

Regulator Performance Report 2018-19

Regulatory Services

Department of Housing and Public Works



Queensland
Government

Registrar's Foreword

I am pleased to provide this inaugural Regulator Performance Report for Regulatory Services of Housing and Homelessness Services in the Department of Housing and Public Works.

This report is an important opportunity to promote information that profiles the work of Regulatory Services and the outcomes of our actions. It is structured to report against each of the five model practices agreed as Queensland's regulatory best practice model. The opportunity is also taken to indicate our next steps in each area of model practice.

The report provides greater transparency and complements information available through the Department's Service Delivery Statements, Strategic and Operational Plans and Annual Report.

The Report will evolve over time and a key step in this, is our commitment to consultatively develop a range of key performance indicators for each of the Model Practices.

I hope you find this report useful and would appreciate any comments or feedback on it. Your feedback can be submitted to me through regulatoryservices@hpw.qld.gov.au.

Mark Francis

Executive Director and Registrar

December 2019

Summary of Regulatory Purposes

The Registrar and Executive Director, Mr Mark Francis, oversees four critical industry regulatory systems for:

- Community Housing provision in Queensland – *Housing Act 2003*
- Residential Service providers – *Residential Services (Accreditation) Act 2002*
- Manufactured Home Parks – *Manufactured Homes (Residential Parks) Act 2003*
- Retirement Villages – *Retirement Villages Act 1999*

As at 30 June 2019 these regulated entities collectively deliver close to 69,000 accommodation units to Queenslanders.

The purpose of good regulation is to support a well-functioning industry that achieves community and government policy objectives. There is a balance between obligation to protect the public interest, avoid unnecessary costs to industry (and the broader community) and to ensure good outcomes for Queenslanders. To that end, Regulatory Services aims for best practices of:

- reducing regulatory burden where appropriate
- using a risk-based methodology to target compliance activities
- being accountable for, and transparent in, good decision-making
- monitoring our own regulatory performance and achievement of regulatory outcomes.

The legislative obligations on our regulated entities continue to change, including through the passage of the *Housing Legislation (Building Better Futures) Amendment Act 2017*, necessitating that our approach to regulating these sectors similarly continues to evolve.

There is no one-size-fits-all approach. Regulatory Services consults providers, peak bodies, interested parties and Queenslanders to review and improve regulatory activities and will continue to do so.

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Housing Legislation (Building Better Futures) Amendment Act 2017

On 10 November 2017, the *Housing Legislation (Building Better Futures) Amendment Act 2017* (HLA Act) received Assent. The HLA Act delivered key objectives of the *Queensland Housing Strategy 2017-2027* (Housing Strategy).

The Housing Strategy is a 10-year framework driving key reforms and targeted investment across the housing continuum. One aim of the Housing Strategy is to ensure confidence in housing markets, ensure consumers are protected and reform and modernise the housing legislative framework.

The HLA Act delivers key objectives of the Housing Strategy including:

- **Connections** - ensuring that vulnerable community members are supported to sustain tenancies in appropriate and secure housing that facilitates social, economic and cultural participation.
- **Confidence** - supporting a fair and responsive housing system through reforms to legislation and regulations that enhance the safety and dignity of all Queenslanders and promote the provision of a range of housing options that meet the diverse needs of contemporary Queenslanders.

Implementation of the HLA Act is taking place in stages to 2019-20 and amends legislation administered by Regulatory Services, including:

Manufactured Homes (Residential Parks) Act 2003

- new behaviour standards, limiting site rent increases, improved dispute resolution processes and precontractual disclosure process and new emergency plan requirements
- implementation of amendments was completed in September 2019.

Residential Services (Accreditation) Act 2002

- includes new requirements to notify the department of the death of a resident receiving a personal care service (level 3 services) and a power for the chief executive to withhold contact details from the public register of residential services if the service provides accommodation to people escaping domestic and family violence
- implementation was completed in December 2018.

Retirement Villages Act 1999

- amendments commenced include new behaviour standards, payment of exit entitlements 18 months after departure, better precontractual disclosure, increased access to documents, and fairer unit reinstatement
- Stage 2 is more standardised contracts; and village closure, redevelopment or operator transition plans in late 2019/early 2020
- Stage 3 is improved transparency with more standardised village budgets and financial statements in 2020.

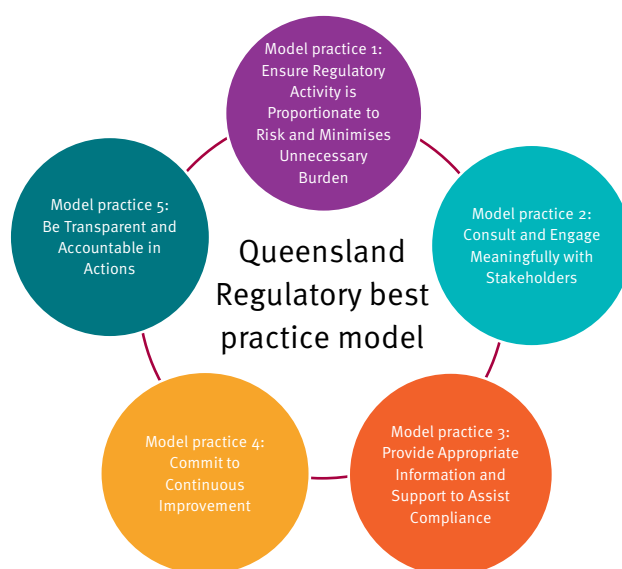
Our regulatory reporting approach

Queensland is committed to red tape reduction and promoting small business opportunities. Reporting from Regulatory Services includes initiatives supporting the government's approach to adopting an enhanced regulatory reporting framework.

This inaugural Regulator Performance Report for the Department of Housing and Public Works Regulatory Services represents an important opportunity to promote information that begins to 'tell the story' about Regulatory Services, marketplace issues and the outcomes of our actions.

This Report provides greater transparency about the performance of the department and complements publicly available information available through the department's Service Delivery Statements, Strategic and Operational Plans and Annual Report.

We are committed to improving our regulatory model to meet Queensland's best practice and being transparent and accountable about our progress. In 2019-20 we will develop a range of key performance indicators for each of the Model Practices in consultation with our departmental colleagues, industry and consumer partners, and report against those indicators in our next report.



Model Practice 1: Regulatory activity is proportionate to risk and minimises unnecessary burden

For Regulatory Services, 2018-19 was the beginning of a journey towards the development and implementation of more risk-based approaches to regulatory decision-making.

We recognised that with rapidly evolving market sectors, a compliance-based regulatory model is unsuited to adequately identifying and addressing emerging risks for providers and the public.

In 2019-20, we are:

- working with staff, tenant and industry organisations to develop risk-based regulatory approaches for all of our regulated sectors
- ensuring that future priorities and activities are informed by data, a sophisticated understanding of the markets our providers are operating in and trend analysis.

The success of these approaches will be judged against our contribution to some high-level measures for each sector. Those will be discussed and refined with stakeholders, staff and Department of Housing and Public Works colleagues over the next financial year, including how to establish appropriate baseline and measurement tools.

NRSCH/QRSCH applied to community housing providers

Regulatory Services applies a risk-based regulatory framework to community housing providers (CHP) registered in Queensland under the National Regulatory System for Community Housing (NRSCH) or the Queensland State Regulatory System for Community Housing (the QRSCH). We assess their compliance against the seven performance outcomes of the National Regulatory Code (see page 26 for more detail).

Under the NRSCH/QRSCH, the Queensland Registrar applies the greatest regulatory focus and scrutiny on providers:

- assessed to have the greatest risk due to the scale and scope of their activities
- where the realisation of the risks would translate into significant impact for tenants, assets and sector reputation.

CHP's are categorised into different tiers of registration according to the scale and scope of their activities, with different levels of regulatory oversight and engagement applied to each tier. The registration tier is the first level of risk profiling.

The second level of risk profiling involves the Registrar examining performance and assessment data and information to assess the actual risks associated with the provider's capacity and compliance with the national law.

In the event of provider non-compliance, the Registrar will act in accordance with the NRSCH *Enforcement guidelines for Registrars*. The preferred approach is for the Registrar to escalate (Figure 1) the response to ensure a provider returns to compliance.

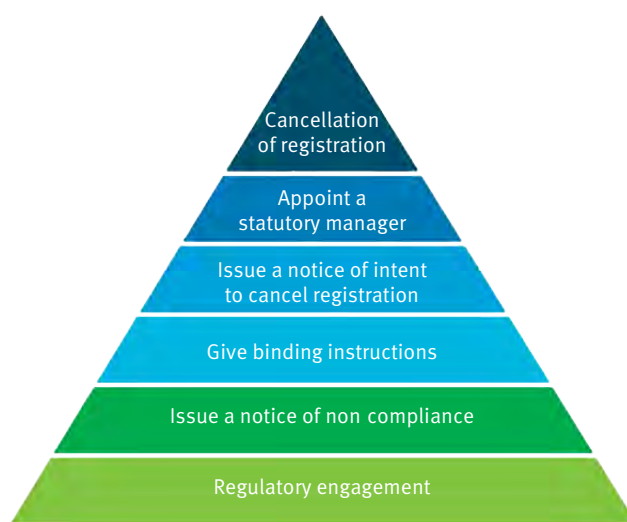


Figure 1: Escalating approach to non-compliance

Breach category schedule

When performing our regulatory functions, Regulatory Services obtains information from several sources including consumer complaints, external agencies, proactive compliance activities and from the media.

Investigations and enquiries are undertaken with procedural fairness and in compliance with privacy laws and Department of Housing and Public Works policies and procedures.

