



Report

Date: 4 December 2020 **Security Level:** IN CONFIDENCE

To: Hon Grant Robertson, Minister of Finance
Hon Dr Megan Woods, Minister of Housing
Hon Carmel Sepuloni, Minister for Social Development and Employment
Hon Poto Williams, Associate Minister of Housing (Public Housing)

Rent arrears assistance: Update on COVID-19 demand and request for an extension until 30 June 2021

Purpose of the report

- 1 The report provides an update on the demand for rent arrears assistance¹ since Cabinet approved the temporary policy changes and additional funding [CAB-20-MIN-0247 refers] and recommends extending the temporary policy setting changes and funding until 30 June 2021.

Executive Summary

- 2 On 2 June 2020, Cabinet approved temporary policy changes to the Rent Arrears Assistance Housing Support Product (RAA HSP) (a recoverable product) and agreed to time-limited funding of \$30.9 million in 2020/21 to expand the availability of rent arrears support in response to COVID-19 [CAB-20-MIN-0247 refers]. These temporary changes were introduced on 6 July 2020 to help sustain tenants in financial stress in their rentals and are currently due to expire on 31 December 2020.
- 3 To date, demand for the enhanced RAA HSP has been lower than expected and the appropriation is significantly underspent. Initial evidence shows that support is being provided as intended. This coincided with an unexpected decrease in Tenancy Tribunal eviction applications in July and August 2020, just after the tenancy termination restrictions expired. This outcome was possibly due to the significant COVID-19 income support packages that MSD implemented, most notably the Wage Subsidy, which allowed many families to maintain rent and mortgage payments to sustain their housing.
- 4 Treasury's recent Pre-Election Economic and Fiscal Update (PREFU) forecasts difficult economic conditions moving into 2021. New Zealand's successful COVID-19 response has worked so far to cushion the economic impact, but most of the key support payments have now been phased out (e.g. Wage Subsidy Scheme) and the effect of COVID-19 worldwide will continue to mitigate New Zealand's economic recovery.
- 5 With most COVID-19 supports no longer available and the expected rise in unemployment in 2021, we recommend extending the enhanced policy settings and funding for the RAA HSP through until 30 June 2021. We anticipate this extension will enable more people to receive this support during a time when it will be most needed and will help people to sustain their rental housing during a period of significant

¹ See Appendix One: Summary of MSD rent arrears assistance.

economic uncertainty. Any remaining funds from the contingency will be returned to the centre on 1 July 2021.

Recommended actions

It is recommended that you:

- 1 **note** that the funding increase and temporary policy changes to the RAA HSP were implemented on 6 July 2020 and are due to end on 31 December 2020
- 2 **note** that initial analysis on RAA HSP uptake indicates that it is supporting people to sustain their rentals, including people who may not qualify for other financial assistance as a result of their income
- 3 **note** that the immediate economic impact of COVID-19 may have been substantially cushioned through a range of economic supports (outlined in PREFU), which may explain the lower than expected uptake of RAA HSP to date
- 4 **note** that with the expected economic conditions outlined in PREFU and the anticipated delay in demand for RAA HSP, noted in 3 above, means demand for rent arrears assistance may be most needed in early 2021
- 5 **note** that we recommend extending the temporary policy changes and funding for RAA HSP until 30 June 2021 to make provision for this anticipated increase in demand
- 6 **agree** to extend the temporary policy changes for RAA HSP to 30 June 2021

Agree/Disagree **Agree/Disagree** **Agree/Disagree** **Agree/Disagree**

Minister of Finance Minister of Housing Minister for Social Development and Employment Associate Minister of Housing (Public Housing)

- 7 **note** that the extension can be funded from the appropriation already approved by Cabinet, currently in the Housing Support Assistance Multi Category Appropriation in Vote Social Development
- 8 **agree** to fund the extension through the existing allocation already approved by Cabinet, currently in the Housing Support Assistance Multi Category Appropriation in Vote Social Development

Agree/Disagree **Agree/Disagree** **Agree/Disagree** **Agree/Disagree**

Minister of Finance Minister of Housing Minister for Social Development and Employment Associate Minister of Housing (Public Housing)

