SUBMISSION TO THE PRODUCTIVITY COMMISSION

Housing Supply Regulation Inquiry: Response to Interim Report

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Submitted by:

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Responding to:

Information Requests 1, 2, and 5

About the Submitter

Sean Kelly submits in two complementary capacities. This submission represents his personal views and does not necessarily represent the views of the Australasian Housing Institute.

As Principal of Sasky Consulting, Sean brings over 20 years of leadership across government, not-for-profit, and community housing sectors in Australia. His current consulting work spans state government housing agencies, registered community housing providers, Aboriginal community organisations, and major not-for-profit organisations in the disability, aged care, and community services sectors. Prior senior roles include positions at Community Housing Limited, Bethanie Housing Limited, and the Housing Authority of Western Australia. His work spans NRSCH registration and compliance, community housing growth strategy, Aboriginal and disability housing, funding submissions, and governance. He has directly assisted multiple registered community housing providers with initial registration, tier reassessment, and compliance management, across both the national system and the WA state system.

As President of the Australasian Housing Institute, Sean leads the professional organisation for people who work in the social and affordable housing sector across Australia and New Zealand. The AHI's reach across practitioners in government, community, and private housing gives him visibility of cross-jurisdictional patterns in workforce deployment and capability that individual organisations may be reluctant to name publicly.

The arguments in this submission are grounded in direct operational experience with the regulatory systems under discussion, not in theoretical policy analysis.

Opening Framing: The Regulatory Stack Has a Missing Level

The Commission's interim report rightly focuses on planning and zoning as the primary constraints on housing supply. This submission does not dispute that analysis. It argues, however, that the Commission has not yet addressed a significant and largely invisible regulatory drag operating one level below planning: the community housing regulatory system itself.

Community housing providers operate at the intersection of two complex regulatory environments simultaneously. On one side is the development and planning system, with its own approvals burden, infrastructure contributions, design requirements, and procurement obligations. On the other is the community housing regulatory system, which imposes its own registration, compliance, and reporting obligations on the legal entities through which housing is delivered. Both systems have grown in complexity as the sector has scaled. The interaction between them is not well understood, and the cumulative effect is rarely examined.

The National Regulatory System for Community Housing (NRSCH) was designed to standardise governance and provide investor confidence, in effect corporatising community housing delivery. Governance standardisation had legitimacy in context, and the system has achieved some of what it set out to do. But corporatising is not the same as professionalising; professionalism in the sector is driven by practitioners, sector bodies, and workforce investment, not by regulatory compliance frameworks. And the compliance architecture the system has created is now poorly aligned with how community housing is structured and financed in 2026, particularly as the sector has scaled to absorb large public funding programs like HAFF.

The result is that not-for-profit housing organisations, the entities best positioned to deliver affordable and social housing at scale, and the entities to which billions of dollars of public investment are being directed, face regulatory requirements that absorb significant specialist capacity, impose structural constraints on project delivery, and vary materially across jurisdictions in ways that compound the burden.

This submission documents that burden, quantifies it where the evidence supports doing so, and proposes targeted reforms that would reduce regulatory friction without compromising the consumer protection and investor assurance functions that NRSCH legitimately serves.

Information Requests 1 and 2: Regulatory Barriers to Housing Supply

(Combined response: the NRSCH as a structural barrier to NFP housing delivery)

The Commission invited submissions on regulatory barriers to housing supply and the costs those regulations impose. This response focuses on one barrier that will receive little attention from other submitters: the community housing regulatory system itself.

1. The NRSCH is not uniformly applied

The system is named the National Regulatory System for Community Housing, but it is not applied uniformly across jurisdictions. Western Australia and Victoria nominally operate within the NRSCH framework but apply materially different interpretations of its requirements, each with their own registrar and their own evidentiary expectations. Providers operating across state lines must navigate those interpretive differences simultaneously.

In Western Australia, the practical requirements are more onerous than the national baseline. WA-registered providers must maintain policy documentation that references specific legislative instruments by name, with links and full text, updated on a six-monthly cycle. When legislation changes, as it does routinely, this triggers a cascading update requirement across the provider's entire policy suite. For a provider with 20 to 30 policies cross-referencing WA legislation, a single legislative amendment can generate weeks of administrative remediation.

