

Options and Advice Evaluation

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Executive summary

- 1 This report is an evaluation of Housing New Zealand Corporation's (Housing New Zealand) Options and Advice service (Options and Advice) that was in place from June 2010 until it was linked to the Social Allocation System on 1 July 2011.
- 2 Options and Advice was initiated within the context of high demand for Housing New Zealand houses. Prior to Options and Advice, four times more people asked Housing New Zealand for a home than could be housed in state houses¹. This resulted in long waiting lists for state housing, with lower priority applicants facing long waiting times, or no hope of being housed at all. In response to this situation, Options and Advice was identified as one of Government's key priorities for Housing New Zealand (Minister of Housing's Letter of Expectations for 2009/10 refers).
- 3 The policy intent of Options and Advice was to assist applicants into the right tenure at the right time. The right tenure was to be identified by Options and Advice through an analysis of the circumstances of, and options available to, each individual applicant. The expectation of Options and Advice was that it would reduce the number of C and D (low need) applicants on the waiting list.
- 4 Options and Advice was undertaken with the Ministry of Social Development, particularly Work and Income. Work and Income administered the Accommodation Supplement that provided financial support to lower income households to pay for housing in the private sector. Work and Income also provided loans and grants for bonds to assist with access to private rental housing. Another important relationship was with private rental managers and landlords.
- 5 The focus of this evaluation was to identify:
 - the extent to which Options and Advice demonstrated it was on a pathway to achieving agreed outcomes:
 - increased customer understanding of tenure options
 - increased customer understanding of the housing assistance available
 - increased capacity within Housing New Zealand to support applicants to move to appropriate tenures
 - improved cooperation between housing assistance providers
 - increased moves to high quality, sustainable tenancies
 - factors that enabled or acted as barriers to success.
- 6 This report presents the results from Options and Advice customers in the first six months following their participation in Options and Advice.
- 7 Since this report was written, the new service delivery model has been implemented and revisions to the Social Allocation System have been made. As a result many of the key the issues identified later in this report have been addressed. In particular, the potential likelihood of people in need being turned away has been greatly reduced due to the delivery of both the pre-assessment and information session services during the same customer call.

¹ *Options and Advice national roll-out: Key messages for use internally and externally*, 14 January 2010.

Findings

- 8 The transparency of the Options and Advice information session was appreciated by most stakeholders. The information session allowed a number of customers to make effective decisions. Housing New Zealand staff indicated that they were working with community groups, the private rental sector and Work and Income.
- 9 Options and Advice contributed to a reduction of applicants on the Housing New Zealand waiting list.
- 10 The Options and Advice process added stages between applicants' first approach for assistance, and when they were confirmed on the waiting list. The two stages were a formal triage process and an information session. At each stage in the process some applicants dropped out.
- 11 Housing New Zealand has undertaken to assist those most in need for the duration of their need. The evaluation identified a concern among staff that Options and Advice customers sometimes leave the information session without their housing need being identified. Consequently, staff thought they were unable to support some applicants to articulate their options and address their need.
- 12 The success of Options and Advice placements in the private rental sector varied. Some housing markets were well priced and had a good supply of houses. Private property managers in these locations tended to work well with the Housing New Zealand. Even in these areas, the number of participants who took up offers of housing from partner private property managers was very low.
- 13 In contrast, some private rental markets were highly priced and had a poor supply of houses. These high demand markets were associated with stigmatisation and discrimination against Housing New Zealand applicants. There were greater numbers of lower quartile house hunters than there were lower quartile houses in these markets. Property managers in these locations tended to work less closely with Housing New Zealand.

Enablers of success

- 14 The enablers of progress towards successful outcomes were:
 - the transparency of the information session
 - well trained and well resourced staff
 - staff identifying customer need in individual sessions
 - two way flows of information between staff and customer
 - customers being proactive to resolve their housing needs
 - connections to the private rental sector
 - good relationships with Work and Income
 - full uptake of housing assistance.

Barriers to success

- 15 The barriers to progress towards successful outcomes were:

- staff bypassing the triage process by sending customers straight to group information sessions
- staff feeling unsafe during information sessions
- customers not feeling that they had a choice to apply for a state house
- customers having low fixed incomes combined with high rents
- high need customers not completing needs assessments
- high demand for lower quartile rental properties
- discrimination and stigmatisation in the private rental sector
- poor quality lower quartile private rental housing.

Overall

- 16 The evaluation indicated that Options and Advice was an appropriate intervention, particularly for applicants *without* high needs. The Options and Advice fulfilled its objective to work with customers to understand their housing need and tailor solutions to some extent.

Introduction

- 17 This report is an evaluation of Housing New Zealand Corporation's (Housing New Zealand) Options and Advice service (Options and Advice) that was in place from June 2010 until it was linked to the Social Allocation System on 1 July 2011.
- 18 The report draws on:
 - 134 interviews with customers of the Options and Advice service accessed in eight Neighbourhood Units (NHUs), and interviews with staff and private rental property managers in five of the eight NHUs
 - the Options and Advice Private Rental Sustainability Survey (Quarter 2, 2010/2011).
- 19 The qualitative findings relied on customers', staff and property private rental managers' recalled accounts of the Options and Advice service.
- 20 The Social Allocation System (SAS) was complementary to Options and Advice (see Appendix A for a description of SAS). SAS, and Options and Advice have both been revised since this evaluation was undertaken. An evaluation of the revised SAS 2011 changes will include the linked Options and Advice.

Background

- 21 Options and Advice was initiated within the context of high demand for Housing New Zealand houses. Prior to Options and Advice, four times more people asked Housing New Zealand for a home than could be housed in state houses². This resulted in long waiting lists for state housing, with lower priority applicants facing long waiting times, or no hope of being housed at all. In response to this situation, Options and Advice was identified as one of Government's key priorities for Housing New Zealand (Minister of Housing's Letter of Expectations for 2009/10 refers).
- 22 The policy intent of Options and Advice was to assist customers into the right tenure at the right time. The right tenure was to be identified by Options and Advice through an analysis of the circumstances of, and options available to, each individual customer. The expectation of Options and Advice was that it would reduce the number of C and D (low need) applicants on the waiting list.
- 23 Options and Advice staff worked with customers to understand their housing need and tailor solutions using four high level service principles:
 - transparency - empowering customers to make informed decisions
 - consistency across all regions and in all NHUs
 - responsiveness to customers' need
 - value for money - improving the effectiveness of Housing New Zealand's operations.