- 9 **note** that the Minister for Social Development and Employment may wish to provide an oral update to Cabinet should an extension be agreed to by Joint Ministers
- 10 **agree** that the Minister for Social Development and Employment provide an oral update to Cabinet should an extension be agreed to by Joint Ministers [*Minister for Social Development and Employment only*]

Agree/Disagree

Minister for Social Development and Employment

- 11 **note** that pending your agreement to extend the temporary policy changes for the RAA HSP, the Minister for Social Development and Employment will be required to approve an amendment to Housing Support Assistance Programme to provide for the extension from 1 January 2021 to 30 June 2021

- 12 **note** that the Ministry of Social Development (MSD) and the Ministry of Housing and Urban Development will provide a further report back in May 2021 to Joint Ministers (Finance, Housing and Social Development and Employment) on the latest demand for rent arrears assistance
- 13 **note** that the Ministry of Social Development and the Ministry of Housing and Urban Development will undertake an evaluation of Housing Support Products in 2021, including reviewing the eligibility criteria for the RAA HSP, and will provide advice to Ministers on whether any policy changes are needed in September 2021.

Hayley Hamilton
General Manager, Ministry of Social
Development
..... / /

Jeremy Steele
Policy Manager, Ministry of Housing
and Urban Development
..... / /

Hon Grant Robertson
Minister for Finance

Date

Hon Dr Megan Woods
Minister of Housing

Date

Hon Carmel Sepuloni
Minister for Social Development and
Employment

Date

Hon Poto Williams
Associate Minister Housing (Public Housing)

Date

Background

- 6 The Rent Arrears Assistance Housing Support Product (RAA HSP) is recoverable assistance intended to assist people in rent arrears to sustain their existing rental housing. On 2 June 2020, Cabinet approved temporary policy changes to the RAA HSP [CAB-20-MIN-0247 refers]. These temporary policy changes² were introduced on 6 July 2020 to enhance support to people who had fallen into economic hardship and were struggling to pay their rent as a result of the COVID-19 pandemic. It was also intended to support people either new to receiving assistance from MSD or with higher income levels while ensuring equitable access.
- 7 In response to COVID-19, Cabinet agreed to a time-limited funding of \$30.9 million in 2020/21 from the COVID-19 Response and Recovery Fund to expand the temporary policy changes and availability of support for rent arrears assistance. A fiscally neutral transfer of \$24.7 million in 2020/21 within Vote Social Development from Recoverable Assistance to Housing Support Assistance Multi Category Appropriation was also approved by the Minister of Finance, Minister of Housing and the Minister for Social Development.
- 8 Cabinet agreed that any underspends related to the amounts appropriated for all Vote Social Development initiatives funded by the COVID-19 Response and Recovery Fund be returned to the centre [CAB-20-MIN-0219.25 refers].
- 9 These enhancements to the RAA HSP were intended to complement the suite of other COVID-19 economic supports introduced. It was also intended to complement the temporary changes to tenancy law that were made under the COVID-19 Response (Urgent Management Measures) Legislation Act 2020. This imposed strict tenancy termination restrictions and allowed people to accrue up to 60 days of rent arrears before eviction.

Early evidence indicates that uptake of RAA HSP has increased

The uptake of the enhanced RAA HSP has increased but not to the extent expected

- 10 Prior to the temporary changes introduced, the RAA HSP was a relatively new product with uptake generally low. It was intended to provide support as a last recourse, mainly for non-beneficiaries to sustain their tenancy or if their tenancy was at risk due to COVID-19. All other rent arrears assistance is provided through hardship grants (i.e. Advance Payment of Benefits (Advances) and Recoverable Assistance Payments (RAPs)) which are payable more than once and used for current and historic rent arrears (see Appendix One for more detail).
- 11 When the temporary enhancements were agreed in June 2020, we expected demand for rent arrears support would significantly grow given the economic disruption caused by COVID-19 and the need for people to stay at home. A HUD commissioned nationwide survey in April 2020 showed that the proportion of renters who fell behind on their rental payments more than doubled from three percent before lockdown to eight percent during lockdown.³ We anticipated that the RAA HSP policy

² The temporary policy changes included:

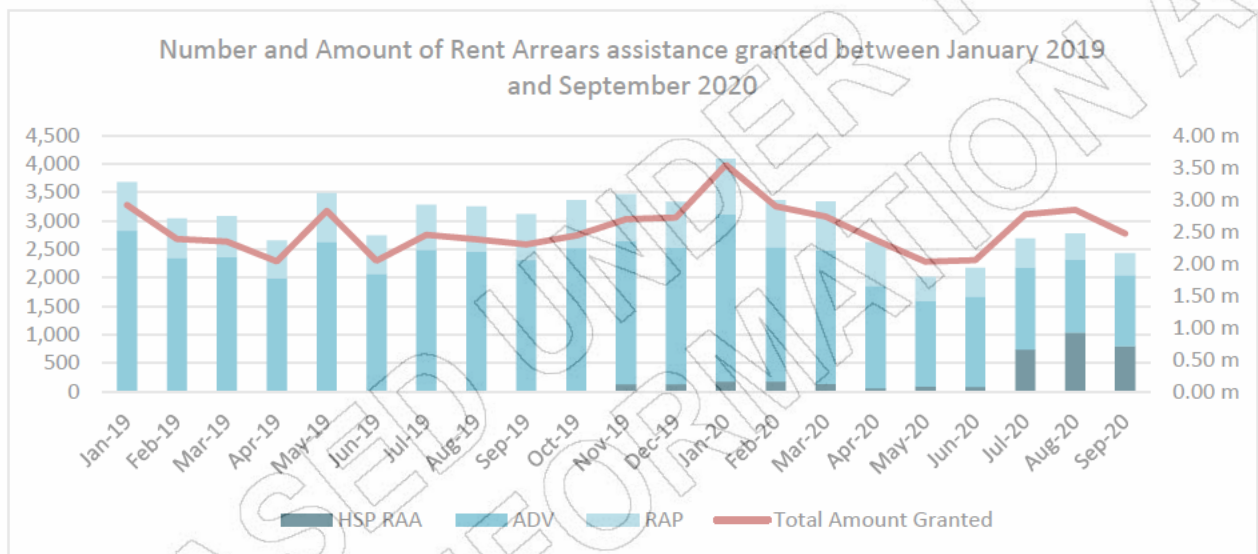
- 1.1 Expanded accessibility - allowing applicants to be considered for RAA HSP in the first instance, rather than only qualifying if not eligible for other sources of rent arrears assistance (i.e. Advance Payment of Benefit (Advances) or Recoverable Assistance Payment (RAPs) – See Appendix One)
- 1.2 Increased the level of support available in a 52-week period to \$4,000 (from \$2,000) to reflect the extraordinary circumstances households faced during the COVID-19 lockdown period and the resulting economic slowdown

³ Topline Results, Prepared for HUD, Colmar Brunton, 29 April 2020.

enhancements and additional funding would better help people to sustain their rental housing.

- 12 The temporary policy changes recognised that the RAA HSP is a more appropriate rent arrears support product tailored to people financially impacted by COVID-19. These people may never have applied for MSD support before and the likely amount of assistance required would exceed the maxima of other existing hardship grants.
- 13 The graph below shows the different types of rent arrears products granted since January 2019. 6,801 distinct clients received 7,567 rent arrears assistance grants, with 33.6 percent of these being RAA HSPs⁴, 49.4 percent being Advances and 16.9 percent being RAPs. Only 6 percent of the RAA HSP grants were paid out at the new maximum amount (i.e. \$4,000).

Graph 1. Number and amount of rent arrears assistance granted between January 2019 and September 2020 as compared to RAPs and Advances



- 14 We originally expected most of the demand for rent arrears support from RAPs and Advances would be redirected into RAA HSP grants. However, only 33.6 percent of rent arrears grants were issued through RAA HSPs. Grants for RAPs and Advances have held steady because they don't strictly require a client to sustain their tenancy. Therefore they continue to help alleviate financial hardship in situations where the RAA HSP is not suitable to assist (e.g. people needing to pay historic rent arrears, non-signatories on a tenancy agreement).
- 15 Of the 2,543 who received RAA HSP since 6 July 2020, 4.9 percent (125) had not received any prior assistance from MSD, while 7.5 percent (191) had received no prior assistance but some hardship assistance in the last two years. The majority (80.3 percent) of the recipients received some form of benefit of financial assistance in the last two years (see Appendix Two, Table 1 for a further breakdown of grants paid out).
- 16 We have also seen a steady but slow increase of people applying for RAA HSP with early data indicating that only two percent of those who received a RAA HSP since 6 July 2020 went on to receive an Emergency Housing Special Needs Grant (EH SNG).⁵ It is too early to confirm whether any person who has received RAA HSP has also subsequently been placed on the public housing register.

