


NRSCH Compliance

Guide for providers



The background of the page is composed of several overlapping geometric shapes in various shades of green. A large, dark green triangle is positioned in the upper left corner. Below it, a lighter green shape with a curved bottom edge extends across the middle of the page. A thin, light green horizontal band cuts across the lower portion of the middle green shape. The bottom of the page is a solid, medium green color.

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About the National Regulatory System for Community Housing



The National Regulatory System for Community Housing (NRSCH) is a regulatory system designed to contribute to a well governed and managed community housing sector, and provide a platform for the ongoing development and viability of the community housing sector across Australia.

Community housing providers are organisations that deliver social or affordable housing and associated services to people on very low, low or moderate incomes. These services are covered by the social and affordable housing policies of government housing (policy/funding) agencies¹.

The key objectives of the NRSCH are to:

- provide a consistent regulatory environment to support the growth and development of the community housing sector
- pave the way for future housing product development
- reduce the regulatory burden on housing providers working across jurisdictions
- provide a level playing field for providers seeking to enter new jurisdictions.

A suite of Operational Guidelines guides the overall operation of the NRSCH in accordance with the Community Housing Providers National Law (the 'National Law').

The scope of a Registrar's functions under the NRSCH is limited to regulatory activities. State and territory housing agencies, depending on the arrangements in each jurisdiction, will continue to have responsibility for policy and funding decisions.

¹ Policy and funding agencies are usually, but not always, the housing agency in the particular jurisdiction. For the purposes of this document, the term 'housing agency' will be used, but it is acknowledged that this will include policy and funding agencies for those jurisdictions where relevant.

Introduction

This document provides guidance to community housing providers completing a standard compliance return.

This document is one in a series of guides that have been developed to assist community housing providers through the compliance process and assessment. Other guides in this series include:

- **Guide to completing your Community Housing Asset Performance Report (CHAPR)** This document provides detailed guidance on the completion of the CHAPR. The CHAPR is completed at registration and at each compliance assessment.
- **Guide to completing your return** - This document is designed to help you understand what information should be recorded and how the system validates and analyses the data. It contains hints and tips to help you complete and check your return.
- **Financial Viability Guidance Note**
- **Navigating the Community Housing Regulatory Information System (CHRIS steps for providers)** – This document provides guidance to community housing providers completing a registration or standard compliance return using the online regulatory system known as CHRIS.

The guidance is directly aligned with the National Regulatory Code performance outcomes and the evidence guidelines. It should be read and used in conjunction with other published documents which contain more detailed information about

specific parts of the NRSCH. A summary of the critical supporting documents is set out below:

- **The National Regulatory System for Community Housing Charter** – this document provides the overarching vision, objectives and regulatory principles and philosophy of the National Regulatory System
- **National Law and National Regulatory Code**
- **Tier Guidelines** – this document helps interpret the sections of the National Law concerned with determining registration tier of a provider. It explains the factors that are used to determine tier. The tier under which a provider is assessed for registration will determine the evidence it needs to provide as requirements are proportionate to levels of risk
- **Evidence Guidelines** – this document describes the performance indicators and potential evidence sources for assessing providers against the National Regulatory Code performance outcomes and requirements for different types of provider (classified as tier 1, 2 and 3 providers)
- **Enforcement Guidelines for Registrars** – Provides guidance on the performance and legal requirements that providers must meet under the National Law and the NRC and, if necessary, how registrars will respond to non-compliance.

This guide includes some material from these documents where it is appropriate for clarity or consistency. For most part relevant material is referenced rather than repeated.

This guide will be periodically revised to respond to changes in the community housing sector and the regulatory environment.

Compliance Overview

Overview

This section provides a brief overview of the compliance process and background information.

Primary Jurisdiction

A provider's primary jurisdiction is the one in which the provider delivers most of its community housing properties and services. This includes assets owned or managed by community housing providers without assistance or with minimal assistance from the NSW Government. The provider will report to the Registrar of the primary jurisdiction.

Role of the Registrar

The Registrar is responsible for promoting both a culture of compliance and detecting and addressing non-compliance at the earliest opportunity in order to protect the integrity of the community housing sector.

The Registrar proactively engages with providers on an ongoing basis to foster compliance. The engagement is risk-based and common risk profiling methods will be used to assess the risk of non-compliance in the future and for ongoing compliance assessment.

In addition to proactive engagement with the sector to foster compliance, all registered community housing providers must periodically demonstrate that they are achieving relevant performance requirements under the National Regulatory Code (NRC), and otherwise complying with the National Law.

