

**An Assessment of the Rural Housing Programme 2001-
2005/06:**

A Synthesis of Evaluation Findings

Rural Housing Programme Long-Term Outcomes Evaluation

**Prepared for
Housing New Zealand Corporation**

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March 2007

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EXECUTIVE SUMMARY

This report provides an assessment of the progress and potential of the Rural Housing Programme as it has been delivered in the original areas of Northland, East Coast and Eastern Bay of Plenty (NECBOP) since 2001. It is based on a synthesis and analytic triangulation of the evaluation and research activities agreed with Housing New Zealand Corporation from 2003/04, and a set of additional documentation of macro and operational product, programme, policy, budgetary, plans and audit papers generated by Housing New Zealand Corporation and other agencies made available to the evaluation team. Those documents refer to developments to about March 2006.

When the Rural Housing Programme was initiated as NECBOP in 2001 it was an ambitious programme. The Government set a challenging goal – the elimination of sub-standard housing in three areas that had persistent and apparently concentrated stocks of dilapidated housing posing significant health and safety risks to those who lived in them.

There is every indication that this programme could have achieved the range of outcomes sought in those areas if it had been delivered adequately. Those households that received assistance reported that their social and housing well-being increased. Local groups have been involved in delivery and, in the 2001 to 2004 period, were leveraging distinct employment and skill opportunities from involvement in the programme.

There was a strong sense of commitment to the programme expressed by members of the Rural Housing Programme that were delivering it. Government agencies and local stakeholders expressed a real desire for the problems of persistent and severely sub-standard housing to be addressed. Housing New Zealand Corporation also saw the programme as representing a flagship programme which heralded new ways of working with communities.

Notwithstanding that, the programme has under delivered. The extent of Housing New Zealand Corporation's resources directed to the programme remains unclear. The cross-sectoral and whole-of-government approach fell away during the 2001-2005 period. The extent and severity of substandard housing was underestimated. There were, and continued to be, tensions around the target outputs for the programme. The programme effectively became reduced to a reactive programme targeted to health and safety. The components of sustainability and the preventive approach indicated by the Government's policy directive were largely lost. The policy, operational, financial and procedural components were inadequate throughout the evaluation period. It was only in December 2006 that Housing New Zealand Corporation finally reconciled appropriations for the programme for the period 2001/2 to 2005/6.

Housing New Zealand Corporation faced a raft of difficulties moving from immediate response mode to a sustainable housing mode and moving from a direct delivery approach to a capacity building and community-based approach to housing. Doing so required a thorough and rigorous reworking of systems, procedures and operational policy to underpin the administration of the Rural Housing Programme. Lack of clarity about operational policy, resourcing and finances generated significant delays in the delivery of assistance so that over half of households entering the programmes in 2001 did not have their assistance delivered to them by mid-2005.

Internal organisational tension around the focus, macro-policy and operational policy for the Rural Housing Programme was not resolved. There was an on-going lack of recognition of:

- the complex product and relational needs of the Rural Housing Programme. In particular, the Rural Housing Programme required both capacity and relationship building with local communities and the ability to deliver tailored solutions to those communities and households by accessing a flexible range of products.
- the long and short-term responses required by the Rural Housing Programme that address immediate resolution of health and safety issues and the long-term generation of a housing stock that meets the needs of communities.
- the need to balance the reactive focus on essential repairs and the need to prevent the housing stock from falling into sub-standard conditions in the future, and achieve outcomes by engaging with local communities.

The problems arising from this were exacerbated by a lack of active engagement between Housing New Zealand Corporation and other government agencies.

The fundamental logic underpinning the Rural Housing Programme was that:

- The immediate response to addressing health and safety risk must:
 - address the inadequacies of sub-standard dwellings that exacerbate those risks and with the home escape plans, assist households to prevent injury resulting in death or ill-health.
 - be cross-sectoral and engage the resources of the multiple agencies with an interest in health and safety, rural communities, Maori, and the standard of the housing stock
 - engage with the real needs of whanau and the communities in which they live by developing ways in which immediate health and safety responses can be delivered by members of affected communities.
- Immediate responses to health and safety risk must be supported by medium and long-term actions to eliminate sub-standard housing. This involves:
 - up-grading the existing housing stock
 - addressing the supply of appropriate housing stock, and
 - preventing the deterioration of the housing stock.
- To be effective short, medium and long term responses and actions must involve:
 - practical and focused engagements with the target populations at household, whanau and community levels
 - systematic processes of needs assessment, planning and delivery.
- Addressing sub-standard housing provides opportunities to leverage positive outcomes, the principal ones being:
 - improved individual, whanau and community self-esteem and self-assessed social and psychological well-being
 - long-term as well as short-term employment opportunities
 - new skills and training opportunities and improved educational achievement
 - new business activity in Maori communities
 - increased individual, whanau, iwi, local government, central government and community capacity to:
 - identify and respond to housing needs
 - engage cross-sectorally and on a cross-agency basis to meet short, medium and long-term needs
 - use and target resources effectively
 - determine, lead and sustain effective partnership-based initiatives.

This evaluation suggests that implementing that logic, however, requires a number of lessons to be learned. In particular:

- The need to provide sufficient organisational support when establishing complex, innovative programmes. The Rural Housing Programme required a coherent macro-policy rationale and robust operational policy and procedures supporting a flexible range of products.
- The importance of transforming whole of government approaches from rhetoric to reality. Inter-sectoral and inter-agency collaboration was evident in the early stages of the Rural Housing Programme, but in most cases those withered.
- The necessity of appropriately positioning programmes within an organisation and providing them with a secure home and sponsor. This was clearly missing for the Rural Housing Programme which was frequently moved from one part of the organisation to another.
- The need to invest in and maintain a robust and developing informational platform tailored to the programme both in relation to identifying household need and in relation to inputs, outputs and outcomes.
- The necessity of establishing aligned, transparent resource and appropriation flows and financial reporting systems.
- The critical importance of establishing a robust chain between inputs, outputs and outcomes based on an equally robust alignment through macro-policy, operational policy, processes, delivery and reporting.
- The need to actively respond to identified areas of risk or concern and to learn from the evaluation process.
- The need to achieve stability in programmes before attempting to extend or transfer them.

