

Response to Interim Social Housing Regulation Report

1 March 2022

The Community Housing Industry Association Victoria (CHIA Vic) welcomes the Social Housing Regulation Review Panel's Interim Report and the opportunity this brings to reconceptualise the existing regulatory system and to align regulation, actions, and outcomes with new and evolving policy and operating environments.

CHIA Vic acknowledges the extensive engagement that has taken place, the breadth of information collected, and the insights of the Panel in developing the recommendations in the Interim Report. We are supportive of the key recommendations to:

- ensure social housing renters are at the centre of the regulatory system;
- establish a single social housing regulator; and
- establish a separate and independent complaints management body.

We also acknowledge that this review is occurring alongside the rollout of the biggest social and affordable housing program in the state's history, the Big Housing Build, and the development of a ten-year plan to address the historic underfunding of social housing.

In our view, the report does not place sufficient emphasis on this history of systematic underfunding of social housing and housing support services as the predominant underlying reasons for many of the shortfalls of the current system discussed in the report.

Although we support many of the recommendations, the report also contains recommendations that do not appear to be a solution to the stated problem, do not have a clear link to the desired outcome or may not be the most effective approach to delivering that outcome.

In our view, it would be useful to provide deeper analysis of the causes of the issues identified in the report including the extent to which they have been driven by issues with the current financial and/or regulatory environments. Where regulatory change is assessed as the optimal response, it would be useful to review the recommendation in the context of the issue that the changes is trying to solve and, where this has not already been provided, explicitly address how it is expected the desired outcome will be reached. In addition to this analysis of expected outcomes, it would also be helpful to provide some financial analysis of the recommendations alongside a comparison of alternative options considered and an assessment of the risks of adverse impacts and any mitigation strategies proposed.

While we see benefits in drawing together community and public housing under the one regulatory umbrella, care should be taken not to infer that common regulation reflects a common governance or operating environment.

Community Housing Organisations (CHOs) are not pseudo-government agencies, and the regulatory environment should reflect that. CHOs are independent not-for-profit, mission-driven organisations that deliver a wide range of housing services. This is a diverse sector that has a strong track record of developing and operating housing that meets the needs of a variety of communities and cohorts and delivering growth and positive outcomes over decades in a constrained funding environment. CHOs partner with government

to deliver programs, but they also deliver programs that are not funded by or contracted to government and many that are only partially funded. In our view, some of the recommendations in the report should be changed to better reflect this diverse operating environment and ensure changes to the regulatory system encourage and do not hinder efficiency, innovation, impact and the continual growth and improvement of community housing.

The report also contains recommendations that would expand the responsibilities of housing providers to address the gaps in the current support system and would require significant additional resourcing. CHOs are committed to creating supportive environments for renters to establish, maintain, and sustain successful tenancies. Evictions are always a measure of last resort, and CHOs work closely with specialist support services which are designed to help vulnerable households to sustain their tenancies. This support system requires its own in-depth review, additional resourcing, and a plan to expand support and provide greater flexibility and targeting.

Rather than clarifying the complementary roles of housing services and support services and how they can best interact for the benefit of renters, some recommendation would shift the roles and responsibilities of housing services into areas that the support sector is better positioned to perform. This raises some fundamental questions that require more in-depth examination:

- Where does the role of social housing providers start and end? What needs are better met by the support system and how can the support and housing systems interact more effectively?
- What changes to the community housing financial model are required to support the recommended changes to the operating model? What are the services that should be funded via rental revenue and, where obligations are created that go beyond what should or can be funded from rent revenue, how should these services be funded?

In our view, the key focus of the Panel's work should be on the design, implementation, role, and operation of an expanded and updated social housing regulator alongside a new, independent social housing complaints resolution body. Planning for the implementation, transition and operation of a new regulatory system that incorporates these two key recommendations raises a wide range of complex questions that could benefit from further in-depth analysis by the Panel. Although the Report raises a range of other important issues and recommendations that are also worthy of exploration, we are concerned that the time and cost required to implement such broad ranging and numerous recommendations could mean that critical reforms will fall by the way.

Unless there is a clear appetite from government to resource the breadth of issues and recommendation raised in the Interim Report, we would much prefer to see a more focused and detailed examination in the Final Report of the issues and steps required to provide a clear pathway to the establishment of these two new independent regulatory bodies.

Please see the table below for our detailed responses to specific recommendations.

CHIA Vic thanks the Panel for consideration of this submission and is happy to provide further information or discuss any of these matters in more detail. Please contact us via Jason.Perdriau@chiavic.com.au with any question.

Recommendations, issues and CHIA Vic Responses

Paper 1 – Tenant at the centre

Interim Report Proposal	Issues	CHIA Vic’s Response
<p>1.1 Include in the <i>Housing Act 1983</i> an explicit objective for the regulatory system. This objective could be:</p> <ul style="list-style-type: none"> to protect and safeguard the interests of current, prospective and future tenants. 	<p>This encompasses the growth of social housing, but the suggested objective could be altered slightly to ensure it is clear that “interests” relate to housing.</p>	<p>CHIA Vic supports including an explicit objective in the Housing Act to provide a clear objective for the social housing regulatory system.</p> <p>We suggest altering the suggested objective slightly to ensure it is clear that “interests” relate to housing.</p>
<p>1.2 Establish a charter outlining the service standards that tenants can expect from their public or community housing landlord.</p>	<p>There are already a variety of customer charters that CHOs have developed and are in use.</p> <p>Creating a new charter of service standards that sits above minimum standards, performance standards and any existing customer charters has the potential to cause confusion to renters.</p>	<p>A simpler approach would be to create a set of “performance and service standards” when updating the performance standards.</p> <p>If appropriate, based on an analysis of current customer charters and their impact, the standards may include requirements for the DoH and each CHO to establish, maintain and publish customer charters.</p>
<p>1.3 Clarify that the <i>Charter of Human Rights and Responsibilities Act 2006</i> applies to registered community housing agencies insofar as their functions are of a public nature for the purposes of that Act.</p>	<p>CHOs already have existing obligations under the Charter and the sector holds a strong commitment to upholding and protecting human rights.</p>	<p>While we agree with the need to clarify the role of the Charter in social housing decision making, any changes in this area need to be carefully planned and targeted at improving clarity and developing a shared understanding.</p> <p>Simply amending the legislation to reflect the existing common law position is unlikely to achieve this.</p> <p>What is needed instead are tools and training to assist continual improvement in weighing up competing interests and taking the most appropriate action.</p> <p>CHIA Vic is leading a project to review the current approaches to human rights assessment processes and develop tools and training to support best practice and we are happy to collaborate with the review panel and share the learnings and outcomes of this work.</p>

