

Submission in response to *Discussion Paper: Future Directions for the NRSCH*

March 2026

About Shelter WA

Shelter WA is the independent peak body in Western Australia for the community housing and homelessness sectors. Our vision is that all people in WA have a home that enables them to thrive. We bring together a strong coalition of organisations and individuals and work for diverse and affordable housing choice for all, with a focus on housing for people on low to moderate incomes and groups that experience housing insecurity.

Introduction

Shelter WA welcomes the opportunity to provide a submission in response to the Discussion Paper from the National Regulatory System for Community Housing (NRSCH) National Office.

As noted in the paper, the current regulatory system is a hybrid model of intergovernmental collaboration, and Western Australia (as well as Victoria) operates an autonomous but closely aligned regulatory system. While the other jurisdictions have adopted the *Community Housing Providers National Law 2012* and Regulatory Code (the NRSCH), Western Australia operates under its own policy-based Framework.¹ However, the WA Framework closely mirrors the NRSCH, and like the other jurisdictions, the WA government financially contributes to NRSCH National Office operating costs.

The Discussion Paper's review of the current operation of the NRSCH, roles of different stakeholders and how it can evolve to support a strong, responsive, and fit-for-purpose regulatory system into the future, is of relevance and interest to Shelter WA and our community housing sector since:

- 1) any changes to the NRSCH will have impacts on our community housing organisations (CHOs) operating across jurisdictions;
- 2) the WA Framework closely mirrors the NRSCH, challenges and issues highlighted around the operation of the NRSCH into the future, are also of key relevance to WA's Framework, and
- 3) WA has a direct connection to the NRSCH through its use of the CHRIS data system (Community Housing Regulatory Information System).

¹ WA Framework available here: <https://www.wa.gov.au/government/document-collections/housing-investors-and-partners-community-housing-organisations>

This submission incorporates feedback received from our CHO members, as well as including our broader comments as WA's peak body for community housing.

1. Regulatory Fitness & Performance Outcomes

Feedback on the NRSCH

Members highlighted that the form of NRSCH templates can pose significant burdens on CHOs to complete. For example, the NRSCH financial return templates (also used in WA) are highlighted as being in a format that is difficult and time consuming to complete – as it does not align easily with organisations' own financial record-keeping. In recognition of this, Shelter WA suggests a review of templates with a view to revising the format so that it better aligns with actual organisational practice, making it simpler and less time consuming to complete.

It was also noted that requirements for 10-year financial plans can be of very little utility and limited accuracy, particularly for smaller organisations. In contrast 5-year plans are seen as being of much greater value, and much more likely to include accurate forecasting and practical planning.

WA Framework

Members highlighted support for a truly national regulatory framework that supports consistency of expectations and reporting across jurisdictions.

It was highlighted that there can be differences in the application of identical requirements across the NRSCH and the WA Framework which can create additional burdens, particularly for CHOs operating across borders. Another challenge experienced by WA CHOs that stems from the different systems is an additional burden in HAFF applications – because of WA's separate system, WA operators have been required to resubmit compliance and governance data.

2. Data, Reporting & Digital Systems

WA CHOs highlighted that limited government investment in digital systems and platforms places the onus on CHOs to self-fund system upgrades and data capture processes to align with changing regulatory requirements. This burden on CHOs includes the expense of system changes, but also time and resources for new procedures, training staff etc. Some CHOs rely on time consuming manual data capture where their systems cannot gather the required data (for example, a small CHO reports the annual return can take up a staff member a full week to prepare).

In our consultation, members provided their support for measures to enable standardised benchmarking and collection of consistent metrics across jurisdictions, including WA. This could be assisted by provision of examples and guidance to ensure consistent reporting (one example provided is the apparently different approaches across jurisdictions to definitions of housing versus lodging).

Shelter WA supports action to improve benchmarking across jurisdictions, with a view to using this for deeper analysis across jurisdictions, which can in turn support responsive regulation.

