implementing new processes to support the delivery of public reporting of annual compliance assessment outcomes. From the 2018-19 performance year onwards, compliance outcomes and an executive summary were made publicly available on the Housing Registrar's website (on the Public Register). From 1 July 2019, any formal intervention action by the Registrar under the Intervention Guidelines is also published. (e) Publication of two good practice guides to ensure compliance with Performance Standards and promotion of better practice policy development. (f) Establishment of a Key Performance Measures (KPMs) Working Group to identify options to publish identified registered agency KPMs data. Registrar endorsement of the Working Group's recommendation to publish a subset of existing KPMs will result in the publication of a 'Landlord Report' for each registered agency from the 2019-20 performance year onwards.
	System enhancements to the Community Housing Information Management and Engagement System (CHiMES)*	Enhancements addressed business requirements that were identified and prioritised from registered agency user feedback, system testing and ongoing user experience to improve user experience and system functionality. The improved functionality of CHiMES has assisted registered housing agencies in achieving accuracy and timeliness of compliance requirements.
	Alignment to the NRSCH	Publication of new and refreshed guidance materials to support alignment to the NRSCH (e.g. <i>Corporate Groups and the Victorian Regulatory Framework</i> guidance and <i>Reportable Events</i>).

Priority area	Deliverable ⁷	Outcome
Better regulation <i>(continued)</i>	Horizon scanning framework*	<p>Development of a horizon scanning framework, incorporating aspects of future thinking into compliance activities to improve business intelligence.</p> <p>The Housing Registrar undertook a review of the value and feasibility of implementing horizon scanning in consultation with the NRSCH in July 2019. The review identified that horizon scanning is a useful regulatory and capacity building tool that should be incorporated into the Housing Registrar's compliance activities.</p> <p>To implement horizon scanning additional resources are required. The Housing Registrar will continue to explore opportunities to resource horizon scanning and incorporate it into its compliance activities to improve business intelligence. Implementation is expected to be carried out in three stages. The first stage is the preparation of a comprehensive Horizon Scanning Framework and trial in 2019-20. The next two stages will be publication of the framework and publication of the horizon scanning report.</p>
	Continued improvements of the Regulatory Engagement Tool (RET)*	<p>Review finalised of the operational effectiveness of the RET including risk indicators and risk weightings, as well as testing of the functionality of the tool.</p> <p>Stage one of the project has been completed, with the risk-based RET reviewed to identify issues and areas for improvements in June 2019.</p> <p>Stage two of the review involves integration of horizon scanning, streamlining of risk parameters, re-design of risk weightings, testing of the new RET and CHIMES integration. This will be undertaken in 2020-21.</p>
	Streamlined and improved financial performance reporting*	<p>Updates to the Financial Performance Report template will be implemented from the 2019-20 performance year onwards.</p> <p>Improvements have included collection of information from registered agencies on planned development projects and incorporation of further data validation functions to assist registered agencies in submitting targeted and more accurate data to the Housing Registrar.</p>
	Sustained communication*	<p>Six-monthly reporting requirements communicated to agencies following a change to eliminate six-monthly financial reporting ending on 30 December 2019 for Housing Associations.</p>

Priority area	Deliverable ⁷	Outcome
Strong partnerships and engagement	Improvements to how we communicate, consult and engage with the community housing sector*	<p>Strong sector engagement including:</p> <ul style="list-style-type: none"> (a) Establishment of feedback mechanisms with the sector through an annual survey, with information used to assess the performance of the regulator and to identify continuous improvement and reform opportunities. (b) Conducting annual compliance cycle surveys in May 2019 and May 2020 and publishing a summary of findings in the annual Regulatory Update Reports. (c) Proactive engagement with registered agencies throughout the coronavirus (COVID-19) pandemic to understand the impact on the registered sector and to ensure there is effective regulatory oversight of the operational changes required to prioritise the safety of staff and tenants.
	Building the Housing Registrar's profile and presence as a trusted regulator	<p>Active participation in a range of stakeholder forums including:</p> <ul style="list-style-type: none"> (a) the NRSCH Registrar Advisory Group forums, working groups and communities of practice meetings; (b) delivering industry peak body, CHIA Vic, training on regulation for boards; (c) delivering training for the Australasian Housing Institute's Regulation & Regulatory Frameworks for Community Housing Seminar in Wellington, New Zealand; (d) participation on the Community Housing Aboriginal Cultural Safety Framework Steering Project Committee; and (e) further alignment and information sharing with the NRSCH to improve regulation outcomes in Victoria and across Australia through the publication of formal intervention activity and outcomes of annual compliance assessments as well as participation in the NRSCH review.
	Communications strategy review	Refresh of the Housing Registrar's communications strategy, including quarterly newsletter, EQUIP, as well as our approach to delivering sector forums and our Annual Report/Sector Performance Reports.