Where an investigation or enquiry identifies a breach of the legislation, the enforcement action to be taken is determined by:

- the level of non-compliance
- consumer detriment
- sufficiency of credible evidence
- degree of public interest.

Where operators genuinely attempt to comply with their statutory obligations, we seek to educate and inform. Equally, where there is evidence of serious non-compliance or recidivist offending, we apply the full force of the law. The Regulatory Services Breach Category Schedule, which we apply across all sectors, except for the community housing sector, provides an escalating scale of enforcement options against each breach category.

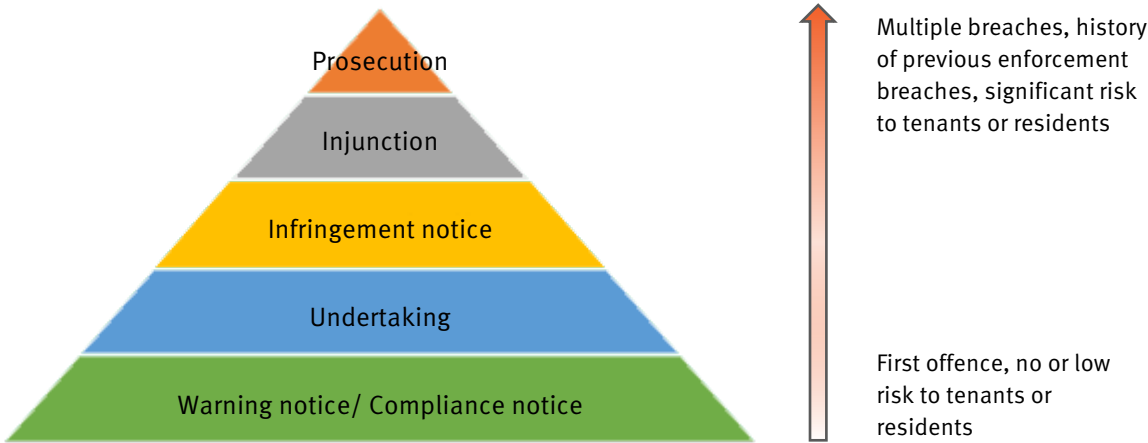


Figure 2: illustration of breach category schedule approach

Internal policy development to reduce regulatory burden

Recent changes to the *Retirement Villages Act 1999* (the Act) repealed certain operator obligations. Transitional arrangements provided for the continued operation of some provisions and require operators to make full written disclosure of any inaccuracy in two different types of disclosure documents.

To reduce confusion for operators regarding the extent of their ongoing obligations under the repealed sections of the Act, Regulatory Services developed an internal policy position identifying changes unlikely to materially affect the interests of residents.

Inaccuracies or changes outside of these require an operator to make full written disclosure of the inaccuracy to the department and to each resident who is materially affected by the inaccuracy.

This policy position was communicated and presented to the industry via our regular attendance at industry meetings and forums.

Other recently amended legislation requires retirement village scheme operators to pay an exit entitlement to former residents where a retirement village unit remains unsold for 18 months.

The amounts payable by scheme operators are significant and must be calculated in accordance with legislative requirements. During 2018-19, we developed time-lines and flow charts to help scheme operators navigate the 18-month journey where units remain unsold.

Additional policies have also been developed to help operators in residential parks with electricity and water charging.

Minimising compliance costs for NRSCH providers

Over the course of the reporting year, Regulatory Services undertook several activities to design or improve approaches to minimise any unnecessary burden of regulation.

In regulation of community housing, the introduction of the Provider Self-Assessment Tool (PSAT) from April 2018 provided greater clarity about key evidence that providers should submit for their compliance assessment. The PSAT provides a checklist that helps a provider to identify and address only those core documents that they need to submit to the Registrar.

The tool results are measured against the number of evidence documents providers are asked to submit at the gap analysis stage. This identifies any missing documents after they have submitted their compliance return. If the number of documents requested at the gap analysis stage continues to drop, then the tool is serving its purpose.

In addition to this tool, we designed and implemented a revised approach to scheduling provider assessments. This approach groups providers in tranches and provides timetables for their compliance assessment to be in a set period year on year so that they can better plan. For example, a Tier 3 provider is advised that their standard compliance, which is every two years, will always be scheduled in September of the relevant year.

Segmentation of NRSCH providers

Queensland's CHPs are geographically diverse and generally service the area in which they are located as shown in Figure 3. The Queensland sector is also characterised by a comparatively large Tier 3 cohort that delivers a high proportion of Queensland's community housing (Figure 3).

In developmental work, the NRSCH has embarked on design of proposals to market segment providers to:

- better recognise the business environment in which they operate
- promote better recognition of existing regulatory frameworks providers are committed to
- better tailor the evidence requirements to the provider's operating environment and risk profile.

These proposals were discussed with the national Regulatory Advisory Group in May 2019 and agreed as the way forward. The Regulatory Advisory Group meets twice yearly, with members including housing agencies (policy and funding) and peak bodies representing the regulated community housing sector of each jurisdiction.



Tier 1 (Green), Tier 2 (Blue), Tier 3 and QRSCH (Red)

Figure 3 - A snapshot of the location of NRSCH and QRSCH registered providers in Queensland

Segmenting the sector will allow:

- better understanding of providers' performance within their regional context
- the removal of elements of the current NRSCH reporting requirements as they are addressed through an existing regulatory requirement of another system (e.g. Aged Care, National Disability Insurance Scheme)
- that the remaining NRSCH reporting obligations are minimised to those necessary for Registrars to assure that a provider will not fail.

These considerations are linked to the current review of the NRSCH five years post introduction agreed to by Ministers, such that implementation timeframes may be impacted, or the proposals may be modified.

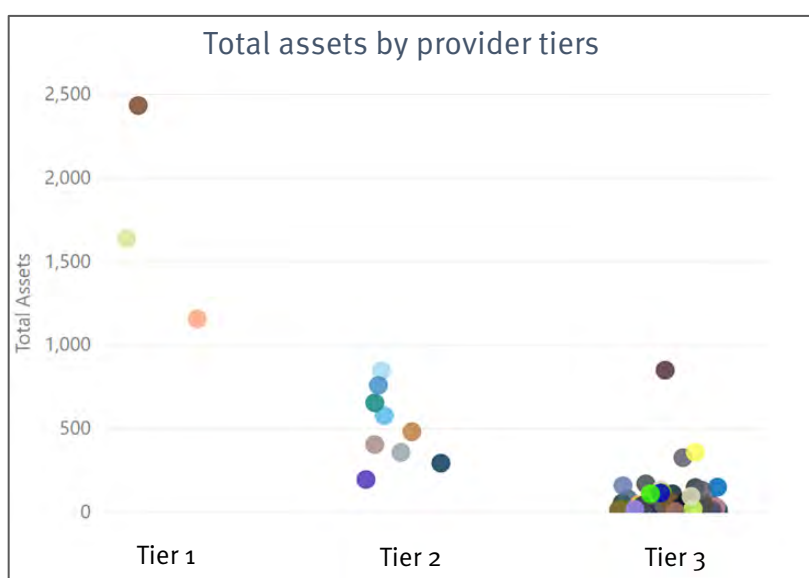


Figure 4 - Total community housing assets (self-reported) of community housing providers in 2018-19 split by tier

Risk profiling of accreditation services

Once a Residential Service is registered with Regulatory Services under the *Residential Services (Accreditation) Act 2002*, the provider of the service must apply for accreditation as a Level 1, Level 2 or Level 3 service. Where a service meets all the relevant accreditation standards, accreditation (or renewal of accreditation) can be granted for up to 3 years.

If a service does not meet all the standards, renewal of accreditation can be granted for a period ranging from 6 months to 2.5 years, but with conditions.

The period of accreditation is determined using a risk-based reporting tool that delineates between the potential harm to residents in failure to meet particular standards. Regulatory Services currently conducts site audits at all services to ensure compliance with accreditation standards.

In 2019-20, Regulatory Services will examine options to regulate service providers in ways which will recognise sustained good performance (trusted providers) and deliver simplified reporting for these providers. In developing a revised approach, options for increased reliance on self-assessment are being examined and consultation on proposals will be undertaken with Industry through the Supported Accommodation Providers Association, and the newly formed Residential Services Reference Group.

Registration of previously exempt residential service providers

The National Disability Insurance Scheme (NDIS) was fully rolled out in Queensland from 1 July 2019. From that time funding to disability service providers under the *Disability Services Act 2006* (DSA) ceased, with disability service providers needing to register under the NDIS to continue receiving funding.

Funding under the DSA provided an exemption from regulation under the Residential Services (Accreditation) Act 2002 (RSA Act) for accommodation providers. With cessation of DSA funding the exemption no longer applies and providers must be assessed by Regulatory Services to determine their requirement to apply for registration.

The Department of Housing and Public Works worked with the Department of Communities, Disability Services and Seniors to understand the scope of the issue. Up to 464 disability service providers may need to apply to be registered as a residential service, including 202 specialist disability accommodation (SDA) providers.

An assessment will be required of each provider's accommodation properties to determine if a residential service is being operated and if registration of the property under the RSA Act is required. It is anticipated that not all NDIS providers that provide an accommodation service in Queensland will be captured as a residential service. The assessment of NDIS providers as potential residential services will be prioritised based on potential risks to residents of the accommodation service being an unregistered residential service.

The risk framework applied considers:

- size of the organisation
- number of properties operated by the organisation
- potential number of residents in each property
- location of each property
- experience of each organisation within the disability service sector
- likely requirement that the organisation holds other registrations and accreditations to conduct its business.

As a result of application of a risk-based approach, 19 disability service providers were identified as the highest priority for assessment of the need to register. This work started in July 2019.