3. Sector Complexity & Emerging Provider Models

CHOs highlighted their experiences with being required to register a Special Purpose Vehicle (SPV) to access the Housing Australia Future Fund (HAFF). CHOs noted that the rise in SPVs is a complex and technical new arrangement, with uncertainty in both the NRSCH and WA Framework around what the compliance requirements will be going forward for these entities, and whether this will add to the complexity of regulatory compliance. For example:

- whether reporting can be combined for parent and SPV entities or must be completely separate, and
- how to avoid duplication when the same data is required for both entities.

Shelter WA supports further work to understand the impacts that these increasingly complex models and structures are having on the sector, and how best to respond to this in the community housing regulatory system.

4. Collaboration & Sector Capacity

In our consultation, CHOs shared their strong support for a regulatory approach that is collaborative and collegiate, allowing CHOs to seek information and advice proactively from the Registrar. This type of approach would support CHOs to engage with the Registrar early on in any process, and sets up a collaborative and constructive environment that ultimately improves compliance outcomes, although it is acknowledged that this level of engagement can be hampered by resourcing constraints.

Resourcing to enable more of this 'proactive guidance' can help to minimise time consuming 'back-and-forth' processes following submission, which could be more quickly resolved with more guidance and earlier dialogue.

In our consultation, CHOs also highlighted the valuable role that a Regulator can play in providing guidance around regulatory requirements, such as published explanatory materials, examples/case studies and Regulator interpretations of regulatory requirements.

5. National Architecture & WA's Participation

As noted above, in our consultation, members highlighted support for a truly national regulatory framework that supports consistency of expectations and reporting across jurisdictions. There are different ways that this could be achieved.

One would be for the WA Government to reconsider its decision to remain outside of the NRSCH. It is understood that the original rationale for WA remaining outside the NRSCH was particular differences in WA's circumstances, however it seems there are likely to be very few differences

that couldn't be addressed through the national system, particularly given that under the NRSCH each jurisdiction still has its own Registrar. There could be real benefits to joining the national scheme, including uniformity of approaches and interpretation of regulatory requirements, and access to a national database/pool of guidance and approaches that WA CHOs could also draw upon (anecdotally, some CHOs already refer to NRSCH materials and guidance where there is limited available in WA).

Many of these aims (eg, uniformity of approaches, shared guidance, approaches and resources) could also be much improved through strengthened connections and collaboration across all jurisdictions.

The paper notes the past role of the Regulatory Advisory Group in supporting consistent regulatory practice, managing system-wide risks, and maintaining engagement with policy agencies and peak bodies. Shelter WA acknowledges, as noted in the paper, that this group had diminished effectiveness and was disbanded in March 2025 with indications that the National Office and Registrars would explore options to replace this.

Shelter WA supports re-enlivening of this group and others such as regular cross-jurisdiction Registrar meetings to help fill this current gap, and ensure close connections and engagement across the jurisdictions, including WA. As our submission has highlighted, even though WA is not in the NRSCH, the WA Framework is aligned with the system, WA uses the CHRIS system and contributes funding.

6. A modern regulatory system

Part 6 of the Discussion Paper considers how the regulatory system might operate to ensure it is effective and responsive into the future. It outlines characteristics of a modern regulatory system, and highlights a dynamic, interconnected framework to support continuous improvement across regulatory systems. Shelter WA sees that a key component of this is effective support to grow sector capabilities, with peak bodies well positioned to play a key role in this. We have included as an attachment to this submission our **Case Study: Lessons from Aged Care**. While the NRSCH hybrid interjurisdictional system obviously has an additional layer of complexity, we think this case study highlights the key strengths offered in a regulatory model that sets up an objective, effective regulator while still ensuring providers get the support they need to grow.



Kath Snell

CEO, Shelter WA

Case Study: Lessons from Aged Care

When a regulator attempts to both enforce compliance and build sector capability, it dilutes its focus and creates structural conflicts of interest. In aged care, the responsibilities are strictly divided between the regulator, the funding department, and the sector peak bodies. This case study provides an example of a regulatory model that sets up an objective, effective regulator while still ensuring providers get the support they need to grow.

