**NRAS and the Regulator Performance Framework**

This Framework has been established to assess regulators performance when interacting with business, the community and individuals whilst carrying out their functions. The objective of this Framework is to address concerns about the way regulators operate, reduce the costs incurred by business, individuals and the community from the administration of regulation, and to increase the public accountability and transparency of regulators. The Department of Social Services acts as a regulator of approved participants within the NRAS, with respect to ensuring compliance with the NRAS legislation.

**KPI 1 - Regulators do not unnecessarily impede the efficient operation of regulated entities**

|  |
| --- |
| **Context**Within the context of statutory obligations, the Department as a best practice regulator does not unnecessarily impede the efficient operations of approved participants. When designing and reviewing policies and operational practices, the Department considers how they might avoid imposing unnecessary costs on approved participants while fulfilling regulatory obligations. The Department seeks to maintain a balance between management of Commonwealth legislation and expenditure while ensuring the policy intent of NRAS to provide affordable rental housing is achieved.  |

|  |  |
| --- | --- |
| **Measure One** | **Evidence of the measure** |
| The Department demonstrates and applies an understanding of the operating environment of approved participants.   | Number and frequency of informal and formal meetings with NRAS Providers Limited and other relevant stakeholder groups. A log of agreed outcomes and follow up actions will be created and reported against. Demonstrated acknowledgement and consideration of feedback from approved participants which shows the Department understands and reacts to the operational realities of approved participants. |
| **Measure Two** | **Evidence of the measure** |
| The Department implements continuous improvement strategies across its key compliance activities with approved participants.  | Sample comparisons are done of approved participants between previous and current years on percentage of claims with first run full compliance. For each annual NRAS incentive processing period the Department demonstrates that it has considered the past years process and identified areas for improvement. A summary document of the compliance processing outcomes is produced, encompassing both a review and on the operation and effectiveness of the NRAS Regulations and of the Department’s processes and suggested improvements. This summary is discussed with stakeholders prior to any further action. The Department will seek not to implement regulatory or administrative changes that will increase restrictions or tighten rules around compliance, within three months of the end of the NRAS year. |

**KPI 2 - Communication with regulated entities is clear, targeted and effective**

|  |
| --- |
| **Context**Best practice regulators communicate with stakeholders clearly in order to maximise understanding and compliance with regulations. The Department’s communication with approved participants needs to be consistent and focused in order to promote ongoing compliance with the NRAS Regulations and broader confidence in the NRAS.  |

|  |  |
| --- | --- |
| **Measure One** | **Evidence of the measure** |
| The Department effectively and efficiently assists approved participants seeking advice and guidance.  | The Department reports the number of helpdesk emails answered within our designated response times. Number of urgent/high-priority helpdesk emails answered within an appropriate timeframe. The Department logs the number of second and multiple attempt queries where the approved participant is seeking additional clarity over the first response. The Department conducts sample checking of policy advice to review consistency and quality of responses. The Department will undertake a sample of feedback from approved participants on the extent to which responses have resolved their queries. |
| **Measure Two** | **Evidence of the measure** |
| The Department communicates in a strategic way with approved participants to promote understanding and compliance with the NRAS legislation and policy intent.  | NRAS Policy Guidelines have been reviewed by relevant stakeholders, they reflect the latest NRAS Regulations and are publicly available. Development and implementation of communications products to support understanding of regulatory environment. Communications strategies are targeted to address emerging areas of non-compliance risk. Sample checking of written communications to review for plain English and to ensure regulatory concepts are explained in a clear and concise style.  |

**KPI 3 - Actions undertaken by regulators are proportionate to the regulatory risk being managed**

|  |
| --- |
| **Context**Efficient regulatory risk assessment takes account of the regulated activity, the nature of the regulated cohort, compliance history and other external factors affecting risk. Where the Department assesses risk as high as a result of non-compliance with Regulations, greater monitoring may be needed. There is also the need to be aware of regulatory burden across various stakeholder groups and the capability of different approved participants to comply with Regulations. This does not refer to allowing non-compliance, but instead relates to considering the diversity of approved participants when developing approaches to risk management and compliance.  |