Appendix 2

Evidence of the Housing Registrar's performance of KPIs

KPI 1: Compliance, monitoring and enforcement activities are undertaken in a coordinated, streamlined and timely manner

 Somewhat met

The Housing Registrar measures its performance against KPI 1 by using three performance indicators:

- > The annual regulatory reviews are completed promptly, and outcomes are communicated with the agencies without delay;
- > The Housing Registrar's decisions and advice are provided in a timely manner and clearly articulate expectations and the underlying reasons for decisions; and
- > The lead regulator and financial regulator collaborates in assessing the registered agency and identifying risks.

During 2019-20, all annual compliance assessments were completed by 31 March 2020. The average time to finalise a review for registered agency sign-off was 62 days (measured from the due date for registered agency AGM reports). This is 20 days greater than the preferred timeframe of 42 days (six weeks after the due date for registered agency AGM reports) however reflects the first publication of executive summaries to the Public Register, evaluation of intervention action in 2019-20 and staff changes at registered agencies.

During 2019-20, executive summaries were prepared by lead and financial analysts for each registered agency and published on the Public Register for the first time. These executive summaries provide a statement of a registered agency's compliance with the *Housing Act 1983* and Performance Standards, as well as a summary of registered agency information for the performance year under assessment.

As this was the first publication of executive summaries, significant time and collaboration was required by the Housing Registrar team to quality check the executive summaries for consistency and content prior to publication. All executive summaries were published on the Public Register on 3 April 2020.

During 2019-20, the Housing Registrar created 160 cases in CHiMES with an average response time of 20.3 days between creation and closure. The average case length for cases classified as complaints was 55.9 days. This is 25.9 days above the preferred timeframe of 30 days, however, reflects the increase in complex complaints received by the Housing Registrar in 2019-20 and the time required for registered agencies to respond to enquiries regarding the issues raised. The average case length for cases classified as Ministerial Correspondence (including complaint referrals) was 26.2 days and met the preferred timeframe of 30 days. Cases classified as General Enquiries were open for an average time of 17.2 days.

During 2019-20, the Housing Registrar commenced a review of its case management system (CMS) with a focus on its complaints policy and process documents to proactively manage risks and support continuous improvement in complaints management across the team. This review will continue throughout 2020-21.

During January and February 2020, the Housing Registrar implemented fortnightly information sharing meetings during the ACA process. These meetings enabled both lead and financial analysts to share regulatory outcomes and discuss any issues identified during ACAs to ensure consensus within the team.

In April 2020 and May 2020, two staff meetings were held to review the annual compliance assessment process and the publication of executive summaries on the Public Register. These meetings were used to facilitate an open discussion between both lead and financial regulators as to the desired outcomes of each process and any improvements which could be implemented during 2020-21. Throughout the year the Housing Registrar team also holds fortnightly strategy meetings to ensure priorities and risks (including resource issues) are discussed and appropriately managed and so that lead and financial regulators are kept informed of core work and deliverables across the team.

