Aboriginal Housing Office

NSW GOVERNMENT

AHO High-Cost Community Support Payments Policy

Document Approval

The AHO High-Cost Community Support Payments (HCCSP) Policy has been endorsed and approved by the Aboriginal Housing Office (AHO) Board and Chief Executive:

Chief Executive: Famey Wiliams

Board approval date: 18 December 2025

Policy Description:

The High-Cost Community Support Payments (HCCSP) Policy sets out how the Aboriginal Housing Office (AHO) provides financial assistance to approved Aboriginal Community Housing Providers (ACHPs) managing high-cost Aboriginal social housing portfolios.

Its purpose is to ensure these ACHPs have sufficient income to meet the real costs of managing eligible portfolios while working toward long-term financial sustainability through rent optimisation and cost-efficiency measures. Payments are available only to portfolios deemed eligible by the AHO and operating in deficit after rents have been optimised or optimisation plans are actively being implemented.

The High-Cost Community Support Payment Policy

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Acknowledgement of Country

The AHO acknowledges the Traditional Custodians of the lands where we work and live. We celebrate the diversity of Aboriginal and Torres Strait Islander people and their ongoing cultures and connections to the lands and waters of NSW. We pay our respects to Elders past, present, and emerging and acknowledge the Aboriginal and Torres Strait Islander people who contributed to the development of this document.

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Terms and Definitions

The table below lists key terms and/or abbreviations used throughout this document.

Term	Abbreviation	Definition
Aboriginal Community Housing Providers	ACHPs	Aboriginal Community Housing Providers are registered organisations that provide housing wholly or predominantly to Aboriginal people under Aboriginal community control. ACHPs may own their own properties and may also manage properties on behalf of the AHO or other organisations.
Aboriginal Housing Office	AHO	NSW Aboriginal Housing Office is a statutory authority of the NSW Government that is responsible for the planning, development, delivery and evaluation of programs and services to support Aboriginal people in meeting their housing needs in the state of New South Wales.
Aboriginal Social Housing		Housing provided to Aboriginal people and communities who are unable to access or sustain housing in the private market, and which is owned or managed by the NSW Government, the Aboriginal Housing Office, or an approved Aboriginal Community Housing Provider.
Net Financial Position		The difference between total portfolio revenues and total portfolio expenses for a given period, used to determine whether the portfolio is in a surplus or deficit position.
Portfolio		A set or group of Aboriginal social housing dwellings owned or managed by an approved Aboriginal Community Housing Provider.

1. Purpose of Policy

1.1 Purpose

The High-Cost Community Support Payment (HCCSP) is intended to ensure the approved Aboriginal Community Housing Providers (ACHPs) have income equivalent to the costs of the housing portfolio as they optimise rents and costs for portfolio longer term sustainability.

1.2 Background and Policy Links

The AHO is a government agency that established under the Aboriginal Housing Act 1998 (NSW), which requires the provision of affordable and quality housing for Aboriginal and/or Torres Strait Islander peoples.

This policy should be read in conjunction with the following documents, including but not limited to:

- AHO Registration Policy
- AHO Aboriginal Community Housing Rent Policy (ACHRP)
- AHO Provider Performance Framework Policy
- AHO Housing Services Policy Framework
- AHO Housing Services Guidelines

2. Scope

This policy relates to approved ACHPs managing Aboriginal social housing portfolios, who are deemed eligible in accordance with this policy and the AHO.

3. Legislation and Compliance

The legislation that informs this policy includes:

- Aboriginal Housing Act 1998 (NSW)
- Community Housing Providers (Adoption of National Law) Act 2012 (NSW)

4. Policy Statement

The HCCSP provides financial assistance to approved ACHP managing high-cost Aboriginal social housing portfolios. The AHO provides this targeted financial assistance where rental income does not meet the real costs of managing and maintaining housing portfolios.

This support helps ACHPs to continue to deliver housing services while improving rent settings and cost efficiency to achieve long-term sustainability.

5. Eligibility Criteria

ACHPs who were deemed eligible under the AHO Build and Grow Subsidy Policy are entitled to receive financial assistance under the AHO High-Cost Community Support Payments Policy. The AHO does not accept new applications. Financial assistance is only payable on properties that were previously approved under the AHO Build and Grow Subsidy Policy.

The subsidy is payable only where:

- The ACHPs is an approved and registered provider with the AHO,
- rents have been optimised or
- plans are in place to optimise rents and the approved registered ACHP can demonstrate progress.

6. Calculation of the Rent Gap Subsidy

The rent gap subsidy is calculated on a 12-month cycle when the ACHP submits Audited Financial information and any additional information AHO deems necessary to evaluate the support payments for eligible portfolio.