If this programme is to deliver, there are some clear policy, process and informational gaps that need to be addressed. Those are:

- establishing a targeting regime that differentiates between reactive responses and responses that will ensure that 'at risk' housing does not reach the extremes of severe dilapidation currently seen in these rural areas
- a transparent and widely accepted view about the level of repair that will be undertaken on different segments of the housing stock
- coherent and robust data about the condition of the housing stock in targeted rural areas including infrastructure condition
- a flexible and robust range of assistance and products that can meet the needs of each of the targeted segments of the housing stock
- mechanisms at the policy and operational levels to ensure collaboration between key agencies and stakeholders.

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Glossary of Housing Product Acronyms

AS	Accommodation Supplement
CORRHL	Community Owned Rural Rental Housing Loan
ERSL	Essential Repair Suspensory Loan
HIF	Housing Innovation Fund
HIL	Home Improvement Loan
HIPZ	Housing Improvement Project Zone
ISL	Infrastructure Suspensory Loan
LCHI	Low Cost Housing Innovation
LDRL	Low Deposit Rural Lending
MIS	Mortgage Insurance Scheme
NEP	New Education Programme

1. INTRODUCTION

- 1.1 This report provides an assessment of the progress and potential of the Rural Housing Programme as it has been delivered in the original areas of Northland, East Coast and Eastern Bay of Plenty since 2001. In addition this evaluation report focuses on what the Housing New Zealand Corporation and other agencies can learn from the experience of implementing the Rural Housing Programme, particularly in the context of the dynamic and highly localised housing markets that characterise New Zealand. This report also provides some insight into the opportunities and constraints for agencies like Housing New Zealand Corporation to pursue a whole-of-government approach.
- 1.2 The structure of this report is as follows:
- Section 2 describes the context and factors that generated the Rural Housing Programme and the Government's directions around the Rural Housing Programme and its long-term evaluation.
 - Section 3 describes the Rural Housing Programme evaluation and the information on which this final report is based.
 - Section 4 describes the evolution of the Rural Housing Programme.
 - Section 5 considers the type and level of assistance provided through the Rural Housing Programme.
 - Section 6 is concerned with the way in which Rural Housing Programme assistance was targeted both in relation to dwelling characteristics and in relation to household characteristics.
 - Section 7 is concerned with the extent to which, on the current evidential base, the Rural Housing Programme in Northland, East Coast and the Eastern Bay of Plenty achieved the key outcomes sought by Government.
 - Section 8 provides an evaluative assessment of the Rural Housing Programme's achievements and explores the main factors that facilitated or posed barriers to achieving the outcomes sought by the Government.
 - Section 9 is the final section and will summarise and comment on the key issues raised by the Rural Housing Programme and its implementation and delivery.
- 1.3 This report is based on a synthesis and analytic triangulation of the evaluation and research activities agreed with Housing New Zealand Corporation from 2003/04, and a set of additional documentation of macro and operational product, programme, policy, budgetary, plans and audit papers generated by Housing New Zealand Corporation and other agencies made available to the evaluation team. The informational platform and its limitations are detailed in Section 3.
- 1.4 The data generated by the evaluation and the material subsequently provided by Housing New Zealand Corporation covers a variety of timeframes. The latter include documents dated up to March 2006. However, the Housing New Zealand Corporation data related to the programme largely relates to the period up until December 2005. Because of this variation, the commentary should be seen as reflecting the state of the programme at the latest March 2006. Readers must be careful to note the period to which data pertains. This is especially the case in relation to financial data. Where data is presented it

refers to relevant dates for material documented by Housing New Zealand Corporation. Evaluation data is identified by the dataset, the timing and methods of which are summarised in this document. For a full account of those datasets, readers should read the original evaluation reports.¹

- 1.5 The major data sets generated by the evaluation are dated and reflect events and experiences to that point. Findings, especially related to funding requirements to address unmet need, must be treated with caution. The pricing structure, for instance, of repairs and maintenance which prevailed at the time of the Rural House Condition Survey no longer pertains. Prices have, in general, risen since the funding calculations in those reports were made. Adjustments for price shifts to the present are beyond the scope of this synthesis.

2. OVERVIEW & CONTEXT OF THE RURAL HOUSING PROGRAMME

- 2.1 The Rural Housing Programme was intended to address and eliminate sub-standard housing in Northland and East Coast/Eastern Bay of Plenty by:
- working with communities and iwi to improve the quality of housing in those communities,
 - rectifying sub-standard dwellings through the delivery of essential repairs, rentals and other housing solutions, and
 - co-ordinating a whole of government approach at the central and local levels to improve the housing stock and meet housing need.
- 2.2 The Rural Housing Programme in its NECBOP form was intended to be a short, intense and targeted intervention into three rural areas that had a longstanding problem with persistent and significant levels of sub-standard housing. One part of the programme was directed primarily at improving dwellings and the dwelling stock through the delivery of a series of products and increased access to rental housing. The other part of the programme was to increase the capacity and capability of individuals, whanau and communities themselves to prevent unmet housing need and, particularly, the exposure to sub-standard housing stock. The precise configuration of the programme has been fluid and evolving.
- 2.3 In 2001, the Government demanded that officials actively address the problem of sub-standard housing in Northland, the East Coast and the Eastern Bay of Plenty through a co-ordinated, intersectoral policy and delivery response. From May 2001, a series of activities were undertaken in the regions and among central government agencies at the policy level to improve, in the short-term, the safety of people living in sub-standard housing. In the medium to long-term, those activities were designed to develop a coherent programme of interventions and community capacity building which would address sub-standard housing and eliminate it from those regions.

¹ See Section 3.

- 2.4 The Government set an explicit goal for the Rural Housing Programme - *“eliminate substandard housing in Northland and East Coast/Bay of Plenty.”*² Achievement of that goal was to be led by Housing New Zealand Corporation and pursued through a co-ordinated cross-government response and through active engagement with, and participation of, local communities using a social development approach. In doing so, the Government directed that it wished the process of resolving sub-standard housing in those regions to generate:
- improved housing
 - the resolution of housing need
 - improved social and economic well-being
 - improved individual, whanau and community capacity.
- 2.5 In 2003, the Programme Logic Evaluation noted that seven Housing New Zealand Corporation products were identified as available to the Rural Housing Programme to resolve housing need. Those products are set out in Table 2.1. In addition, Housing New Zealand Corporation included in its Rural Housing Programme delivery undertaking a set of activities around community planning to increase community engagement in identifying and addressing housing need, and the development of whanau housing action plans. The Fire Service was using its Fire Ambassadors to put in fire alarms and establish household based fire response plans. There was also a view that the Energy Efficiency and Conservation Authority’s (EECA) funding of retrofit could be co-ordinated with the programme.