Paper 2 – Common service delivery standards and regulation across public and community housing

Interim Report Proposal	Issues	CHIA Vic's Response
<p>2.1 Apply a uniform set of service delivery and asset management standards to public and community housing, combining best practice elements from both sectors. Existing arrangements for the oversight of public housing governance and financial management would remain. However, greater transparency, coupled with the ability of the regulator to comment on areas for improvement or best practice, would benefit the system as a whole</p>	<p>Separating performance standards from service standards has the potential to cause confusion for renters and it would be simpler if these are combined in one set of standards.</p> <p>The existing regulator has clear and broad ranging powers to ensure CHOs comply with performance standards and additional examination is needed of appropriate enforcement arrangements for a regulator of both community and public housing.</p> <p>Performance standards will also need to be carefully designed to ensure they are appropriate and effective for both a large government department and a diverse range of not-for-profit organisations offering a range of programs and services.</p>	<p>We support setting shared performance standards across public and community housing. This position is based on our understanding of performance standards as they currently exist within the Victorian regulatory system. That is, as broad operating rules that require providers to have policies and practices in place to protect investment, provide quality and effective services, remain financially viable and are competently managed and ethically governed.</p> <p>Shared standards will allow for the establishment of common performance indicators and data collection approaches across public and community housing. The diversity of social housing services means it will be important to ensure that collation of data does not create a misleading impression and that comparisons are not inappropriately made between differing services.</p>

Paper 3 – Tenant empowerment

Interim Report Proposal	Issues	CHIA Vic's Response
<p>3.1 Embed tenant involvement in policy and regulatory development and decision-making. This could include:</p> <ul style="list-style-type: none"> • formally requiring tenant involvement in the policies and processes of the regulator, such as through tenant advisory panels • strengthening guidance on best practices • requiring plain English approaches to regulation, reporting and policy documents. 	<p>Access to safe, secure and appropriate housing is the foundation for opportunity and empowers people to have a voice and choose to be involved with the issues and communities that matter to them.</p> <p>For some social housing renters, this will mean involvement in a social housing community and engagement with their rental provider. Others want their rental provider to ensure their home is well-maintained but to otherwise stay out of their lives.</p> <p>They may seek to engage with the broader or community or with specific communities that come together with a common purpose. In the same way that private market renters may want little interaction with their landlord or real</p>	<p>When making changes to increase renter engagement it is important to recognise and reflect the reality that individuals have various levels of interest in participating in tenant engagement.</p>

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	estate agent, tenant engagement may not be on the list of priorities for some social housing renters.	
<p>3.2 Adjust the tenant involvement standard to place a higher requirement on providers to involve tenants in decision-making processes affecting tenancy management. This could include a requirement to:</p> <ul style="list-style-type: none"> • support tenants to be involved in the decisions of their housing organisation • have a publicly available tenant involvement strategy and to demonstrate the effects that tenant involvement has had on organisational decision-making. This would affect both public and community housing through a common standard. 	A requirement to involve renters may be less appropriate than a framework that invites and encourages, but does not require, renter involvement.	<p>We recommend the creation and inclusion of a renter voice in the measurement of the progress of growth, impact, regulation and improvement of social housing service. The implementation, use and continual review of a renter voice framework is work that could be monitored and supported by the regulator.</p> <p>The community housing sector is currently planning a project to co-design a renter voice framework with renters and welcomes collaboration on this work.</p>
<p>3.3 Investigate learning and development approaches to improve tenants' capacity to engage with providers, and providers' capacity to engage with tenants.</p>	See response above to recommendations to 3.1 and 3.2.	See response above to recommendations to 3.1 and 3.2.
<p>3.4 Create a dedicated representation and advocacy function for community housing tenants:</p> <ul style="list-style-type: none"> • this function should cover both public and community housing • this could involve rebranding the existing public housing advocacy agency (VPTA), adapting its constitution and Board membership, and resourcing it appropriately • alternatively, a new body could be resourced to advocate for public and community housing tenants • the Panel is not inclined to support two separate bodies. 	An advocacy body for social housing renters should be established in a manner that ensures that it is truly representative of all social housing renters.	<p>We support the creation of a representation and advocacy organisation for social housing renters.</p> <p>This body should be truly representative of all social housing renters and, while we acknowledge the skills and experience of the VPTA in advocating for public housing renters, we understand that the policy positions and advocacy priorities are driven by this segment of social housing renters only. To ensure that the voices and interests of community housing renters are represented, a new organisation should be formed with a constitution and purpose designed to achieve this goal.</p>