⁴ As at November 2020, we note that demand has remained stable.

⁵ Data as at 30 September 2020.

- 17 Although there hasn't been enough time to fully measure the effectiveness of these enhanced changes, initial evidence confirms that support is being provided to people who need it, particularly non-beneficiaries and those new to MSD. As one of the criteria for RAA HSP is based on sustainability of tenancies, rent arrears are continuing to be provided through Advances or RAPs for hardship reasons.

Support for rent arrears assistance continues to be accessed across different population groups

- 18 COVID-19 is impacting on all population groups particularly with the current economic situation and rate of unemployment increasing. Māori and Pacific People continue to be a large part of the population most impacted by COVID-19 particularly in respect to housing needs. The majority of emergency housing clients are Māori (59 percent as at 30 October 2020). Māori, Pacific Peoples and disabled people, are also at a higher risk of losing their jobs and experiencing rental stress due to COVID-19.
- 19 As at September 2020, the total number of working-age people receiving a main benefit was 23.3 percent higher than September 2019.⁶ Māori continue to remain the highest in the numbers receiving JobSeeker Support and Special Needs Grants (particularly relating to food grants).⁷
- 20 Since the implementation of the changes on 6 July, we note that 40 percent of RAA HSPs granted were to Māori and 25 percent to Pacific Peoples (as at 30 September 2020). 65 percent⁸ of RAA HSP granted were to women and five percent were to those receiving Supported Living Payment.⁹ With the extension of the period, we should be able to better determine how RAA HSP has supported certain population groups in more detail.

We are expecting increased demand for rent arrears support in 2021 due to the forecasted difficult economic conditions

- 21 The medium term economic outlook predicted in Treasury's PREFU 2020 is challenging, with unemployment estimated to increase to 7.8 percent in March 2022.¹⁰ With supports such as the Wage Subsidy no longer available, there is a need for some targeted support, such as the RAA HSP, to prevent further economic and social hardship from occurring.
- 22 Data from the Tenancy Tribunal showed that in the eight weeks just after the COVID-19 tenancy termination restrictions were lifted (26 June 2020 to 20 August 2020), the number of applications received that included a rent arrears claim had decreased in comparison to earlier eight weeks periods pre-COVID-19 (refer to figure 1 in Appendix two for the figures). This might explain why uptake of the RAA HSP has not been as high as expected. This period coincides with when key COVID-19 economic supports were available, which would have greatly helped people to sustain their rental housing.
- 23 We consider that the demand for rent arrears support will increase in 2021. Housing hardship continues to grow, with the number of people receiving an EH SNG increasing to 4,124 (as at 2 October 2020). A combination of rising rental costs

⁶ Ministry of Social Development Benefit Fact Sheets Snapshot – September 2020 Quarter, <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/statistics/benefit/2020/benefit-fact-sheets/benefit-fact-sheets-snapshot-september-2020.pdf>

⁷ <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/statistics/benefit/2020/monthly-public-update/monthly-benefits-update-october-2020.pdf>

⁸ Note that this figure also includes females in couples as well as single females.

⁹ These grants are usually being paid to people with long term health issues and care but also includes caregivers.

¹⁰ <https://www.treasury.govt.nz/system/files/2020-09/prefu20.pdf>

alongside worsening unemployment has the potential to increase rent arrears pressures for households. If the current enhanced rent arrears support is not extended, there is a risk that even more people may fall out the rental market and require Emergency or Public Housing.

- 24 There are likely to be more people who don't qualify for hardship assistance (especially if their income remains above the limit) that will still need RAA HSP assistance to sustain their housing in 2021.
- 25 Continued support for rent arrears through these enhanced changes will allow us to ensure adequate provision of targeted support and assess the possible impacts of COVID-19 housing needs. Currently private market supply appears to be holding¹¹ although anecdotal evidence from the regions suggests that landlords have intentions to increase rents, potentially leaving a higher number of clients unable to sustain their rentals.
- 26 MSD has provided additional guidance for frontline staff on the enhanced RAA HSP settings and will continue to do so. Staff have been supported with additional resources to ensure they are able to support clients with the right assistance to pay their rent arrears.