Table 2.1: Housing New Zealand Corporation Products Available for Delivery through Rural Housing Programme at June 2003

Product	Description
Suspensory Loans	Suspensory loan targeted to applicants who fail to qualify for general and/or home improvement loans.
Infrastructure Loans ³	Form of suspensory loan payable to community groups for subdivision. Limited to \$15,000 or 20% of Housing New Zealand Corporation advance of total dwelling cost
Home Improvement Loans	Available for general home improvements and applicants must meet affordability criteria of lending product.
Home Improvement Zones	Funding for communities to develop their own home improvement projects. Funding is tied to planning and management activities.
LDRL, Papakainga, Kapa Hanga Kainga / Sweat Equity	Existing cluster of products with deposits ranging from as high as 20% down to 3%.
State House Rentals	Income-related rents for state-owned rental stock.
Community Loans	Loans for communities/iwi wishing to provide own/rent to buy/manage portfolio within their own rohe. Base loan is 10 years interest free. Also joint venture loans and 2 year interest free bridging finance for build-to-sell.

- 2.6 In December 2005, the Housing New Zealand Corporation reported Rural Housing Programme products and services as set out in Figure 2.1.⁴

² Pol Min (01) 17/9.

³ Infrastructure loans in 2003 were intended to be directed to collective, community-based resolutions of infrastructure requirements. By way of contrast, suspensory loans were intended to be directed to individual households.

⁴ This has not been subject to independent verification by the evaluators. See glossary for an explanation of the acronyms in Figure 2.1.

Figure 2.1: Overview of Rural Housing Products and Services

	PRIVATE-LENDING	PRIVATE-GRANTS	THIRD SECTOR	Housing New Zealand Corporation/PRIVATE
HOME OWNERSHIP	<p>MIS Loan guarantee</p> <p>LDRL Lending for purchase and new builds</p>		<p>RELOCATABLES Can be onsold through rent-to-buy</p>	<p>LEASEBACK Only in conjunction with CORRHL</p>
REPAIRS AND IMPROVEMENT	<p>ISL Grants for essential services</p>			
	<p>HIL Lending for home improvements</p>	<p>ERSL Grants for repairs</p>		
LOCAL SUPPLY			<p>CORRHL Interest free loans</p> <p>HIF Grants and loans</p>	<p>RENTALS Existing stock, new builds, buy-ins or relocatables</p>
PLANNING	<p>NEP Home-ownership education</p> <p>LDRL Budget and loan assistance</p>	<p>LCHI Grants for innovative, low cost housing</p> <p>HOME MAINTENANCE SEMINARS Budgeting and financial literacy</p>		
	<p>HIPZ Needs assessment, ERSL processing, Maintenance team, Household Action Plan</p>		<p>HIF Capability building</p>	

Trigger for Rural Housing Programme Delivery

- 2.7 This direct and active focus on sub-standard housing by the Government was triggered by a number of fatal fires in sub-standard dwellings in Northland in 2001. Such deaths had not been uncommon in the past but had been characterised primarily as arising from behavioural problems among those who died or their friends and family members. The significant contribution of sub-standard housing conditions to fire risk and other safety hazards was overlooked for much of the 1990s as was the persistent sub-standard housing in Northland and among some Maori communities in rural areas especially the East Coast and the Eastern Bay of Plenty.

Severely Sub-standard Housing in New Zealand

- 2.8 Maori have borne the costs of sub-standard housing – poor health, exposure to accidents and deaths through fire – for many years. This was recognised as long ago as 1971 when the Commission of Inquiry into Housing in New Zealand⁵ noted that in general:

“New Zealand is free of grossly sub-standard housing. A bad exception are dilapidated shacks ... in the Bay of Islands... [Members of the Commission] saw some 20 samples of these dwellings, occupied mainly by elderly Maoris but in some cases by families with children... they found hovels, unfit for human habitation. As is understandable, the occupants, particularly the older people, were strongly against leaving the locality, where some of them have spent a lifetime. Evidently neither the county council nor the Maori and Island Affairs Department nor the Department of Health felt bound to take any action in the matter, while the power board had aggravated it... We are not satisfied, however, that more cannot be done.”

- 2.9 Over a decade later, the Housing Commission's report – *Housing at the Crossroads*⁶ – noted in 1988:

“Maori households in the Tai Rawhiti (East Coast), Tai Tokerau (Northland) and Rotorua/Whakatane areas ... have the most serious unmet housing need in the country in terms of the proportion of households suffering acute housing problems and the duration and severity of the problems... Substandard conditions were also widely cited and ranged from houses being condemned, having inadequate sanitation facilities, to lack of power or water connected to the house. Forty years of neglect of Maori housing in rural areas has been compounded by the slowing of the rural urban migration of young Maori and in many places the return of Maori families to their land.”

- 2.10 Three years later, the Maori Women's Housing Project reported in *For the Sake of Decent Shelter*, not only the very real exposure of Maori to sub-standard housing, but also that “[H]ousing is but one research topic that has been visited many times on Maori communities ... Research itself will not

⁵ Commission of Inquiry into Housing (1971) *Housing in New Zealand*, Commission of Inquiry into Housing, Wellington.

⁶ National Housing Commission (1988) *Housing New Zealand: Provision and Policy at the Crossroads*, National Housing Commission, Wellington.