Paper 4 – Tenancy sustainment

Interim Report Proposal	Issues	CHIA Vic’s Response
<p>4.1. Develop a stronger standard on sustaining tenancies.</p> <ul style="list-style-type: none"> • The Review is undertaking further work on how such a standard could be designed. • The Panel wishes to explore the feasibility of a ‘no evictions into homelessness’ policy, where a tenant would be transferred with conditions, or alternative accommodation found with appropriate supports provided (akin to the supported transition approach in the education system). Such a policy would be best paired with a whole-of-system approach and may require the power for providers to move tenants. 	<p>This recommendation puts emphasis on providers and not the support system. It is important these systems work together to create an environment that supports tenancies.</p> <p>A “no evictions into homelessness” policy would need significant investment into appropriate alternative housing and support, or it may cause more problems than it seeks to solve.</p>	<p>We support a principle that all social housing renters should have access to the support needed to sustain tenancies, live independently, and build meaningful lives.</p> <p>CHOs already treat eviction as a measure of last resort, and they can only occur after lengthy processes of assessment and engagement with multiple checks and balances to ensure procedural fairness is provided and renters have every opportunity to sustain their tenancies.</p> <p>To assist more renters access support services and build and sustain successful tenancies, the support system requires an overhaul with greater investment, flexibility and targeting.</p> <p>We are interested in the exploration of a no evictions into homelessness policy which we agree would require a whole-of-system approach, including additional housing stock that meets the needs of complex tenancies, appropriately resourced intensive support services and legislative change to support tenancy transfers where they are required and appropriate.</p> <p>It is important to stress that, without additional and appropriate housing and support, policy changes in this area could have significant negative impacts on renters.</p> <p>Messaging is also important, any change to policy or approach should be implemented and communicated in a way that confirms the ongoing obligations of renters to meet their tenancy obligations, including the payment of rent and not causing disturbances to their neighbours.</p> <p>A specialist support response is needed for the very small minority of renters who have the most complex needs, those who are unable to sustain their tenancies despite access to all existing support services.</p>

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<p>4.2 Provide greater guidance to registered housing organisations on best practice approaches to sustain tenancies by the Housing Registrar in conjunction with tenants and the sector, including on:</p> <ul style="list-style-type: none"> alternatives to eviction and ways to detect and manage actions and behaviours that put a tenancy at risk what support should be offered by housing providers and what the role of tenancy managers and housing providers is in sustaining tenancies. 	<p>It is unclear what process is being recommended to develop best practice guidance or address the questions outlined in this recommendation.</p>	<p>CHOs are committed to establishing, maintaining and sustaining successful tenancies and evictions are always a measure of last resort.</p> <p>Best practice approaches to sustaining tenancies is an area for continual improvement and CHIA Vic is supporting projects to review and improve practice in these areas and values collaboration.</p> <p>It would be helpful to amend this recommendation to include a clear process for addressing the question: what tenancy sustainment needs are better met by the support system and how can the support and housing systems interact more effectively?</p> <p>As acknowledged in the Report, there is little available data on tenancy exits and we strongly support the establishment of uniform and relevant performance indicators, definitions, counting rules and reporting approaches that provide increased transparency and an improved understanding of the reasons for social housing exits.</p>

Paper 5 – Dwelling standards

Interim Report Proposal	Issues	CHIA Vic's Response
<p>5.1 Amend the Residential Tenancies Act 1997 to require all properties to be compliant with minimum standards introduced in the Residential Tenancies Regulations 2021 by January 2024.</p>	<p>This recommendation would have a far greater impact on the private sector than the social housing sector and it is unclear if an analysis of adverse impacts has been completed.</p> <p>We do not hold data on the number of social housing properties that would be impacted by this recommendation but, for any properties impacted, we are concerned that this approach would considerably impact costs.</p>	<p>We share the Panel's desire to improve energy costs and thermal comfort in social housing but do not consider the recommendation to increase regulatory obligations by January 2024 is well targeted to achieve this goal.</p> <p>Such a recommendation would have a much greater impact on the private rental sector because, although turnover is lower, there are significantly more privately rented homes and private rentals are much less likely to meet the heating and electrical requirements.</p> <p>When considering the timing of rental minimum standards, the government opted to take a phased approach rather</p>

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		<p>than apply new standards from a specific date after assessing the costs and benefits of both approaches and concluding that the phased approach was more appropriate in order to avoid overly burdensome costs on rental providers.¹</p> <p>We also urge the Panel to be conscious of the risk that requiring all rental units in Victoria to have heaters installed by the same date will cause suppliers and installers to significantly increase pricing.</p> <p>A more targeted approach would be to conduct a study to understand the existing heating and cooling facilities across the social housing portfolios and the costs of upgrades required along with an analysis of whether additional grant funding is required to upgrade stock and the appropriate timeline for any upgrade program.</p>
5.2 Identify obstacles to meeting minimum standards by January 2024.	As above.	As above.
5.4 Amend the performance standard requiring social housing providers to keep information on the energy efficiency of their housing stock, as well as heating and cooling facilities, as part of their requirement to maintain an accurate and current list of properties owned and managed.	We agree that there is a need for better data on the condition of social housing, but more analysis is required on the most efficient way of collecting and storing data.	<p>We do not necessarily consider a new performance standard is needed on this point.</p> <p>A one-off audit program may be more appropriate which uses the data to design policy on improving the energy efficiency and climate resiliency of the housing system.</p>
5.5 Establish the extent of heightened fire safety risks in social housing, identify specific drivers, and agree on any necessary actions.	<p>The risk factors noted in the report are predominantly due to risky renter behaviours which increase fire risk.</p> <p>CHOs are already required to have fire safety measures in place which reflect the building typology and client mix they house.</p> <p>Hoarding is a major risk factor that is particularly challenging to address given the support needs of hoarders and the lack of available support.</p>	<p>We support the recommendation to undertake costs benefit analysis on building changes to mitigate risk but consider there needs to be additional attention on increasing appropriate support services, particularly where support needs are correlated with fire risk, as is the case with hoarding.</p>

¹ See p.142 of the Regulatory Impact Statement for Residential Tenancies Regulations 2020, Available here: https://engage.vic.gov.au/download_file/21961/2930