This is not a hypothetical. Providers operating in WA have encountered exactly this pattern multiple times. The administrative cost is not absorbed by a compliance team sitting idle between cycles; it is extracted directly from the capacity of senior practitioners who would otherwise be managing projects, overseeing tenancies, or developing new supply.

There is mutual recognition of registration between the national system and WA, but it is subject to satisfactory amendments to policies and other documentation to meet WA's specific requirements. In practice, providers moving into WA must adapt their entire compliance framework to WA's interpretive standards. The recognition is conditional rather than substantive. The position in Victoria is less clear, and I cannot speak to it with the same direct authority as WA. Practitioners operating there have reported similar interpretive divergence from the national baseline, but others with direct Victorian experience would be better placed to address this in detail.

The effect is that providers seeking to scale nationally face compounding compliance obligations rather than a harmonised framework, which is precisely the outcome the Commission should want to avoid.

The interpretive fragmentation documented here has a structural consequence that compounds the problem: providers cannot operate as a single registered entity across jurisdictions, but must instead maintain separate registrations, separate compliance frameworks, and in many cases separate legal entities in each state. That structural consequence is addressed in the sections that follow.

2. The NRSCH cannot register a corporate group, and affiliated entity provisions compound the problem

This is the most significant structural misalignment between the regulatory system and contemporary housing delivery practice.

Registration under NRSCH attaches to legal entities, not to corporate groups. A registered community housing provider must be individually registered, with its own compliance obligations, its own periodic reporting, and its own renewal process. There is no mechanism for a parent entity to hold a group registration that covers subsidiary or special purpose entities.

Modern community housing delivery, particularly at scale and particularly under HAFF and similar programs, routinely involves special purpose vehicles (SPVs). An SPV is

a separate legal entity created to hold a specific project, isolate risk, and structure financing. They are common in commercial property development and have become standard in community housing as the sector has moved toward institutional finance.

The problem is that each SPV must be individually registered under NRSCH. Each registration requires a full application. Each registered entity must then report to the regulator on its own compliance, as a standalone entity, even where it is 100% controlled by a parent that is itself registered and demonstrably compliant.

The affiliated entity provisions in the National Regulatory Code compound this problem significantly, and appear to be producing outcomes that were not intended when the provisions were designed. Where a registered provider undertakes work through other parts of its broader group, including development management, property management, or asset maintenance delivered by a related entity, the affiliated entity provisions require the registered provider to demonstrate meaningful oversight and control of those arrangements and to ensure that transactions are at arm's length. In practice, this means that group-level service delivery arrangements, which are entirely standard in commercial property and which are used by community housing groups precisely to achieve operational efficiency, trigger documentation, governance, and reporting obligations across the entire group structure. The more integrated and efficient the group operates, the greater the compliance burden the affiliated entity provisions create. This is a direct and unintended disincentive to the kind of group-level coordination that would most benefit housing delivery at scale.

The public register data documents the SPV proliferation clearly. The following examples are drawn from the national register and reflect entities listed as at mid-2025:

Provider Group	Registered Entities	Notes
Link Wentworth	9	Parent entity plus 8 project-specific entities, all individually registered
Evolve Housing	8	Parent plus 7 project entities across NSW and VIC
Bridge Housing	6	Parent plus 5 project-specific entities
MAHQ / Mission Australia QLD	7	Seven MAHQ-named entities in QLD, separate from Mission Australia Housing parent in NSW
Junction SA	6	Parent plus 5 entities structured around specific development projects
SGCH (St George Community Housing)	9+	Seven entities on national register, plus two further entities registered separately in Victoria

Source: NRSCH National Register and Victorian Housing Register (mid-2025). Entity counts based on provider naming conventions and registration dates relative to known funding program timelines.