*guarantee change; action must follow if the research is to have been worthwhile.*⁷

- 2.11 The failure of the 1990s housing reforms to recognise supply-side barriers to housing access in rural areas and the use of the Accommodation Supplement as the primary mechanism of housing assistance meant that sub-standard rural housing was largely unaddressed. Housing assistance delivered through Accommodation Supplements simply could not address the drivers of sub-standard housing.⁸ As a result, research in the Eastern Bay of Plenty in the late 1990s showed that rural housing in that region continued to be substantially poorer than the national stock.⁹ Housing in those communities was, on average, older than the national stock. But even housing less than 10 years old was severely dilapidated. In addition, the use of garages, caravans and temporary structures for long-term accommodation was considerably more common in these areas than in other regions.¹⁰
- 2.12 In rural areas the problems of sub-standard housing, overcrowding, and an under-supply of well-maintained, adequately constructed houses were exacerbated as Maori started to return to rural areas in the 1990s, as employment opportunities in the cities diminished and city housing, especially in the Auckland region, became unaffordable. As a consequence, the pressures on rural housing stock supply in Northland, East Coast and the Eastern Bay of Plenty increased significantly in the late 1990s.
- 2.13 In instituting the Rural Housing Programme, the Government recognised that the response to those problems had been fragmentary and partial. In 1996, a Low Deposit Rural Lending programme was established. That was followed by the Kapa Hanga Kainga Self-Build Housing programme and initiatives undertaken through Reducing Inequalities Funding and the establishment of the Special Housing Action Zones. Addressing papakainga housing issues started to revive with a new interest in the papakainga programme originally established by the Housing New Zealand Corporation in the mid 1980s. None of those programmes, however, were specifically targeted at the sub-standard housing stock, although some were designed to assist Maori who might be living in sub-standard housing.

⁷ Maori Women's Housing Research Project (1991) "...for the sake of decent shelter ...", Maori Women's Housing Research Project, Wellington.

⁸ The determinants of severely sub-standard housing in Northland, East Coast and the Eastern Bay of Plenty are multiple. The main factors are:

- Long-term under investment in housing in the Eastern Bay of Plenty, Northland and the East Coast both in terms of private investment and public investment.
- Poor building practices and regulatory compliance.
- Under-maintenance of the housing stock which, while typical of New Zealand as a whole, has particularly poor outcomes for stock already vulnerable because of poor building practices and the use of inappropriate materials for the environmental conditions with which the stock must contend.
- The inappropriate design and size of the housing stock for the use to which it is put. Rates of dilapidation are increased where there is persistent overcrowding. The negative impacts of overcrowding are likely to be more pronounced in already vulnerable stock.

⁹ This was the case despite the national stock being poorly maintained.

¹⁰ Saville-Smith, K., (1999) *The Condition of Opotiki's Rural Housing Stock: A Survey of Three Communities*, unpublished report, Centre for Research, Evaluation and Social Assessment, Wellington.

3. EVALUATING THE RURAL HOUSING PROGRAMME

- 3.1 This report is a synthesis and analytic triangulation of the evaluation and research activities agreed with Housing New Zealand Corporation on an annual basis in the context of the Rural Housing Programme Long-Term Evaluation. It brings together various evaluation components reported between 2003 and 2006. In addition, in coming to the evaluative assessments presented in Section 8 and Section 9, the report also draws on a range of recent Housing New Zealand Corporation documentation.
- 3.2 This section is structured as follows. First, it provides an overview of the data platform used for this report. That includes the evaluative reports and presentations generated by the Rural Housing Programme evaluation and recent documentation of the Rural Housing Programme released to the evaluation for the purpose of this report. Secondly, this section provides an overview of the Rural Housing Programme evaluation's aims and objectives, its phases and approach and its activities/methods and outputs. In particular, it comments on the change of focus and direction of the evaluation because of the particular nature of the Rural Housing Programme delivery.
- 3.3 Details of the methodologies used and approaches taken, including their rationale and limitations, are discussed in each of the individual evaluation reports. Those reports are referenced in this report and the methodological detail is not repeated here. Nevertheless, where data is presented in subsequent sections that requires some more detailed understanding of the methods by which that data was collected, information about data collection is presented in footnotes.

The Data Platform for this Report

- 3.4 The evaluation of the Rural Housing Programme has fallen into two phases. The first phase of the evaluation consisted of a programme logic evaluation. The programme logic evaluation was undertaken and completed in 2003. The second phase of the evaluation involved a long-term evaluation consisting of both a process focus and an outcomes focus.¹¹
- 3.5 The process component of the evaluation had three purposes:
- contributing to the processes of continuous improvement
 - understanding the manner in which the programme is delivered, its resourcing and outputs
 - assessing the extent to which achieved outcomes can be attributed to the programme.

¹¹ It was intended that the phase two evaluation would be implemented from 2004 to 2012. Key reasons for not implementing the phase two evaluation component as intended are discussed in 3.16 to 3.23.

- 3.6 The outcomes focus of the evaluation was concerned with the extent to which the desired outcomes set out in the outcomes framework for the long-term evaluation of the Rural Housing Programme could be and were sustained over time post the period of intervention.
- 3.7 The first set of substantive process evaluative activities was undertaken in 2003/04 and focused on Housing New Zealand Corporation's organisational capacity to deliver the Rural Housing Programme. This consisted of:
- Development of an outcomes framework for the purpose of evaluation and to guide the data specification and requirements for outcomes assessment. That document was finalised in July 2004.¹²
 - A series of in-depth interviews with senior personnel regarding the operationalisation of the Rural Housing Programme, management and risks. A written draft report was presented in August 2004 and at the request of Housing New Zealand Corporation the findings were presented through oral presentation and discussion with senior managers. These were undertaken initially in December 2004.¹³
- 3.8 Early in 2004/05 the focus of the evaluation was on establishing a description of the programme's policies and practices. The description was informed, in part, by senior personnel at Housing New Zealand Corporation. It was also informed by a review of then extant internal reports, policy and practice, and the limited financial and output data then available. The results were presented to the Rural Housing Programme Team, the Chief Executive and the Executive Team in discursive sessions accompanied by dot point summary. A dot point summary was also prepared for the March 2005 meeting of the Housing New Zealand Corporation Board and a findings meeting was held with the Rural Housing Programme Team on 16 March 2005. A meeting was held with Housing New Zealand Corporation's policy advisers on 5 May 2005 to discuss macro and operational policy implications.
- 3.9 The initial implementation of the outcomes framework developed in 2003/04 was undertaken in the latter part of 2004/05 and into the early part of 2005/06. The focus of that work responded to a variety of imperatives for both Housing New Zealand Corporation and the evaluation team. In particular those were to:
- Achieve a better understanding of the macro-policy rationale for the Rural Housing Programme and investment in repairs and maintenance. The evaluation team was asked to undertake a review of international practice in relation to repairs and maintenance investments in owner-occupied dwellings. The written report was finalised in July 2005.¹⁴

¹² Long-Term Rural Housing Programme Evaluation Team (2004) *Outcomes Framework for the Evaluation of the Rural Housing Programme in Northland, the East Coast and the Eastern Bay of Plenty*.