1. The Regulator: Objective Oversight (The ACQSC Model)

While the NRSCH and the Aged Care Quality and Safety Commission (ACQSC)² operate within different frameworks, the NRSCH could significantly benefit from adopting the ACQSC's comprehensive approach to regulation. The ACQSC is not "just" a basic compliance monitor; it is a robust, multi-faceted regulatory body. As well as handling provider registration and audits, its core functions include managing a centralised complaints mechanism, overseeing incident reporting (such as the Serious Incident Response Scheme), and enforcing whistleblower protections. Furthermore, it provides distinct, targeted regulatory resources and education to ensure everyone understands their rights and regulatory obligations.

Why it works: This model ensures the regulator is deeply embedded in safeguarding the system from all angles without losing its objective focus. By managing complaints and incident reporting directly, the ACQSC empowers the whole sector to do better. The education it provides is strictly tied to regulatory compliance, safety, and rights, rather than general business advisory or sector capacity building.

Application to Community Housing: The NRSCH could evolve to adopt this level of comprehensive, multi-stakeholder oversight. Rather than straying into sector "engagement" and "capability building", which risks diluting its core purpose, the NRSCH should focus its constrained resources on becoming a robust regulator: managing rigorous provider registration and strictly upholding regulatory standards, establishing national complaint and incident reporting mechanisms, enforcing tenant rights and whistleblower protections, and providing targeted regulatory education. By focusing entirely on these critical oversight and safeguarding functions, the NRSCH can provide true assurance and protection for the sector.

2. The Department: Funding and System Design

In aged care, the Department of Health, Disability and Ageing is the "System Governor". The Department designs the policy, manages the funding, and actively funds capability-building initiatives for the sector.

² For further information, see the ACQSC website here: <https://www.agedcarequality.gov.au/>

Why it works: The government takes responsibility for funding the capacity it expects the sector to deliver, without blurring the lines of regulatory enforcement.

Application to Community Housing: System stewardship and capacity-building funding should sit with the relevant Departments (e.g., WA Department of Housing and Works, Commonwealth Housing Australia), not the NRSCH. If the government expects the sector to mature to handle complex financial models and massive supply growth, the government should fund that capability directly.

3. The Peak Bodies: Capability Building and Engagement

In aged care, the peak body, Ageing Australia,³ is structurally empowered and funded to lead sector capability building, advocacy, and provider education. Beyond general advocacy, they provide tangible, operational business support functions, such as dedicated HR, clinical, and governance advisory services, that providers actively rely on day-to-day. Furthermore, they are funded to deliver major sector-wide capability initiatives, including an annual national conference, which drives innovation, peer-to-peer learning, and sector cohesion.

Why it works: Effective capability building requires trust and psychological safety. A provider facing a complex HR dispute or struggling to implement a new governance standard will readily utilise a peak body's advisory service to get the help they need. They will rarely, if ever, take those same operational vulnerabilities to the regulator for fear of punitive action, increased scrutiny, or risking their registration. The peak body acts as a safe harbour for continuous improvement.

Application to Community Housing: This is exactly where "engagement" and "capability building" must sit, with the peaks, not the regulator. Meaningful engagement, strategic training, and operational business support (such as HR, financial structuring, or specialised governance advice) should be funded and delivered through industry peaks. There are current and past examples of this type of support:

- Q Shelter has been funded since 2022 by the Queensland government to deliver its very successful Community Housing Futures Program;⁴
- Shelter WA has been funded by the WA Government to establish a similar program, launching in the second quarter of this year; and
- at the National level, the former National Community Housing Industry Association (now Australian Community Housing) administered capacity grants on behalf of the former National Housing Finance and Investment Corporation (now Housing Australia).⁵

³ For further information, see their website here: <https://ageingaustralia.asn.au/>.

⁴ Community Housing Futures, see their website here: <https://communityhousingfutures.org.au/>

⁵ Housing Australia, "[NHFIC Announces Launch of \\$1.5 Million Capacity Building Program](#)" 27 June 2019.

Peaks are uniquely positioned to host state and national conferences, foster best practices, and deliver trusted advisory or capability building services precisely because they are completely separated from the compliance and enforcement mechanisms of an industry regulator.

Summary

Shelter WA shares this case study to support our position that the NRSCH should not be trying to be a coach and a referee at the same time. The aged care model, where the ACQSC regulates, the Department funds, and peak bodies build capability, provides a strong example for the community housing sector.

