



## COMMUNITY HOUSING PROVIDERS (ADOPTION OF NATIONAL LAW) AMENDMENT BILL 2025

### STATEMENT OF PUBLIC INTEREST

#### **Need: Why are the amendments needed based on factual evidence and stakeholder input?**

The Bill seeks to regulate the developing affordable housing management sector by requiring owners who provide affordable housing as a condition of their development approval to be appropriately regulated by the Registrar of Community Housing in order to ensure compliance with the Minister's Affordable Housing Guidelines.

The sector is relatively new and developing rapidly and the currently regulatory approach does not provide appropriate assurance in regard to compliance with the current Affordable Housing Ministerial Guidelines, nor where affordable housing dwellings are located. Sector input was sought, and it was clear that reform was needed for future planning and related purposes.

While affordable housing delivered through planning incentives has been required to be managed by registered community housing providers since 2009, there has not been a suitable and proportionate system of assurance for affordable housing. Assurance mechanisms are needed to be put in place such that rents are either discounted to market and leased to eligible persons or such other mechanism that is determined under the Guidelines. The focus is on tenant eligibility, appropriate rent setting and knowledge of the affordable housing sector.

#### **Objectives: What is the policy's objective couched in terms of the public interest?**

It is in the public interest to ensure the delivery and maintenance of affordable rental housing, so the people of NSW continue to have a safe, secure and affordable home in the communities in which they work, grew up in and have a community connection.

Most affordable rental homes are built and managed by registered community housing providers who have an important role in helping people access affordable housing. However, in order to develop affordable housing at the scale required, Government, the community housing sector and the private sector must all play a part. This requires oversight to ensure that affordable housing remains in the planning system and does not disappear between development approval and occupation stage (which can take years) or later when the property is sold or relet.

#### **Options: What alternative mechanisms were considered in advance of the Bill?**

By agreement with the Department of Infrastructure, Planning and Housing and the Registrar, there has been in place for about eighteen months a notification system via the Planning Portal in which new affordable housing developments are notified to the Registrar. However, of the 737 total notifications so far received, and at the stage of development consent, only 145 nominate a community housing provider as manager and 592 do not. This is despite the requirement that the developer nominate a registered community housing provider to manage the property.



In addition, the existing restrictions on collecting and using tenant information by the Registrar make it impossible to audit compliance with the Guidelines, including the requirement that an affordable housing tenant meet income eligibility requirements.

Consequently, the current mechanism lacks the appropriate tools to adequately monitor compliance.

**Pathway: What are the timetable and steps for the policy's rollout and who will administer it?**

Homes NSW and the Registrar will be responsible for the implementation of the amendments, drafting of accompanying regulations and monitoring the impacts of the reforms. There are not expected to be significant implementation issues, as the reforms effectively lessen the regulatory burden on providers. They will, however, be subject to increased scrutiny for certain conditions of registration but the burden will be decreased across others, as Affordable Housing does not need to achieve all of the same outcomes as Social Housing. Penalties will apply to ensure compliance.

The provisions will commence on proclamation.

**Consultation: Were the views of affected stakeholders sought and considered in making the policy?**

The Registrar conducted targeted consultations with key stakeholders on legislative reform options including Homes NSW, Department of Planning, Housing and Infrastructure, the Aboriginal Housing Office, Community Housing Industry Association NSW, Aboriginal Community Housing Industry Association, Landcom, Urban Development Institute of Australia, the Urban Taskforce, Shelter NSW, Aware Super, Faith Housing, the Rental Commissioner, the Office of Local Government, various community housing providers and various local councils.

Stakeholders' views were carefully considered in the development of the legislative reform proposal, and in the drafting of the Bill. There was broad support from stakeholders about the need for legislative reform.