² *Options and Advice national roll-out: Key messages for use internally and externally*, 14 January 2010.

- 24 Options and Advice comprised the following steps:
- initial engagement and triage to identify customer need³
 - informing all customers about SAS
 - informing customers about their chances of being housed in a state house
 - offering information on other forms of tenure, including private rental and home ownership
 - asking customers to make decisions about which options that they wish to follow up
 - linking customers into support provided by other organisations
 - offering ongoing support to ensure good housing outcomes including assisting customers to stay where they are.
- 25 Options and Advice involved working with the Ministry of Social Development, particularly Work and Income. This was intended to support new applicants into tenancies in the private rental housing sector. Work and Income administered the Accommodation Supplement that provided financial support to lower income households to pay for housing in the private sector. Work and Income also provided loans and grants for bonds to assist with access to private rental housing. Another important relationship was with private rental managers and landlords.

Research and evaluation approach

- 26 This report presents the findings of Options and Advice service following its roll out. The findings are framed by aims and objectives, a pathway to success and agreed outcomes that are presented in this section.

Aim and objectives

- 27 The overall aim was to evaluate the success of Options and Advice service. Three high level objectives were to:
- evaluate the extent to which Options and Advice progressed towards achieving its desired outcomes
 - identify factors that were enablers or barriers to success.

Pathway to Success

- 28 The Pathway to Success is presented and assessed in the Discussion section below. The Pathway to Success provided a model of the successful implementation of Options and Advice. The results from the evaluation have been measured against this Pathway.

Outcomes

- 29 The desired outcomes identified for Options and Advice were:
- increased understanding of tenure options

³ Triage in this instance means identifying customer needs at the first point of contact in order to ensure that all customer needs are addressed.

- increased understanding of the housing assistance available
 - increased capacity within Housing New Zealand to support applicants to move to appropriate tenures
 - improved cooperation between housing assistance providers
 - increased move to high quality, sustainable tenancies.
- 30 The extent to which Options and Advice progressed towards achieving agreed outcomes is presented and assessed in the Discussion section below.

Participants in the evaluation

- 31 Participants in the evaluation included: customers of Options and Advice (qualitative interviewees, survey respondents), partner private property rental managers, and Housing New Zealand staff involved in the provision of the service.

Options and Advice customers

Qualitative Interviewees

- 32 Options and Advice customers (n = 134) were randomly selected and recruited from NHU's that showed high, medium and low SAS activity. The assessment of SAS activity was based on an analysis of administrative data⁴.
- 33 In a face-to-face interview⁵, customer participants were asked about their experience of Options and Advice, and actions they had taken since their information session. A SAS assessment was employed to determine a housing risk rating for each customer participant⁶. Customer participants' housing risk ratings were allocated between three and six months after their information session.
- 34 Customers and NHUs directly affected by the Christchurch earthquakes were not included in the evaluation out of respect for the pressures they were experiencing.

Survey Respondents

- 35 The Options and Advice Private Rental Sustainability Survey was undertaken in the second quarter of 2010/11. Three hundred Options and Advice private rental customers were surveyed.

Options and Advice partners

Private property managers

- 36 Options and Advice involved working with private rental managers and landlords. When Options and Advice was launched each NHU sent letters to local property management agencies explaining the purpose of the service. Options and Advice customers who selected the private rental option were referred to partner private rental managers in an attempt to find suitable private rental

⁴ This definition of high, medium and low was developed by Housing New Zealand's Operational Policy Team in 2010 as part of the development of service delivery models for the rollout of Options and Advice.

⁵ A few interviews were undertaken by telephone to accommodate the customer participants.

⁶ In this report, high need refers to applicants who were assessed as A and B priority; and, low needs refer to applicants assessed as C and D priority at the time of their interviews with evaluators.

housing. Partner private rental managers were also asked to supply listings of their available rental properties to the local NHU on a regular basis.

- 37 Interviews were undertaken with partner private rental property managers in each of the locations in which customer interviews had taken place. The property manager interviews focussed on their working relationship with Housing New Zealand. The managers from various rental agencies also provided their assessment of the availability of rental properties in their areas.

Work and Income

- 38 Work and Income was a key partner for the Options and Advice service. In this evaluation, the relationship with Work and Income was assessed from the perspective of customer participants and Housing New Zealand staff.

Housing New Zealand staff

- 39 Interviews and focus groups were held with staff in each of the locations in which customer interviews had taken place. Staff were presented with the Pathway to Success (see the Discussion section below). They were asked about:
- how they provided Options and Advice
 - factors that enabled or acted as barriers to the success of Options and Advice
 - their relationships with agencies such as Work and Income, and private property managers.

Methods

- 40 The evaluation was conducted using quantitative analysis of administrative data and survey data (Options and Advice Private Rental and Sustainability Survey Q2 2010/11), and qualitative analysis of selected interviews.
- 41 As part of the customer satisfaction survey programme, Options and Advice service customers who selected “private rental” as a housing option are surveyed up to eight months after their attendance at a session. Topics covered in the survey include: satisfaction with the session, change in living conditions, and difficulties with sustaining living situation. Congruent with the qualitative interviewing period, data from the second quarter of 2010/11 was analysed.
- 42 The remainder of the Methods section addresses the qualitative part of the evaluation.
- 43 NHUs were categorised according to the level of SAS activity and then selected randomly using cluster sampling methods. The level of SAS activity for each NHU was either high, medium or low (see Table 1). All potential customer participants associated with the selected NHUs were randomly selected according to four tenure options. These four tenure options were:
- staying where you are
 - state housing
 - private rental

- both private rental and state housing⁷.