|  |  |
| --- | --- |
| **Measure One** | **Evidence of the measure** |
| The Department applies a risk-based proportionate approach to compliance obligations, engagement and regulatory enforcement actions.  | The Department demonstrates that staff are aware of the regulatory risks relating to NRAS compliance activities and that standardised procedures have been developed and are implemented to manage identified risks. The Department’s overall risk framework on NRAS is current and publicly available. When the risk framework is reviewed, stakeholder input is sought prior to publication. Opportunities are made available, with assistance from the sector, for Departmental staff to gain greater understanding of industry systems and processes.  |
| **Measure Two** | **Evidence** |
| The Department’s preferred approach to regulatory risk is regularly reassessed. Strategies, activities and enforcement actions are amended to reflect changing priorities that result from new and evolving regulatory issues.  | The Department conducts scans of the operating environment and revises its risk profiling of NRAS where appropriate. The Department tests its tolerance for risk by considering proportionality in its compliance regime, and this is done annually via the risk framework and the Statements of Compliance processing review.  |
| **Measure Three** | **Evidence** |
| NRAS Regulation and compliance actions are contextual to current and emerging risks and are updated as appropriate.  | NRAS Regulations are updated in a way which demonstrates continuous improvement in respect to balancing policy outcomes with approved participant compliance impacts. The Department consults with stakeholders on future regulatory amendments. To provide transparency over this process, a log of regulatory reform items and outcomes achieved is maintained. The Department demonstrates that it considers and implements or substantiates the rejection of key recommendations from internal and external reviews of NRAS.  |

**KPI 4 - Compliance and monitoring approaches are streamlined and co-ordinated**

|  |
| --- |
| **Context**There are compliance and monitoring costs borne by approved participants, investors and tenants as parties involved in NRAS. Best practice regulators seek to minimise compliance costs imposed on stakeholders by inspection and monitoring approaches. The Department should not be seeking information from approved participants unless the information is required to achieve the regulatory outcome sought.  |

|  |  |
| --- | --- |
| **Measure One** | **Evidence** |
| The Department requests information only when required by the NRAS legislation and in other circumstances only when it is necessary for the Department to make evidence based decisions. | Information requests are limited to direct and clear legislated requirements or to enable assessment of applications or to review determinations made. Feedback from approved participants does not indicate excessive or unnecessary requests for information. |
| **Measure Two** | **Evidence** |
| The Department conducts annual compliance activities in a coordinated, predictable and streamlined manner which is transparent and understood by approved participants.  | The Department demonstrates that it conducts annual Statement of Compliance processing in a transparent and efficient manner. This would be measured by strategic communications supporting Statement of Compliance processing, providing updates to the general public on the Department’s progress and by the development and implementation of an internal plan to manage processing. The Department clearly communicates with approved participants what information it needs and when, so that approved participants can prepare their Statements of Compliance in an efficient and timely manner.  |

**KPI 5 - Regulators are open and transparent in their dealings with regulated entities**

|  |
| --- |
| **Context**Transparency in the behaviour and actions of regulators builds accountability, and potentially improves regulatory outcomes, in NRAS and the government. Where possible the Department should make publicly available the regulatory objectives and risk-based frameworks which are used within NRAS. Publishing risk-based frameworks helps stakeholders (primarily approved participants) understand what is required and what the Department is trying to achieve. Results from performance management (e.g. reporting of results) should be released regularly to ensure an open and transparent relationship with approved participants.  |

|  |  |
| --- | --- |
| **Measure One** | **Evidence** |
| The Department is open and responsive to requests from regulated entities regarding the operation of the regulatory framework, and approaches implemented by regulators. | The Department makes available to approved participants its risk-based framework. The Department responds effectively and efficiently to requests for information by approved participants and can explain and justify compliance approaches undertaken. The Department consistently and clearly communicates the available review and complaint mechanisms available to approved participants. Stakeholder input into the design of review and complaint mechanisms is sought.  |
| **Measure Two** | **Evidence** |
| The Department’s performance measurement results are published in a timely manner to ensure accountability to the public. | The Department publishes its quarterly performance reports within three months of the preceding quarter.During NRAS incentive processing the Department publishes regular and informative updates on how it is progressing in its compliance activities.  |

**KPI 6 - Regulators actively contribute to the continuous improvement of regulatory frameworks**

|  |
| --- |
| **Context**Best practice regulators follow the communication principles outlined in KPI 2 and utilise this information to improve Regulations and to reduce compliance costs where possible. This process promotes a continuous improvement cycle and the flexibility required to adapt to changes in the external operating environment.  |

|  |  |
| --- | --- |
| **Measure One** | **Evidence** |
| The Department establishes cooperative and collaborative relationships with approved participants to promote trust and improve the efficiency and effectiveness of the regulatory framework. | The Department formalises the involvement of approved participants when designing and implementing regulatory change. The Department is able to provide evidence on the process and outcomes whereby approved participant input has been considered and/or implemented. The Department can demonstrate efforts to streamline the NRAS Regulations and subsequent compliance activities, and examples of where streamlining has been implemented.Reporting of these processes and outcomes is done via the NRAS Regulatory Performance Framework Annual Report. This report will include examples of regulatory amendments undertaken and case-study examples where appropriate.  |