¹³ Saville-Smith, K., and N. Wehipeihana (2004) *The Centre in the Delivery of the Rural Housing Programme: first Stakeholder Report*.

¹⁴ Saville-Smith, K. (2005) *Public Investment in the Repairs and Maintenance of Owner-occupied Dwellings: A Review of International Policy and Practice*.

- Establish the nature, mix and level of delivery within the Rural Housing Programme for Housing New Zealand Corporation's operational and financial management of the programme and the evaluation's need to establish a robust information base regarding inputs, outputs and outcomes for attributional analysis. This was pursued through the File Survey reported in draft in 30 October 2005 and finalised in December 2005.¹⁵
- Establish the range of impacts of the programme on assistance recipients to follow-up on the in-depth interviews undertaken in phase one of the evaluation and to establish a method for outcome surveying of recipients of completed delivery in the future. This resulted in the in-depth interviews reported in draft in March 2006 and finalised in June 2006 after comments were received.¹⁶
- Establish the level of prevalence of housing that might fall within the ambit of the Rural Housing Programme, establish the likely resourcing needed to address those conditions, and assess the adequacy of resourcing. The Rural House Condition survey results were reported in draft in March 2006 and finalised after comments in May 2006.¹⁷

3.10 In addition to the data generated by those evaluative activities, Housing New Zealand Corporation has provided the following recent material relating to its policy and product development around the Rural Housing Programme.

- BN/05/90 - Review of Rural Housing Products and Services. This concludes the review process initiated by Budget 2004 in April 2004, and sets up two subsequent projects - the Rural Housing Products and Services Enhancements Project and the Long Term Role of the Corporation in Rural Housing.
- BN/06/03 - Long Term Role of the Corporation in Rural Housing. This is the first report back on the long term role. Subsequent report backs were deferred owing to the reporting process created by the report submitted to POL on progress with the New Zealand Housing Strategy.
- POL (06) 83: The New Zealand Housing Strategy: Meeting Diverse Needs, Rural Housing and Community Partnership Programmes. This paper provides a detailed update on progress with the Rural Housing Programme, and identifies a set of issues and immediate improvements to the programme. It also describes the concurrent change processes for the programme.
- Programme Management Plan - Rural Housing Work-streams. This document sets out, at a high level, the multiple work-streams running or established over the period May to August 2006 for improvements to the rural housing products and services.
- BN/06/111 - Progress on Rural Housing Initiatives.

3.11 That data platform allows for:

- A synthesis of the findings from the various evaluation reports and evaluative activities.
- What the evaluation learnt about the Rural Housing Programme.

¹⁵ Saville-Smith, K. (2005) *Findings of the Rural Housing Programme File Survey*.

¹⁶ Saville-Smith, K. and N., Wehipeihana, (2006) *Findings of In-depth Interviews with Recipients of Rural Housing Programme Assistance*.

¹⁷ Saville-Smith, K. (2006) *Rural Housing Programme House Condition Survey – East Coast/Eastern Bay of Plenty and Northland*.

- Identification of the issues raised by the evaluation, and the policy and practice responses that have resulted.
- A limited description of progress towards the achievement of the original Rural Housing Programme outcomes.

It does not, however, allow for definitive conclusions nor should it be in any way considered summative without the input of results from fieldwork envisaged for 2006/07 in the Long Term Evaluation Plan.

The Changing Scope and Focus of the Evaluation

- 3.12 Government directed that the Rural Housing Programme be evaluated because of the unique and innovative nature of the Rural Housing Programme interventions in Northland, East Coast and the Eastern Bay of Plenty. The evaluation was intended to establish the achievement of the programme in relation to housing. The Government also wished to know the extent to which the Rural Housing Programme provided a model for other initiatives using a whole-of-government approach to lever a broad range of well-being and capacity building outcomes.
- 3.13 The Programme Logic Evaluation completed in 2003 provided a structure for the long-term evaluation of the Rural Housing Programme, or NECBOP, and identified seven parameters against which the Programme should be measured.¹⁸ The long-term evaluation as conceived at that time is set out in Table 3.1.
- 3.14 It should be noted that in relation to planning and reporting the long-term evaluation plan and annual evaluation plans were prepared. Housing New Zealand Corporation did not require biennial strategic plans. Progress reports were undertaken regularly as required by Housing New Zealand Corporation. These were more frequently than annually and tied to deliverables agreed in the annual plans. Substantive reports were presented on agreed deliverables. Reporting related to the evaluation is set out in Section 3.7.
- 3.15 The seven evaluation parameters identified as critical to the assessment of the Rural Housing Programme were:
- i. ***Achievement of outcomes and outputs*** – This parameter was concerned with measuring both outcomes (housing, wellbeing and community capacity including individual, households and whanau, hapu and iwi) and outputs as determined annually through the Government's budget and policy processes (e.g. identification of at-risk households and sub-standard dwellings by kaupapa Maori housing and social service agencies; technical assessments by Housing New Zealand Corporation of essential repairs; provision of suspensory loans for repairs and/or repair and development of infrastructure such as water supply and sewerage disposal; installation of fire alarms and home escape plans; provision of rental housing; contracting essential repairs with local iwi/hapu and other providers and development and implementation of housing action plans).
 - ii. ***Targeting*** – This parameter was concerned with the extent to which the programme targets people and communities in greatest need.

¹⁸ Saville-Smith, K. and N. Wehipeihana (2003) *A Programme Logic Evaluation of NECBOP – A Rural Housing Programme*. A report prepared for the Housing New Zealand Corporation.