We anticipate seeing a delayed demand in early 2021

- 27 Based on current economic conditions and the PREFU forecast, we anticipate that demand for RAA HSP is likely see to peak in early 2021. For this reason, we believe an extension would allow for us to continue to provide needed support when we have a peak in demand.
- 28 Demand has not been as high as expected with only 33.6 percent of applications for rent arrears have been granted through RAA HSP and spending on rent arrears through Advances or RAPs still holding. The average RAA HSP cost per grant was still higher than Advances or RAP, so those that got an RAA HSP had an increase in the amount of rent arrears assistance they received. Advances or RAPs for rent arrears continue to serve rent arrears assistance primarily for hardship purposes, with less emphasis on sustaining tenancies (e.g. people needing to pay historic rent arrears, non-signatories on a tenancy or those whose tenancy is not at risk).

Overview of current expenditure since changes were implemented

- 29 Before the temporary changes, RAA HSP was still a relatively new product with \$1.000 million per annum allocated to it (the HSP Multi Category Appropriation contained \$7.2 million per annum). In response to COVID-19, Cabinet approved time-limited funding of \$30.9 million in 2020/21 to expand the availability of support. A further fiscal neutral transfer of \$24.7 million from Advances and RAPs to the Housing Support Assistance Multi Category Appropriation in Vote Social Development was authorised by Joint Ministers [CAB-20-MIN-0247 and REP/20/6/613 refers].
- 30 As at 30 September 2020, \$3.883 million (YTD 2020/21) has been spent on RAA HSP since the temporary changes were implemented with \$54.144 million remaining (2020/21 financial year). The below table summarises the spend of RAA HSP funding since its introduction in November 2019 (see Table 1).

¹¹ Ninness, Greg (7 October 2020) Rather than cashing up, landlords are buying more properties after changes to the Residential Tenancies Act (<https://www.interest.co.nz/property/107409/rather-cashing-landlords-are-buying-more-properties-after-changes-residential>)

Table 1: Uptake of RAA HSP since its introduction in November 2019

	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr ¹² 20	May 20	Jun 20	Jul 20 ¹³	Aug 20	Sept 20
HSP Rent Arrears (no. of grants)	126	125	177	176	137	58	87	78	738	1,039	792
Quarterly spend	30 Dec 19 \$321,760.77		30 Mar 20 \$644, 591.52			30 Jun 20 \$296,769.82			30 Sept 20 \$3.8883 million (YTD 2020/21)		

- 31 Our revised forecasting for the extended six-month period from January to June 2021 indicates expected demand for RAA HSP to be approximately \$5.7 million (see Appendix Three). This forecast takes into account the current uptake in RAA HSP and the PREFU forecast. This new costing does not take into consideration any behavioural changes and therefore should demand eventuate early 2021 it may be slightly higher. It is also likely that even with the risk of demand increasing in 2021, we will still have an underspend in the remaining funding.
- 32 Should Joint Ministers agree to extend the period for these enhanced changes to continue to June 2021, we would continue to use existing funding to meet any anticipated increase in demand. Any underspend will be returned to the centre at the end of June 2021.
- 33 We have consulted with Treasury as to possibly returning approximately \$25 million of the funding back to centre to fund other priorities before the end of the financial year. Treasury has advised their preference is for the underspend to be returned through the usual process because of the uncertainty around the final amount of the underspend and the risk of unappropriated expenditure if too much funding is returned early. Returning the underspends after the end of the 2020/21 financial year through the usual process ensures there will be more certainty of the final amount of the underspend.

We recommend extending the temporary rent arrears policy settings and funding to end of June 2021

- 34 As we are likely to see a longer-term impact of COVID-19 on the housing and employment sector in early 2021, an extension of the temporary period would provide a safety net if demand for RAA HSP was to increase as we expect.
- 35 With the current underspend of funding and an expected delay in demand, a further six months extension would ensure that people at risk of losing their housing can get the support they need, including if they have little or no entitlement to any other MSD support. It also will help us to build a comprehensive picture of rent arrears need post COVID-19.
- 36 The current expanded assistance is due to expire at a time when it will be most needed, especially with other key COVID-19 MSD supports now ended. Ending temporary changes before having comprehensive data means risking losing the ability to support people in rent arrears at a time when they are most in need. This could result in people losing their house/tenancy and put additional pressure on the need for emergency housing and the increasing numbers on the public housing register.
- 37 If you agree to extend the temporary policy settings out until 30 June 2021, we will continue to monitor demand and will provide a report back in May 2021 to Joint

¹² New Zealand went into COVID-19 Alert Level 4 on 25 March, Alert Level 3 from 27 April and then went to Level 1 on 8 June 2020.