Assessed evidence:

- > All 2018-19 annual compliance assessments completed by 31 March 2020.
- > Average time of 62 days to finalise a review for registered agency sign-off (preferred timeframe of 42 days).
- > First publication of compliance outcomes and Executive Summaries to the Public Register on 3 April 2020.
- > 160 cases with CHiMES with an average response time of 20.3 days.
- > Average case length for cases classified as complaints of 55.9 days (preferred time frame of 30 days).
- > Average case length for cases classified as Ministerial Correspondence (including complaint referrals) of 26.2 days.
- > Average case length for cases classified as General Enquiries of 17.2 days.
- > Commencement of internal review of the Housing Registrar's case management system.
- > Fortnightly information sharing meetings and two review meetings regarding annual compliance assessments to ensure team consensus and information sharing.
- > Regular fortnightly team meetings.

KPI 2: Communications and engagement with registered agencies and other stakeholders are outcomes-driven, clear and timely.



The Housing Registrar measures its performance against KPI 2 by using three performance indicators:

- > The extent the Housing Registrar provides guidance and information that is up to date, clear, accessible and concise through media appropriate to registered agencies and tenants (around complaints);
- > The Housing Registrar's consideration of the impact on regulated agencies and engagement with sector representatives before revising or changing policies, practices or service standards; and
- > The Housing Registrar's advice is consistent and supports outcomes that are aligned with the vision and mission of the Housing Registrar.

During 2019-20, the Housing Registrar proactively communicated and engaged with registered agencies and various stakeholders to provide clear and timely information to improve regulatory outcomes and provide guidance to the registered sector.

The Good Practice Guide: Registered Agency Code of Conduct Policy and Good Practice Guide: Registered Agency Ending a Tenancy Policy were created to provide guidance for registered agencies developing or revising these policies to ensure compliance with Performance Standards and promote best practice policy development. Both *Good Practice Guides* were developed in consultation with DHHS and CHIA Vic and have been published on the Housing Registrar website to ensure they are accessible to all stakeholders.

The Housing Registrar's quarterly newsletter, EQUIP, was published in August 2019, October 2019, January 2020 and May 2020. EQUIP provides quarterly information to the registered sector and other relevant stakeholders regarding new regulatory developments, key sector updates and upcoming Housing Registrar engagement opportunities. Articles about successful initiatives undertaken by registered agencies were also published, allowing these to be communicated across the registered sector.

In December 2019, the Housing Registrar established the Key Performance Measures (KPM) Working Group (Working Group) to facilitate the public reporting of registered agencies' KPM information from 2019-20 and to identify and propose practical recommendations to the Registrar for his consideration and approval. The KPM Working Group is made up of Housing Registrar staff, stakeholders from the registered sector and CHIA Vic, ensuring a broad range of engagement regarding decision-making on the publication of KPM data.

During 2019-20, Housing Registrar staff also attended registered agency Annual General Meetings and board meetings to gain a broader understanding of registered agency operations and to ensure strong engagement with the community housing sector. Housing Registrar staff also attended a site visit with South Port Community Housing Group (SPCHG) which included a tour of SPCHG properties and developments.

The Housing Registrar has commenced a review of its CMS (as outlined above).

Communication and engagement with registered agencies has been a key focus of the Housing Registrar during the coronavirus (COVID-19) pandemic. Engagement has sought to understand the impact of the coronavirus (COVID-19) pandemic on the registered sector and ensure regulatory oversight of material impacts and operational changes required to prioritise the safety of staff and tenants.

In March 2020, David Schreuder, Director of the Housing Registrar presented at the Housing and Homelessness Sector Webinar, along with DHHS and Council to Homeless Persons representatives regarding the impact of coronavirus (COVID-19) on the community housing sector. Positive feedback was received from registered agencies regarding the helpfulness of information provided during this webinar.

Communications provided to the registered sector in 2019-20 during the coronavirus (COVID-19) pandemic have included:

- > A sector-wide update in early April 2020 communicating updated regulatory reporting requirements due to the coronavirus (COVID-19) pandemic. These measures include changes to reportable events requirements and weekly reporting requirements for any registered agency materially impacted.
- > *A Guidance Note – Coronavirus (COVID-19) – Housing Registrar update May 2020* published on the Housing Registrar website. This Guidance Note included information for the registered sector on the impact of coronavirus (COVID-19) on KPMs in 2019-20, financial stress testing, the application of the *COVID-19 Omnibus (Emergency Measures) Act 2020* (Omnibus Act) and additional reporting events requirements.
- > Check-in emails from lead regulatory analysts to ensure any material impact on registered agencies is identified and monitored.