Table 1 Customer participant numbers by tenure option and SAS activity area

	Stay where you are	State Housing	Private rental	Private rental /state housing	Total
High SAS activity: Mangere Central Porirua	1	32	3	7	43
Medium SAS activity: New Plymouth Dunedin Takapuna	11	12	17	10	50
Low SAS activity: Rotorua Whakatane Levin	8	16	3	14	41
Total	20	60	23	31	134

- 44 The qualitative principle of saturation was used in deciding the numbers of customer participants to interview in the four tenure options and three SAS activity areas. However, the limited numbers of customers agreeing to participate and the small number of customers under some tenure options meant that not all combinations of SAS activity level and tenure option could be discussed.
- 45 The qualitative equivalent of quantitative reliability and validity requires the use of a combination of principles known as “saturation” and “triangulation”⁸. Saturation is about the number of interviews required to cover a topic. After approximately eight interviews the amount of new information begins to decrease, after 12 interviews hardly any new information is collected, and at about the 15th interview saturation is reached and no new information is forthcoming no matter how many more people are interviewed. Triangulation is about having more than one perspective on a topic and its verification as a consequence. Multiple analysts, and/or multiple perspectives give a more significant result than one analyst with one perspective.
- 46 The face-to-face interviews with customer participants, Housing New Zealand staff and private rental property managers were undertaken by interviewers from Housing New Zealand’s research and policy teams. Multiple perspectives were brought to the review of the initial results when the evaluators checked them with the staff responsible for implementing Options and Advice.
- 47 The qualitative analysis presents the Options and Advice service as it was operating between June 2010 and 1 July 2011. In the report, words such as “a few”, “several”, “some” and “many” indicate whether the view, action or event is

⁷ People chose to explore options in the private rental market, and at the same time they sought a needs assessment in the hope of being placed on the waiting list.

⁸ Patton, Michael Quinn (Revised edition 2002) *Qualitative Research and Evaluation Methods*, Sage Publications Newbury Park CA. Denzin, Norman K. and Yvonne S. Lincoln (Third Edition, 2005) *Handbook of Qualitative Research*, Thousand Oaks, CA : Sage.

more or less central to the operation of Options and Advice service. The denotations of the words are set below :

A few	Less than a quarter of the group being discussed
Several	3 or 4 people, groups being discussed
Some	More than a quarter of people, groups and less than a half of the group being discussed
Many	More than a half of the group being discussed.

Limitation

- 48 When evaluation participants were grouped for analysis there were too few people in some cells to reach saturation. For example, in high needs areas for customer participants whose outcomes were 'stay where you are', private rental, and private rental and state housing. This limitation resulted from self selection, and the choices of customer participants in these areas.

Findings

- 49 The findings are presented under the following headings:
- the impact of Options and Advice on the waiting list
 - customers' perspectives
 - Housing New Zealand's perspectives
 - partners' perspectives.
- 50 The analysis in these sections draws together information from administrative data on the waiting list, documentation on the business processes of Options and Advice, information from the 134 face-to-face interviews with Options and Advice customers, and the data from the 2010/11 second quarter Options and Advice Private Rental and Sustainability survey.

The impact of Options and Advice on the waiting list

- 51 An expectation of Options and Advice was a reduction in the number of C and D priority (low need) applicants on the waiting list (see Appendix A for a description of how priorities on the waiting list are calculated using SAS prior to the revisions that came into effect on July 1, 2011).
- 52 Since the introduction of Options and Advice there has been a reduction in both low need and high need applicants. Between April 2010 and May 2011 there has been about a 30 percent decrease in (both confirmed applicant and transfer⁹) A and B waiting list numbers (see Figure One¹⁰). The vertical black line on the Figure One graph represents the timing of the national rollout of Options and Advice in early May 2010¹¹.

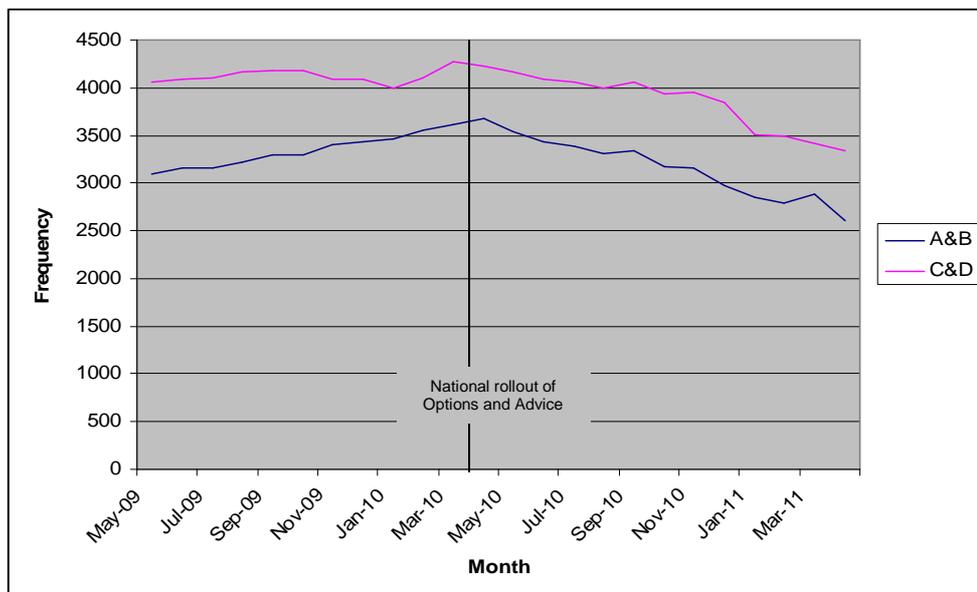


Figure 1 The A and B, and the C and D waiting lists May 2009 – March 2011

⁹ Transfer applicants are tenants seeking a different state house often because of a change in circumstances that leads to their current house being too big or small.

¹⁰ The graph is based upon waiting list data for the months May 2009 to March 2011.

¹¹ The roll out was completed at the beginning of June 2010.

- 53 Options and Advice added stages between applicants' first approach for assistance, and when they were confirmed on the waiting list. The two stages were a formal triage process and an information session. At each stage, some applicants dropped out of the process.
- 54 Just under half of all Options and Advice customers who recorded the intention to apply for a state housing went on to apply and receive confirmation of a place on the waiting list.
- 55 Some customers, who chose not to apply for state housing after receiving the information sessions, may have been eligible to receive state housing.
- 56 The unexpected drop off in applications from high need customers was attributed to three main factors:
- some staff believed that word-of-mouth was spreading the Options and Advice message within the community, and that this had reduced the number of customers visiting NHUs. The total number of customers visiting NHUs had dropped by approximately 20 percent.
 - the information session may have discouraged both high and low need customers from applying for a state house.
 - most high need customers participating in the evaluation, who did not signal the intention to apply, claimed that they were not offered the option to apply for a state house.

Customer perspectives

- 57 In addition to the qualitative interview data, results from the Options and Advice Private Rental and Sustainability survey are reported in reference to customer perspectives on the Options and Advice Service.

