



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PLANNING, TRANSPORT, AND CITY SERVICES
Ms Jo Clay MLA (Chair), Ms Suzanne Orr MLA (Deputy Chair),
Mr Mark Parton MLA

Submission Cover Sheet

Inquiry into Property Developers Bill 2023

Submission Number: 7

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Standing Committee on Planning, Transport and City Services
ACT Legislative Assembly
GPO Box 1020
Canberra ACT 2601 Date: 16 February 2024

16 February 2024

Dear Sir / Madam

Inquiry into the Property Developers Bill 2023

CHIA ACT welcomes the opportunity to make this short submission to the inquiry. We represent not for profit registered providers of social and affordable accommodation in ACT.

Our ACT members appreciated the opportunity to participate in the department led information sessions and acknowledge these were a useful mechanism to clarify and address some initial concerns. The sector appreciates the rationale for the scheme and our concerns are merely about ensuring the legislation recognises our particular operating environment and does not put at risk the sector's ability to contribute to increasing social and affordable rental housing in the ACT.

CHIA ACT's members are both registered with the ACNC and the National Regulatory System for Community Housing (NRSCH). These schemes place significant obligations on the sector. The NRSCH in particular sets performance standards for tenancy and asset management, property development, governance and financial management. Compliance against these standards is assessed annually. A community housing provider that failed to take steps to remedy a significant defect to a property they owned and developed would be at serious risk of deregistration with the assets in question being transferred to any provider or government.

Our members need to meet ASIC standards of governance and need to have skills based boards. Increasingly we draw non exec Directors from the corporate and financial world. In the overwhelming majority of cases these directors receive sitting fees rather than a market rate of remuneration. We also draw on the expertise of retired individuals, those in low waged employment and on occasion tenants.

It is this operating context that leads to seek reassurance that the legislation and policy around it recognises and does not compromise our ability to deliver services.

We therefore want to be assured that the regulatory impact assessment includes the following areas:

- The scope for relying on existing registration and regulatory requirements for CHPs and so minimising additional reporting and assessment

- Whether the requirements have any material impact on ACT CHPs opportunities for Federal funding. At the very least we need to be assured that Federal agencies understand any additional obligations
- On director recruitment and insurance costs. Our recommendation is that organisations that are both registered with the ACNC and with the NRSCH their directors are excluded from the legislation, or at the very least that there are clear guidelines around the circumstances in which directors are excluded..

We also seek clarity on whether or in what circumstances a new Director might be held responsible for decisions taken before their appointment.

Finally, in the information sessions, a new insurance product to provide cover against latent defects was mentioned. We understand it is not yet generally available and it would be important to ensure the new policy is not introduced before it is available

CHIA ACT looks forward to working with you around proposed changes to the draft bill to the support the Community Housing sector.

With best wishes,

Wendy Hayhurst

CEO, CHIA on behalf of CHIA ACT

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Email: [REDACTED]
Chair of CHIA ACT [REDACTED]

or Megan Ward ACT National Director and