There are four entities on the national register whose names explicitly identify them as HAFF SPVs: Regents Park HAFF SPV Limited and BTOWN HAFF SPV Limited in New South Wales, and Venture Housing HAFF SPV Limited and CHCA HAFF SPV Limited in the Northern Territory. The Housing Australia Future Fund is a Commonwealth program. The entities created to receive HAFF funding have been individually registered with the national community housing regulator, not because they represent distinct organisations with distinct governance or compliance profiles, but because registration attaches to legal entities and HAFF funding flows to legal entities. These four are the ones identifiable by name. Many more project entities on the register are HAFF-related without being named as such.

This is not an accident or an administrative quirk. It is a structural feature of the system. As HAFF and similar programs scale up, SPV proliferation will scale with them. And the affiliated entity provisions will ensure that each new entity added to a group structure brings compliance obligations not just for that entity but across the group's existing registered provider relationships.

3. The compliance burden is substantial and poorly distributed

Registration and renewal under NRSCH is not a trivial administrative task. Based on direct experience assisting providers through both processes:

- Initial registration requires approximately 800 hours of specialist consultant time for a new Tier 2 or Tier 3 provider. This includes policy development, evidence compilation, governance documentation, and the application process itself. Much of this work requires housing-specific expertise and cannot be delegated to general administrative staff.
- Performance reporting obligations vary by registration tier: Tier 1 and Tier 2 providers report annually; Tier 3 providers report biennially. For Tier 1 and Tier 2 entities, each reporting cycle requires approximately 40 to 60 hours of senior practitioner time per registered entity.
- For a provider group with eight or more registered entities, this translates to 320 to 480 hours or more of specialist compliance time per reporting cycle, as a recurring, non-discretionary obligation.

The combined national register, WA register, and Victorian register cover more than 500 registered entities. The national register alone, covering ACT, NSW, NT, QLD, SA, and Tasmania, lists approximately 390 entities; WA has 54 separately registered providers; and Victoria has 75 entities across its two registration categories. Applying a conservative estimate of 40 hours per entity per annual reporting cycle for Tier 1 and Tier 2 entities alone produces tens of thousands of hours of specialist compliance time per year across the sector. That capacity is not being used to manage tenancies, develop properties, support residents, or expand supply.

The compliance burden is not one-sided. Registrar teams are drawn from the same finite pool of specialist housing professionals as the providers they regulate. When a registrar hires an experienced housing practitioner, that person is no longer available to the sector. The system therefore consumes specialist capacity from both ends simultaneously: providers preparing compliance submissions and regulators assessing them.

In Western Australia, the scale of growth in registered entities has placed registrar teams under acute pressure. Approximately two years ago there were around 30 registered community housing providers in WA. There are now 54, an 80 per cent increase, with 24 new registrations since mid-2024 alone. Many of the new registrations are project-specific entities linked to HAFF and state government investment programs, with novel financing structures that the regulatory framework was not designed to assess. A small specialist team, sized for a stable and relatively contained register, is being asked to absorb an 80 per cent growth in its caseload in two years. That creates real risk to the quality of regulatory outcomes and generates genuine psychosocial pressure on the individuals responsible for delivering them.

The appropriate response to this is structural reform of the system, not simply additional resourcing of the regulator. Resourcing a broken architecture produces more of the same problem at greater cost. Group registration, in particular, would significantly reduce the volume of applications flowing through the system, because a HAFF SPV sitting beneath a registered parent would not require a standalone application and ongoing compliance assessment of its own.

4. Cross-jurisdictional duplication

Several of the largest community housing providers in Australia are genuinely national organisations operating across multiple states. Each state-based operation requires compliance with the relevant state registrar's interpretive expectations, including in WA and Victoria where those expectations diverge materially from the national baseline.

The conditional nature of mutual recognition, particularly in WA, means that a provider that is demonstrably compliant under the national framework must nonetheless adapt its compliance posture for each state in which it operates. The burden of adaptation falls entirely on the provider rather than on the regulatory system.

In Victoria, the register data points to a similar pattern. At least ten organisations that are registered nationally also hold a separate Victorian registration under the state's own system. These include providers whose national registrations are at Tier 1, the highest classification. The register data is observable; the reasons why these providers maintain dual registrations, and whether genuine mutual recognition exists in practice, would be better addressed by submitters with direct Victorian operating experience.