The Options and Advice information session

- 58 Most customer participants had attended group information sessions. Some customer participants had attended individual information sessions. A few customer participants said they had not seen the information session.
- 59 Customers were asked a series of triage questions prior to the information session. Evaluators asked customer participants if they remembered being asked the questions that constituted triage. None of the customer participants were able to recall being questioned before their information session.
- 60 Most (77.3% (+/- 5.9%)) of the PRS¹² respondents reported that the information was useful. Some customer participants said that they had good experience of the information session. Talking about her positive experience of an individual information session, one customer participant said:

Especially for people like me that find it hard to pick up...they had more time to explain if I didn't understand. And it was good 'cause the lady kept asking if I did understand what was going on. If I said, "No," she would explain it a different way.

¹² PRS – Private Rental and Sustainability refers to a quarterly survey of OAS customers, See below for more results from the survey.

- 61 Most customer participants said that they appreciated the transparency of the information session and the information provided a basis on which to make decisions about their housing future. In particular they gained an understanding about how Housing New Zealand allocated houses.
- 62 Despite the information session, some customer participants struggled to make decisions about their housing options. Some customer participants said they had tried unsuccessfully to get clarification about the implications of the content of the information session for their specific needs, and would have preferred to engage in a one-to-one conversation about their options.

Understanding of tenure options

- 63 One of the goals of Options and Advice was to increase customers' knowledge of different tenure options. Many customer participants said that they were better informed after the information session. They most commonly talked of a new understanding about SAS and the management of the waiting list. A few customer participants also talked about learning more about the wider housing sector.
- 64 About half of the customer participants had lived in a state house in the past¹³. Regardless of their past relationship with state housing, they all approached Housing New Zealand with the goal of applying for a state house. They had expected to simply submit an application and be put onto a waiting list.
- 65 Most customer participants had a good basic general knowledge of housing tenure options. A few had not known how to resolve their housing problems, and they thought Housing New Zealand staff had pointed them in the right direction.
- 66 Most customer participants thought private rentals were too expensive and difficult for them to obtain and maintain. They wanted a state house because of its comparative affordability and tenure security.
- 67 Customer participants said they were well informed prior to the information session about how Work and Income could assist with housing, including the Accommodation Supplement and advances for bond.
- 68 When asked about the home ownership options presented in the information session, most customer participants spoke about the barriers they saw to home ownership. They were surprised that home ownership was offered to them as an option because they saw it as an impossible dream. A few customer participants talked about how they aspired to home ownership in the future. They appreciated learning about the Welcome Home Loan First Steps and the KiwiSaver home ownership package¹⁴.
- 69 While most customer participants understood information on tenure options, a small group said they did not understand the information that had been offered to them.

¹³ Most of these customer participants had held a tenancy under their own name. The remaining customer participants had lived in state houses as a child or as an adult with friends and family.

¹⁴ See Housing New Zealand's website for details of these financial products.

Choosing a housing option

- 70 The expectation of Options and Advice was that customers would choose the housing options that suited them best at the end of the information session. They could choose any number from a list of six options, namely:
- stay where you are
 - private rental
 - state house
 - home ownership
 - emergency housing
 - community housing.
- 71 The numbers of customer participants choosing the last three options were so low that they were not included in the evaluation.
- 72 Most of the information in the information session was about state housing. Some customer participants said they remembered making a choice and selecting the housing option that suited them the best. About half of the customer participants said that staff had made and recorded the decision that state housing was not for them.
- 73 Other customer participants said that they were not able to remember making a choice at the information session, or that the options presented to them were not realistically open to them. One customer participant said she had already explored alternatives to state housing, and had approached Housing New Zealand after deciding that these options were not suitable.
- 74 Some customer participants with low housing need realised that they would be low priority for state housing but none the less went on to apply for state housing. These customer participants said they felt comforted by having a place on the waiting list. Even if it took them a very long time to secure a state house, the eventual reward would be worth the wait.

Options and Advice Private Rental and Sustainability Survey Results

- 75 Seventy-six percent of customers found the Options and Advice information session to be of some use, with 35 percent reporting that it was *very useful*¹⁵. Approximately half of those who attended the information session acted upon the advice of NHU staff and sought further assistance from Work and Income. The majority of customers (87 percent) who attended the information session reported that they were having difficulties with maintaining their current accommodation, regardless of whether they had moved or not.
- 76 Since attending the Options and Advice information session, thirty-four percent of customers had moved. Of those who had moved, nearly two-thirds had moved to private rentals under their own names¹⁶ (see Table 2). However, nine percent were living in Housing New Zealand properties either under their own names or with family or friends. The majority of customers (73 percent) who had moved were people with children.

¹⁵ See Appendix B, Table 4 for confidence intervals for each of the values cited in this section.

¹⁶ The survey collected *current* housing status only.

- 77 No customer had bought a house or had become homeless in the period covered by the survey.

Table 2 Current living situation of tenants who had moved after OAS session¹⁷

Current Living Situation	%
Boarding House	4%
Flatting / sharing a house	3%
Have bought a house	0%
Homeless	0%
In HNZC tenancy under my name	5%
In a private rental under your name	63%
Other	3%
Other social housing	2%
Refused	1%
Staying with family (NOT HNZC house)	10%
Staying with family in their HNZC house	3%
Staying with friends	5%
Staying with friends in their HNZC house	1%
TOTALS	100%

- 78 Of those customers who had changed their living situations, nearly a third reported that they still faced some difficulty maintaining their current living situation due to lack of money. Just under a quarter stated that changes in circumstances were also problematic. Similarly, for those customers who had not moved since the Options and Advice information session, lack of money (33 percent) was the most frequently cited problem associated with staying where they were. Other common difficulties included change of circumstances (28 percent), health (26 percent) and poor quality housing (25 percent).

Uptake of housing assistance

- 79 Customer participants were asked what actions they had taken after their information session to meet their housing needs.

Work and Income

- 80 Customer participants were accessing housing assistance from Work and Income in a similar way before and after the advent of Options and Advice. Most customer participants were well acquainted with Work and Income processes. One customer participant said:

I've been renting since I was eighteen years old and yeah I know all the ins and outs.

¹⁷ See Appendix B, Table 5 for confidence intervals.