The Housing Registrar has also worked closely with registered agencies who manage high-risk, high-density accommodation to understand and evaluate the measures implemented to protect the safety of tenants. Proactive engagement with registered agencies also continues to occur regarding the ending of tenancies during the operation of the Omnibus Act.

Assessed evidence:

- > 2019-20 survey results evidence that the sector was satisfied with the level of engagement by the Housing Registrar.
- > Development of the *Good Practice Guide: Registered Agency Code of Conduct Policy* and *Good Practice Guide: Registered Agency Ending a Tenancy Policy*.
- > Publication of the Housing Registrar quarterly newsletter, EQUIP.
- > Establishment of the Key Performance Measures (KPM) Working Group.
- > Attendance of Housing Registrar staff at targeted registered agency Annual General Meetings, Board meetings and site visits, including attendance at selected CHIA board meetings.
- > Internal review of the Housing Registrar's case management system which is expected to improve stakeholder outcomes.
- > Engagement and communications with registered agencies during the coronavirus (COVID-19) pandemic including a sector-wide update, *Guidance Note – Coronavirus (COVID-19) – Housing Registrar update May 2020* and ongoing engagement with registered agencies managing high density accommodation.
- > Participation and presentation at the Housing and Homelessness Sector Webinar.

In 2019-20, the Housing Registrar identified, monitored and proactively mitigated risks proportionate to the risks being managed. The Housing Registrar identified risks associated with registered agencies from ACAs, reportable events, complaints and ongoing regulatory engagement. Lead and financial analysts documented these risks in both Content Manager and CHIMES and where required, created regulatory plan items for registered agencies to take action to mitigate these risks. The completion of these regulatory plan items was then monitored by analysts to ensure they were completed by set due dates.

In March 2019, the Registrar issued a binding instruction under section 132 of the *Housing Act 1983* (Vic), requiring West Turk Housing and Elderly Services Co-operative Ltd (West Turk) to remedy identified compliance issues regarding four of the seven gazetted Performance Standards. This binding instruction required West Turk to work with a consultant identified by the Housing Registrar against an agreed 12-month action plan. During 2019-20, the Housing Registrar worked closely with West Turk and its consultants to ensure the necessary organisational changes were implemented against the agreed action plan. In February 2020, the Registrar's 2018-19 ACA determined that West Turk has improved its performance achieving either full compliance or capacity to meet for all seven Performance Standards.

KPI 3: Regulatory and compliance risks are identified, closely monitored and proactively mitigated proportionate to the risks being managed



The Housing Registrar measures its performance against KPI 3 by using two performance indicators:

- > The Housing Registrar applies a risk-based proportionate approach to compliance obligations, engagement and regulatory enforcement actions; and
- > The Housing Registrar's approach to regulatory risk is regularly reassessed. Strategies, activities and enforcement actions are amended to reflect changing priorities that result from new and evolving regulatory threats, without diminishing regulatory certainty or impact.

During 2019-20, the Housing Registrar reviewed the allocation of lead and financial analysts following staff movements. A risk management approach was taken during reallocation to mitigate the risk of familiarity between analysts and registered agencies where the same analyst had been assigned for a number of years. This ensured any independence risk was mitigated and new perspectives could be given to registered agency compliance. Registered agencies which had the same lead and financial analyst also had one of these roles reallocated to ensure more than one team member within the Housing Registrar is familiar with the operations of each registered agency.

Following an audit of registered agencies' online policies in June 2019, lead analysts worked with registered agencies deemed non-compliant to make key policies relating to the provision of tenancy management and rent setting readily available to tenants, prospective tenants and others in a variety of formats, including online through a website. The *Good Practice Guide: Registered Agency Code of Conduct Policy* and *Good Practice Guide: Registered Agency Ending a Tenancy Policy* were also created to provide guidance for registered agencies developing or revising these policies to ensure compliance with Performance Standards and promote best practice policy development.