Table 3.1: Framework for the second phase of the NECBOP Evaluation Set (2003)

Overview	The purpose of the evaluation is to assess the extent to which the programme is delivered effectively and generating expected housing, well-being and capacity outcomes. The scope and focus will be on the delivery of the two central components of NECBOP – immediate housing responses and sustainable housing responses – and the non-housing outcomes leveraged by NECBOP housing related investments.
Objectives	<ul style="list-style-type: none"> ▪ Describe the evolution, products, processes and delivery of NECBOP in the Northland, East Coast and Bay of Plenty Regions. ▪ Assess NECBOP's effectiveness and/or barriers to effectiveness in: <ul style="list-style-type: none"> ▪ mitigating the health and safety risks associated with sub-standard housing ▪ eliminating sub-standard housing. ▪ Assess the extent to which NECBOP delivery processes and investments can leverage non-housing outcomes related to well-being and capacity. ▪ Assess the potential for a NECBOP approach to be transferred to other localities.
Evaluation Framework and Parameters	<ul style="list-style-type: none"> ▪ Process component focuses on the extent to which: procedures for programme delivery are effective; the programme is running as planned; the programme is meeting its defined outputs; the programme is servicing its target population; and, products delivered are adequate to delivering on NECBOP's goals, objectives and outcomes. ▪ Summative outcome component focuses on the extent to which: housing conditions within the NECBOP regions have improved; changes can be attributed to NECBOP and the outputs generated by NECBOP; the delivery of NECBOP was associated with the achievement of the desired housing, wellbeing and capacity outcomes; there are unintended impacts. ▪ The evaluation parameters are: Outcome achievement; Targeting; Acceptability; Efficiency; Cost-effectiveness; Transparency; Robustness; and Treaty of Waitangi.
Methods and Data Collection	<p>Methods will include:</p> <ul style="list-style-type: none"> ▪ Analysis of secondary and administrative data including: financial data; case files; and, output data held by key agencies. ▪ Collection and review of documentation to the organisation, policy and processes of NECBOP including: relevant organisational charts; macro and operational policy statements; process and procedure guidelines and any associated forms and templates; contracts; performance reports; Housing Action Plans; and, ▪ Generation and analysis of primary data through qualitative and quantitative data collection techniques. <p>Data will be collected from each set of NECBOP participants and stakeholders in all of the regions and localities in which NECBOP is delivered.</p> <p>Methods of data collection, analysis and reporting should be:</p> <ul style="list-style-type: none"> ▪ appropriate to the information requirements and technically sound ▪ culturally safe and consistent with the standard ethical requirements associated with evaluation research including consent procedures and management procedures for confidential data ▪ acceptable to stakeholder agencies and participants.
Planning and Reporting	<ul style="list-style-type: none"> ▪ Planning documents required for the evaluation will be: long term evaluation plan; biennial strategic evaluation plans; and, annual evaluation plans. ▪ Progress reports prepared annually. ▪ Substantive reports required for the evaluation will be: six-monthly stakeholder reports; biennial reports; 2006 summative evaluation report; and post-NECBOP monitoring reports in 2007 and 2010.

- iii. **Acceptability** – This parameter was concerned with the extent to which the Rural Housing Programme addresses the elimination of sub-standard housing in ways that are:
 - culturally appropriate and acceptable to participants
 - responsive to the diversity of needs among those living in sub-standard housing
 - acceptable to community stakeholders.
 - iv. **Administrative Efficiency** – This parameter was concerned with the extent to which the Rural Housing Programme has established effective systems and processes which minimise transaction costs and allow for the effective management of risk.
 - v. **Cost-effectiveness** – This parameter was concerned with achieving the lowest sustainable and fair prices for the services provided within the Rural Housing Programme.
 - vi. **Robustness** – This parameter was concerned with the extent to which the programme is resilient and able to accommodate the changing dynamics of need in the regions, changing relationships, changes in resources and personnel.
 - vii. **Responsiveness to Treaty of Waitangi** – This parameter was concerned with assessing the effectiveness of Housing New Zealand Corporation's delivery of the Rural Housing Programme in meeting its Statement of Intent objective to give effect to the Treaty of Waitangi by improving housing services and products for Maori.
- 3.16 The evaluation framework (see Table 3.1) and the associated evaluation parameters provided the basis for the subsequent Long-Term Evaluation Plan. The Long-Term Evaluation Plan set out the evaluative stages across both the outcomes and formative dimensions of the evaluation according to the phasing set out in Table 3.2.¹⁹
- 3.17 Within the overall evaluation approach, the specific activities of the evaluation were to be established with Housing New Zealand Corporation, on an annual basis and detailed in an annual evaluation plan, according to the emerging informational needs for Rural Housing Programme improvement and delivery effectiveness. The actuality of that process has already been set out above.
- 3.18 By 2006/07, it became clear from the evaluation findings to date that outcomes monitoring through an independent evaluation mechanism in out-years as currently projected is probably not useful either for operational or evaluative purposes. There are number of reasons for this, but three are most important.

¹⁹ CRESA, N. Wehipeihana, and Housing New Zealand Corporation Research and Evaluation Unit (2004) *Housing New Zealand Corporation's Rural Housing Programme: Northland, East Coast and Bay of Plenty: Long Term Evaluation Plan*.

Table 3.2: Evaluation Phasing and Focus for second phase of the NECBOP Evaluation (2004)

Year	Evaluation Phase	Evaluation Focus
2003/04	Process	<ul style="list-style-type: none"> • Baseline description of central, regional and local relationships, products, processes and practices • Development of performance framework • Operationalise measures of delivery performance, and outputs • Operationalise measures of progress towards outcomes
2004/05	Process/ Output	<ul style="list-style-type: none"> • Description of evolution, shifts and changes in central, regional and local relationships, products, processes and practices • Document shifts and changes in outputs and assess extent to which they have been achieved • Document delivery performance • Document progress towards outcomes
2005/06	Process/ Output	<ul style="list-style-type: none"> • Description of evolution, shifts and changes in central, regional and local relationships, products, processes and practices • Finalise performance framework relating to housing, wellbeing, and capacity building • Document shifts and changes in outputs and assess extent to which they have been achieved • Document delivery performance • Document progress towards outcomes
2006/07	Outcome	<ul style="list-style-type: none"> • Operationalise outcome measures of housing, wellbeing, and capacity building • Document shifts and changes in outputs and assess extent to which they have been achieved • Evaluative assessment of determinants of effectiveness, and transportability
2007/08	Process/ Outcome	<ul style="list-style-type: none"> • Summative reporting on process evaluation and evaluative assessment of outputs • Consult with stakeholders re summative report on process evaluation and outputs
2008/09	Outcome	<ul style="list-style-type: none"> • Operationalise outcome measures of housing, wellbeing and capacity building • Evaluative assessment of outcome sustainability and determinants of sustainability
2009/10	Outcome/ Post programme implementation	<ul style="list-style-type: none"> • Formative reporting on post-programme outcome measures • Consultation with stakeholders re formative reporting on outcome measures
2010/11	Outcome	<ul style="list-style-type: none"> • Evaluative assessment of determinants of effectiveness, transportability, and outcome sustainability
2011/12	Outcome/ Post programme implementation	<ul style="list-style-type: none"> • Summative reporting on post-programme outcomes • Consultation with stakeholders re summative report on outcomes

3.19 First, there was a substantial re-thinking of the Rural Housing Programme, its mode of delivery and the range of products and activities associated with it. That process commenced in 2005 and is continuing. It could be expected to result in considerable changes in the process, product and policy levels. Under those conditions of significant change, the ability to attribute outcomes at the levels specified in the outcomes framework to programme interventions is minimal.