- 81 About half of the customer participants who elected the private rental option went to see Work and Income for assistance with their housing needs after their information session. Of those, half were granted an advance for a bond for a new private rental house. Fewer participants were granted additional Accommodation Supplement.
- 82 Some customer participants who sought assistance from Work and Income were advised how much they could afford to pay in rent. A few customer participants received a letter from Work and Income telling them, and their prospective landlords, how much they could afford to pay in rent each week and the amount of their bond advance entitlement. All the customer participants who requested a redirection of rent to their landlords were granted one. Some customer participants were referred back to Housing New Zealand as they were assessed by Work and Income as being unable to sustain market rent.
- 83 Some customer participants spoke of problems gaining access to Work and Income services, and of business rules creating barriers to them achieving their housing options. One customer participant said:

It confused me, why they can't actually work together a lot more. Housing New Zealand and WINZ ... Inland Revenue, the whole lot of them. Why they can't actually work together to decided, "Okay, ... they're paying that in rent but they're only getting that much," obviously they can see that it's going to become a budgeting issue... It's got me baffled.

Community Services

- 84 Customer participants also received assistance from community organisations. After their information session, customer participants commonly sought budgeting services. A few sought the help of the Salvation Army. Uptake of Tenancy Services or emergency housing providers was very low.
- 85 Some customer participants said that they had not approached community services because they had already exhausted these options. Other customer participants thought that these services could not help them because their main problem was their low fixed income. One customer participant said:
- We didn't go to any of them 'cause you can't juggle your money any further than you can and they're not going to be able to do it.*
- 86 The variety of other community services accessed included: the Maori Women's Welfare League, parenting support organisations and disability support services. Members of parliament were also approached. While not housing support organisations, each one of these community services directly assisted with resolving housing problems. Assistance included: directing clients to budgeting organisations, providing budgeting, indicating the most appropriate housing social provider to access, and assisting with finding accommodation.

The private rental sector

- 87 Some customer participants opted to look for private rental housing at the conclusion of their information session.

Looking for a new private rental house

- 88 The things that customer participants were looking for in a house, ordered from the most to the least frequently mentioned were:
- suitable amenities - facilities meet household need
 - in the right place - near family, schools and shops
 - warm and dry - no mould, cheap and easy to heat
 - affordable - being able to afford the rent and transport costs associated with location
 - safe and secure - in a safe area with good locks on doors and windows.
- 89 The customer participants who successfully found new houses in the private rental sector identified two main factors that gained them access to their new house. A successful house hunt was usually extensive and wide-ranging. Customer participants sought the support of community organisations and private property managers. They looked at a wide range of media advertising vacancies, including newspapers and internet sources. New tenancies were also acquired through personal connections. Several customer participants, who had gained a new tenancy, suggested that their clean rental history allowed them easy access to a new house.
- 90 Barriers that customer participants encountered to securing suitable private rental housing identified rent affordability and house quality. While affordability was fourth in the list of things looked for in a house, high rent was seen as the main *barrier* to private rental housing. Often customer participants in medium and low SAS activity areas said that rent in their area was as high as in the main centres, but that this was not reflected in local Accommodation Supplement maxima.
- 91 Suitable, secure and quality housing was important to customer participants and their families. They said that the private rental houses that were affordable, were most often of poor quality and/or in dangerous neighbourhoods. One customer participant said:
- If we're not happy where we live, where is happiness you know? You've got to be feeling relatively comfortable ...I don't mean by all the material things, it means to me being safe and secure.*
- 92 Perceived discrimination and high demand for lower quartile private rental housing were commonly reported barriers to accessing private rental housing. Discrimination was most commonly reported in areas of high and medium SAS activity. Landlords and property managers in these areas were able to hand pick from a wide range of prospective tenants. Customer participants who were beneficiaries, sole parents, ex-prisoners, disabled or large families, said they felt that the private rental sector had discriminated against them. One customer participant described an interaction with a prospective landlord:
- I had a few people ask me how I was going to pay my rent. I had one of them ask me why I was on a benefit and what was wrong with me... Why should they know these things? That's what I'm wondering and I said to them, "Well my rent comes from WINZ and isn't that a guaranteed rent?" But apparently they don't always believe that [in the] private sector.*

Interactions with Options and Advice partner private rental property managers

- 93 A few customer participants approached partner private rental managers after their information session. About half of the customer participants who approached partner private rental managers described their response as “lukewarm”. Most said that the private rental sector could not meet their needs because it could not supply suitable housing at an affordable price. One customer participant said:

I think most people who go to Housing New Zealand, most of them are going there because they can't [afford a private rental].

- 94 Of the customer participants who approached these partner private rental managers, only a few viewed houses. Many customer participants described putting their names down for a house but never hearing back. Some customer participants were offered houses that they felt were unsuitable and decided not to take them. Some customer participants were repeatedly declined housing for which they had applied. One customer participant said:

I get a bit disheartened...when I get declined from a private house, but I still go in and see the so-called property manager that I have been assigned to... if not every week maybe once a fortnight.

- 95 Some customer participants were housed by partner private rental property managers. Most of these tenants were assessed by interviewers as being low need. A few of the customer participants housed by partner private property managers were assessed by interviewers as having A priority housing need on the day of their interview. Each of these tenants in severe housing need were characterised by:

- very poor affordability assessments, and
- high personal/medical needs, or
- change of circumstances.

- 96 Some of the customer participants were surprised that Housing New Zealand was working with the private rental sector, and some thought that this was a good idea. Other customer participants thought that it was inappropriate for a government social agency to be partnering with profit making organisations.

Housing New Zealand staff perspectives

- 97 Housing New Zealand staff perspectives reported on in this section were drawn from focus groups and interviews with staff responsible for implementing Options and Advice. Focus groups and interviews were undertaken in five out of the eight NHUs from which the customer participants were selected.

Staff experiences of Housing New Zealand role changes

- 98 Staff participants in the evaluation noted that Options and Advice had changed the role of Housing New Zealand to an advisory, referral service for most applicants. Both manager and staff participants suggested that Options and Advice changed the way applicants think about Housing New Zealand. They said that while state housing had been the tenure of choice across generations of tenants, the Options and Advice message was now ‘out’. Staff participants

thought that Options and Advice messages were now travelling by word-of-mouth, and that this had led to a noticeable drop in applicants visiting NHUs.