Risk identification, monitoring and mitigation has been a key focus for the Housing Registrar during the coronavirus (COVID-19) pandemic. The Housing Registrar has increased the reporting obligations of registered agencies to ensure any regulatory risks related to the coronavirus (COVID-19) pandemic can be monitored and proactively mitigated. This has included changes to reportable event requirements to include any known cases of coronavirus (COVID-19) within registered agencies and any decisions made by registered agencies to end a tenancy or increase rents during the operation of the Omnibus Act. The Housing Registrar has also implemented weekly reporting requirements for any registered agency forecasting material impacts (financial and non-financial) from the coronavirus (COVID-19) pandemic.

The Housing Registrar has also engaged with all registered agencies who manage rooming houses and other high-density accommodation to understand the measures taken to prioritise the safety of tenants and staff in high risk environments.

Financial stress testing and modelling was also completed to identify the risk to the financial viability of registered agencies due to revenue loss from the coronavirus (COVID-19) pandemic. The Housing Registrar engaged with the sector and the feedback received indicated an average reduction in rental revenues of approximately five per cent in the 2019-20 financial year.

Modelling of this five per cent reduction indicated that while registered agency rental revenue may be materially affected, there was only a marginal decline in operating EBITDA (0.6%) and no impact on liquidity (current ratio of 3).

Assessed evidence:

- > Monitoring of one registered agency's compliance with a binding instruction from the Registrar and the required 12-month action plan to achieve significant performance improvements.
- > Review of the allocation of lead and financial analysts to registered agencies following staff movements.
- > Compliance work undertaken with registered agencies following an online policy audit to ensure the accessibility of key policies relating to tenancy management and rent setting.
- > Development and publication of the *Good Practice Guide: Registered Agency Code of Conduct Policy* and *Good Practice Guide: Registered Agency Ending a Tenancy Policy*.
- > Implementation of weekly reporting requirements for any registered agency forecasting material impacts (financial and non-financial) from the coronavirus (COVID-19) pandemic and changes to reportable event requirements.
- > Increased engagement with all registered agencies managing high risk, high density accommodation during the coronavirus (COVID-19) pandemic.
- > Financial stress testing to monitor the risk to financial viability of the community housing sector as a result of the coronavirus (COVID-19) pandemic.
- > In the 2019-20 financial year, the Housing Registrar processed 183 cases in total, over 100 of which raised issues or concerns related to registered agencies. Review and investigation of all cases was undertaken to identify potential compliance risks or systemic issues, proportionate to the seriousness of the issues raised.

KPI 4: The regulator contributes to continuous improvement of the regulatory framework



The Housing Registrar measures its performance against KPI 4 by using two performance indicators:

- > Demonstrating an understanding of the operating environment of the industry, registered organisations, the needs of tenants, and the current and emerging issues that affect the sector; and
- > Increasing the confidence in the sector through effective regulation and championing continuous improvement.
- > In the 2020 Survey, the Housing Registrar asked registered agencies whether they agree that the Housing Registrar team demonstrated a good understanding of their portfolio of registered agencies and their business models, adjusting regulatory engagement focus and frequency when needed. Similar to the 2019 results, around 95 per cent of respondents agreed or strongly agreed that the Housing Registrar team demonstrated a good understanding of registered agencies' business.

In the 2020 Survey, the Housing Registrar also asked registered agencies whether their regulatory approach was responsive and adaptable to changing conditions in the environment. Eighty-eight per cent of respondents considered that the Housing Registrar's approach was responsive and adaptable to changing conditions in the regulatory environment.

In the 2019-20 Financial Year, the Housing Registrar continued its transparency reform agenda and established a Key Performance Measures (KPM) Working Group (Working Group) to collaboratively identify options to increase transparency of KPM reporting with the aim of increasing confidence in the sector. In addition to that, the Housing Registrar commenced publication of ACA executive summaries. The Housing Registrar considers that increased transparency of registered agency performance and compliance matters helps to promote more confidence in the sector.

The Housing Registrar has published two better practice guidance materials and produced various COVID-19 related guidance notes. Drafting and publishing these materials required in-depth understanding of the sector and business models to make sure that information published by the Housing Registrar is clear, targeted and useful.