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<p>5.6 Conduct an immediate assessment of the costs and benefits of mandating for new social housing:</p> <ul style="list-style-type: none"> provisions for the installation of sprinkler systems (on class 1 buildings) and auto cut-off switches on cooking appliances. prohibiting the use of combustibile cladding on any building type. 	<p>As above.</p>	<p>We are supportive of analysing the costs and benefits of changes to the built form of housing to address fire risks.</p>
<p>5.7 Require all social housing providers to undertake disability modifications, to be accompanied by funding from the Victorian Government, where otherwise not funded.</p>	<p>We support the principle that all renters should be able to access the property modifications they require to live independently.</p> <p>Access to funding for modifications in community housing is available through federal government agencies responsibility for assisting people to live independently, including the National Disability Insurance Agency, My Aged Care and the Transport Accident Commission. We note that these schemes can have unclear eligibility requirements and onerous assessment hurdles and that many people in need of modifications can struggle to navigate the system or fall through the gaps.</p> <p>Any changes require an examination of the funding models that would work best and the implications of increasing state funding in an area of federal responsibility.</p>	<p>We recommend an examination of who is best placed to assess the need for and approve public expenditure on disability modifications.</p> <p>We welcome further discussions on this and on collaboration to improve access to necessary modifications for community housing renters.</p> <p>Given there are existing government bodies responsible for assessing and funding disability modifications, we suggest an examination of why people are falling through the gaps and how this existing system could be improved to prevent that happening.</p>

Paper 6 – Dispute resolution

Interim Report Proposal	Issues	CHIA Vic's Response
<p>6.1 Task a single body with resolving complaints across public and community housing. This could include:</p> <ul style="list-style-type: none"> a new independent body, such as a Social Housing Commissioner an existing body, such as Consumer Affairs Victoria with oversight by the Commissioner for Residential Tenancies 	<p>This is, in our view, a key change and requires in depth analysis and consideration of options and implications.</p>	<p>We are supportive of a single complaints body and believe that an analysis of how such a complaints body should be established and operate should be a priority for the Panel. Dispute resolution regulation and systems should ensure that there are clearly understood, fair, timely, cost-effective and efficient internal and external pathways and processes for dispute management.</p> <p>Such pathways should allow all parties to feel heard and provide clearly reasoned outcomes.</p>

Interim Report Proposal	Issues	CHIA Vic's Response
		<p>There should be a clear distinction between the role of any new body and VCAT and social housing renters and rental providers should retain the same rights as all other Victorians to access VCAT as required.</p> <p>Changes to VCAT are needed to improve hearing timelines and ensure that the Residential Tenancies List meets its aims to be a fair, efficient and user-friendly forum for determining disputes arising under rental agreements.</p> <p>Any new complaints body should be distinct from, and complimentary to the VCAT system.</p> <p>When reviewing and updating complaints management systems, it is also important to distinguish between a complaint, an appeal, a request for service, feedback and neighbourhood disputes. These distinctions should remain clear as they can often require different approaches and systems of response. It is also important to distinguish, based on the nature of each issue and stage of review, whether the resolution is more appropriately managed by the rental provider or an external body.</p> <p>We note that there are multiple options for creating a common avenue of redress for all social housing renters. We agree that it should not sit within Homes Victoria or within the new regulatory body, but we do not currently hold a further view on where this body should sit within government.</p>
<p>6.3. Establish robust information sharing arrangements between the complaints body and the regulator to allow the regulator to continue to identify and address systemic issues.</p>	<p>Complaints are a key source of the renter voice and a valuable tool in driving service improvement.</p> <p>However, it should be noted that complaints data is not representative with a small number of renters often over-represented within the data.</p>	<p>We support information sharing protocols to assist in system improvement initiatives.</p> <p>When addressing systematic issues, the regulator should remain mindful that social housing management often involves setting policies, processes and practice that balance the competing interests of individual renters and the wider community. Although complaints may stem from the challenges of managing competing interests, the complaints</p>

Interim Report Proposal	Issues	CHIA Vic's Response
		received may not represent the views and interests of all affected parties.

Paper 7 – Aboriginal housing

Interim Report Proposal	Issues	CHIA Vic's Response
7.1 Embed cultural safety in performance standards that apply to social housing providers and encourage the regulator to continue to build on the commitment demonstrated by the Housing Registrar to embedding cultural safety awareness and practices within its Office.	Aboriginal Housing Victoria (AHV) is leading work to examine how regulatory change can lead to better outcomes for Aboriginal renters, and they will be responding directly to the report. We look forward to working with AHV and the broader community housing sector following this consultation.	<p>The Community Housing Sector supports Aboriginal self-determination and is committed to achieving culturally safe, accessible and sustainable housing for Aboriginal people that builds pathways to independence and prosperity.</p> <p>We support the inclusion of a Performance Standard on cultural safety.</p> <p>We support regulation that provides greater clarity for applicants and renters through public reporting on initiatives to improve culturally safe policies and practices.</p> <p>Including ACCOs in the social housing regulatory system will expand the number of culturally appropriate housing options for Aboriginal Victorians but embedding cultural safety in mainstream organisations is also a crucial element in achieving culturally safe, accessible and sustainable housing for Aboriginal people.</p>
7.2 Provide for the establishment of culturally safe service charters by each social housing provider.	As above.	<p>See notes above in relation to service charters (recommendation 1.2).</p> <p>The existing Community Housing Aboriginal Cultural Safety Framework is a key step towards improving cultural safety and provides a foundation that can be built on further.</p>

Paper 8 – Professionalisation of the frontline social housing workforce

Interim Report Proposal	Issues	CHIA Vic's Response
8.1 Undertake a workforce development strategy for the social housing sector. This should be done by a group constituting public and community housing sectors, the regulator, government (Homes Victoria, Department of	Recommendation reflects CHIA Vic projects that are planned and/or are underway.	With funding from Homes Vic, CHIA Vic has developed a capability framework for housing workers and commissioned a report examining the training and development needs of the community housing workforce.