3.20 Second, there were on-going indications that Housing New Zealand Corporation was unable to deliver the level of outputs and range of activities expected through the Rural Housing Programme. This was not only evident in

the File Survey and interviews with internal and external stakeholders, but it was also apparent in subsequent analysis by the Housing New Zealand Corporation of draw down of funds through appropriation and the level of take-up against appropriated funds. Given that the achievement of outcomes is contingent on a variety of inputs and behavioural changes, where it is clear in the formative phases of an evaluation that those inputs can not be delivered it is inappropriate to invest in assessment and evaluation processes to measure outcomes that are unlikely to eventuate.

- 3.21 The third reason for not pursuing long-term monitoring of outcomes as originally conceived, relates to size of the programme investment relative to need. When the Rural Housing Programme was initiated it was intended to be a short, intense and targeted intervention into three rural areas that had a longstanding problem with persistent and significant levels of sub-standard housing. The numbers of sub-standard houses was understood to be relatively small and in concentrated pockets.
- 3.22 The experience of the Rural Housing Programme team and the perception of stakeholders in the regions began to indicate that this was not the case. There was a growing awareness that there might be a substantial mismatch between funding and the size of the sub-standard problem. The evaluation's survey of house condition in 2005/06 found that the numbers of dwellings that can be considered as falling within the Rural Housing Programme intervention target are in excess of twice the numbers of dwellings on which funding allocations and service delivery for Rural Housing Programme was established. Under those conditions, the extent of regional change at the outcome level through the intervention of the programme could be expected to be low despite improvements in individual household outcomes for the minority of households that would receive support under the Rural Housing Programme's current level of delivery.
- 3.23 In response, the 2006/7 report has focused on providing a desk-top based analysis and triangulation of the data generated out of the evaluation, a synthesis of those findings, and an evaluative assessment of the issues and learnings that can be derived from the Housing New Zealand Corporation's experience in developing and delivering the Rural Housing Programme in Northland, East Coast/Bay of Plenty.

4. THE RURAL HOUSING PROGRAMME AND ITS EVOLUTION

- 4.1 The circumstances that triggered the Rural Housing Programme have already been briefly discussed in Section 2 of this report. In this section the focus is on three issues. First, the nature of the communities in which the Rural Housing Programme was initially delivered at the time that it was referred to as the NECBOP programme. Secondly, the discussion focuses on the broad outline and conception of the programme as it was articulated in the period 2001-2003. Thirdly, this section presents an overview of the Rural Housing Programme as it is currently articulated by Housing New Zealand Corporation. Finally, the discussion notes the apparent similarities and differences between those early articulations of the Rural Housing Programme and its current articulation.

The Rural Housing Programme and Northland, East Coast/Bay of Plenty

- 4.2 The Government’s initial goal for the Rural Housing Programme when it was conceived as the NECBOP programme was to “*eliminate substandard housing in Northland and East Coast/Bay of Plenty*”.²⁰ That goal was aligned with the Government’s well established key outcomes as well as the Sustainable Development for New Zealand: Programme of Action (January 2003) and focused on Northland and the East Coast because of the long recognition that those areas had suffered a persistent problem with sub-standard housing. The Eastern Bay of Plenty was included in the programme because research during the late 1990s revealed problems of sub-standard housing exacerbated by overcrowding in that region.²¹
- 4.3 In addition to the concentrations of sub-standard housing, the three regions also have other socio-demographic similarities. These are presented in Table 4.1 and can be summarised as having a shared experience of high levels of overcrowding, relatively high unemployment and relatively young populations.

Table 4.1: Socio-demographic Characteristics²²

Socio-Demographic Characteristics	Northland	East Coast²³	Eastern Bay of Plenty²⁴	New Zealand
Proportion of the population under 15 years of age (Census 2001)	21.5%	27.6%	29.7%	22.7%
Unemployment rate (Census 2001)	10.2%	10.6%	17.4%	7.5%
Proportions of Children in Overcrowded Families (Census 1996)				
▪ One-parent families	6.6%	4.1%*	8.1%^	2.2%
▪ Couple-with children families	8.6%	5.9%*	10.4%^	2.4%
Proportions of Overcrowded Families (Census 1996)				
▪ One-parent families	5.3%	2.9%*	6.7%^	1.9%
▪ Couple-with children families	3.1%	2.4%*	3.6%^	0.9%

* Wairoa territorial authority only. ^Opotiki territorial authority only.

Rural Housing Programme in its Early Period Prior to 30 June 2003

- 4.4 A number of aspects of the Rural Housing Programme that signalled that there might be considerable difficulties in its delivery, such as the complex array of products, organisations, approaches and activities it was expected to encompass. The Rural Housing Programme was constructed around a desire to immediately respond to and mitigate sub-standard dwellings and put right sub-standard dwellings for those endangered by them. But it was also constructed around the Government’s desire to build capacity and resolve stock inadequacies that were regionally based.

²⁰ Pol Min (01) 17/9 refers. It should be noted that this was cited in subsequent policy papers, the original minute has not been provided for the logic evaluation.

²¹ Saville-Smith, K. (2006) *Rural Housing Programme House Condition Survey – East Coast/Eastern Bay of Plenty and Northland*; Saville-Smith, K., and B., Amey, (1999) *Overcrowded Families in New Zealand: Regional Patterns*, Centre for Research, Evaluation and Social Assessment, Wellington

²² Source: Data on age and unemployment rates have been taken from Census 2001 regional statistics published by StatisticsNZ. Overcrowding data is aggregate data form the 1996 Census as reported in Saville-Smith, K., and B., Amey (1999) *Overcrowded Families in New Zealand: Regional Patterns*, Centre for Research, Evaluation and Social Assessment, Wellington.