Projects to continuously improve the Housing Registrar's regulatory framework during 2019-20 included:

- > Review and improvement of the regulatory engagement tool;
- > Review and improvement of the Financial Reporting Template;
- > Developing a framework for horizon scanning;
- > Review of the Case (including Complaints) Management Framework; and
- > Improving sector-wide reporting by separating the Sector Performance Report and Regulatory Update Report.

In addition to the above, the Housing Registrar continued to work in close collaboration with the registered agencies, NRSCH registrars and other stakeholders such as CHIA Vic and NHFIC on various matters.

Assessed evidence:

- > 95 per cent of Housing Registrar survey respondents agreed or strongly agreed that the Housing Registrar team demonstrated a good understanding of the registered agencies' business.
- > 88 per cent of Housing Registrar survey respondents considered that the Housing Registrar's approach was responsive and adaptable to changing conditions in the regulatory environment.
- > Establishment of the Key Performance Measures (KPM) Working Group.
- > First publication to the Public Register of compliance outcomes and Executive Summaries for every registered agency following ACAs for the 2018-19 performance year.
- > Development and publication of the *Good Practice Guide: Registered Agency Code of Conduct Policy* and *Good Practice Guide: Registered Agency Ending a Tenancy Policy*.

- > Adjustment of regulatory approach, engagement and communications with registered agencies during the coronavirus (COVID-19) pandemic, including through individual engagement and guidance notes and sector-wide update, *Guidance Note – Coronavirus (COVID-19) – Housing Registrar update May 2020*.
- > Review and improvement of the regulatory engagement tool.
- > Review and improvement of the Financial Reporting Template to be used by registered agencies for the 2019-20 performance year.
- > Development of a framework for horizon scanning.
- > Commencement of internal review of the Housing Registrar's case management system.
- > Improving the timeliness of public reporting on performance information by the regulator through the modification of reporting processes to produce two separate reports, the *Sector Performance Report* and *Regulatory Update Report* (instead of the one annual report).
- > Increased user satisfaction by Housing Registrar survey respondents following CHiMES enhancements.
- > The Housing Registrar continued to work in close collaboration with registered agencies, the NRSCH registrars and other stakeholders such as CHIA Vic and NHFIC on various matters such as participating in Regulatory Advisory Group (RAG) meetings and undertaking joint project work with CHIA and DHHS.

KPI 5: The regulator promotes transparency in the regulatory system and the sector



The Housing Registrar's performance against KPI 5 is measured using the following indicators:

- > The Housing Registrar publishes reports and analysis that are respected, trusted and utilised across the industry and accurately reflect the state of the sector and individual agencies;
- > The Housing Registrar ensures that relevant data pertaining to the performance and compliance of registered agencies is publicly available; and
- > The Housing Registrar is open and responsive to requests from regulated entities regarding the operation of the regulatory framework and approaches implemented by the Housing Registrar.

The Housing Registrar publishes two annual reports (the Sector Performance Report and Regulatory Update Report). The Sector Performance report includes comprehensive details on the total number of tenancies managed by the sector as well as profile of these tenancies, financial metrics and performance against Key Performance Measures (KPMs). All past reports are available on the Housing Registrar's website. The Housing Registrar also publishes deidentified KPM data (from or on) the Victorian Government's DataVic database. The 2020 Survey results demonstrate that 94 per cent of the respondents trusted and utilised the reports and analysis published by the Housing Registrar.

A feedback paper was circulated to the sector in June 2019 that outlined the Housing Registrar's proposal to promote greater accountability and transparency in the management, delivery and regulation of community housing in Victoria. Based on consultation and feedback from the sector in July 2019, the following actions were delivered to promote greater transparency in performance reporting:

- > ACA outcomes, by registered agency, are available from the 2018-19 reporting period in the Housing Registrar's Public Register. Information is in the form of a table outlining compliance against each of the seven Performance Standards against the criteria of 'met', 'capacity to meet' and 'did not meet'; and
- > Formal intervention by the Registrar under the Intervention Guidelines issued on or after 1 July 2019 is also published on the Housing Registrar's Public Register.