Interim Report Proposal	Issues	CHIA Vic's Response
<p>Families, Fairness and Housing (DFFH) and others as appropriate) union/s and any other expertise as required. The strategy should include but not be limited to:</p> <ul style="list-style-type: none"> • a review of the workforce capability framework • an induction program • a program for ongoing professional development • appropriate accreditation mechanisms • consideration of a minimum qualification (such as a Certificate IV in Community Services or Social Housing). 		<p>This capability framework is similar to, but separate from, the public housing framework and we support the recommendation for these to be reviewed as part of a broader workforce development strategy. There are likely to be opportunities for these frameworks to be aligned and combined and for additional work to support their implementation.</p> <p>To put the recommendations of the training and development report commissioned by CHIA Vic into action, CHIA Vic is in discussions with Homes Vic regarding development and delivery of an industry workforce development plan that builds on the existing work and the emerging needs of a growing workforce.</p> <p>In our view, any decisions regarding whether to require formal qualifications for the social housing workforce should be informed by this work.</p>
<p>8.2 Require all social housing providers to embed a culture of ongoing professional development for frontline housing staff and managers that supports them to access and participate in formal training opportunities, as well as informal, workplace-based professional development.</p>	<p>Challenges in allocating time and resources to formal training should be examined as part of the development strategy.</p>	<p>We support the recommendation to include a performance standard for all social housing providers to embed a culture of ongoing professional development for staff, provided this is planned and carefully implements in line with an industry workforce development plan.</p>
<p>8.3 Develop a framework for a sector wide code of conduct observable by all social housing providers. Providers' individual codes of conduct should be consistent with the framework.</p>	<p>There are a number of existing codes of conduct in use. The report does not provide a clear justification for why there needs to be an additional overarching/standard code of conduct.</p>	<p>Multiple overlapping codes, standards and measures has the potential to create confusing and the report does not demonstrate a need for this.</p> <p>However, having systems in place to ensure appropriate staff conduct could be included as a performance measure.</p> <p>See also feedback to recommendation 1.2.</p>

Paper 9 – Affordable housing

Interim Report Proposal	Issues	CHIA Vic's Response
<p>9.1 Where affordable housing receives a government subsidy, an accountability mechanism must be in place to ensure that the investment partner delivers on the agreement.</p>	<p>The various existing accountability mechanisms for social housing can overlap and cause unnecessary reporting burden. Accountability mechanisms for social and affordable housing should be reviewed to minimise unnecessary overlap.</p>	<p>We support the recommendation that where affordable housing receives a government subsidy, an accountability mechanism must be in place.</p> <p>The most effective way of ensuring accountability is for all affordable housing that receives government funding or support to be owned and/or managed by the community housing sector which has existing strong regulatory and compliance requirements.</p> <p>There are currently multiple layers for accountability mechanisms for community housing providers and these should be streamlined to minimise the reporting burden wherever possible. The principle of “collect once, use many times” should be adopted to streamline reporting, reduce overlap and avoid adding additional layers of reporting.</p>
<p>9.2 Consider establishing an allocation mechanism for affordable housing within the Victorian Housing Register.</p>	<p>There are multiple options for allocating affordable housing and the VHR may not be the most appropriate mechanism. More analysis needed of the options.</p>	<p>We are in discussions with Homes Vic regarding the policy and program options for affordable housing, including the options for improving allocations. This includes considering whether the VHR is the most suitable tool for making affordable housing allocations. There would be clear advantages to adapting the current waiting list, however, we understand that affordable housing applicants may prefer a system of allocation that is differentiated from social housing and allows for choice-based-letting.</p>

Paper 10 – A social housing regulator: structure and governance

Interim Report Proposal	Issues	CHIA Vic's Response
<p>10.1 Establish the regulator as an independent statutory body governed by a board, with a Chief Executive Officer (CEO) whose responsibilities are outlined in the legislation.</p> <p>The board should comprise between 5 and 7 individuals who collectively possess skills and expertise that are relevant to the regulator's functions including lived experience as a social housing tenant, social and affordable housing, finance, law, regulation, Aboriginal housing, community engagement or other relevant skills and experience.</p> <p>Board members to be appointed for up to 5 years and be eligible for re-appointment. Other conditions of appointment would be in accordance with relevant Government guidelines applicable to boards of public entities.</p>	<p>CHIA Vic supports this approach but notes that the sector and regulator need to consider how this structure could be adapted to support a move towards a national approach in future.</p> <p>The establishment of a single regulatory would represent a significant shift to the regulatory system and raises a multitude of questions on how it will be implemented and functions.</p>	<p>We support the recommendation to establish a single social housing regulator as an independent statutory body.</p> <p>We also support the recommendations to strengthen the independence of the Registrar.</p> <p>The decision on whether the regulator should be governed by a Board of Directors, whether any board should be purely advisory or whether the Regulator should be a standalone entity or form part of the Essential Services Commission, should be guided by an examination of the structure needed to support the efficient, effective and independent operation of the regulator as well as how any structure could be adapted if there is a shift towards a national regulatory approach in future.</p> <p>Decisions surrounding the establishment and function of a board are just one of many key areas related to this key recommendation that requires in-depth examination.</p> <p>In our view, the priority focus of the Panel's work should be on the design, implementation, role, and operation of an expanded and updated social housing regulator.</p>

Paper 11 – Regulation of public housing and Homes Victoria

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<p>11.1 Transfer responsibility to the regulator for monitoring compliance by all social housing providers with the applicable regulatory standards.</p>	<p>There will be a multitude of issues to work through in transitioning to a single regulatory system for community and public housing that require in depth examination.</p>	<p>CHIA Vic supports the establish a single social housing regulator with monitoring and compliance responsibilities for all social housing.</p> <p>This raises questions and issues regarding how to establish an effective regulator, performance standards and enforcement approach that is suitable for both a large government department, and a diverse range of charities. As</p>