Victoria also categorises its registered providers into two distinct classes, Housing Associations and Housing Providers, which has no equivalent in the national framework. The implications of this distinction for providers seeking to demonstrate compliance across systems are a matter others with direct Victorian experience would be better placed to address.

The effect is directly analogous to the occupational licensing fragmentation the Commission has examined in other inquiries. Organisations that seek to operate at national scale face compounding regulatory obligations rather than a harmonised national framework.

5. Regulatory complexity and workforce deployment

As President of the AHI, I want to note what the regulatory burden documented above means for the housing workforce.

Community housing is a specialist field. The practitioners who manage NRSCH compliance, policy writers, registrar liaison, compliance managers, are drawn from the same talent pool as project managers, housing officers, development managers, and asset managers. When regulatory compliance expands, it does not conjure additional capacity from outside the sector. It redistributes existing capacity away from delivery.

The AHI's visibility across practitioners in Australia and New Zealand is consistent with this: compliance obligations in community housing have grown faster than the workforce. Providers report that experienced practitioners are spending increasing proportions of their time on regulatory process rather than housing outcomes. In a sector being asked to significantly expand its delivery pipeline, that is a capability drag worth naming.

I note that the Commission has indicated that workforce issues are not within its current scope. I am not asking the Commission to resolve workforce shortages. The point is more precise than that: the regulatory design choices under discussion directly affect how the available workforce is deployed, and reducing unnecessary regulatory friction would free specialist capacity for housing delivery without requiring the sector to grow its headcount.

6. Eligibility thresholds, rent variation, and the cost of fragmentation

A separate but related structural barrier to CHP growth is the variation in social housing eligibility thresholds and rent-setting frameworks across jurisdictions. Income and asset eligibility criteria differ materially between states, as do the methods used to calculate assessable income and the rent a tenant is required to pay. The consequence is that a household in equivalent financial circumstances will pay different rents, and may be eligible for housing in one jurisdiction but not another, depending solely on where they live.

This variation has direct revenue consequences for community housing providers and state housing authorities alike. CHP income is derived primarily from tenant rents and Commonwealth Rent Assistance. Where eligibility thresholds are more restrictive, the pool of eligible tenants is narrower and the rent income per tenancy lower, because assessable income is lower. For a provider operating nationally, this means different revenue profiles for equivalent stock in different states, complicating portfolio-level financial planning and making it harder to service debt on new development.

The fiscal consequence extends to government. Lower rent revenues mean a wider gap between what tenants pay and what it costs to develop and operate social housing. That gap must be filled by government subsidy if projects are to proceed. Jurisdictions with more restrictive eligibility settings therefore impose a higher subsidy requirement per dwelling on themselves and, where Commonwealth funding is involved, on the national budget. The eligibility architecture is producing a higher public cost per housing outcome than a more consistent national framework would require.

There is also a planning and design dimension worth noting. Where a development must house only those who meet restrictive eligibility criteria, the resulting concentration of very high-need households creates social and community management challenges. The case for blended rent models, in which a development houses people across a range of income levels within the same building or precinct, rests partly on the evidence that income-mixed communities produce better outcomes for residents and are more sustainable to manage. This consideration sits partly in

social policy territory, and the Commission need not resolve it. But it is worth noting that eligibility fragmentation across jurisdictions makes it harder to design and operate blended models consistently at national scale, and that reform toward greater consistency would enable providers to pursue income-mixed approaches more readily.

There is a legitimate counterpoint to this analysis, and it should be acknowledged directly. Lower eligibility thresholds exist in part because they concentrate assistance on those in greatest need. Prioritising the most vulnerable has real value, and the flow-on benefits to society, including reduced demand on health, justice, and other social services, are material and well-documented. The submission does not argue against targeting as a principle.

The argument is more specific. Fragmented and inconsistent eligibility settings across jurisdictions produce inequitable outcomes for equivalent households depending on where they happen to live, and generate fiscal inefficiencies that are largely invisible in the policy settings that create them. The Commission does not need to prescribe the right eligibility threshold to note that the current variation imposes costs on both equity and efficiency grounds, and that a nationally consistent framework, developed through intergovernmental agreement, would produce better outcomes on both dimensions.