Ensuring a fair playing field

Uncovering unlicensed residential services

Regulatory Services investigates complaints made by members of the public, tenants and other industry participants to support a fair playing field for registered services by identifying and penalising unlawful operations.

Regulatory Services also carries out proactive audits and investigations to detect unregistered residential services providers, manufactured home parks and retirement villages.

Unregistered residential services pose a risk to the sector and remain a focus for Regulatory Services. In 2018-19, a targeted investigation into suspected unregistered residential services in the North Queensland

and Townsville district was completed. The targeted investigation followed a similar process undertaken in the Cairns in 2017-18.

This investigation resulted in the identification of two providers that have now registered, as well as the referral of three university accommodation providers to other authorities for investigation of potentially harmful practices but falling outside of Regulatory Services jurisdiction.

The vast majority of accommodation investigated was provided to students and itinerant individuals, such as fruit pickers and backpackers, who are not recognised as residents under the RSA Act.

In 2019-20 Regulatory Services will further explore how to increase the use of technology and information sharing across Government to enhance its surveillance of potential unlicensed service providers.

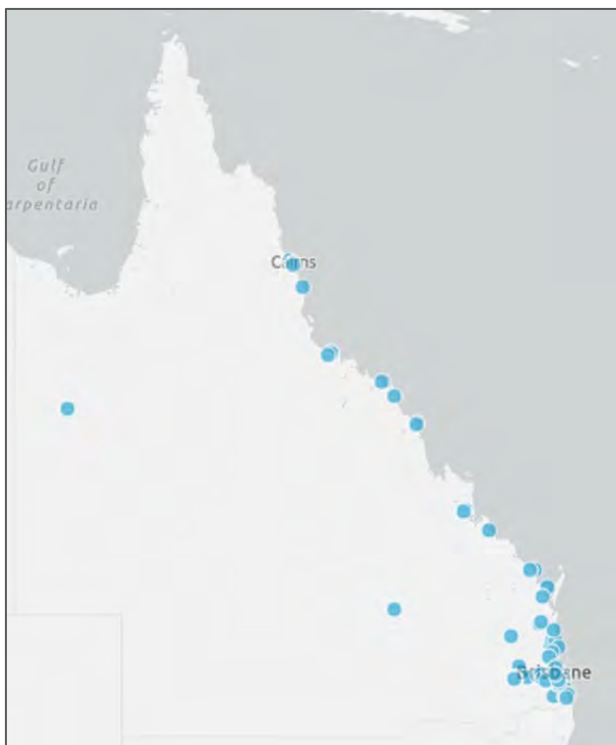


Figure 5 - Accredited residential services operational throughout Queensland

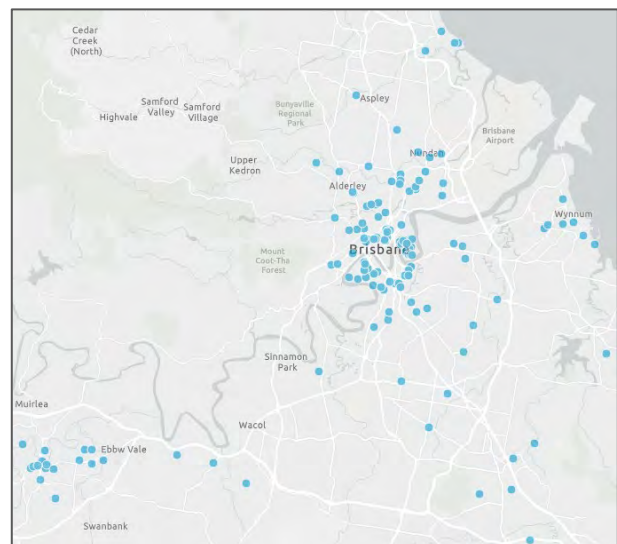


Figure 6 – The majority of accredited residential services operate in the Brisbane and Ipswich regions

Toolkit for healthy eating in supported accommodation

The *Residential Services (Accreditation) Regulation 2018* commenced on 1 September 2018 and seeks to improve consumer protections for residents living in residential services, including amending the standards for the provision of food to residents. The amended standard came into force on 1 December 2018 and ensures that all registered residential services that provide regular meals to residents comply with the Toolkit for Healthy Eating in Supported Accommodation. It is important that residents are provided food and nutrition that complies with best practice in the sector.

The toolkit was jointly developed by the department, Queensland Health and peak industry body the Supported Accommodation Providers Association (SAPA) and covers healthy eating, menu planning, special needs diets and promoting healthy choices for residents.

There are 103 registered residential services accredited as Level 2 (to provide food) and Level 3 (to provide food and personal care) service providers, which are required to follow the healthy eating guideline. The requirement to comply with the guideline was introduced recognising residential services house some of the most vulnerable people in the community.

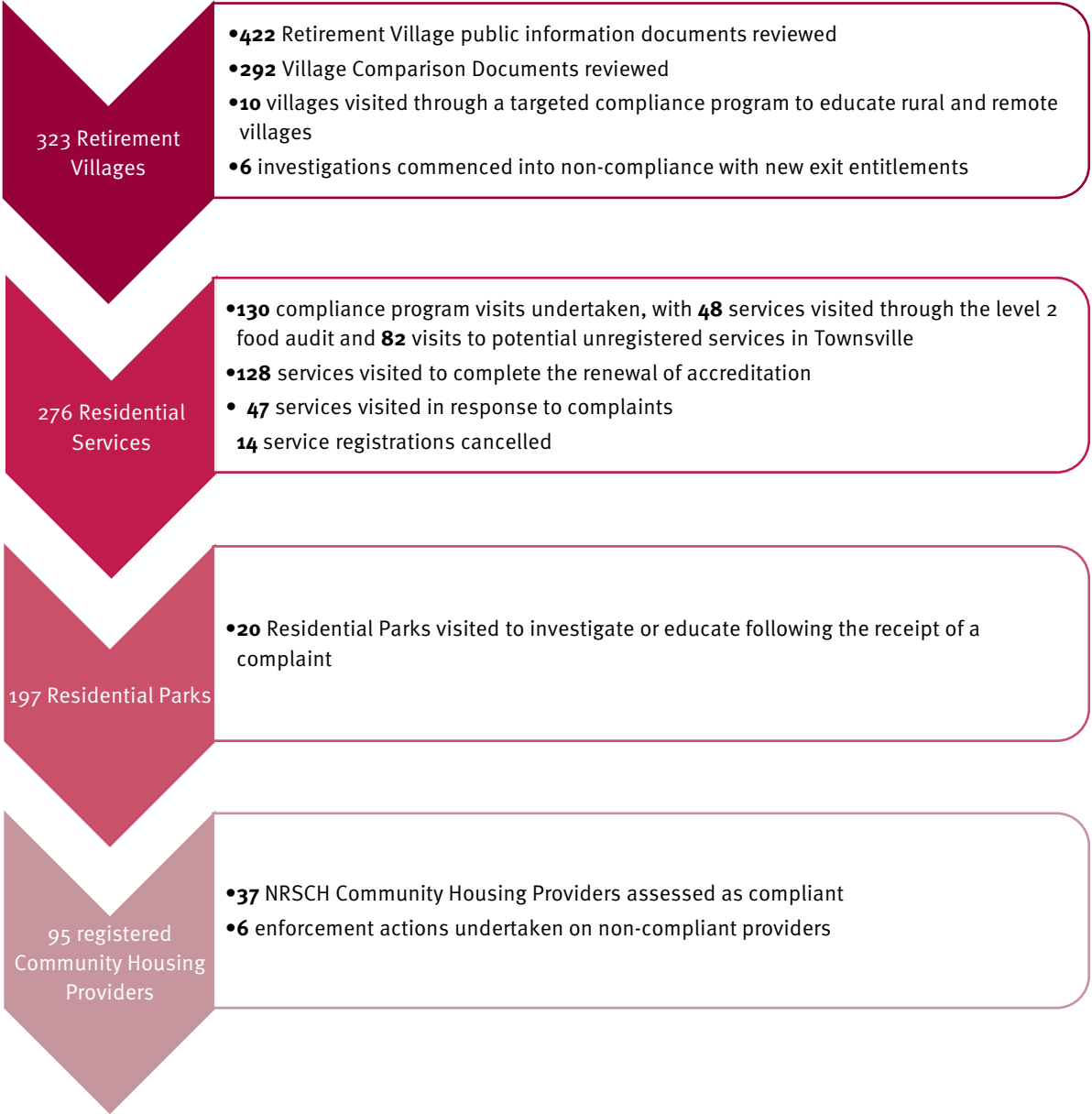
Reflecting the high rate of non-compliance detected through the service audits undertaken in 2018-19, a further 56 service audits (at Level 2 and 3) will be completed in 2019-20.

Table 1. Results of Healthy Eating Audits conducted	
	As at 30 June 2019
Service Audits to assess compliance with the guidelines were completed at Level 2 accredited services	47
Services found to be non-compliant with the guideline	10
Non-compliant services: conditions imposed	7
Conditions have included <ul style="list-style-type: none"> • requirement to store and label food correctly • service provider to engage a nutritionist to develop meal menus • have available meal options for residents with dietary requirements • have staff attend food safety training • put in place complaints processes for residents. 	
Non-compliant services: requirement to develop Quality Improvement Plans imposed	4

Note: One service had both a condition and a Quality Improvement Plan imposed.

An overview of our compliance footprint in 2018-19

In 2018-19, Regulatory Services continued to operate as an active and responsive regulator. In 2019-20, we will continue to improve our ability to target our efforts at the highest risks in our regulated sectors.