The portfolio's Net Financial Position will determine the funding availability for that particular financial year.

7. Calculation Model

A portfolio's Net Financial Position will be calculated based on a rolling 3-year average (for individual categories of revenues and expenses). Payments will be calculated based on this calculation.

Portfolios with a net financial position as Surplus may not qualify for support payments as the portfolio is classified as self-sustainable.

Portfolios in a net financial position of deficit (i.e., portfolio expenses greater than portfolio revenues) will qualify for support payments.

8. Calculation Method

Category		Calculation rationale	Actual Formula
Gross Rent	**(A)**	Gross Rent is calculated for all properties in portfolio at their current rent assuming 100% of the properties are tenanted while the calculation of Payments are done	Actual Gross Rent per week * Number of Properties
Lost Rent Due to Vacancy	**(a)**	Vacancy rate is calculated as average of last 3 financial years	Average Vacancy Rates for 3 financial Year * Gross Rent Charged for all properties
Rent Arrears	**(b)**	Average rate of arrears for last 3 Financial Years	Average Collection rate for last 3 financial years * (Gross rent charged - Lost rent due to Vacancy)
Net Rent	**(B)**	**Net Rent is all inclusive calculated Rent**	**Net Rent will be calculated as (B) = (A) - (a) - (b)**
Other Recoveries	**(c)**	Water recoveries from tenant, in the model calculated using last year's recovery rate	Recovery Rate previous financial Year * Gross Rent
Net Income	**(D)**	**Net Income - Includes the Water Recoveries**	**Net Income will be calculated as (D) =(B) - (c)**
Expenses			
Council Rates		Based on Last financial year expense indexed for CPI @ 2.5%	Latest Financial year expense * 1.025%
Water Rates		Based on Last financial year expense indexed for CPI @ 2.5%	Latest Financial year expense * 1.025%
Insurance		Normalised Last financial year expense indexed for CPI @ 2.5%	Latest Financial year expense * 1.025%
Repairs : Responsive Maintenance		Average Responsive maintenance for 3 financial years (Normalised for unusual repairs) Increased by CPI index of 2.5%	Average Responsive Repairs 3 Financial Years * 1.025%
Repairs : Service Maintenance		Average Service maintenance for 3 financial years (Normalised for unusual repairs) Increased by CPI index of 2.5%	Average Service Maintenance Repairs for 3 Financial Years * 1.025%
Repairs : Cyclical		Currently excluded	Standard Allocation per property added for portfolios with deficits
Other expenses		Average of last 3 financial years - excludes any unusual expenses	Average Other Expenses for 3 Financial Years * 1.025%
Tenancy Management Fees - Direct		Based on Last financial year expense indexed for CPI @ 2.5%	Latest Financial year expense * 1.025%
Tenancy Management Fees - Indirect		Based on Last financial year expense indexed for CPI @ 2.5%	Latest Financial year expense * 1.025%
Total Expenses	**(E)**		**(E) = Total of all Expenses**
Net Portfolio Surplus/ Deficit Positi	**(F)**		**(F) = (D) - (E)**

9. Payment Method

The AHO will enter into a funding agreement with the ACHP. A schedule to the funding agreement will detail the portfolios which are eligible for the payment. The AHO will negotiate with each ACHP as optimisation plans are implemented.

Payments are made annually to ACHPs, subject to ongoing eligibility and compliance with the funding agreement and reporting requirements.

10. Reporting

The AHO funding agreement outlines reporting obligations and requirements of ACHPs. Where reporting requirements are not met, the AHO may delay payments, suspend payments, or withhold payments until compliance is achieved, in accordance with the terms of the funding agreement.

11. Monitoring, evaluation, and review

This policy will be reviewed and updated to reflect any significant:

- legislative change, or
- organisational change.

12. Roles and Responsibilities

The roles and responsibilities for implementing this policy are as follows:

The AHO is responsible for:

- the development, implementation, and maintaining this policy.

The ACHPs are responsible for:

- submitting Audited Financial information and any additional information AHO deems necessary to evaluate the support payments for eligible portfolio.
- providing evidence that rents have been optimised, and/or that a rent optimisation plan is in place.

13. Support and Advice

If you have any questions about this policy, please email:

- AHO Housing Policy team at: policy@aho.nsw.gov.au

The AHO Subsidy, Investment & Initiative team can be contacted for more information, or to seek support and advice. Please email:

- AHO Subsidy, Investment & Initiative team at: SII.HCCSPReview@aho.nsw.gov.au