The jurisdictional inconsistency in eligibility and rent settings is not limited to state government frameworks. Council-level inclusionary zoning requirements and build-to-rent affordability thresholds add further layers of variation. Where a council defines affordability for the purposes of an inclusionary zoning condition differently from the state's social housing eligibility criteria, a CHP seeking to fulfil that condition may find that dwellings built to meet the planning requirement do not align with its tenancy allocation framework or funding obligations. The result is that providers must navigate not two but three or more overlapping and inconsistent definitions of affordability depending on the jurisdiction, the council, and the funding program involved.

7. Proportionality: the compliance burden falls hardest where capacity is lowest

The NRSCH applies a single compliance architecture across a Tier 3 category that contains vastly different organisations. This is a proportionality failure, and it falls hardest on the providers serving the most vulnerable people in the most underserved locations.

At one end of the Tier 3 spectrum sit large disability services organisations and aged care providers, for many of which NRSCH registration covers a relatively small portfolio of supported housing alongside a much larger primary operation. These organisations already operate under significant regulatory frameworks in their primary sectors, employ dedicated compliance and governance staff, and have administrative infrastructure capable of absorbing NRSCH obligations without material disruption to their core work.

At the other end sit small housing-focused providers: Aboriginal Community Housing Organisations managing a handful of dwellings in regional or remote communities, small homelessness services holding tenancies to support people exiting crisis, and specialist family and domestic violence providers offering refuge and transitional accommodation. For these organisations, NRSCH compliance is not a marginal

administrative task. It draws directly on the capacity of the people who would otherwise be supporting tenants, managing crises, or maintaining community relationships. There is no compliance officer to absorb it.

The Aboriginal Community Housing Organisations registered across the national system illustrate this clearly. The register lists dozens of Tier 3 Aboriginal and Torres Strait Islander housing organisations, most managing small portfolios in communities with high housing need and few or no alternative providers. For an organisation with two or three staff, the biennial reporting cycle and ongoing policy maintenance requirements represent weeks of senior staff time per cycle. Unlike a large provider, these organisations cannot reallocate that work to a dedicated team. It comes directly out of housing management and community engagement.

The same argument applies to homelessness and family and domestic violence services. Many organisations in these sectors hold registered housing as a tool for their core service, not as their primary purpose. The compliance burden they face under NRSCH was designed for organisations whose primary purpose is housing. Applying it uniformly to organisations for which housing is a support mechanism creates a disproportionate impost on organisations that are already operating in high-demand, high-pressure environments.

The current Tier 3 classification does not distinguish between these organisational types. A reform that made compliance requirements sensitive to organisational capacity and primary purpose, not just tier classification, would reduce the burden on small and specialist providers without reducing the sector's overall accountability to the regulatory system. This does not require a new tier category. It could be achieved through a lighter-touch reporting pathway for smaller providers and a formal modified compliance pathway for organisations for which housing is a secondary function.

8. A registered workforce as a direct productivity lever

The Commission's focus is productivity. In housing management, productivity means getting more outcomes from the same asset base: more tenancies sustained, more rent collected, more effective responses to tenancy issues, fewer voids, fewer escalations. These outcomes are not primarily driven by regulatory architecture or funding program design. They are driven by the capability of the people managing them.

The connection between a capable, credentialled housing workforce and specific productivity gains is well-established in sector practice, and the regulatory system is currently not designed to capture or drive it.

Staff turnover. Experienced housing officers carry knowledge of tenants, properties, local networks, and individual circumstances that cannot be transferred in a handover note. High turnover means repeated loss of that knowledge, repeated recruitment and onboarding costs, and gaps in tenancy management during transition. Organisations that invest in workforce capability and career pathways retain staff longer. The productivity difference between a stable team and a high-turnover one is material and measurable.