- 99 Staff participants have noted an increase in the need of applicants over the year. Many applicants had multiple needs and had approached Housing New Zealand as a last resort. As a result they could react to the information session with desperation and anger. This increase in applicant need had caused information sessions to become increasingly difficult to deliver and many staff participants said that they did not feel safe conducting group information sessions. Staff said they reported incidents using Health and Safety processes¹⁸.
- 100 Each NHU had adapted Options and Advice to the needs of their location in some way. Managers argued that Options and Advice needs to be tailored to suit the client base, local demand and resources of each office. The participating NHUs varied in information session delivery methods and resourcing models. Some NHUs conduct individual information sessions on demand, but most conducted regular group sessions.
- 101 Staff participants had put considerable effort into building relationships with Work and Income, the private rental sector, and community groups. As a result partners now have a better understanding of Options and Advice's intent, process, and constraints.

Staff experience of Options and Advice

- 102 Staff participants were mostly supportive of the intent and impact of Options and Advice. They talked about the positive responses of customers to the transparency of the information session. They said that the information session gave people what they needed to make informed choices. Staff participants said that information sessions needed to function as a two-way flow of information in which the customer is able to describe their situation clearly.
- 103 Overall, managers tended to speak more positively about the benefits of Options and Advice than their staff. Staff participants said that individual information sessions work better for some people, particularly mental health service consumers. Staff participants suggested that some customers required more than one individual session in order to ensure good outcomes. Staff participants conducting individual information sessions said that individual sessions enabled customers to talk about their circumstances in relative privacy. This meant that it was easier to identify the right tenure option for these customers.
- 104 Both managers and staff participants expressed concern that customers may be going away from information sessions without a needs assessment as a result of feeling "stressed". Some staff participants felt that these customers may find it too difficult to come back for a needs assessment. Staff participants were concerned that they did not always know what happened to the customers who did not return to the NHU for a needs assessment¹⁹.

¹⁸ Note that in-person group information sessions are no longer offered under the new service delivery model.

¹⁹ The new service delivery model enforces consistent provision of service nationally. Applicants are dealt with individually by telephone and receive both a pre-assessment and information session in the same call.

- 105 Some staff participants and managers expressed concern that high need customers may be exiting from the system without having received the support that they need.
- 106 Staff participants said that things were working well in the partnership between Housing New Zealand and Work and Income.

Staff experience of the private rental sector

- 107 The degree of buy-in from the private rental sector, and ability to house Options and Advice customers in private tenancies, depends strongly on the local supply and demand ratio. In areas with lower demand for rental properties, the private rental sector had stronger links into Options and Advice than in areas of high demand.
- 108 Many staff participants said that they had good relationships with the private rental sector. In many instances, successful relationships were present where the private rental property managers were ex Housing New Zealand or ex Work and Income staff.
- 109 In some areas, private rental property managers were not charging letting fees and were welcoming Options and Advice customers as clients. Staff participants in other areas said that they were getting a very limited buy-in from the private rental sector. One property management agency was charging very high letting fees which amounted to a very effective barrier for many customers who would otherwise be able to sustain ongoing rent payments.
- 110 Most staff participants said that there are far more house hunters in the lower quartile of the private rental market, than there are houses. The quality of many houses in the lower quartile was poor. While the private rental sector was able to meet the needs of some customers, staff participants said that there are some customers with very little chance of finding suitable affordable private rental.
- 111 Some staff participants said that they were working to help customers maintain their present tenure because there were no real alternatives in the private rental sector. This became difficult to achieve when there were house quality issues because tenants were often afraid of receiving retaliatory notices of eviction if they raised concerns about repairs and maintenance.
- 112 According to staff participants, stigmatisation and discrimination were sometimes barriers to Options and Advice customers obtaining a more suitable private rental house.
- 113 Staff participants observed that in a high demand market, landlords have the advantage of a wide choice of potential tenants. Staff participants said Options and Advice customers in these locations were being offered hard-to-let properties that may be of low quality, poorly located or overpriced.
- 114 Many staff participants said that customers were generally not in a position to afford home ownership, so this section in the information session was not always relevant. However, some customers were interested in this for the future.

Participating agencies and private rental managers

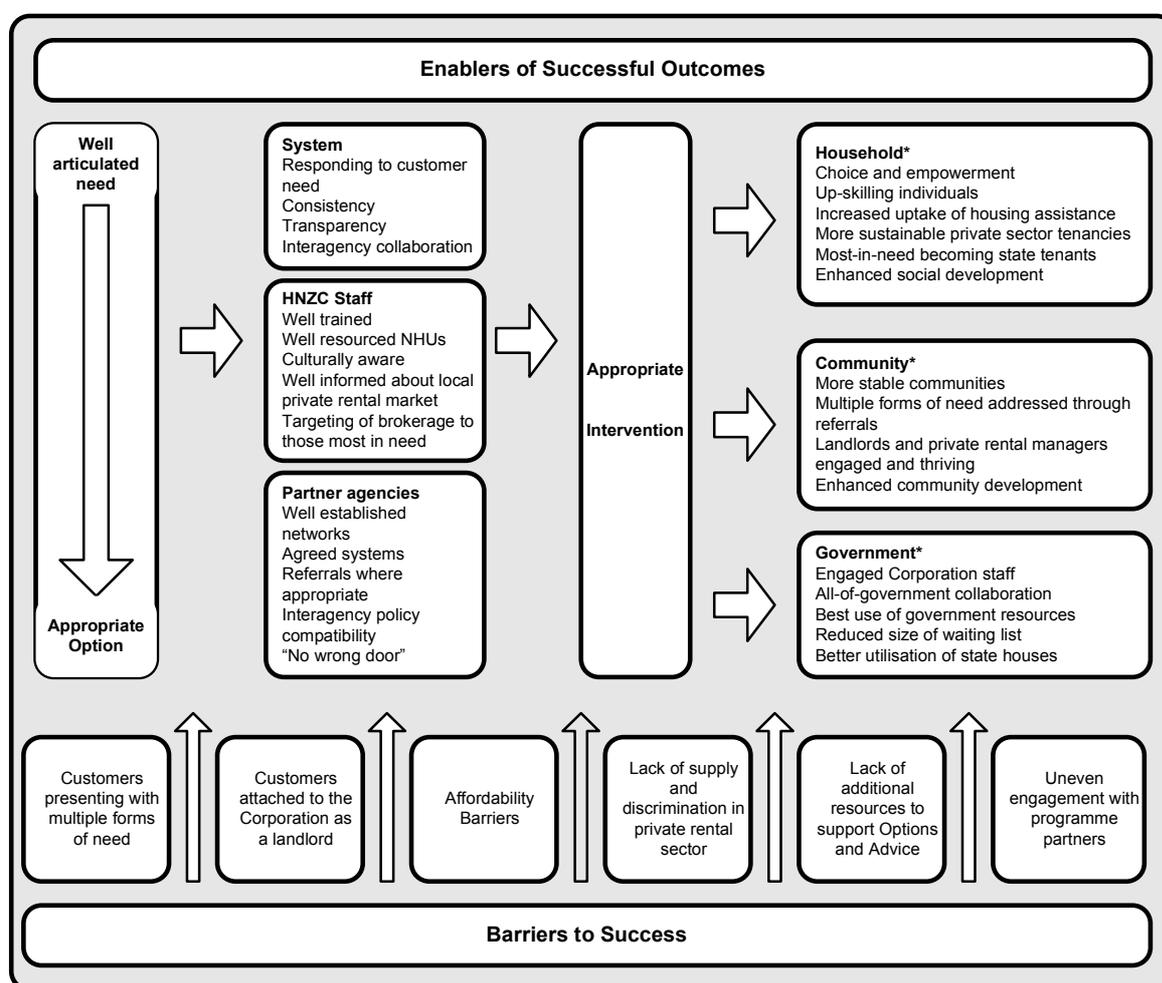
- 115 The partner perspectives reported on in this section were drawn from face-to-face interviews with private rental managers. Interviews were undertaken in five out of the eight NHU areas from which the customer participants in the evaluation were selected.
- 116 Many of the private property managers talked about how their previous experience working for Housing New Zealand, or Work and Income positively disposed them to working with Options and Advice.
- 117 Private property rental managers commonly said that they were happy to work with Housing New Zealand but would like more open communication. By open communication they were referring to receiving more information about the people who were being referred to them. However the information that Housing New Zealand was able to share was constrained by the Privacy Act 1993.