Model Practice 2: Consult and engage meaningfully with stakeholders

A primary objective for Regulatory Services in 2018-19 was to improve our visibility within the sector and the marketplace to help build trust and confidence across our sectors. Regulatory Services recognises that with trust in the regulator comes a higher likelihood of compliance. Building trust and confidence continues to drive our strategy in 2019-20.

In 2018-19, significant effort was invested in improving the effectiveness and efficiency of Regulatory Services regulatory functions and how we communicate with industry stakeholders, particularly in the retirement village sector. Connecting with our stakeholders as partners enables us to better understand the marketplace for our regulated entities. We respect their knowledge and expertise, and value their input.

Through our regular attendance at retirement village industry meetings and forums throughout the year, Regulatory Services succeeded in increasing our profile. Our open and forthright approach provided operators and their legal representatives with an opportunity to engage and seek guidance and direction on matters affecting their village and the wider industry.

We are increasingly invited to speak to corporations, boards of directors and their legal advisers to assist them to comply with their statutory obligations. This is giving Regulatory Services the opportunity to develop a greater understanding of the retirement village industry.

We value stakeholder feedback as a means of helping us achieve our regulatory purposes. We seek feedback through a range of avenues, including regular industry liaison. We continue to improve our engagement with industry and other stakeholders to give all sectors the opportunity to provide input into our work. These forms of engagement help us to:

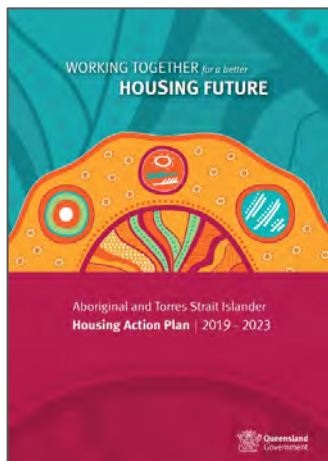
- obtain a deeper understanding of sector or market developments
- consider, and help to address, systemic risks or harms in the sectors we regulate
- discover potentially harmful behaviours by providers.

In 2019-20, we will continue to increase our engagement with industry and consumer groups to inform our understanding of our regulated sectors, the emerging issues and pressures facing providers and tenants and receive suggestions about how best to address these emerging issues. Where we have a strong understanding of current and emerging issues or developments in our sectors, we are more likely to make decisions that do not unnecessarily impede the efficient operation of our regulated entities, while ensuring regulatory objectives are met and misconduct is addressed.

Indigenous Community Housing Organisation Forum

On 14 June 2019, the Queensland Government released the *Aboriginal and Torres Strait Islander Housing Action Plan 2019-2023* outlining the specific tasks to be undertaken in creating housing outcomes to enable Aboriginal and Torres Strait Islander Queenslanders to prosper.

As part of the Action Plan, an Aboriginal and Torres Strait Islander Housing Body will be established to work with Indigenous Community Housing Organisations (ICHOs), and Aboriginal and Torres Strait Islander Councils, to improving housing outcomes for Aboriginal and Torres Strait Islander Queenslanders.



A peak body for the Aboriginal and Torres Strait Islander housing and homelessness sector will bring it into line with the health and child protection sectors in Queensland that draw upon the expertise, support and services of peak bodies. It will also help reset the relationship between ICHOs and the government and provide an avenue to strengthen the capability and sustainability of the Indigenous housing sector service as a vehicle for building capacity.

On 21-22 March 2019, the Registrar hosted an ICHO Forum, which brought together over 45 representatives to discuss issues and opportunities for Indigenous housing and homelessness sector representation.

Insights from the forum that the NRSCH scheme did not fit well with Aboriginal and Torres Strait Islander ways of doing business informed the process

Regulatory Services undertook to assist three ICHOs to successfully register with the NRSCH by 31 July 2019.

In 2019-20, Regulatory Services will work collaboratively with the newly established peak body as it builds the capacity of ICHOs, including their ability to participate in the NRSCH. The Registrar will also work with this new body to improve the NRSCH registration and compliance process (including harmonising with other regulatory frameworks) for ICHOs.

Consultation with the community housing sector

The NRSCH conducts twice-yearly consultations with stakeholders including housing agencies (policy and funding) and peak bodies representing the regulated community housing sector of each jurisdiction. These meetings of the Regulatory Advisory Group (RAG) provide an avenue for registrars to test and seek feedback on proposed improvements for operation of the NRSCH.

In 2018-19, the RAG considered the publication of compliance history on the publicly available NRSCH provider register to increase transparency of the regulatory system's actions.

Discussion over the course of three RAG meetings supported a revision of the initial proposal first made in May 2018. While supporting transparency and publication of provider performance information in the public domain, the sector representatives raised concern that enforcement actions arising from compliance assessments had not always been consistently applied.

Additionally, as providers were not informed that a given enforcement step was to be made public, they did not exercise review/appeal rights when they otherwise might have. After considering these arguments and further researching the historical record of enforcement actions, Registrars decided to publish compliance history from 1 July 2019 onward.

Throughout the year, Regulatory Services has also engaged extensively with the sector through the Department's broader *Partnering for Growth* efforts.



Partnering for Growth represents a key pillar of the government's housing strategy, and involves:

- developing and implementing a person-centred and place-based community and affordable housing operating environment
- providing modernised funding arrangements to ensure providers can leverage growth from existing government investment
- increasing the supply of community and affordable housing in Queensland managed by community housing providers.

By engaging with the sector and our departmental colleagues, Regulatory Services can contribute to the successful implementation of *Partnering for Growth*.

The Right Where You Live initiative

After the passing of the HLA Act in November 2017, the Department of Housing and Public Works funded five organisations to assist people to better understand their rights and protections through a new consumer awareness program, including:

- Council on the Ageing (COTA) Queensland
- Tenants Queensland
- National Seniors Australia
- Associated Residential Parks Queensland
- Association of Residents of Queensland Retirement Villages.

The *Right Where You Live* initiative sought to assist Queenslanders (currently or considering) living in residential services, retirement villages and manufactured home parks to understand amendments to the three acts of legislation covering these living situations. The initiative:

- provided information about the legislative changes
- promoted greater public awareness for those considering their living options
- referred clients to related services for advice and support
- provided education and training to resident groups and committees, home owner committees and other community groups delivered by volunteer peer educators across Queensland.

Regulatory Services engaged with the initiative by reviewing and contributing to fact sheets and other publications and attending their community and education forums. This contributed to building stronger relationships and ensuring accurate information was broadcast.

Future improvement – Residential Services Reference Group

In 2019-20 we will establish ongoing consultation with residential service providers and relevant stakeholders through the Residential Services Reference Group as an advisory group, which will include the Supported Accommodation Providers Association and representatives of each level of accredited providers, along-side resident representatives and other interested stakeholders.

The aim of this reference group will be to take a strategic view and provide advice to the department on the challenges and opportunities in regulating the residential services sector and in helping its vulnerable residents.

The need for the group recognises that the residential services sector plays an under-recognised role as a response to homelessness. At the same time, many people living in residential services are vulnerable to exploitation and abuse. The reference group can play a useful role in finding the right balance between resident protection and service viability.

Information sharing with other regulators and government agencies

Knowledge and insights sharing are critical for effective regulatory operations and to reduce the burden of compliance on service providers.

As such, Regulatory Services shares information and insights on community housing providers under the NRSCH with other state and territory registrars through the Registrars' Forum.

In 2019-20, Regulatory Services will explore how we can improve our partnerships within our department and across the Queensland and Commonwealth public service, particularly with other regulators with an impact on our regulated providers.

Case Study 1: Working with other regulators

A residential service provider has been investigated by the Office of Fair Trading (OFT) and has subsequently been charged with misappropriation of trust monies. The service provider has pleaded not guilty.

The service provider operates two aged rental scheme residential services. Aged rental schemes are privately operated without government funding and provide "accommodation and meals" to older persons. The operator of the scheme must provide both accommodation and meals to be registered and accredited under the *Residential Services (Accreditation) Act 2002* and associated regulation.

Following investigations into the food service at one service and conditions being placed on the service's accreditation because of the concerns, the service provider decided to close the food service. All residents are now getting meals through Meals on Wheels or alternative private arrangements.

A meeting was called by OFT to discuss the action by them against the service provider and impending action to freeze the service provider's trust account. Payments into the trust account include resident payments for rent and payments for food provision. From this account it is understood staff salaries, including subcontractors, food expenses and unit owners (investors) rent income is paid.

Freezing the account prevents fund withdrawals but does not impact payments into the account.

At the meeting the, OFT discussed and planned approaches with the Public Trustee, the Public Guardian and Regulatory Services to ensure the vulnerable residents still receive the services they require, including accommodation, meals, medication or personal care.

OFT decided that the freeze would occur on an agreed date and on that day all of the government departments attended the service to make sure residents were informed, to ensure staff were also aware and procedures were put in place to make sure residents were not in any risk of hardship or lack of care.

Model Practice 3: Provide appropriate information and support to help compliance

As an industry regulator, we work to prevent harm to consumers and businesses through a compliance approach that strongly emphasises prevention and seeks voluntary compliance. We know that proactively engaging with businesses to inform them of their responsibilities and help them ensure they know how to comply is key to achieving our compliance objectives.

To support voluntary compliance, support materials have been made available on the department's website (www.hpw.qld.gov.au) and the Business Queensland website (www.business.qld.gov.au) to help providers understand and comply with their responsibilities. These include:

- Information, guidance and forms related to registration and accreditation as a residential service
- Information for tenants and applicants, as well as managers of manufactured homes in residential parks, regarding rights and responsibilities under the *Manufactured Homes (Residential Parks) Act 2003*
- Information for residents and applicants, as well as operators of retirement villages, regarding rights and responsibilities under the *Retirement Villages Act 1999*.