Standard Compliance Return

Registered providers must complete a standard compliance return on a regular basis, and submit it to the Registrar. Tier 1 and Tier 2 providers must complete a standard compliance return every year. Tier 3 providers must complete a standard compliance return every two years.

This forms part of a periodic assessment that seeks to ensure ongoing compliance with the NRC and constitutes the minimum level of oversight that will be applied.

The Registrar may also seek input from other relevant parties, such as the housing agency for the relevant jurisdiction or other Registrars in the case of a multi-jurisdictional provider.

The Registrar uses the information in the compliance return and in the supporting documents to prepare a compliance assessment report. This report sets out the outcome of the assessment on tier and compliance, findings on performance and the reasons for the determination.

The compliance determination report will state whether the provider is compliant or non-compliant overall with the NRC. Where a determination is made that the provider is compliant there may be performance outcomes where compliance is determined 'compliant with recommendations'. In these cases the report will include recommendations or actions to assist the provider improve performance and bring them to full compliance.

The provider receives a draft determination report for comment before the final compliance determination report is issued.

Where the provider is determined to be non-compliant, enforcement action will be taken. This guide does not address enforcement however more information is available in the [Enforcement Guidelines](#) published on the NRSCH website.

This guide is a living document and will be enhanced over time. The Registrars are committed to ongoing engagement with providers to ensure guidance assists them in meeting their obligations under the National Regulatory Code and welcome feedback.

Standard Compliance Assessment

A Standard Compliance Assessment is a scheduled assessment to ensure ongoing compliance with the NRC. A standard compliance assessment constitutes the minimum level of oversight that will be applied.

Table 1 below sets out the steps involved in the compliance process and the standard deadlines. The process from the release of the standard compliance return will depend upon the type of regulatory engagement necessary for the Registrar to have sufficient information on which to make a compliance determination.

The standard compliance return consists of:

- A. Core financial and non-financial data sets (relevant to the tier of registration)
- B. Standard business documentation that can be used to demonstrate the achievement of the National Law outcomes. This is referred to as 'core documents'.
- C. Notification of significant changes to policy and procedures

The standard compliance return (the return) will be completed and submitted through the CHRIS portal. Where registered providers have effective data systems and business documentation, the preparation and submission of the return should be a straightforward and streamlined process. There is no requirement to re-submit the same evidence required during registration or the previous compliance assessment if there are no changes to it.

The focus of the return is on the minimum information needed to allow Registrars to make an informed judgement about compliance with outcomes at a point in time and to assess the risk of non-compliance in the future.

A summary of the components of the return is presented in Table 2 on the following page.

A failure to submit the return by the due date – six weeks from the start date, without the granting of an extension by the Registrar, may constitute a non-compliance with the National Law.

Table 1: Steps and timetable for a compliance return

Step	Provider / Registrar	Lead time to complete	Description
Analyst contacts Provider	Registrar	Week before return released to provider	To confirm provider contacts
Release of Compliance return with FPR excel template	Registrar	Compliance start date	Provider will receive an email to prompt provider that the return is now available
Completion of compliance return	Provider	6 weeks	Provider has six weeks to complete and provide/attach evidence
Compliance assessment	Registrar	8 weeks	<p>The analyst will check on completeness of return and if it looks reasonably accurate. If further information or clarification required they will contact provider and set new deadline. The time taken to carry out the assessment will depend upon whether in addition to the standard return further regulatory engagement is necessary.</p> <p>Composed of two elements:</p> <ul style="list-style-type: none"> • Standard review and • Additional lines of enquiry where necessary to reach a decision on compliance
Release of Draft determination	Registrar	Will vary as noted above	
Provider feedback	Provider	Within 2 weeks from receipt of draft determination	
Release of Final determination	Registrar	Within 2 weeks from the receipt of provider's feedback	