Tenancy sustainment and property turnover. A tenancy that ends prematurely means a void period, a re-let process, a new tenant with unknown circumstances, and often a property remediation cost. Skilled housing officers, trained in early intervention,

tenancy support, and de-escalation, sustain tenancies that would otherwise end. The financial value of a prevented eviction, avoided void, avoided remediation, avoided re-let administration, runs to thousands of dollars per tenancy. And the cost does not stop at the provider's door. The former tenant either enters homelessness, with the escalated health, justice, and social service costs that follow, or moves into another social housing tenancy, shifting the cost to a different part of the system. In neither case is the cost avoided; it is either amplified or redistributed. Across a portfolio of hundreds or thousands of dwellings, the aggregate productivity value of a capable tenancy management workforce is significant.

Rent collection and arrears management. Trained staff identify arrears early, apply consistent processes, make appropriate referrals, and intervene before debt becomes unmanageable. The difference in arrears rates between well-managed and poorly-managed portfolios in the community housing sector is significant. Higher arrears mean lower revenue, reduced capacity to service development debt, and constrained ability to invest in new supply. A credentialled workforce applying consistent practice produces better rent collection outcomes from the same stock.

Anti-social behaviour. ASB incidents that are poorly managed escalate. Escalated ASB leads to neighbour complaints, legal proceedings, and often eviction, with all the associated costs. Housing officers trained in conflict resolution, trauma-informed practice, and tenancy mediation resolve a higher proportion of ASB incidents before they reach that point. Fewer escalations means lower legal costs, fewer void periods from eviction, and more stable communities around social housing developments.

These are productivity outcomes in the Commission's terms: more output from the same asset base, at lower cost per unit of service. The regulatory system can drive them by formally requiring that registered providers demonstrate their key management and senior operational personnel hold recognised sector credentials.

The productivity argument extends beyond housing and tenancy management to the capability of senior practitioners and boards. Strategic Asset Management capability determines how well a provider utilises its existing portfolio: decisions about maintenance investment, stock renewal, asset recycling, and development pipeline are all capability-dependent. A board that understands development risk, financing structures, and long-term asset strategy will make materially better decisions than one that does not, and the difference in portfolio performance over time is substantial. Corporate governance capability at board level similarly affects a provider's ability to manage the risks that, when they materialise, produce the regulatory failures and tenant harm the system exists to prevent.

The United Kingdom provides a useful reference point. The Chartered Institute of Housing has developed a broad sector commitment to professional standards that makes CIH membership and qualifications effectively obligatory at the frontline level, not because government has mandated it, but because the sector itself has established it as the mark of a capable practitioner. That commitment extends through senior management to board level. The result is a culture of credentialling that drives workforce investment across the sector without requiring government to reach into every hiring decision. The Australasian Housing Institute is capable of playing the same role in Australia if the regulatory architecture provides appropriate recognition and incentive for senior-level credentials, and if the sector makes the same commitment to professionalism as its primary driver.

The relevant registrar is well-placed to administer the senior-level component. Registration already involves an assessment of provider capability. Extending that to require that key management and senior operational personnel hold recognised credentials would create a direct regulatory incentive for workforce investment at the level where it produces the greatest productivity return. It would not require the registrar to assess individual practitioners or become a training provider. It would require providers to demonstrate, as part of their compliance evidence, that their senior teams meet a defined capability standard. The registrar's existing sector-wide visibility means it is also well-positioned to identify where capability gaps are most acute and to direct workforce development investment accordingly.

Reform Recommendations

The following recommendations address the regulatory architecture of the NRSCH. They are designed to reduce regulatory burden without compromising the consumer protection and investor assurance functions that registration legitimately serves.

Recommendation 1: Introduce group registration

The NRSCH should be amended to allow a registered parent entity to hold a group registration covering wholly-owned or controlled subsidiary entities, including SPVs. Subsidiary entities would sit within the parent's compliance framework rather than requiring independent registration. Reporting obligations for subsidiary entities would be consolidated into the parent's performance report, with project-level transparency maintained through schedules or annexures.

A well-functioning precedent for this approach exists in the United Kingdom. The Regulator of Social Housing in England operates a group registration model in which large housing associations and their subsidiaries, including development SPVs, are registered as a group. The parent entity is responsible for demonstrating that the group as a whole meets regulatory standards, and subsidiary entities are covered by the parent's registration without requiring separate standalone registration and compliance reporting. The model has operated for a number of years and is well-regarded by the sector and by investors as providing both efficiency and appropriate regulatory visibility.