¹³ The temporary changes to RAA HSP went live on 6 July 2020.

Ministers (Finance, Housing and Social Development and Employment) on the ongoing demand and performance for rent arrears assistance.

We will be exploring ways to improve and enhance rent arrears support going forward

- 38 As part of the commitment to deliver the RAA HSP in November 2019, officials had previously signalled they would evaluate the effectiveness of HSPs against their performance measure. This work will include a review of the policy settings for RAA HSP (including eligibility criteria) and will assess whether this assistance is effective and is being delivered to the key target group [BRF18/19060319 and REP/19/7/632 refers]. The evaluation will also assess the ongoing effectiveness of the RAA HSP for Māori and Pacific Peoples.
- 39 Due to COVID-19, this evaluation of HSP will now take place in early 2021 and will review the approach we have taken in providing rent arrears assistance (through HSPs or hardship grants). It will explore whether the current rent arrears assistance support is effective or whether policy changes need to be made to better support those seeking assistance with rent arrears.
- 40 Existing supports for rent arrears may also not adequately address current needs due to the extraordinary circumstances resulting from COVID-19 ^{s.9(2)(f)(iv)} [redacted]. It is therefore an opportune time to explore ways to improve and enhance rent arrears assistance to determine the best approach to providing these supports going forward.

Next steps

- 41 Extending the current period until 30 June 2020, will require an amendment to the relevant dates included in the Housing Support Assistance Programme. This will need to be made by the Minister for Social Development and Employment.
- 42 In May 2021, MSD and HUD will provide a final report back to Joint Ministers (Finance, Housing and Social Development and Employment) on the demand for rent arrears assistance, and whether any further action or support is required.
- 43 MSD and HUD will undertake an evaluation of HSPs including a review of RAA and will report back to the Minister of Housing and Minister for Social Development and Employment in September 2021.

Appendices

Appendix One: Summary of MSD rent arrears assistance

Appendix Two: Further summary of Data on COVID-19 demand on RAA HSP

Appendix Three: Technical explanation of forecasted demand for RAA HSP

File ref: REP/20/11/1073

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Responsible Manager: Alex McKenzie, Policy Manager, Housing Policy, MSD

Appendix One

Summary of MSD rent arrears assistance

Product	Description
Recoverable Assistance Payment for Non-beneficiaries (RAP)	<ul style="list-style-type: none">• One-off recoverable payment to meet an essential immediate need for a specific item or services (including housing – e.g. rent arrears, bond).• Available to non-beneficiaries and up to \$600 per grant to cover housing costs (can be more in exceptional circumstances).
Advance Payment of Benefit (Advance)	<ul style="list-style-type: none">• A person receiving a main benefit who requires assistance to meet an immediate need can request an advance of up to six weeks of their net benefit entitlement (can be more in exceptional circumstances) including for housing-related purposes.
Rent Arrears Assistance Housing Support Product (RAA HSP)	<ul style="list-style-type: none">• One-off recoverable payment for people with rent arrears who don't qualify for other MSD support for rent arrears (either because they have income or assets over the limit, or they receive Accommodation Supplement).• People don't have to be on a benefit or living in social housing to receive it.• Originally intended to target support for people to sustain their existing tenancies where they were unable to access assistance from other sources and had experienced a sudden income shock.• Aimed at people who generally do not qualify for hardship assistance or a main benefit (especially if they have a working partner).

Appendix Two

Further summary of Data on COVID-19 demand on RAA HSP

Table 1: Number and percentage of HSP and Hardship assistance to clients not in receipt of a benefit at a time of grant between 06 July 2020 – 30 September 2020

Detailed breakdown of RAA HSP recipients (not in receipt of a benefit at the time the RAA HSP grant was provided) who also received AS, a main benefit or CIRP after their RAA HSP.