Table 2: Components of the standard Compliance return

Standard compliance return	Tier 1	Tier 2	Tier 3
Core financial data	Tier 1 standard current financial return (incl. audit report) and 10 yr. forecasts	Tier 2 standard current financial return (incl. audit report) and 10 yr. forecasts	Tier 3 standard current financial return (incl. audit report) and 2 yr. forecasts
Core non-financial data	Tier 1 standard non-financial metrics return	Tier 2 standard non-financial metrics return	Tier 3 standard non-financial metrics return
Community housing assets data	Community housing asset performance report (part of 'Return')	Community housing asset performance report (part of 'Return')	Community housing asset performance report (part of 'Return')
Significant changes to policies & procedures	Updated policies & procedures	Updated policies & procedures	Updated policies & procedures
Action to address compliance findings	Report outlining actions to close-out any recommendations or address compliance findings	Report outlining actions to close-out any recommendations or address compliance findings	Report outlining actions to close-out any recommendations or address compliance findings
Community housing (CH) development programme	List of CH development programmes and their status (or equivalent)	List of CH development programmes and their status (or equivalent)	<i>Not required unless Provider has CH development and upon request by Registrar</i>
Asset management	Achievement of current strategic asset management & development plan (or equivalent)	Achievement of current strategic asset management & development plan (or equivalent)	Achievement of current asset maintenance plan (or equivalent)
Governance & management	Annual report (or equivalent)	Annual report (or equivalent)	Annual report (or equivalent)
Risk management	Risk management plan and risk register (or equivalent)	Risk management plan and risk register (or equivalent)	<i>Only upon request by Registrar</i>
Tenant / resident satisfaction	Latest tenant/resident satisfaction report	Latest tenant/resident satisfaction report	<i>Only upon request by Registrar</i>
Appeals and Complaints	Current appeals and complaints register (or equivalent document)	Current appeals and complaints register (or equivalent document)	Current appeals and complaints register (or equivalent document)
Performance against business goals	Latest report to Board detailing past and current performance against goals/targets in business plan & strategic asset management / development plan	Latest report to Board detailing past and current performance against goals/targets in business plan & strategic asset management / development plan	<i>Only upon request by Registrar</i>

Assessment

Whereas the registration assessment confirmed the capacity of the provider to meet all conditions of registration, the initial compliance assessment is the first time the Registrar assesses actual compliance in achieving the outcomes and requirements of the National Law.

As such, the initial compliance assessment requires greater scrutiny of submitted evidence than subsequent standard compliance assessments. Once compliance is confirmed at the initial compliance assessment and a provider is assessed as low-risk, standard compliance assessments will simply focus on confirming that there has been no change to the risk profile.

Initial compliance assessments will be carried out by the Registrar. While Registrars may organise and structure their offices differently, assessments will be carried out in a consistent way—using the same assessment methodology guide.

The initial compliance assessment involves:

- A. Reviewing information and evidence submitted in the return
- B. Reviewing the results of the registration assessment where the provider has already submitted evidence that was recorded as demonstrating that the provider is compliant
- C. Collating evidence from other sources including:
 - notification by the provider of changes that may have an adverse impact on compliance

- the Registrar's record of any enforcement action
 - the Registrar's record of any additional, targeted monitoring triggered by a change of circumstances, risks or performance
 - the Registrar's record of complaints and notifications under the National Law
 - the relevant state housing authority or authorities (this might include information about the provider's funding terms or leases, or compliance with a housing policy or contract)
 - other government agencies (this might include information about the provider's funding terms or compliance with a policy or contract, or housing-related service delivery)
 - other regulatory authorities (this might include information about regulatory engagement with the provider)
 - the public record (this might include information about the provider's body corporate status, court or tribunal decisions, or media).
- D. Identifying where the evidence (or the lack of evidence) indicates that the provider is not achieving the outcomes and requirements in the National Law
 - E. Following up on the lines of enquiry (requesting supplementary evidence) which have been identified, with the provider. This may include:
 - requests for additional information to provide more comprehensive or rigorous evidence of the achievement of the outcome
 - requests to attend a meeting to discuss the interpretation of the evidence about the achievement of the outcome
 - requests for an on-site visit to validate the evidence about the achievement of the outcome.
 - F. Seeking advice from the relevant state and territory housing authority or other government agencies where appropriate
 - G. Applying the principles of good decision-making and preparing a draft compliance determination report for the provider. The draft compliance determination report will include:
 - a brief statement confirming compliance or non-compliance with the National Law
 - any findings outlining areas where the provider could take action prior to the next Standard Compliance Return to improve the comprehensiveness and rigour of evidence submitted to better demonstrate the achievement of the outcomes

Separate to the compliance assessment process, the Registrar may take enforcement action to bring the provider back to compliance where non compliance is serious or the provider has failed to remedy the non-compliance.