Adopting a comparable model in Australia would not reduce regulatory visibility. The Commission, investors, and the public would retain the ability to see which legal entities are operating as community housing providers and under which group's governance. What it would eliminate is the requirement for each entity to replicate the full compliance apparatus of its parent. Group registration would also substantially reduce the compliance burden generated by the affiliated entity provisions, since intra-group service arrangements would no longer need to be documented and justified as if they were third-party transactions between separately governed organisations.

Recommendation 2: Achieve substantive harmonisation across all jurisdictions

The Commonwealth should work with WA and Victoria to achieve substantive, not merely nominal, harmonisation of interpretive requirements across all registrars. At a minimum, mutual recognition should be made genuinely unconditional for providers already registered and compliant under the national framework. Where state registrars apply additional requirements, those requirements should be justified against the national regulatory objectives and, where they cannot be, removed.

The WA requirement for six-monthly policy updates referencing specific legislative instruments should be reviewed as part of any harmonisation process. Where the underlying policy intent can be achieved without binding providers to a particular citation format, the requirement should be relaxed.

Recommendation 3: Move to risk-based and capacity-sensitive reporting cycles

Periodic reporting for all registered entities regardless of compliance history, organisational scale, or risk profile is not a proportionate regulatory approach. The Commission should recommend that NRSCH move to a fit-for-scale model: reporting obligations calibrated to an entity's organisational capacity, risk profile, and compliance history, rather than applied uniformly across each tier.

Frequency is one dimension of this. Tier 1 and Tier 2 providers with strong compliance histories could move to a triennial cycle with annual monitoring via a lighter-touch data submission. But the more important dimension is content: what providers are required to report, and at what level of complexity. The Tier 3 category is particularly diverse. At one end sit small organisations with volunteer boards, for which frequent but simple and outcome-focused reporting may be more appropriate than infrequent but complex governance assessments. At the other end sit large sophisticated disability and aged care organisations holding registered housing alongside primary operations many times the size of a standalone CHP, for which housing compliance sits within a well-resourced corporate governance function. A uniform reporting framework across this range serves neither end well and misallocates both provider and registrar capacity. Trigger-based reviews would be retained to allow the regulator to intervene where concerns arise, including in response to tenant complaints, financial distress signals, or governance failures.

This reform would also directly benefit the regulator. Where reporting obligations are poorly calibrated to organisational scale, assessments accumulate: new review cycles begin before previous ones are complete. A fit-for-scale framework would allow registrar capacity to be concentrated on higher-risk entities and genuine compliance concerns, rather than being consumed by routine reporting from well-governed, long-compliant providers. In Western Australia, where the register has grown 80 per cent in two years, this is not a marginal efficiency gain — it is a structural necessity.

Recommendation 4: Align interpretive guidance across all registrars

Even within the NRSCH national system, evidentiary expectations vary across state registrars. A provider seeking registration in Queensland may receive different guidance on what constitutes satisfactory evidence of policy compliance than it would receive from the NSW registrar. This creates uncertainty and inefficiency, particularly for providers scaling across jurisdictions.

The NRSCH Registrar should publish and maintain nationally consistent interpretive guidance, with a formal process for updating that guidance and communicating

changes to the sector. This is an administrative reform that does not require legislative change and could be implemented in the short term.

Recommendation 5: Review the affiliated entity provisions

The affiliated entity provisions of the National Regulatory Code should be reviewed with specific attention to their impact on group structures engaged in large-scale housing delivery. The review should assess whether the current provisions are achieving their intended purpose of preventing regulatory arbitrage, or whether they are primarily generating compliance burden for legitimate group arrangements that pose no material risk to tenants or investors.

Where the provisions are found to be producing outcomes disproportionate to their regulatory purpose, they should be amended. At a minimum, the review should consider whether intra-group service delivery arrangements between a registered parent and its registered subsidiaries should be subject to a streamlined disclosure and oversight regime rather than full arm's-length transaction documentation.