Client Cohort	RAA HSP Assistance		Hardship Assistance - RAPs		Hardship Assistance - Advances	
	No of Grants	% of Grants	No of Grants	% of Grants	No of Grants	% of Grants
No subsequent grants since receiving RAA HSP	279	83.3%	189	72.7%	9	75.0%
Received a benefit and AS	24	7.2%	42	16.2%	§ 9(2)(a)	§ 9(2)(a)
Received a benefit only	17	5.1%	16	6.2%	§ 9(2)(a)	§ 9(2)(a)
Received AS only	10	3.0%	9	3.5%	§ 9(2)(a)	§ 9(2)(a)
Received CIRP only	§ 9(2)(a)	§ 9(2)(a)	§ 9(2)(a)	§ 9(2)(a)	§ 9(2)(a)	§ 9(2)(a)
Received AS and CIRP	§ 9(2)(a)	§ 9(2)(a)	§ 9(2)(a)	§ 9(2)(a)	§ 9(2)(a)	§ 9(2)(a)
Received a benefit, AS and CIRP	§ 9(2)(a)	§ 9(2)(a)	§ 9(2)(a)	§ 9(2)(a)	§ 9(2)(a)	§ 9(2)(a)
Total	335	100%	260	100%	12	100%

Figure 1. Number of Eviction applications related to claims regarding rent issues over the 8 weeks since 26 June 2020 (MBIE data - post COVID-19 tenancy termination restrictions)

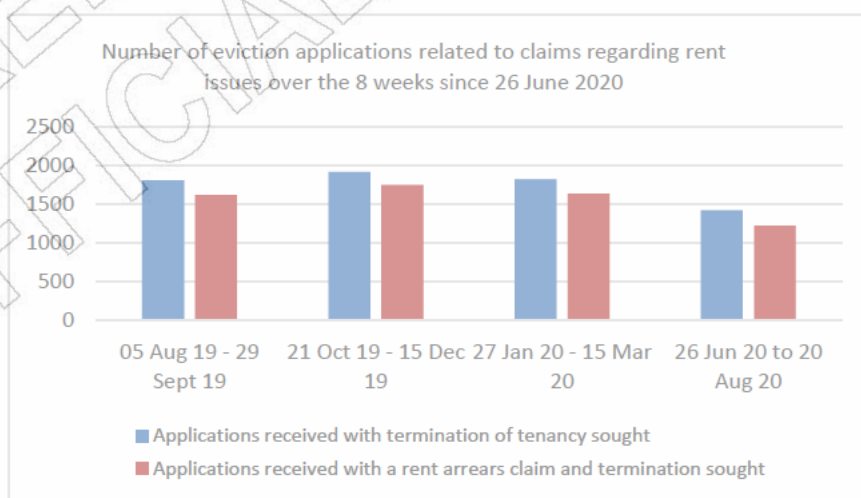


Figure 2. Percentage of rent arrears assistance (RAA HSP, RAPs, Advance) granted between 6 July to 30 September 2020