In addition, information to facilitate compliance is also provided directly to regulated entities by Regulatory Services at the point of renewal of accreditation or compliance, such as self-assessment checklists for residential services provided six months before the end-date of a provider's accreditation period.

Providers registered under the NRSCH can access resources at www.nrsch.gov.au that provide extensive guidance on registration, compliance and enforcement policies and processes.

Well-informed and empowered consumers and tenants drive compliance with our laws. During 2019-20 we will focus on improving information available to potential and current residents of retirement villages on how one village compares to its peers.

Supporting community housing providers to comply

The Registrar takes a deliberate approach to help CHPs come back to compliance when required. Enforcement powers in the NRSCH are designed and implemented to be proportionate to the non-compliance issue(s) and to assist providers remedy non-compliance. This is expressed in different ways, including applying discretion in the timeframe by which matters are required to be addressed.

Case Study 2: Supporting CHPs to come back into compliance

A CHP provider with significant ties to land and culture was struggling to demonstrate compliance with the requirements of its registration under the NRSCH. As a result, the organisation had not provided key evidence documentation and had not addressed previous areas of weakness recommended by the Registrar.

Extensions of time were provided within the compliance assessment for the provider to submit the required evidence (electronic copies of documents and financial information). These extensions were not met, resulting in a Notice of Non-Compliance being issued accompanied with a set of recommendations requiring action by the provider.

During discussion with the provider, the Registrar requested a Board-endorsed action plan be developed by the organisation. The draft action plan submitted to the Registrar was subject of feedback that sought better links and sequencing between key steps/actions.

The action plan was endorsed by the Board, and the provider has commenced delivery of key products against the milestones in the Action Plan. The Registrar has been analysing the key products and providing feedback where required to ensure the provider is given every opportunity to bring the organisation back to compliance with the NRSCH.

Tier 3 CHP compliance review and pilot project

In 2018, NRSCH Registrars nationally commissioned ARTD Consultants to carry out consultation with Tier 3 providers that had recently undertaken a NRSCH compliance assessment. The purpose of the consultation was to understand issues associated with the administration of the NRSCH from the perspective of the smallest providers (i.e. those with the fewest number of community housing properties) – and to seek feedback on how both the process of assessing compliance and the associated evidentiary requirements placed on providers might be improved. In response NRSCH Registrars agreed to explore flexibility in scheduling of compliance assessments and alternatives to evidence requirements.

The approach adopted has firstly sought to establish whether providers could be more sensitively/better responded to if they were grouped into “market segments”, and secondly, within these segments reduce regulatory burden by modifying and simplifying the reporting requirements.

To test these proposals, the New South Wales (NSW) Government has led a pilot in which 25 providers that owned or managed 10 or fewer properties were invited to take part in a project to replace the current standard two-year compliance schedule and replace it with a program of compliance assessment conducted on a rolling basis over four years. In the first and third year, providers submit evidence in relation to tenant and housing services, housing assets and financial viability. In the second and fourth year, information in relation to governance, management, probity and community engagement will be collected via a telephone conversation, meeting or site visit.

Over the course of the cycle, six-monthly contact with each provider is maintained. This approach requires redesign of our regulatory approach, systems and skill-sets to a more adaptive and intelligence driven basis.

In 2019-20, Regulatory Services will investigate how a similar pilot could be undertaken in Queensland, applying the lessons already learned through the NSW experience.

ARQRV Residents Committee manual

In early 2019, the department reviewed a manual developed by the Association of Residents of Queensland Retirement Villages (ARQRV) designed to provide guidance to residents of a retirement village on how to establish, run and maintain an effective Residents Committee. Residents Committees in retirement villages play an important function in liaising with the scheme operator. They have a role, mandated under the Act, to deal with the scheme operator (of the village) on behalf of all residents about the day-to-day running of the village and any complaints or proposals raised by the residents.

The comprehensive manual takes a logical step-by-step approach to Residents Committees providing resource materials such as model constitutions, tips for running effective meetings and passing special resolutions. It also provides a very useful guide to operator and residents responsibilities for matters such as budgets and tackles traditionally contentious issues such as unit refurbishment and reinstatement. The department was pleased to be able to contribute to the development of this resource.

Assisting retirement villages to meet new obligations

The *Housing Legislation (Building Better Futures) Amendment Act 2017* introduced new standards for operators and residents of retirement villages, building better consumer protections for people across Queensland. This Act made changes to the *Retirement Villages Act 1999* (the RV Act).

Changes to the *Retirement Villages Act 1999* commenced improvements designed so residents are protected and empowered, and the industry can supply quality services. These changes commenced in stages between November 2017 and February 2019 with further amendments to come.

Amendments that began in February 2019 improved the pre-contractual disclosure process for residents and prospective residents of retirement villages. The introduction of the Village Comparison Document gave Regulatory Services access to the number of units for sale in a retirement village and how long they had been for sale.

Changes implemented in November 2017 to the RV Act introduced mandatory payments of exit entitlements to former retirement village residents. The changes require that exit entitlements must be refunded to former residents prior to, or by, the day that is 18 months after the resident's termination date (or any later day fixed by QCAT within 18 months of termination).

This change meant that the first round of mandatory "exit entitlements" and "buy-backs" would occur on 10 May 2019 (for leasehold and licence retirement villages) and 23 May 2019 (for freehold retirement villages) respectively.



Figure 7 - A map of registered Retirement Villages in Queensland, with independent living units (blue) and other accommodation types (red)

Regulatory Services conducted data analysis that led to identifying the effects of the buy-backs or exit entitlements and the potential for financial risk to retirement village scheme operators, both large and small, and commenced a compliance operation.

Scheme operators were categorised high risk and at risk and visited to ensure they have proper processes to facilitate the buy-backs or mandatory payments and are aware of the legislated timeframes for them to do this.

Regulatory Services is aware of, and is supporting, a number of scheme operators suffering financial hardship as a result of these new provisions.

A review of the operation of the mandatory payment of exit entitlement provisions has commenced to determine the impacts on residents, former residents, the families of residents or former residents and scheme operators. Regulatory Services will provide input into this review.

Case Study 3: Collaborative relationships with stakeholders

In January 2018 we received a complaint from a resident at a small regional retirement village who alleged that the retirement village scheme operator was using a single operating account for all retirement village transactions.

Under the *Retirement Villages Act 1999* (the RV Act), a retirement village scheme operator is to create three compulsory funds: a General Services Fund (GSF); a Maintenance Reserve Fund (MRF); and a Capital Replacement Fund (CRF). Residents in retirement villages are responsible for contributing to the GSF and the MRF. The scheme operator is solely responsible for contributing to the CRF.

In response to the complaint, we commenced an investigation and identified that the scheme operator was in fact using a single account to conduct all retirement village business, including the maintenance of capital items, costs associated with the sale of units and funds relating to the construction of new units. It appeared money was being transferred into an MRF account but not being used.

Meetings were held with retirement village board members, residents and the scheme operator's accountant. All parties were advised of their responsibilities and obligations under the RV Act. In April 2018 we conducted a further site visit and met with the local Member of Parliament and the Mayor.

The scheme operator's accountant was requested to provide us with the workings and assumptions for the previous three years in order to support developing proposed 2018-2019 budgets. In June 2018, we conducted another site visit, meeting again with the scheme operator, residents and the accountant.

Since then we have spent considerable time assisting the accountant and scheme operator to meet their financial obligations under the RV Act. We have also aided and empowered retirement village residents to form a residents committee.

The scheme operator's accountant has since audited the previous three years' accounts and coded them correctly. This resulted in a surplus in the GSF and a deficit in the MRF. This has been caused by CRF contributions and scheme operator costs being paid for by residents. As a result, the new 2018-2019 General Services budget contained actual allowable General Services expenses. The next financial year will see the MRF return to a level defined by the quantity surveyor's report, resulting in the residents paying less than previously.

In September 2018, we met with the complainant, the retirement village board, retirement village residents, the accountant and the Mayor. The current budget was explained to residents by the accountant and we explained the requirements of the RV Act, providing residents with a better understanding of the RV Act and confidence in the resolution of their concerns.

Provide clear, timely guidance and support

To address a trend of complaints where scheme operators at small regional retirement villages were not complying with their financial obligations under the Act, Regulatory Services commenced a targeted compliance and education program.

In response to these complaints, Regulatory Services assisted these retirement village schemes to establish the necessary financial and reporting frameworks to comply with their obligations.

Target retirement villages were small standalone villages located outside greater metropolitan areas. Site visits and meetings were conducted with scheme operators, village managers, resident committees and residents to review the rights and obligations of each party, discuss the proposed changes to the Act and review the budgeting and financial reporting processes for each village.

The program uncovered that in most of these small villages, there was no adequate reporting structure, exacerbated by:

- the scheme operator having a limited understanding of the Act, how the three compulsory funds were meant to be operated and a lack of communication or relationship with their residents
- retirement village residents having little or no knowledge of the Act or the scheme operator's responsibilities, budget processes, the role of the residents committee or their right to seek information from the scheme operator.

This resulted in scheme operators raising their General Service Charges above Consumer Price Index, adding line items without consultation or special resolution votes, residents paying into the Capital Replacement Fund and paying for scheme operator expenses.

Regulatory Services' protracted involvement with some retirement villages resulted in financial and reporting frameworks being established and improved budgetary practices, with residents paying less fees. These villages are now operating in compliance with the RV Act.

Regulatory Services also prepared fact sheets on scheme operator obligations and distribute these during site visits or other activities and upon registration as a retirement village.

Manufactured homes legislative changes

On 10 November 2017, changes to the *Manufactured Homes (Residential Parks) Act 2003* were assented to as provided for in the *Housing Legislation (Building Better Futures) Amendment Act 2017*.