Discussion

118 The policies governing Options and Advice have changed significantly since this evaluation was conceived and carried out. The revised SAS 2011 includes changes to the triage process, which customers receive information sessions, and how need is measured²⁰. This discussion anticipates future evaluation activity taking these revisions into account.

The Pathway to Success

119 A Pathway to Success was designed for the evaluation of Options and Advice prior to its roll out²¹. In the Pathway to Success, enablers and barriers to progress in achieving successful outcomes were identified (see Figure Two).



* Housing New Zealand is no longer accountable for many of the outcomes in this framework.

Figure 2 Pathway to Success

²⁰ Two references document the revisions to SAS and the Options and Advice service:

CAB SOC (11)19, *Improvements to the Housing New Zealand Corporation's Social Allocations System*, April 2011.

Housing New Zealand Corporation, *Social Allocations System Revisions 2011: Operational Policy Guidelines*, June 2011.

²¹ The team that undertook the design of the Pathway to Success included policy, the acting programme manager for housing pathways, and evaluators.

120 As a result of the Social Housing Reform Programme (SHRP) the Government asked Housing New Zealand to focus on a core group of customers – those with the highest need. One of the consequences of this reform programme has been that the outcomes expected from Options and Advice also became more focussed. Only some of the outcomes set out in Figure 2 are now the responsibility of Housing New Zealand, namely,

Household	Up-skilling customers about housing options Most-in-need customers becoming state tenants
Community	Landlords and private rental managers engaged with Housing New Zealand
Government	Engaged Corporation staff Reduced size of the waiting list Better utilisation of state houses.

Enablers for achieving successful outcomes

- 121 The enablers of success depend fundamentally on applicants articulating their needs clearly. Housing New Zealand needs to work carefully with applicants to identify appropriate options and actions.
- 122 The systems enablers identified for Options and Advice included the transparency about how Housing New Zealand waiting list priorities worked, and houses were allocated. The Housing Services Managers who participated in the evaluation suggested that there should be consistency within NHUs but not necessarily between NHUs, because different NHUs were operating within localised private rental markets that were different.
- 123 Staff participants thought they had sufficient training, and were well informed about the private rental market. The information sessions worked best where staff participants had the flexibility to provide them as individual and group information sessions depending on their assessment of customer needs. However, staff found that resource issues meant that group information sessions were often used to provide Options and Advice. Under the new service delivery model all applicants will receive individual information sessions.
- 124 Housing Services Managers and staff participants suggested that the relationships Housing New Zealand had with other agencies contributed to the ability of staff participants to provide Options and Advice.
- 125 The evaluation indicated that Options and Advice was an appropriate intervention, particularly for customers without high needs. The Options and Advice fulfilled its objective to work with customers to understand their housing need and tailor solutions to some extent.
- 126 Options and Advice worked well in fulfilling government outcomes. For example, staff were engaged and government agencies were extending their collaboration as Options and Advice became more widely known.
- 127 Two enablers for customer households require discussion, namely:
- customer empowerment and choice

- most in need customers becoming state tenants.

Customer empowerment and choice

- 128 Options and Advice sought to empower customers by equipping them with the information they required to make effective decisions about their housing options. Most of the information sessions at the time of the evaluation were group sessions about which customer participants had both negative and positive responses. Since the implementation of the SAS revisions in July 2011 individual have replaced group information sessions. This change has continued the positive aspects of the information session in making the process of housing allocation transparent. The changes have also addressed the negative issues that customer participants raised about not having their stories heard, and having their housing aspirations squashed.
- 129 Customers now have a few opportunities to tell their stories, and to work through their housing options and aspirations on the basis of information presented in individual sessions.

Customer housing need

- 130 The housing needs of customer participants in the evaluation were assessed using old SAS criteria. Sustainability, affordability and house quality were types of housing need commonly identified among customer participants.

Sustainability

- 131 Sustainability refers to issues that make it difficult for people to cope with the challenges of life, and to continue living in the same house. SAS measures sustainability by assessing five criteria: medical and personal needs, financial management, social functioning, changes of circumstance and security of tenure. The most common forms of sustainability risk in customer participants were: medical and personal needs, change of circumstance, and security of tenure.
- 132 Customer participants who were assessed as having high sustainability risk tended to be in private rental tenancies *under their own name*. Customer participants who were assessed as having low sustainability risk tended to be:
- living in private rental housing (not under their own name)
 - transfer applicants on the Housing New Zealand waiting list
 - recently moved into a state house tenancy under their own name.

Affordability

- 133 After sustainability, affordability was the next highest housing need identified for customer participants. SAS used a set formula to compare income to weekly housing costs²². The evaluation adopted the same formula to determine the degree of affordability risk for each customer participant.