As part of NHFIC's credit assessment of registered agencies, the Housing Registrar provides a report to NHFIC on a registered agency's regulatory performance when the registered agency provides its consent for the Housing Registrar to do so.

The Housing Registrar publishes quarterly newsletters circulated to a wide audience of stakeholders. These newsletters include relevant and up to date information on emerging issues, communicate any news and stories as well as providing updates to the sector on a range of matters.

In order to promote transparency within the sector, the Housing Registrar released a Guidance Note, *Publication of Key Policies by Registered Agencies*, to registered agencies in February 2019. This Guidance Note requires registered agencies to have tenancy management and rent setting policies and procedures readily available, in a variety of formats, through their website. Registered agencies were required to publish their policies on their websites by 30 April 2019.

Assessed evidence:

- > Compliance outcomes and Executive Summaries for each registered agency for the 2018-19 reporting period published on the Housing Registrar's Public Register.
- > Formal intervention by the Registrar under the Intervention Guidelines issued on or after 1 July 2019 to be published on the Housing Registrar's Public Register.
- > All registered agency tenancy management and rent setting policies published online in compliance with the Housing Registrar's Guidance Note. Compliance work undertaken with registered agencies following an online policy audit to ensure the accessibility of key policies relating to tenancy management and rent setting.
- > Publication of deidentified registered agency KPM data on the Victorian Government's DataVic database.
- > Establishing a working group with sector representatives to discuss key performance measures reporting (KPM Working Group).
- > 94 per cent of Housing Registrar survey respondents trusted and utilised the reports and analysis published by the Housing Registrar.
- > Registered agency performance reports provided to NHFIC on request and with consent from the registered agency.
- > Publication of the Housing Registrar quarterly newsletter EQUIP to all registered agencies and a wide variety of stakeholders.
- > Publication of the *Sector Performance Report and Regulatory Update Report*, with all past reports available on the Housing Registrar website.

KPI 6: The regulator does not unnecessarily impede the efficient operation of registered agencies.



The Housing Registrar has three performance criteria for this KPI.

- > The Housing Registrar takes action to minimise the potential for unintended negative impacts of regulatory activities on regulated entities.
- > The Housing Registrar implements continuous internal improvement strategies to reduce the costs of compliance for those they regulate.
- > There are established feedback mechanisms in the Housing Registrar's operations enabling the regulated entities to provide feedback.

In order to minimise the unintended negative impacts of regulatory activities, the Housing Registrar acts with due consideration of the effect of its regulatory actions. In the 2020 survey, the Housing Registrar asked registered agencies whether the regulatory plan items and recommendations were reasonable, targeted and achievable. Forty-one per cent of registered agencies responded that they strongly agreed with this statement and 56 per cent agreed. There were no 'disagree' or 'strongly disagree' results out of the 36 agencies that provided a response.

The Housing Registrar aims to continuously improve and streamline its systems and practices. One example is the improvements made to CHiMES. Results from the 2020 survey demonstrate a significant level of improvement in accessibility and usability of CHiMES. In 2019, only 36 per cent of the responders were satisfied with the accessibility and usability of CHiMES. This figure increased to 94 per cent in the 2019 survey.

2020 survey results improved from the previous year, indicating that 97 per cent of respondents agreed (or strongly agreed) that the Housing Registrar's regulatory engagement approach was consistent with compliance requirements under the *Housing Act 1983 (Vic)* and the gazetted Performance Standards.

Assessed evidence:

- > 97 per cent agreed or strongly agreed that regulatory plan items and recommendations from the Housing Registrar were reasonable, targeted and achievable. There were no disagree or strongly disagree results out of the 36 agencies that provided a response.⁹
- > 94 per cent of Housing Registrar survey respondents were satisfied with the accessibility and usability of CHiMES. This was a significant level of improvement from 37 per cent in 2019.
- > 97 per cent of the respondents agreed or strongly agreed that the Housing Registrar's regulatory engagement approach was consistent with compliance requirements under the *Housing Act 1983 (Vic)* and the gazetted Performance Standards.

⁹ 41 per cent of Housing Registrar survey respondents strongly agreed and 56 per cent agreed with this statement

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