The changes clarified expectations on residential park owners and manufactured home owners, and promoted respectful relationships and fair-trading practices.

Regulatory Service Officers have given advice on these changes educating home owners and park owners on appropriate forms and time frames to use in each circumstance, through site visits, email and phone contact.

One issue of site visitors being restricted has been received and has been resolved. The visitors were to stay for a short period. The park owners are working to adjust park rules with the park manager, allowing discretion under certain circumstances.

Two complaints have been received regarding a park owner not complying with the site rent increase requirements. These matters were investigated with the park manager/owner reversing site rent increases, as well as education regarding legislative processes and site rent agreements differences.

Model Practice 4: Commit to continuous improvement

As noted under Model Practice 1, Regulatory Services is at the beginning of a journey to ensure that we are adopting a risk-based approach to our regulatory decision-making. In 2019-20, Regulatory Services will be reviewing the way we approach our regulatory activities across all of our sectors and how we can better use the data that we have to achieve better regulatory outcomes.

As we develop new approaches to how we do our work, we will seek to prioritise improvements that address the areas of greatest potential harm for our sector participants, tenants, residents, owners and the community. For this reason, a key focus for 2019-20 will be on developing new approaches to identifying and regulating residential services given the higher potential for operators in this sector to operate unregistered services that put vulnerable Queenslanders at risk of living in conditions where their safety and dignity is not assured.

In developing and implementing these new regulatory approaches, we are committed to ensuring our staff have the necessary support to continue to perform their duties. We will continue to train and provide development opportunities for staff to grow as contemporary regulatory professionals.

We also contribute to continuous improvement of regulatory frameworks by providing advice to departmental colleagues and contributing to submissions to national inquiries on a variety of issues.

We attend relevant Queensland and national meetings and participate in relevant committees to promote better coordination of regulatory activities, and to learn from peer experiences and share best practice. In 2018-19, some of the forums we participated in included:

- the NRSCH Registrars Forum as discussed under Model Practice 2
- the NRSCH Analysis, Intelligence and Reporting Community of Practice.

During the past year, we also provided advice internally within the Department of Housing and Public Works and the Government on how the laws that we administer are operating in practice, as well as in relation to any significant systemic issues arising in our areas of responsibility.

We will continue to provide feedback on these issues to inform HPW policy and funding activities in our regulated sectors, recognising that a regulatory response to emerging issues will not always be the best response and that there may be non-regulatory approaches to addressing issues that are emerging.

Improving our intelligence: technical innovations

During 2018-19, Regulatory Services started using business intelligence software program PowerBI to improve our operational intelligence capabilities. This tool allows for connectivity to government and private sector data, connecting previously disparate and siloed information and supporting internal tactical, operational and strategic intelligence processes.

Over the next 12 months we will continue to refine these tools to better utilise compliance data and marketplace intelligence to identify service providers with the greatest propensity to cause harm to tenants or residents if left unchecked.

Improving our intelligence: intake and assessment

During 2018-19, Regulatory Services established a discrete intake and assessment function to improve the responsiveness to enquiries and better capture information on issues and complaints. During the period 1 September 2018 to 30 June 2019, 1414 matters were dealt with through this function with the majority of these enquiries made by telephone.

The greater number of enquiries related to Retirement Villages (42 per cent), followed by Residential Services (35 per cent), and Manufactured Homes (Residential Parks) at 13 per cent made up the last significant grouping. The limited number of enquiries (one per cent) attributable to the NRSCH reflects that in this area it is well known that the Registrar does not investigate tenant complaints unless they point to systemic issues or major issues of non-compliance by the organisation.

By providing early advice to consumers and service providers, we seek to empower individuals and businesses to resolve disputes without the need for formal mediation or intervention.

Table 2. Intake statistics

	As at 30 June 2019
Telephone calls	743
Emails	599
Ministerial Correspondence	72

Developing a professional regulatory team

Better practice regulators encourage staff to maintain and develop their skills through participation in professional development programs and training, the attainment of professional qualifications and participation in continuing professional education.

Regulatory Services continues to build our people through investment in learning and training opportunities, including offerings such as *Managing for Results, Taking the Lead and the Emerging Leaders Program* to help develop current and future leaders within the department.

To demonstrate our commitment, Regulatory Services staff undertook training in:

- Cert IV in Government Investigations
- Lead Auditor Training
- Power BI and associated skills to begin better comparing and analysing data from providers
- Credit assessment training for financial analysts.

The recent development of a training and required skills plan for new starters will also assist in achieving greater consistency, flexibility, efficiency and deployment of resources within Regulatory Services and across the regulated industries. In the coming year, we will explore how to better attract employees who wish to pursue a career in Regulation, as a satisfying and rewarding career option.

NRSCH program of work

As noted previously, Regulatory Services is contributing to a national program of work by NRSCH Registrars aimed at enhancing capability and capacity and delivering improvements to the regulatory system.

In 2019-20, the program of work is expected to result in the delivery of a published community housing environmental scan, comparative benchmark reporting for regulatory analysts and providers, and an improved understanding of the community housing asset portfolio of providers.

The program of work will deliver enhancements to the regulatory system that will support the public interest in assuring community housing performance under new financing arrangements, improve consistency and strengthen regulatory insights.

The scope, scale and timing of these products will be informed by sector feedback to the *Data needs of the NRSCH recommendations paper* released on 7 August 2019.

Case study 4: Internal review of compliance notice procedures

Regulatory Services reviewed its practices and procedures for issuing compliance notices under the *Residential Services (Accreditation) Act 2002* (the RSA Act) following a pre-trial hearing at the Magistrate Court in which the Magistrate formed the view that successful action by a provider to address a compliance notice served as a complete barrier to prosecution of historical non-compliance.

Regulatory Services had taken the view that the individual should be prosecuted because they were fully aware of their obligation to register a service (having been a registered residential service provider in the past) and had for a significant period failed to comply with a request to register the service.

At the pre-trial hearing, the service provider successfully argued that because they now complied with the term of the compliance notice they could not be prosecuted for historical failure to do so. The Magistrate agreed with this view.

In response, Regulatory Services undertook a review of its approach and procedure and sought advice from a third party. The basis for the review was a concern that the approach to regulation may not be adequately protecting the interests of the State and public in respect of residential service accommodation.

Regulatory Services' use of compliance notices was found to be appropriate, and there were no recommendations about any amendments that could have been made to the compliance notice issued in this case to better protect the State and/or the public interest.

Further it was found that the templated compliance notices and templated warning notices are both adequate and sufficient to protect the State and/or the public interest.

The review cautioned against further prescription in any internal policy surrounding the use of compliance notices, or other compliance processes provided for in Part 9 of the RSA Act, should not be prescriptive but should provide for the analysis and weighing up of the circumstances and evidence on a case-by-case basis to determine the most appropriate method of compliance.

Finally, there were no changes recommended to be made to the RSA Act because of the decision.

Model Practice 5: Be transparent and accountable with actions

All decisions made under regulation by the Registrar or delegate follows the Queensland Ombudsman’s good practice model, where the trigger is clearly explained, the rule or regulation under which a decision is made (or an action being taken), relevant timeframes to respond, and what to do if the targeted person or entity is unsatisfied with the outcome.

Regulatory Services continues to commit that all decisions and subsequent actions are taken in a timely manner, clearly articulating expectations and the underlying reasons for decisions. This is currently demonstrated by:

- the publication of NRSCH and QRSCH evidence and compliance guidelines
- the Registrar providing CHPs with a draft compliance assessment for review before completion, including providing an opportunity for providers to provide additional information for consideration and respond to any recommendations.

As indicated in the Our Regulatory Reporting Approach section, in 2019-20 Regulatory Services will investigate opportunities for improving the transparency of our actions for the benefit of our regulated entities, affected tenants and residents, and the broader community. This will include:

- Improving communication about our regulatory frameworks and our timeframes for making regulatory decisions
- The development of key performance indicators to improve public accountability of our performance
- The development of new ways of explaining the outcomes of our activities by assessing the impact on the beneficiaries of our regulatory efforts
- The development of new methods for obtaining a view of our providers’ perceptions of our regulatory efforts.

Improving NRSCH transparency

Commencing on 1 July 2019, an overview commentary on each CHP’s performance is now being published on the public NRSCH Register to provide further context and transparency of areas of positive practice and improvement opportunities. This follows the publication of compliance actions on the Register from 1 July 2019.

The NRSCH Registrars have publicly recognised the need to better support “accessible and transparent data and intelligence to promote confidence in registered providers and the NRSCH” to allow stakeholders to make better informed decisions through the 2018–2023 Strategic Plan.

NRSCH Registrars have been progressively improving the publication of Registrar and CHP performance data through sector snapshots published in 2015-16 and 2016-17, and most recently through the 2017-18 NRSCH Annual Report available at www.nrsch.gov.au.

Future efforts by NRSCH Registrars to increase the transparency of community housing sector performance are the subject of consultation through the NRSCH Data Review, a paper released in July 2019.

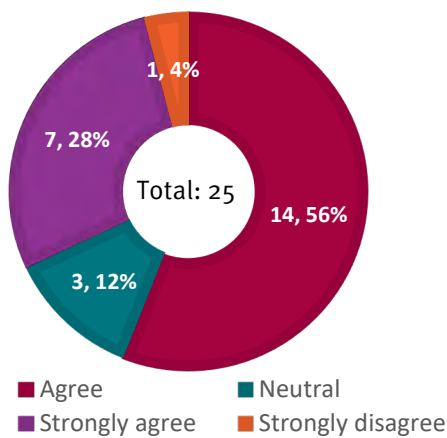
Evaluation of service to community housing providers

The Registrar evaluates the quality of regulatory services by surveying all community housing providers after assessment activity.