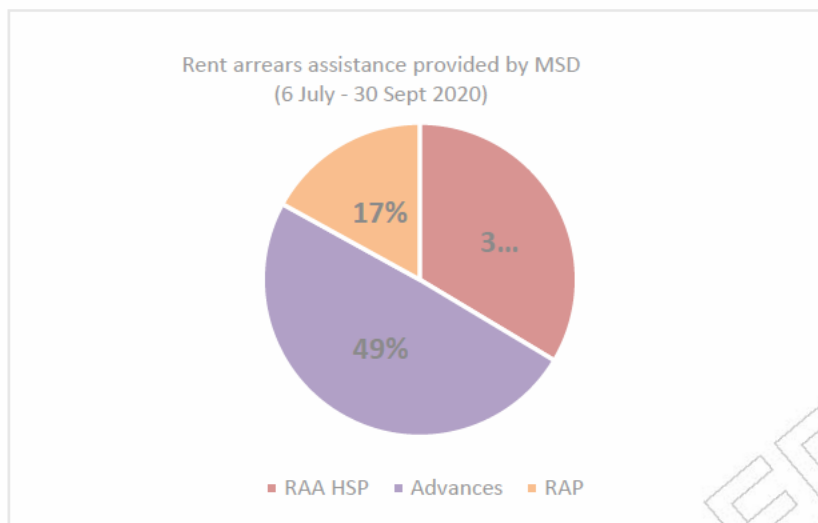


Figure 3. Number of RAA HSP grants based on population groups

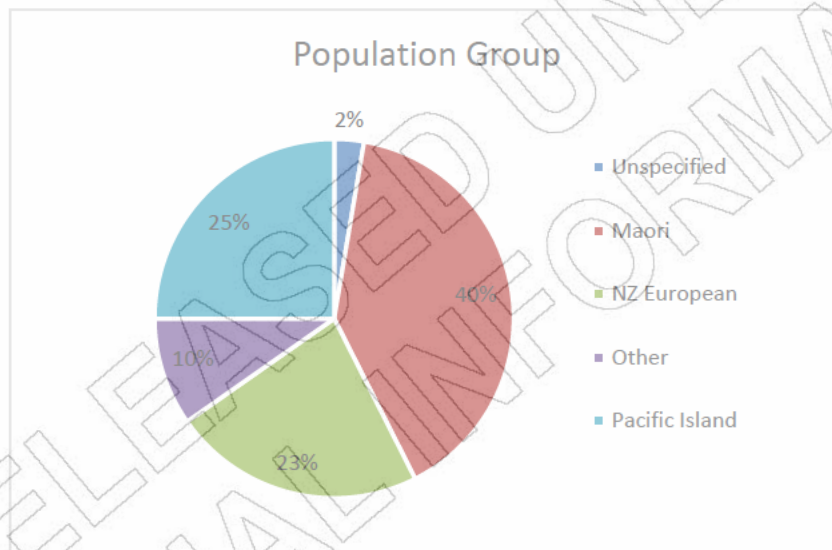
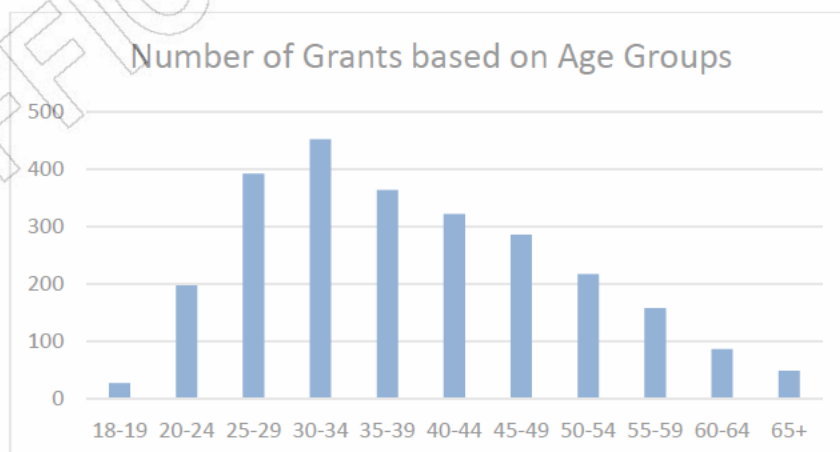


Figure 4. Number of RAA HSP grants based on age groups (6 July to 30 September 2020)



Appendix Three

Technical explanation of forecasted demand for RAA HSP

1. Our initial forecasting of costings and demand for RAA HSP in May 2020 was based on the latest available data (no behavioural impacts on the number of grants were included). Our original costings included the following assumptions:
 - Expectation of an increase of demand for Advances/RAPs and HSP by approximately 50 percent (which did not appear to have occurred)
 - Expectation that \$500 high limit would lift average cost per grant (increase was approximately \$200)
 - Expectation that all Advances/RAPs rent arrears payments would go through RAA HSP (only approximately 33.6 percent changed to RAA HSP)
 - RAA HSP cost per grant is higher than Advances/RAPs so those payments that moved across increased in cost.
2. Our revised forecasting for the extended six-month period from January to June 2021 indicates expected demand for RAA HSP to be approximately \$5.7 million. This forecast takes into account the current uptake in RAA HSP and the PREFU forecast. This new costing does not take into consideration any behavioural changes and therefore should demand eventuate early 2021 it may be slightly higher. It is also likely that even with the risk of demand increasing in 2021, we will still have an underspend in the remaining funding.
3. Note that there is still some uncertainty about future HSP demand as it may still increase significantly as a lot of other government support runs out.