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		<p>outlined in response to Recommendation 10.1, we view this to be the highest priority area for further examination.</p> <p>It is also important to consider how any new structure can be adapted to support a move towards a national approach in future.</p>
<p>11.2 Transfer additional statutory powers to the regulator to monitor and enforce compliance with the standards applying to both public and non-public sector social housing providers. For example, the regulator could be given powers to issue improvement notices requiring corrective actions to be taken within a specified time and to issue fines and public censure statements where there has been repeated or flagrant breaches of standards.</p>	<p>It will be important to establish certainty and a clear understanding of how and when intervention powers will be applied.</p>	<p>It will be important to establish a clearly defined processes outlining when and how regulatory powers will be used and systems that ensure regulatory intervention is balanced against the scale and risk of a social housing providers activities.</p> <p>Consideration is also needed in relation to how regulatory powers can and should apply in public housing. The Regulator has powers to direct CHOs to wind up and transfer assets that are clearly not designed for a large government department and regulatory intervention powers will need to be designed specifically for the public system.</p>
<p>11.4 Give the powers to make regulations governing policy issues such as criteria for access to social housing, categories of priority access, principles for rent setting and frequency of rent reviews exclusively to the responsible Minister and require that any regulations be made following a detailed public engagement process, including with tenants and prospective tenants.</p> <p>This would separate the policy responsibilities of the Minister from the operational responsibilities of the Director of Housing, or Homes Victoria.</p>	<p>The Minister given these powers will presumably delegate the responsibility to their Department so it is not clear what impact this proposed change will make.</p> <p>It is not clear what policy issues will be included within this recommendation.</p>	<p>Assuming that the “responsible Minister” referred to in this recommendation is the Minister for Housing, we question whether the proposed change would meet the stated objective of separating policy responsibilities.</p> <p>In practice, we assume that the Minister would delegate the work associated with such a responsibility back to their department (DFFH) so policy responsibilities would remain unchanged in a practical sense.</p> <p>It is not clear what the limits are to “policy issues” in the context of this recommendation. Some systems issues such as VHR eligibility should be set by government. Other policies are more appropriately decided by each social housing organisations, in line with legislative and regulatory requirements as well as their own unique social mission and the strategies and service approaches implemented to meet that mission.</p>

Interim Report Proposal	Issues	CHIA Vic's Response
		<p>How the proposed recommendation would apply to rent setting policy raises particularly complex issues that require further examination. There are already a variety of legislative, regulatory, contractual and policy parameters that govern rent setting and the complexity of overlapping obligations provides some explanation as to the complexity and diversity of approaches.</p> <p>If this is to be addressed, we recommend analysis of the optimum rent setting policy approaches which must include consideration and analysis of both affordability and of the need to bring income into the social housing system to fund service delivery.</p>
<p>11.6 The Review Panel to consider the merits of the current Homes Victoria structure in its next phase of deliberations.</p>	<p>CHIA Vic has argued in favour of separating the department responsible for developing strategy and commissioning of social housing from the department responsible for public housing operations.</p>	<p>There is merit in exploring formal institutional separation of public housing delivery and asset management from wider social housing policy and commissioning functions.</p>

Paper 12 – Growth and innovation I: Reducing unnecessary regulatory burden and barriers

Interim Report Proposal	Issues	CHIA Vic's Response
<p>12.1 Review the circumstances in which a registered agency whose mission is to serve a particular community can target applicants from their community from the applicants on the Victorian Housing Register.</p>	<p>This relates to reported concerns from some community groups that if they register they will not be able to target their clients based on their own additional eligibility criteria.</p>	<p>In our view, it should be relatively straightforward to address any uncertainty in this area. Performance standards, funding contracts and the VHR allocation framework set the parameters for allocation and CHOs are able to take a more targeted approach within the relevant parameters to target certain disadvantaged groups based on their charitable mission.</p>
<p>12.2 Amend the <i>Housing Act 1983</i> wind up provisions to provide certainty that, as far as possible, the assets of a specialist housing agency being wound up will transfer to another registered housing agency that exists to serve the same cohort of tenants.</p>	<p>The provisions of the Housing Act also means that national organisations need to set up a subsidiary organisation to operate in Victoria which can add cost and administrative burden.</p>	<p>The provisions should also be reviewed to address the issue of national organisations needing to set up subsidiaries to operate under the Victorian system.</p>
<p>12.3 Require the regulator to perform its functions in a way that is proportionate and targeted only to where action is needed, and to work with other regulators to</p>	<p>This is a useful recognition of the compliance burden faced by community housing organisations. However, the other</p>	<p>We support recommendations to reduce unnecessary burden and overlap but suggest the precise actions to achieve these aims need to be detailed.</p>

Interim Report Proposal	Issues	CHIA Vic's Response
<p>minimise duplication and administrative burden for registered agencies wherever possible.</p>	<p>recommendations of the report seem to increase regulatory burden.</p>	<p>Many of the recommendations of this report represent further divergence from NRSCH. It is becoming increasingly important to explore mutual recognition in functions where standards are common between the Victorian system, the NRSCH and the Western Australian Community Housing Regulatory Framework. This could involve simplifying registration for CHOs that are already registered in another jurisdiction and sharing of compliance activity.</p>
<p>12.4 Prevent funding contracts from duplicating regulatory requirements and enable regulator reports to be provided to the funder.</p>	<p>This addresses a concern raised by our members that, under the current regulatory system, there are significant regulatory burdens, largely due to the duplication of reporting requirements to the Housing Registrar, contractual and VHR reporting to Homes Vic/DFFH, and annual/ongoing reporting to other key regulatory bodies such as Australian Charities and Not-For-Profits Commission (ACNC) and Australian Securities Investments Commission (ASIC).</p> <p>We support the reporting principle of “collect once, use many times”.</p>	<p>We support this recommendation.</p>
<p>12.5 Enable the regulator to share information with other regulators of registered agencies and, where feasible, to recognise their approval or be delegated as the primary approver of a regulated agency's generic governance and management arrangements.</p>	<p>As above.</p>	<p>We support this recommendation.</p>
<p>12.6 Replace the requirement for Director of Housing approval for all individual land transactions with a requirement to notify the regulator under certain circumstances, modelled on the relevant provisions of the <i>Housing (Scotland) Act 2010</i>.</p>		<p>We support this recommendation.</p>
<p>12.7 Explore enabling organisations to designate assets for the purposes of the regulatory scheme so that they can avoid establishing and operating a specific legal entity for their social housing operations.</p>		<p>We support this recommendation and have addressed this above in response to recommendation 12.2. Further exploration is needed in relation to if and how this would apply to organisations that have developed affordable housing without government funding.</p>