On the whole, the quality of Regulatory Services service in provider compliance activities continues to be well regarded, as indicated in the graphics below. We will review our engagement with the CHP sector to ensure that we are continuing to provide a clear, concise and appropriate approach. We will also seek to encourage an increased response rate to ensure that we can understand our performance.

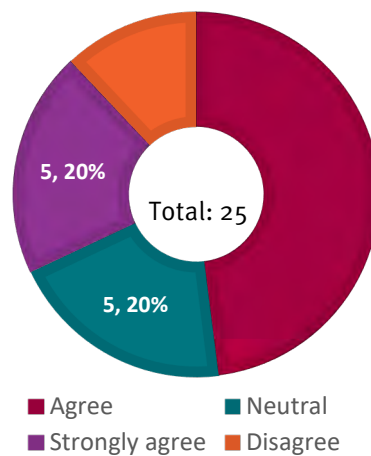
In the coming year, we will investigate how we can obtain a similar understanding of how our other sectors perceive our performance.

Timely manner



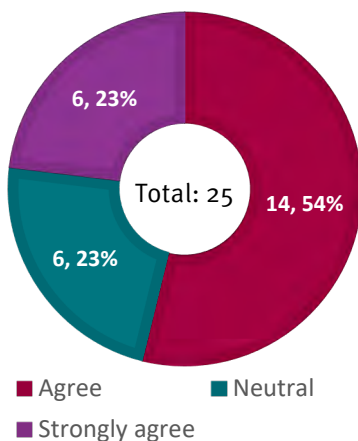
84% of CHPs agreed that the Registrars staff responded to enquiries in a timely manner

Focused on performance outcomes



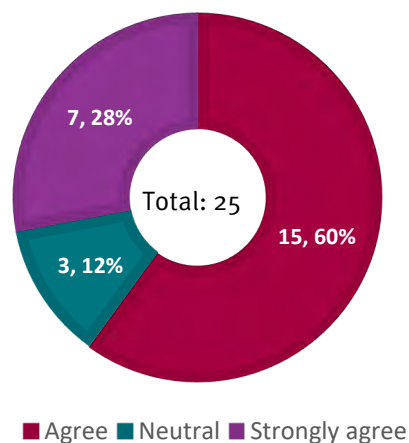
68% of CHPs agreed that the Registrars staff were focused on performance outcomes

Balanced-transparent-trustworthy



80% of CHPs agreed that the Registrars staff were balanced, transparent and trustworthy

Explanation of assessment



88% of CHPs agreed that the Registrars staff provided a satisfactory explanation of assessment

Community housing provider performance

One way that Regulatory Services demonstrates transparency about our performance is through the publication of data regarding satisfaction levels of tenant, residents or homeowners with the services provided. This is currently only possible in relation to the community housing sector where providers are required to survey their tenants under the NRSCH. We will be investigating the potential for obtaining similar insights from tenants, residents and home owners in our other regulated sectors throughout 2019-20.

Generally, community housing providers in Queensland deliver a very good level of service, evidenced by tenant satisfaction with provider maintenance (Figure 8) and overall satisfaction (Figure 9). While all providers rated well, Tier 3 providers achieved the highest level of satisfaction.

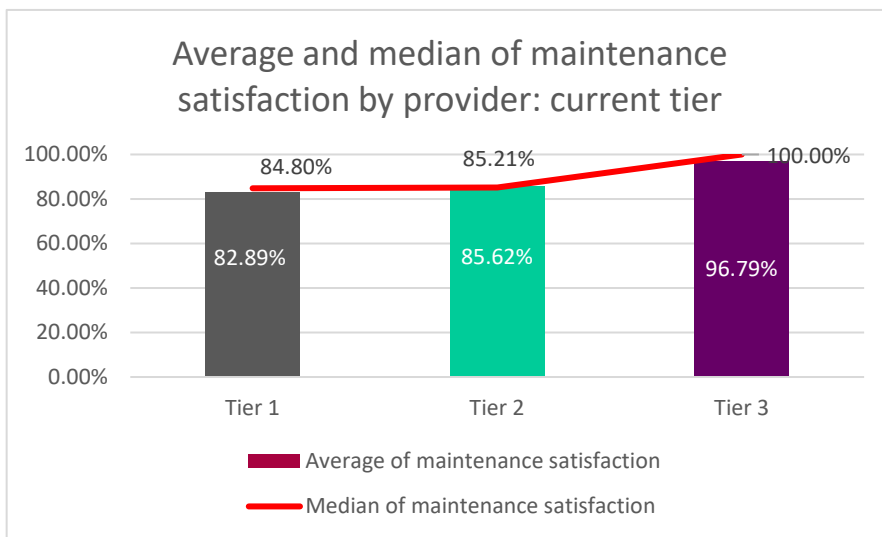
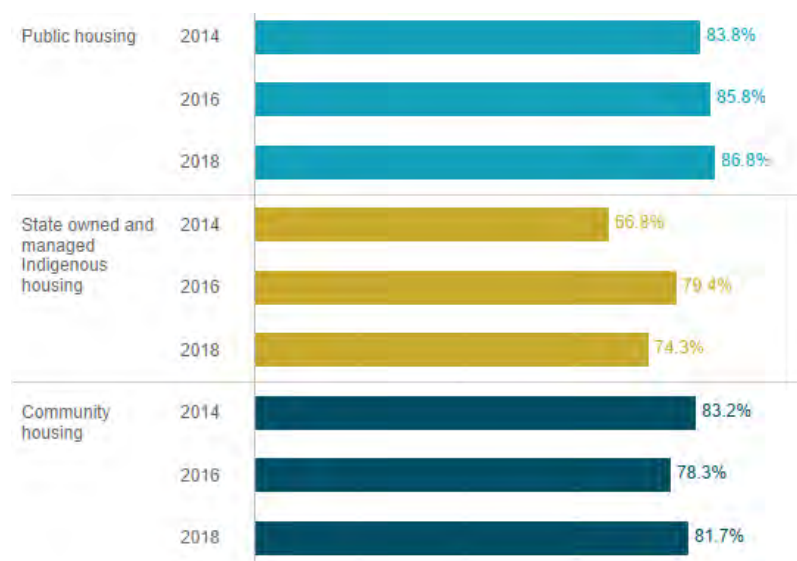


Figure 8: Proportion of tenants satisfied with the maintenance provided by registered Community Housing Providers 2018-2019

Figure 9: AIHW - Proportion of tenants satisfied with services provided by their housing organisation by housing program type, 2018



Our regulated sectors

Retirement Villages

- 313 providers
- 323 villages
- 30,117 residents
- 8 new villages (509 new units under construction) in 2018-19, 2 villages exited
- Legislative changes to improve pre-contractual disclosure and access to village documents commenced early-2019
- Final amendments to the Retirement Villages Act 1999 will commence in November 2019

Manufactured Homes and Residential Parks

- 197 parks
- 19,036 individual sites
- 7 new parks (670 new sites) in 2018-19, 3 parks exited
- Legislative changes to increase transparency between park owners and home owners commenced on
- Further legislative changes to better inform and protect consumers entering into agreements, and requiring emergency plans commenced on 1 September 2019

Residential Services

- 276 services
- 8034 residents (maximum)
- 17 new services (340 new residents) in 2018-19, 14 services exited
- Legislative changes to improve the standard of accommodation and clarify the responsibilities of staff working in these services commenced in December 2018

Community Housing

- 84 NRSCH and 11 QRSCH providers
- 12,167 properties owned or managed
- More than \$621 million net assets (30 June 2018)
- Partnering for Growth 5-year growth plans and NHFIC offering of long-term cheap finance commenced in 2018-19, but are expected to begin driving greater sector growth in 2019-20

Community housing providers

Community housing is a form of social housing assistance, delivered by community organisations and local governments and funded by the Queensland Government under the *Housing Act 2003*. Where an entity provides housing services using government funding for social housing assistance, the entity must be registered with Regulatory Services.

The National Regulatory System for Community Housing (NRSCH) and Queensland State Regulatory System for Community Housing (QRSCH) were established in Queensland through the *Housing Act 2003* (the Housing Act) and amended on 1 January 2014. The Housing Act mirrors the National Law for NRSCH enacted in NSW. The *Housing Act 2003* requires providers funded for community housing to become registered and continue to comply with conditions of registration.

This regulatory system ensures there are protections for tenants and assets by establishing the Registrar for Community Housing in Queensland with powers to intervene and protect.

The National Regulatory Code (NRC) under the National Law sets out the performance outcomes that must be demonstrated by all registered providers. The tier of registration is determined by an entity's level of risk arising from the scale and scope of its community housing activities, which in turn determines the intensity of regulatory engagement and oversight.

The NRC requires registered providers to be well-governed, financially viable and to perform in compliance with standards to deliver quality housing services.

The Registrar is responsible for both promoting 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.

Once registered, providers must complete a Compliance Return on a regular basis and submit it to the Registrar for assessment. This assessment seeks to ensure ongoing compliance with the NRC and constitutes the minimum level of oversight that will be applied. The frequency of assessment will depend on the provider's tier. Tier 1 and Tier 2 providers must complete a Compliance Return every year while Tier 3 providers must complete a Compliance Return every two years.

Tier 1 providers

Involved in activities that mean they manage a higher level of risk based on operating large scale, and on going development activities at scale they face the highest level of performance requirements and regulatory engagement.

Tier 2 providers

Have an intermediate level of performance requirements as they are deemed to be operating on a moderate scale with small scale development activity that may impact on viability of the provider.