Recommendation 6: Require registered providers to demonstrate credentialled senior leadership as a condition of registration

The NRSCH should be amended to require registered providers to demonstrate that their key management and senior operational personnel hold recognised sector qualifications as a condition of registration and renewal. The relevant registrar should publish minimum capability standards for senior roles at each tier, and accept credentials issued by recognised sector bodies as evidence of compliance. The registrar should also be required to publish periodic observations on capability gaps identified across the register, to direct sector investment in workforce development where it will produce the greatest return.

This recommendation is deliberately focused on senior management and board-level capability, where the link to productivity, governance quality, and risk management is most direct and most amenable to regulatory oversight. Frontline credentialling is a sector culture question as much as a regulatory one. In the United Kingdom, the sector's own commitment to the Chartered Institute of Housing framework has made practitioner credentialling effectively standard at the frontline without government mandate. The same outcome is achievable in Australia through sector leadership, with regulatory recognition of senior-level credentials providing the foundation and incentive structure on which broader workforce investment can build.

A capable, credentialled senior leadership is not a soft input to housing delivery. It drives directly measurable productivity outcomes including better strategic asset management, higher tenancy sustainment, improved rent collection, lower arrears, and more effective governance of development risk. These outcomes translate into higher revenue for providers, stronger capacity to service development debt, and increased housing delivery from the same asset and funding base.

Information Request 5: Institutional and Governance Settings

(Brief response)

The Commission asked about institutional and governance settings that affect housing supply. In the context of community housing, the most relevant observation is that the NRSCH governance arrangements do not currently support the kind of national harmonisation advocated in this submission.

The NRSCH operates under an intergovernmental agreement that predates both the scale of the current housing supply crisis and the emergence of large-scale public investment programs like HAFF. The governance arrangements reflect a federation-era compromise in which WA and Victoria retained distinct regulatory interpretations. The national interest now clearly favours substantive harmonisation, but achieving it requires renewed intergovernmental agreement and a champion at the Commonwealth level.

The Commission should recommend that the Commonwealth take an active role in convening a review of NRSCH governance, with a specific mandate to achieve substantive mutual recognition across all state and territory systems and to develop a pathway toward a genuinely unified national framework. Housing Australia, as the national housing investment body, is a natural partner for this work given its direct interest in the registration status of entities to which it is directing public funds.

The Commission might also note the structural alignment that a group registration model would create: a HAFF SPV is simultaneously a recipient of Commonwealth investment and a registrant in a regulatory system that currently treats it as a standalone entity. Aligning the regulatory architecture with the investment architecture is a straightforward efficiency gain that does not require trade-offs against regulatory integrity.

Conclusion

Housing supply reform in Australia is being pursued through planning reform, infrastructure investment, and large-scale public funding programs. These are necessary interventions. But the pipeline from funding commitment to dwellings on the ground runs through organisations that must navigate two complex regulatory environments simultaneously: the development and planning system, and the community housing regulatory system. Both have grown in complexity as the sector has scaled. This submission has focused on the second, because it is the less visible of the two and the less likely to receive attention from other submitters.

The reforms proposed in this submission are targeted, proportionate, and achievable without undermining the legitimate purposes of community housing regulation. Group registration, as already practised in the UK, would eliminate the most significant structural inefficiency and substantially reduce the burden generated by the affiliated entity provisions. Harmonisation of interpretive requirements across jurisdictions would reduce the duplication burden on providers operating at national scale. Risk-

based and capacity-sensitive reporting cycles would concentrate regulatory attention where it is most needed, relieve pressure on registrar teams processing a rapidly growing caseload, and reduce the disproportionate burden on small and specialist providers. Consistent interpretive guidance would reduce compliance uncertainty. A review of the affiliated entity provisions would address what appears to be the most significant unintended consequence in the current regulatory architecture. Requiring a credentialled workforce as a condition of registration would align regulatory incentives with sector productivity, driving measurable gains in tenancy sustainment, rent collection, and arrears management that translate directly into higher provider revenue and increased housing delivery from the same asset base.

Taken together, these reforms would allow the specialist practitioner capacity in the community housing sector to be directed where it is needed most: building and managing the homes that Australia needs.

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June 2026