Paper 13 – Growth and innovation II: Emerging models

Interim Report Proposal	Issues	CHIA Vic's Response
<p>13.1 Require registration of any organisation that receives government funding or support for housing.</p> <p>It is not recommended that any non-registered entity be funded.</p>	<p>Existing government policy already requires this for capital grant funding of long-term social housing.</p>	<p>We understand that this recommendation reflects existing government policy. If an additional requirement is being recommended to ensure that this policy does not change, it would be helpful to clarify how that requirement would be made (for example, is an amendment to the Housing Act being recommended?).</p>
<p>13.2 Augment the regulator's powers to enable effective regulation of special purpose vehicles and any other novel forms of partnerships or joint ventures involving registered agencies and/or Homes Victoria including by:</p> <ul style="list-style-type: none"> • giving the regulator full visibility of all legal arrangements involving registered social housing providers and joint venture partners (however structured) • providing for the publication of minutes of meetings of boards of all registered entities • introducing specific requirements for reporting and disclosures of any related entity transactions, multiple entity directorships and senior management appointments and disclosures of conflicts of interest. 	<p>This recommendation for requiring the publishing of Board minutes follows from a discussion of SPVs but the recommended requirement is worded broadly to include "all registered entities".</p> <p>Board minutes contain records of discussions that are commercial in confidence as well as other sensitive information so it is not clear how rules around redaction would apply. There would also be an administrative burden in considering what must be redacted and redacting minutes that should be considered.</p>	<p>We do not support the requirement for all registered agencies to publish all Board minutes.</p>
<p>13.3 Introduce requirements for disclosure of board and executive salaries and other forms of remuneration for all registered social housing providers.</p>	<p>This recommendation is not aligned to general requirements of charitable organisations and does not appear to address any particular issue identified in the Interim Report.</p> <p>Charities have existing requirements to invest surplus in a manner that furthers their charitable objectives and does not confer a private benefit. CHOs accept and embrace these existing oversight and accountability measures that require sound financial management, and that remuneration is not unreasonable, unauthorised or unjustifiable and there is no evidence to suggest a lack of compliance with these requirements or that there would be benefits associated with the Panel's recommendation.</p>	<p>This recommendation does not appear targeted at addressing an issue outlined in the paper and should be reconsidered.</p>

Interim Report Proposal	Issues	CHIA Vic's Response
	Any changes to existing requirements should be carefully assessed to ensure that the social housing sector can continue to attract appropriately skilled staff to senior roles.	
13.4 Give the regulator clear monitoring and inspection powers including to conduct regular scheduled and random inspections, audits and to demand a wide range of documents.	See response above to Recommendation 6.1.	<p>We support the regulator being provided clear powers and consider that it is important that any inspection-based regulation be transparent, consistent and proportionate.</p> <p>This includes ensuring there is a clear understanding of why and how inspections will be conducted and that interventions are balanced against the scale of a social housing provider's activities.</p>

Paper 14 – The role of regulation in sector growth

Interim Report Proposal	Issues	CHIA Vic's Response
14.1 Encourage registered social housing providers to do all they reasonably can to address social housing need, to fully realise their objects as charitable or community housing providers.	<p>This reflects current practice.</p> <p>Community housing organisations are not-for-profit, mission-driven organisations that exist to support people on low incomes and those at risk of homelessness with secure, affordable and appropriate homes. The sector has delivered growth and outcomes over decades in a constrained funding environment and has demonstrated effectiveness in developing and operating housing that meets the needs of renters.</p>	<p>As the peak body for this sector, CHIA Vic takes a lead role in sector development and works alongside government to help CHOs to grow, partner and continually improve.</p> <p>We value the insights of the expert panel and recommendations on how the sector and CHIA Vic can continue to evolve and continually improve, however, we do not consider that this recommendation achieves this as it simply reflects what is currently happening, rather than recommending change</p> <p>This recommendation should be reconsidered and amended to be more specific as to how organisations will be encouraged to grow and improve.</p>
14.2 Impose a statutory obligation on all registered agencies to develop short, medium and long-term strategic plans that articulate their plans for growth in social housing stock, and regularly measure and report to the regulator. The regulator to publish progress reports.	<p>CHOs already develop strategic growth plans but growth is not a regulatory requirement, and it may not be appropriate to make it one.</p> <p>We question whether all organisations will wish to grow indefinitely and/or whether indefinite growth will deliver the best outcomes for tenants.</p>	While we support the need for strategic planning for CHOs, we do not support a regulatory requirement for strategic plans to articulate plans for growth in social housing stock.

Interim Report Proposal	Issues	CHIA Vic's Response
	It may not be appropriate for some organisations to grow their housing stock. In line with their objective, they may be focusing on housing a particular tenant cohort, in a specific location, and the requirement to grow may diminish the value of the tenant engagement or outcomes.	
14.3 Homes Victoria to undertake system wide policy and planning with a long-term horizon in mind, including publishing data regularly on housing need across the state and actively commissioning social housing to ensure that state funded growth is steered towards identified areas of social or affordable housing need.	This may be an area addressed in the 10-year plan.	We support this recommendation.
14.4 The Community Housing Industry Association Victoria to take the lead in sector development focussed on supporting CHOs to grow their stock and enter into strategic partnerships for this purpose, with the support and active engagement of Homes Victoria.	This reflects what is currently happening.	See 14.1

Paper15: Regulatory Approach

Interim Report Proposal	Issues	CHIA Vic's Response
15.1 Strengthen the tailored approach to regulatory risk assessment and risk management including removal of the current statutory distinction between housing providers and housing associations and putting in place a program of regular and ad hoc inspections.	The two categories no longer suit the nuances of the sector or the government's funding approach.	Removal of the classifications should be accompanied by the development of more appropriate categories to distinguish organisations by size, function, and risk. It would be helpful to analyse the costs and benefits of regular and ad hoc inspections further to understand the appropriateness of an inspections regime and how such a regime, if implemented, should operate.
15.2 Provide additional resources to enable the regulator to perform its expanded role effectively, to deal with the changing nature of risks and embed a greater tenant focus and voice (to be determined by an independent review of the appropriate level of resourcing for the regulator to align resources with final decisions about the scope of the regulator's powers and functions).	The regulator will need more resources to perform an expanded function.	We support the recommendations to provide suitable resources to the regulator to enable the performance of an expanded function and for the regulator to have an expanded profile which includes greater engagement with renters.