²² See T-374 *Guidelines for Assessing Housing Need* (2002) for the affordability calculation: Net income (including family support) minus housing costs (less any accommodation supplement) divided by the notional benefit including family support for the family composition, i.e. $\frac{\text{Net income (including family support)} - \text{housing costs (less Accommodation Supplement)}}{\text{Notional Benefit}} \times 100 = \%$. Note: The notional benefit is the base benefit rate for the household type exclusive of all and any other allowances, supplements and special benefits and other earning or income.

- 134 Customer participants with high affordability risk were more likely to be living in private rental houses under their own name. Customer participants who presented with low affordability risk tended to be:
- in a state house, or
 - temporarily staying with friends and family.
- 135 For most customer participants, rent was understood to be the biggest and most important expense of their lives. Customer participants with high affordability risk said that they were struggling financially even when they were able to keep up to date with rent. The money left over after paying rent was not enough to fund the rest of their lives.

House quality

- 136 Three quarters of the customer participants were living in privately owned houses. The remaining customer participants were living in state houses either as tenants or were staying with friends and family in their state houses. Most customer participants were living in houses that were assessed as being of low quality risk. A few customer participants were living in private houses that were assessed as posing a high quality risk.
- 137 Housing risk factors included:
- hard to heat
 - problems with damp and mildew
 - lacking basic facilities, such as cooking or washing
 - lacking basic utilities, such as power or water.
- 138 Some customer participants said they struggled frequently to get landlords to conduct repairs and maintenance. They also frequently reported that houses were very dirty when they had moved in. Other customer participants talked about their landlords being proactive in conducting maintenance and responsive to their requests for repairs.

Barriers to achieving successful outcomes

- 139 The barriers to achieving successful outcomes are discussed in relationship to staff, customers and private rental sector.

Staff

- 140 The main barriers to successful outcomes involved staff:
- bypassing the triage process and going straight to group information sessions
 - feeling unsafe during group information sessions
 - rather than customers, choosing housing options.
- 141 These barriers amount to staff bypassing the enablers of Options and Advice identified in the Pathway to Success, and to some extent they relate to the resources available to support Options and Advice. These barriers have now been addressed with the implementation of the SAS revisions 2011 and the new service delivery model.

Customers

- 142 Two of the main barriers to successful outcomes for customers have been addressed by the implementation of the SAS revisions 2011. They were:
- high need customers not completing need assessments
 - customers not feeling that they had a choice to apply for a state house.
- 143 Three barriers are outside the control of Housing New Zealand and remain to be addressed:
- customers on low fixed incomes paying high rents
 - customers experiencing discrimination and stigmatisation in the private rental sector
 - Accommodation Supplement maxima settings being inadequate for local market rents.

Private rental sector

- 144 The main barriers to successful outcomes involving the private rental sector tended to be:
- high demand for lower quartile rental properties
 - poor quality lower quartile private rental housing
 - patterns of discrimination and stigmatisation against Housing New Zealand customers.
- 145 The experience of staff, customers and private rental sector partner confirmed the anticipated barriers over which Housing New Zealand has minimal control. For example, uneven engagement with private rental partners was influenced by private rental market conditions. Where there was high demand for lower quartile rental properties, the private rental sector was less likely to engage with Housing New Zealand.

Appendix A: The Social Allocation System (Pre July 1, 2011)

146 When Housing New Zealand allocates state houses, priority is given to households experiencing housing and financial stress. Priority is given to housing stress that is:

- severe
- urgent
- likely to persist over time
- and where customers have difficulty functioning in the private housing market.

147 Priority for Housing New Zealand housing is divided into four groups that reflect different levels of need:

- An A-priority household has severe and persistent housing needs that must be addressed immediately. The household's well-being is severely affected or seriously at risk by housing circumstances that are unsuitable, inadequate or unsustainable and there is an immediate need for action. The household is unable to access or afford suitable, adequate and sustainable housing without state intervention.
- A B-priority household has a significant and persistent housing need. The household's well-being is affected in a significant and persistent way by housing circumstances that are unsuitable, inadequate or unsustainable. The household is unlikely in the near future, to be able to access or afford suitable, adequate and sustainable housing without state intervention.
- A C-priority household has a moderate housing need. The household is disadvantaged, and this is likely to compound over time due to housing circumstances that are unsuitable, inadequate or unsustainable. The household is unlikely to be able to access or afford suitable, adequate and sustainable housing without state intervention.
- A D-priority household is one that may be able to function in the market and is either experiencing low level housing need or is disadvantaged.

148 A matrix determines where a household's priority fits based on the criteria set out in table three.

Table 3 Social Allocation System assessment criteria

Criteria	Description
Affordability	The relationship between income and current housing costs.
Adequacy	The house's physical condition and structure.
Suitability	House size in terms of occupants and overcrowding.
Accessibility	The applicant's ability to access housing in the private sector market, taking discrimination into account.
Sustainability	The ability to sustain housing in the private sector market ²³ .

²³ Examples of matters that might be considered under these criteria are financial management issues, changes in household circumstances, social functioning, lack of certain skills, security of tenure, medical issues, and other personal circumstances that make sustaining housing in the private sector market difficult.

Adaptation of the Social Allocation System for the evaluation

149 The Social Allocation System was used as the key tool in assessing the housing outcomes of customer participants in the evaluation. Some minor changes were made to the system in order to adapt it for this purpose.

Appendix B: Confidence Interval Data

Table 4 General confidence interval data by paragraph number

Paragraph	%	CI (+/-)
75	76	9.1
75	35	9.1
75	87	9.1
76	34	9.1
76	63	9.3
76	9	5.8
76	73	10
77	0	0
78	32	16.1
78	23	17.1
78	33	11.4
78	28	11.9
78	26	12.1
78	25	12.1
82	54	7.7

Table 5 Current living situation of tenants who had moved after OAS session with Confidence Intervals

Current Living Situation	%	CI (+/-)
Boarding House	4%	3.8
Flatting / sharing a house	3%	3.3
Have bought a house	0%	n/a
Homeless	0%	n/a
In HNZN tenancy under my name	5%	4.2
In a private rental under your name	63%	9.4
Other	3%	3.3
Other social housing	2%	2.7
Refused	1%	1.9
Staying with family (NOT HNZN house)	10%	5.8
Staying with family in their HNZN house	3%	3.3
Staying with friends	5%	4.2
Staying with friends in their HNZN house	1%	1.9
TOTALS	100%	n/a