

## High Cost Community Support Payments & Transition year



### **When did Build & Grow Subsidies end?**

The Build & Grow from subsidy perspective ended on 30 June 2020. However, the AHO's ongoing commitment to supporting the Aboriginal Sector has not changed and "Transition Support Payments" were brought into place while the AHO worked in partnership with ACHIA and NSWALC to design a new model to support high costs relating to the provision of Aboriginal social housing.

### **What was wrong with the Build & Grow model?**

The funding calculation and distribution model that supported Build & Grow was based on an average calculation of costs across NSW. As a result, many portfolios received insufficient funds to support actual high costs. Transition Support Payments follow the same Funding and distribution model.

### **When is the Transition Year ending?**

The Transition year was brought in to replace Build & Grow Subsidies from 1st July 2020 and have remained in place to allow for collaboration and consultation with the sector to ensure the new model better meets the needs of ACHPs. To facilitate this the AHO has extended Transition Support Payments until 22 June 2022 to allow time to consult with individual ACHPs who currently receive Transition Support Payments.

### **What is different under the new model?**

Instead of allocating funds based on a calculated average costs, payments will be based on actual net position calculated based on performance of individual portfolio's, ensuring funding is targeted to maximise effectiveness across the sector.

### **What are the plans for testing the new model?**

The New Support Payments model (High Costs Communities Support Model) and its practical application will be piloted with select Providers/Portfolios from July 2021. Whilst funding amounts will not change for pilot participants until June 2022, ACHPs will have the opportunity to better understand organisational impacts and shape the solution prior to implementation.

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### **Is the New High Cost Community Support Model (HCCSP Model) ready?**

The new HCCSP model concept was put forward to Sector reform Steering Committee (AHO, ACHIA and NSWALC) and the principles to support the model have been based on this consultation.

There is still further work to ensure the principles are sound and the proposed process are fit for purpose. This will be our major focus during the pilot.

### **What is the timeline to implement the new model?**

The AHO is currently planning to engage with pilot participants from May 2021 and commence the actual pilot from 1<sup>st</sup> of July 2021. The pilot is planned to be completed in the 4th Quarter of FY 21-22. Change readiness conversations with individual ACHPs will commence in Q4 21-22. It is proposed that the new HCCSP model will be implemented from 1st July 2022.

### **How will organisations not participating in the pilot stay informed?**

Transition Support Payments will be retained throughout the pilot and individual ACHPs will be kept informed through this process. A sector wide update will be provided at the next *Sector Visioning Workshop* and general Sector Reform communications