Interim Report Proposal	Issues	CHIA Vic's Response
<p>16.1 Apply a uniform performance indicator framework to public and community housing, building on indicators already in use, and with reference to other jurisdictions (such as the Scottish Regulator's framework).</p>	<p>In addition to performance indicators not being uniform across public and community housing, we understand that the definitions of relevant terms and counting rules that inform the collection of data are not shared and that these will also need to be aligned to ensure data is comparable.</p> <p>A barrier to data alignment not discussed in the report is the time and resources required to change data collection systems and approaches. Change is not simple in this area because each social housing provider has developed their own data collection approaches and there are a range of information technology systems in use to collect, store and report on performance.</p> <p>There are added barriers for CHOs working across multiple states and territories as they are required to meet multiple sets of reporting requirements for essentially the same activities. The more Victoria's regulatory requirements diverge from other jurisdictions, the more difficult this becomes.</p> <p>Reporting is inconsistent across States and Territories, and this is an issue highlighted by the ROGS report where an attempt is made to make inter-sector and jurisdictional comparisons but data collection approaches mean that few meaningful comparisons can be made.</p>	<p>We support the recommendations to apply uniform performance indicators and presentation of data across public and community housing sectors.</p> <p>It is preferable from both a reporting perspective, and to ensure resources are not wasted, if performance indicators, definitions and counting rules can be agreed to at a national level and changed as infrequently as possible.</p> <p>Also see comments in response to Recommendation 2.1</p>
<p>16.2 Require uniform presentation of performance reporting across public and community housing sectors. With the introduction of a single social housing regulator (Paper 10) these statistics should be combined in the same published report.</p>	<p>The diversity of social housing services will create some challenges and it will be important to ensure that collation of data does not create a misleading impression and comparisons are not inappropriately made between differing services.</p> <p>Also see comments in relation to Recommendation 16.1.</p>	<p>Reporting will need to be carefully designed to ensure it provides a transparent picture of the social housing sector while ensuring that readers do not infer that a straight comparison can be made between different service types where that is not the case.</p>
<p>16.3 Require regular review of the performance reporting framework, with a consultation process that includes sector participants and tenants to make improvements on the current performance reporting regime. In the first instance this might include a wide-ranging consultation process, but thereafter could constitute 3-</p>	<p>See comments in response to Recommendation 16.1</p>	<p>See comments in response to Recommendation 16.1</p>

Interim Report Proposal	Issues	CHIA Vic's Response
yearly reviews of the performance monitoring framework.		

Paper 17 – National regulation and the National Regulatory System for Community Housing (NRSCH)

Interim Report Proposal	Issues	CHIA Vic's Response
17.1 Victoria to focus on improving its own regulatory system and explore options for reducing any burden on regulated entities arising from inconsistencies with the NRSCH.	<p>The recommendations in the Interim Report bring us further away from a national system and we need to plan for how Victoria can transition to a national regulatory system in the future.</p> <p>In our previous submission, CHIA Vic highlighted the administrative and financial costs CHOs operating across state borders face due to the lack of a coherent national approach to regulation.</p> <p>These include the costs involved in setting up subsidiary organisations, meeting multiple sets of compliance requirements and collecting different sets of data to report to different regulators.</p>	<p>Many of the recommendations of this report represent further divergence from NRSCH.</p> <p>It will become increasingly important to explore mutual recognition in functions where standards are common between the Victorian system, the NRSCH and the Western Australian Community Housing Regulatory Framework. This could involve simplifying registration where CHOs are already registered in another jurisdiction and sharing of compliance activity.</p> <p>Further planning is also needed to ensure that a transition to the NRSCH can occur at some point in the future.</p>
17.2 The Victorian Government to initiate discussions with other jurisdictions to advocate for changes to the NRSCH and identify potential for further harmonisation, with a view to joining the scheme once the systems are considered adequately aligned.	As above.	As above.

Paper 18: Prospective social housing tenants

Interim Report Proposal	Issues	CHIA Vic's Response
18.1 Implement a system of active waiting list management through greater support for applicants on the Victorian Housing Register.	We have a disjointed process of allocating a home and the required support and there are opportunities to better utilise the VHR in providing support.	This is supported. In our view, the support system requires an urgent review and much greater investment, flexibility and targeting.

RTA Changes

Interim Report Proposal	Issues	CHIA Vic's Response
CHIA Vic recommends RTA changes to support the social housing system that are no related to any particular recommendation in the Interim Report.	Although the report recommends changes to the RTA (see recommendation 5.1), changes needed to support the effective operation of social housing are not considered.	There are a number of provisions in the RTA that assist the Director of Housing to manager public housing that are not available to CHOs that we consider should be extended to

Interim Report Proposal	Issues	CHIA Vic's Response
		<p>support the efficient management of all social housing. Most importantly:</p> <ul style="list-style-type: none"> • 91ZU: This section is designed to prevent social housing applicants from providing false information about their eligibility and allows the Director of Housing to serve a Notice to Vacate on a renter if they obtain housing by providing information which the applicant/renter knew to be false or misleading. While we do not believe there is a widespread issue of social housing being obtained via deception, the section provides a mechanism to ensure social housing is allocated appropriately, and this should be broadened to include community housing. • 91ZZE & 91ZZF: These sections are designed to allow for the management of transitional social housing by allowing renters to be served a Notice to Vacate if a housing program has eligibility criteria that have been published in the Government Gazette, and the renters no longer meet those criteria. Due to the wording of 91ZZE and the lack of gazetted criteria under s91ZZF, neither of these sections can be used. <p>This limits the effective management of transitional social housing properties. Changes are needed to improve the management of the THM program and allow specialist transitional housing programs (e.g. for people receiving AOD treatment, refugees and for people exiting the justice system) to more effectively meet the needs of their target cohorts.</p>