

Submission to Social Housing Regulation Review: Response to Consultation Paper One

July 2021

Overview

Community Housing Industry Association Victoria (CHIA Vic) welcomes the Social Housing Regulation Review and the review's focus on the renter's voice, resident and community outcomes and transparent reporting of sector performance. This is a once in a decade opportunity to reflect on what we all want from a regulatory system and we support the Panel's commitment to going back to first principles and being broad in its approach.

As the only sector being regulated by the current Social Housing Regulations, the community housing sector is in a unique position to identify what works well under the current system and what could be improved upon. Our sector is also at the heart of the growth being delivered through the Big Housing Build, and is in the process of identifying opportunities for improvement in operations as a result of this significant expansion. As the industry peak we will work with our members to provide these insights to the review over the coming months.

This submission focuses primarily on some high-level principles we believe are critical to ensure the Review delivers recommendations that are appropriate, achievable, and will create a regulatory system that supports the growth of stable and secure housing for all Victorians.

We look forward to working with the independent review panel and government throughout the Social Housing Regulation Review.

Feedback on the Terms of Reference and First Discussion Paper

We believe the terms of reference are appropriate, and we particularly welcome the opportunity to look at harmonising or consolidating the regulation of community and public housing.

CHIA Vic strongly supports placing renters at the centre of regulation and using that as the focus and framing mechanism for the review. In line with this principle, we believe renters will benefit by recasting the regulatory system to include both community and public housing. The establishment of a single regulator for all social housing provides the opportunity to establish a more holistic approach to regulation, based on protecting the interests of all public investment into social housing and the interests of all social housing renters, rather than separating oversight responsibility by landlord type.

The design, creation and implementation of a single regulatory system will require careful planning and a strategy that takes account of the differences in size, diversity of programs, financial models and business models across public and community housing.

The discussion paper also indicates that a broader range of low-cost rental housing is in scope for the review and we support the regulator's approach in analysing how to best protect the interests of all low income renters. However we recognise that action on consolidating community and public housing regulation may precede the more complex work of bringing other forms of low income

housing within the purview of social housing regulation. While there is still a paucity of social housing stock in Victoria the non regulated low cost housing provides an option for many people and we would not want to see that option disappear.

The background paper notes the right to adequate housing as a human right under the ICESCR but does not explore this any further. CHIA Vic recommends that the Review Panel considers whether the renter-focused approach of the review could also incorporate the human right to housing, something we recommended that Homes Vic include in the Ten Year Social and Affordable Housing Strategy¹.

CHIA Vic sees the regulatory review as an opportunity to recast and redesign the regulatory system, its purpose and principles. We believe the review should begin by setting out a framework that will guide the regulation and regulatory system that is to be developed. The framework should prioritise the following elements:

- **Outcomes-focused**
Regulation should identify the outcome(s) it aims to achieve and use that to determine what actions are required to deliver it.
- **Proportionate**
The level of regulation should reflect the degree of government investment, and acknowledge the interests of outside investors may not be those of government.
- **Risk-based**
Regulation should match the level of risk, with light-touch regulation in place for low-risk activities and higher levels of oversight for activities or areas with higher risk.
- **Transparent**
Regulation should create greater insight into the outcomes being achieved by social housing providers, and highlight areas where improvements are needed.

CHIA Vic suggests that the main outcome that the regulatory system should seek to achieve is a stable and affordable home for eligible renters.

Secondary aims of the regulation should be to support the creation of engagement and influence for social housing renters as well as elevating the renter's voice in the operation of social housing. Placing greater emphasis on opportunities for renter engagement and influence will ensure that as Victoria's social housing system grows it does so in a way that continues to respond to the needs of the people it houses.

There is also much to learn from other countries about the role renters play in their regulatory systems. It is not unusual for regulators to have renter scrutiny panels that assist with their assessments, and we expect that the current review will consider how our regulation can improve renter engagement in creative and meaningful ways.

As the peak body for community housing, CHIA Vic would like to see these aims achieved in a way that balances renter outcomes with our members' NFP business model. A review which leads to the streamlining of reporting, and the provision of timely and relevant data which can drive improvements and strategic planning is just one way in which a redesigned regulatory system could create efficiencies for the community housing sector.

¹ See CHIA Vic Submission to 10-Year Strategy for Social and Affordable Housing: https://chiavic.com.au/wp-content/uploads/2021/05/10-year-plan-submission_CHIA-Vic.pdf

Specific feedback

In addition to the high-level feedback outlined above, CHIA Vic has also developed suggestions on a few more specific matters of relevance to the regulatory review.

Data

We support the inclusion of data management improvement analysis within the scope of the review. This is particularly important given the opportunities for a regulator to collect and collate meaningful data and centralise the importance of social outcomes and the renter voice.

Setting shared performance standards for community and public housing provides an opportunity to reduce confusion and create data sets that can be used to protect public investment and create a shared understanding and ability to analyse the strengths and opportunities of the whole social housing system.

Shared performance standards and data collection does not imply that the systems are the same or should be the same. The diversity of social housing services will however 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. For example, transitional housing management programs are designed to be short term and supported housing programs target complex clients, if data from either of these types of services is compared against general long term housing programs, it may lead readers to make incorrect conclusions about the relative quality of services being provided.

For these reasons, 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 straight comparisons can be made between different service types.

Timeliness of data is also a critical factor, and the regulator should be adequately resourced to collect and report current and meaningful data that provides a clear picture of social housing operations and helps drive system improvements. In line with the principles outlined above, reporting requirements should balance the value of the data in providing insights into the social housing system with the resources required to collect, report, analyse and publish it.

Clarifications

On page fifteen of the discussion paper, it is stated that “approximately 7 per cent of tenants in community housing exited due to eviction” in 2019. This statement is false and we believe that this figure represents the total number of evictions as a proportion of community housing exits, and not as a proportion of community housing tenancies. Community housing organisations use eviction as a measure of last resort, and we are concerned that a drastically over-inflated eviction rate has been included. We believe the true figure is a fraction of a percent of tenancies and we hope that the panel is able to provide a correction and amend the paper.

Process

CHIA Vic supports the process for the review and consultation outlined on the Engage website. We request that details on the focus areas of future discussion papers are shared as early as possible to assist in planning responses.

Also, we believe the relatively short consultation period for this first paper was appropriate given its focus on setting the scene and providing the scoping and background information that will inform

future papers. As future papers are likely to raise more complex issues for which there may be a wide variety of views, we hope that a six-week period can be provided to respond to these in order to allow time to seek and collate a sector response.

Further Information

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.