Guiding Principles

In completing the return providers should note the following principles

- The return is structured around core data sets and standard business documentation rather than the outcomes in the NRC. This is because the same data item or document may contribute to demonstrating the achievement of multiple outcomes. The Evidence Guidelines document describes how different types of evidence may be used to inform judgement about the achievement of outcomes.
- Apart from the standard data sets, the components of the return describe examples of evidence—rather than prescribing required pieces of evidence.
- Evidence can be presented in the form that it exists. Providers are not expected to adjust existing key documents or plans to meet the specific description in the return. For example if a provider outlines its annual business activities and targets in a series of action plans rather than in one single business plan, these can be submitted as evidence.
- While the same 'type' of evidence may be required for different Tiers (e.g. current business plan), the expected depth and rigour of the evidence is different for each Tier: risk stratification by tier means evidence from a Tier 1 provider will be expected to be more comprehensive and sophisticated than evidence from a Tier 2 provider. Evidence from a Tier 3 provider will be expected to be briefer and simpler—commensurate with the scale and scope of their community housing activities.
- The responsibility is on providers to determine the adequacy of the business documentation they submit with the compliance return. A provider will not be non-compliant for submitting a 'poor' business plan. However they may be assessed as non-compliant if that business plan does not have the sufficient depth and rigour for their Tier of registration to demonstrate the achievement of the required outcome. Similarly they may be assessed at high-risk of non-compliance in the future and be subject to additional, targeted monitoring.
- The responsibility is on providers to validate their financial and performance data before submission. By approving the submission of the compliance return the governing body is providing assurance of data reliability.

Getting Started

Around one week before the standard compliance assessment is due to start the provider's nominated main contact will be contacted by the Analyst from the Registrar's office. The nominated main contact is the person who was nominated as the contact either at registration or the previous compliance assessment.

The nominated main contact person is authorised to receive all correspondence from the Registrar's Office, facilitate the compliance process and will have access to the online regulatory system known as CHRIS (the Community Housing Regulatory Information System).

If the nominated main contact changes at any point in time during compliance please advise your Analyst. Such a change must be confirmed by an officer of the provider. Your Analyst will facilitate the update of details on the *Accounts* page in the portal and the provision of portal access. Once the new nominated main contact has been set up in the system, the new nominated main contact will receive an email confirming they have been granted access to CHRIS.

On the day the compliance process starts your Analyst will send you an email *Invitation to begin the Compliance Process*. Attached to this email is the Financial Performance Report (FPR) template for the Tier in which the provider is registered. The online return is also made available to the provider to commence the compliance assessment.

The [Guide to completing your Return and Navigating the Community Housing Regulatory Information System](#) (CHRIS steps for providers) provide further information in relation to this process.

Process post submission of compliance return

Provider change of scale, scope or Primary Registrar.

During their initial review of your return your Analyst will check that your current tier of registration remains applicable. If the initial review suggests a significant change in scale and/ or scope you will receive an email which will explain what, if any, additional evidence applicable to the new Tier is required.

The change of Tier will only be confirmed when the compliance determination is made.

If the evidence submitted shows that the provider's main community housing business is now conducted in another state or territory a decision may be made to change the Primary Registrar. You will receive an email advising you of the change. In this case the assessment will generally be carried out by the new Primary Registrar who will contact you to make arrangements.

Supplementary Evidence

Once your Analyst has confirmed that the return is complete and the core documents have been received, they will use the evidence to assess your compliance against each performance requirement. In some cases they will be able to reach a decision solely on the return and its supporting documentation. In others they will require more information (supplementary evidence) to reach a determination.

They may need this information because, for example;

- They need to understand more about your performance against a particular outcome
- Your business has changed significantly and they wish to follow up in more detail
- Written/ documentary evidence is insufficient to determine whether compliance outcomes are met.

Supplementary evidence will only be requested for relevant performance outcome. It can take the form of additional documentation, a telephone conversation, a meeting or a site

visit. This will be outlined in the email sent to you.

Further information in relation to submitting supplementary evidence is available in the [Navigating the Community Housing Regulatory Information System \(CHRIS steps for providers\)](#) guide.

Release of draft determination outcome

Once the assessment is complete you will receive an email notifying you that the draft determination has been completed and the draft determination report is available. You will need to log into the system to access the draft report.

Providing feedback

You will have two weeks from the date the email was sent to comment on the determination through the portal. For information on providing feedback see [Navigating the Community Housing Regulatory Information System](#) (CHRIS steps for providers) guide.

The Analyst will consider any feedback and may contact you to clarify matters before issuing the final determination. If the provider does not comment within the allocated two weeks, the draft determination will be adopted as final.

Release of final determination report

The release of the Final Determination Report signifies that the compliance process is now completed. You will receive an email from your assigned Analyst advising that the Final determination report is now available on the Provider's report page in the portal.

For more information

For more information on the National
Regulatory System for Community Housing,
please visit: www.nrsch.gov.au