Tier 3 providers

Face the lowest level of performance requirements, reflecting the fact that they have small numbers of community housing stock and any development they undertake (if at all) is of a very small/one off nature.

Manufactured homes and residential parks

Residential or lifestyle parks are also known as manufactured home parks and are often marketed as 'Over 50s lifestyle resorts' or mixed-use caravan and tourist parks. Previously, manufactured home parks were called mobile home parks.

Residential parks are often targeted towards seniors and retirees. Once a purely affordable housing option, residential parks now cater to a broader section of the housing market. Residents own their 'manufactured home', that is the building itself, but not the land on which it sits. Therefore, residents must pay a regular site rent to the park owner.

Residents of new homes usually buy them from the park owner, while later residents usually buy from an existing resident.

Manufactured homes are regulated under the *Manufactured Homes (Residential Parks) Act 2003*. The objects of this Act are to regulate and promote fair trading practices in residential parks, encourage the continued growth and viability of the industry in the state and provide a clear regulatory framework and certainty for future industry expansion.

Regulatory Services administers the *Manufactured Homes (Residential Parks) Act 2003*, including investigating complaints and alleged breaches of the Act not otherwise subject to the residential park dispute resolution mechanisms.

The Act sets obligations and behavioural standards for both home owners and park owners. These obligations are primarily enforceable through defined dispute resolution procedures set out in the Act, involving a progression from negotiation, to mediation, through to resolution by the Queensland Civil and Administrative Tribunal.

We cannot intervene in disputes between park residents but do provide advice regarding the framework for resolution of disputes between them.

From 1 September 2019, amendments to the Act have seen changes to:

- pre-contractual disclosure and cooling-off periods for home owners assigning their site agreements to prospective home owners, and prospective home owners entering a new site agreement with a park owner
- require park owners to prepare, maintain and implement an emergency plan.

We will continue to work with residential park operators to help them adjust to the new legislation.

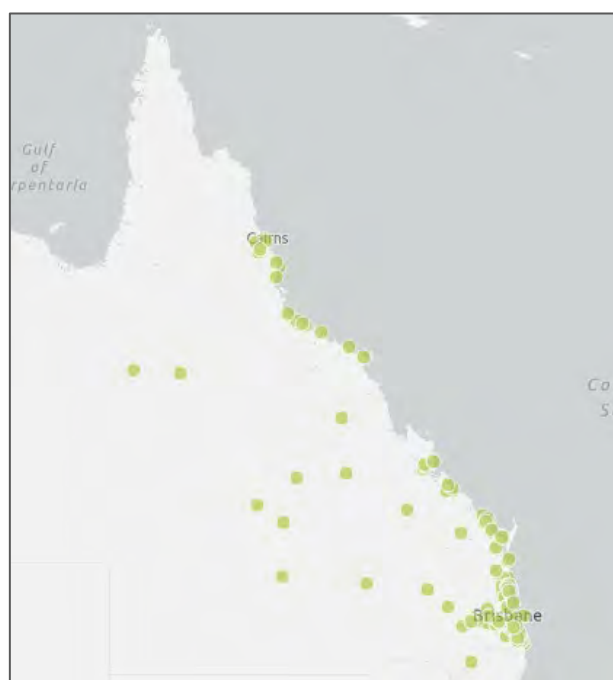


Figure 10 - A map of registered manufactured homes and residential parks in Queensland

Residential services

Residential services are an integral part of Queensland’s housing sector with a long history of assisting Queenslanders. A residential service provides accommodation for four or more people who live in one or more rooms and individually pay rent.

Typically, each resident has the right to occupy one or more rooms but not the whole premises and share other facilities with other residents. Facilities can include kitchens, bathrooms or living areas. A common example of such premises is a boarding house. Accredited residential services providers are located across Queensland, though primarily in major population centres.

Residential services are registered and accredited under the *Residential Services (Accreditation) Act 2002*. The object of this Act is to regulate the conduct of residential services to protect the health, safety and basic freedoms of residents, encourage service providers to continually improve the way they conduct residential services and support fair trading in the residential service industry.

Exemptions apply to certain accommodation models that would otherwise be captured by the RSA Act’s definition of residential service. These include accommodation provided mainly to students, tourists, travellers and holidaymakers. Further exemptions apply to certain services conducted by government departments or if funding is provided by a government department under certain Acts.

All providers of a residential service are required to apply for Level 1 accreditation. Service providers that provide food as part of the service offering must obtain Level 2 accreditation, while the provision of personal care services require Level 3 accreditation. If the Level 2 or Level 3 component of an accreditation application is refused, then a provider can no longer provide that type of service.

We are responsible for registration, accreditation and deregistration of residential services in Queensland. In addition to inspections linked to service accreditation, we carry out regular random inspections of services to ensure they are complying with the Act.

Accommodation service Level 1	Food service Level 2	Personal care service Level 3
<p>Level 1 relates to a resident's right to:</p> <ul style="list-style-type: none"> • privacy and independence • individual resident agreements • appropriate record keeping • protection from abuse and neglect • grievance mechanisms • adequate goods and equipment • access to external professional service providers • cleanliness and maintenance • appropriate security and emergency measures • appropriate business and work health and safety practices 	<p>Level 2 relates to a resident's right to:</p> <ul style="list-style-type: none"> • nutritious food • safe and hygienic delivery of food, storage, preparation and service • kitchen and dining facilities that meet minimum requirements. <p>Level 2 accreditation also requires that the local council must confirm that obligations under the food hygiene legislation are being met.</p>	<p>Level 3 relates to a resident's access to:</p> <ul style="list-style-type: none"> • external support services • accountable financial and clerical support • medication management and health care • help with clothing and hygiene management • the living environment • leisure activities • social networking • participation in decision-making processes.

- human resource management and staff training.

Retirement villages

Retirement villages are premises where a community of seniors live in independent living units or serviced apartments and share common facilities and amenities. They cater for retirees and older members of the community who can live independently. In some villages, personal care and support services can be purchased for a fee. Retirement villages do not receive government funding.

Buying into a retirement village is a lifestyle decision and is not the same as owning your own home or renting. In most cases, residents do not purchase the property title to the unit, instead they purchase a right to live in a retirement village unit and the right to benefit from the facilities the village offers. Generally, the cost of providing the unit and lifestyle exceeds the amount residents pay when they move into a retirement village. The scheme operator recovers the balance through an exit fee payable when residents leave a village.

Retirement villages are registered under the *Retirement Villages Act 1999* (the Act). The main objects of the Act are:

- to promote consumer protection and fair-trading practices in operating retirement villages
- supplying services to residents by declaring particular rights and obligations of residents and scheme operators
- facilitating the disclosure of information to prospective residents to ensure the rights and obligations of the residents and scheme operators may easily be understood.

Pre-contractual disclosure in retirement villages was strengthened in recent changes to the Act through the introduction of the Village Comparison Document and the Prospective Costs Document. The Village Comparison Document gives general information about retirement village accommodation, facilities and services, including the general costs of moving into, living in and leaving the retirement village. This document makes it easier to compare retirement villages.

The Prospective Costs Document (PCD) gives information about a specific unit within a retirement village. The PCD contains details about the costs of entering the retirement village and provides an understanding about the financial commitment involved in entering, living in and explain the costs residents pay when they leave the village.

We are responsible for registration and termination of registration of retirement villages in Queensland. We carry out regular random inspections of retirement villages to ensure they are complying with the Act.

Retirement villages have over a number of years been increasingly catering for older people requiring aged care and community support services, resulting in a growing number of villages being built which are integrated with residential aged care or built with serviced apartments and assisted living units which can accommodate aged care support delivery. As a result, the outcomes and future responses to issues arising through the Royal Commission into Aged Care Quality and Safety are expected to impact, directly or indirectly, a number of Queensland villages over the coming years.

The Queensland regulatory best practice model

Model practice 1: Ensure regulatory activity is proportionate to risk and minimises unnecessary burden

Supporting principles:

- a proportionate approach is applied to compliance activities, engagement and regulatory enforcement actions
- regulators do not unnecessarily impose on regulated entities
- regulatory approaches are updated and informed by intelligence gathering so that effort is focused towards risk.

Model practice 2: Consult and engage meaningfully with stakeholders

Supporting principles:

- formal and informal consultation and engagement mechanisms are in place to allow for the full range of stakeholder input and Government decision making circumstances
- engagement is undertaken in ways that helps regulators develop a genuine understanding of the operating environment of regulated entities
- cooperative and collaborative relationships are established with stakeholders, including other regulators, to promote trust and improve the efficiency and effectiveness of the regulatory framework.

Model practice 3: Provide appropriate information and support to assist compliance

Supporting principles:

- clear and timely guidance and support is accessible to stakeholders and tailored to meet the needs of the target audience
- advice is consistent and, where appropriate, decisions are communicated in a manner that clearly articulates what is required to achieve compliance
- where appropriate, regulatory approaches are tailored to ensure compliance activities do not disproportionately burden particular stakeholders (e.g. small business) or require specialist advice.

Model practice 4: Commit to continuous improvement

Supporting principles:

- regular review of the approach to regulatory activities, collaboration with stakeholders and other regulators to ensure it is appropriately risk based, leverages technological innovation and remains the best approach to achieving policy outcomes
- to the extent possible, reform of regulatory activities is prioritised on the basis of impact on stakeholders and the community
- staff have the necessary training and support to effectively, efficiently and consistently perform their duties.

Model practice 5: Be transparent and accountable in actions

Supporting principles:

- where appropriate, regulatory frameworks and timeframes for making regulatory decisions are published to provide certainty to stakeholders
- decisions are provided in a timely manner, clearly articulating expectations and the underlying reasons for decisions
- indicators of regulator performance are publicly available.