²³ Includes Gisborne and Wairoa territorial authorities unless otherwise stated.

²⁴ Made up of Kawerau and Opotiki territorial authorities unless otherwise stated.

- 4.5 That combination of short- and long- term focus is implied even in the estimates presented to the Government in 2002 around the dwellings needing some sort of intervention in the three areas targeted by the Rural Housing Programme (Table 4.2).

Table 4.2: Forecast NECBOP Housing Response in 2002

Areas	Temporary shelter or existing dwelling beyond repair needing replacement	Dwelling in need of urgent major repair \$10,000+ to meet health and safety standards	Dwelling in need of urgent minor repair up to \$10,000 to meet health and safety standards	Dwelling likely to pose health and safety risks unless improvements carried out*
Northland	300	200+	200+	*
East Coast	120	100+	50-100	*
Eastern Bay of Plenty	180	100+	50-100	*
Indicative Totals	600	400+	300+	1200+

*Focus has been on major run-down housing as no assessment data yet available for housing targeted by HIPZ projects²⁵

- 4.6 Between 2001 and 2003, the activities and outputs sought through the Rural Housing Programme changed and diversified. The initial set of activities undertaken in the first phase of the Rural Housing Programme included:
- identification of at-risk households and sub-standard dwellings by kaupapa Maori housing and social service agencies (Housing New Zealand Corporation lead)
 - technical assessments by Housing New Zealand Corporation of essential repairs required (Housing New Zealand Corporation lead)
 - provision of suspensory loans for repairs and/or repair and development of infrastructure such as water supply and sewerage disposal
 - installation of fire alarms and home escape plans by the Fire Service's Fire Ambassadors (Housing New Zealand Corporation/Fire/ACC funding and Fire Service Delivery)
 - contracting for rental housing and leaseback arrangements with local iwi – the development of community-owned rental portfolios
 - contracting for essential repairs with local iwi/hapu and other providers
 - preliminary development of housing action plans designed to achieve sustainable housing outcomes.
- 4.7 Table 4.3 summarises the responses and outputs that were proposed for the NECBOP programme in August 2001. These proposals demonstrate the original intention that the NECBOP programme have multiple agency engagement, although not all of the proposals set out in Table 4.3 were subsequently delivered.
- 4.8 Clearly, there was strong expectation that there would be a strong cross-sectoral response albeit led by Housing New Zealand Corporation. In the initial year from July 2001 to August 2002, this was apparent.

²⁵ Briefing Paper submitted to Cabinet Business Committee 27 August 2002.

Table 4.3: Summary of NECBOP Housing Responses and Outputs Proposed to Government in August 2001

Proposed Housing Responses
<ul style="list-style-type: none"> ▪ Database of unsafe and inadequate houses to be developed, scheduled to be completed by early August. ▪ High risk dwellings – Maori social services organisations to be contracted to carry out initial assessments and promote services. Training to begin early August. First assessments by August 15. ▪ Assessment process established. ▪ A new education strategy for fire safety education in Northland has been developed to address low fire safety awareness in Northland (40% compared to 80% nationally). ▪ SHAZ: majority of this year’s activity to occur in Northland East Coast/Bay of Plenty – 130 essential repairs on substandard houses, facilitate construction of 50 new rural homes. ▪ Housing New Zealand Corporation proposes 5 HIPZs, each project resulting in at least 50 houses. ▪ 2001/02 Housing New Zealand Corporation to add 88 houses to rental stock in Northland and East Coast/BOP (up from only 7 in 2000/01). ▪ \$18M of \$20 million available for rural home lending to be targeted to Northland, East Coast/BOP (240 out of 250 loans). ▪ Housing New Zealand Corporation working with Ministry of Defence on a proposal to relocate 300 Devonport Navy houses over a 5 year period. ▪ Ministry of Economic Development and Industry New Zealand working to determine feasibility/cost of constructing 2,000-3,000 good quality, mass produced homes for regions with substandard housing.

4.9 Table 4.4 summarises the outputs reportedly achieved under the Rural Housing Programme in the July 2001 – August 2002 period.

Table 4.4: Summary Achieved and Actual NECBOP Outputs – July 2001/August 2002

Output	Reported
2000 substandard and unsafe homes identified	November 2001
1000 most at-risk homes visited by assessment team	November 2001
2300 smoke alarms in 560 homes	November 2001
3 Home Improvement Project Zones with Iwi (\$350k)	30 June 2002
Approvals for new building 36 loans under SHAZ	30 June 2002
1200-1500 assessments of at risk homes	30 June 2002
Wastewater improvement contracted for 10 homes	30 June 2002
200 essential repair loans (\$3.7M) scheduled	August 2002
Partnership with 16 Iwi organisations	August 2002
56 additional Housing New Zealand Corporation rentals	August 2002
Wastewater improvement in progress for 35 homes	August 2002
3292 homes with smoke alarms in every bedroom and living area	22 August 2002
6 Home improvement project zones with Iwi in progress	25 Sept 2002

- 4.10 The range of outputs is indicative of the diversity of products delivered by way of the NECBOP programme. These products constitute a combination of:
- products never previously delivered or funded by Housing New Zealand Corporation such as the technical assessment of sub-standard housing and the installation of smoke alarms, and
 - products that already exist in the Housing New Zealand Corporation's battery of assistance including lending and rental products.
- But, as the Programme Logic Evaluation pointed out, it is notable that the quantum of assistance delivered through the latter (the existing forms of Housing New Zealand Corporation assistance) was relatively low in the first year of operation.
- 4.11 One of the characteristics of the programme in these early years was the expectation that it would involve a numerous and diverse range of stakeholders. At central government level they included:
- Housing New Zealand Corporation
 - Fire Service
 - Te Puni Kokiri
 - Community Employment Group (CEG)
 - Tertiary Education Commission which incorporates Skill NZ
 - Accident Compensation Corporation
 - Ministry of Health
 - Department of Internal Affairs
 - Ministry of Social Development (MSD) in two capacities:
 - at the policy level NECBOP has a link to the Social Development Strategy process for which MSD is the lead agency
 - at the operational level, Work and Income.
- 4.12 Many of these agencies were actively involved locally as well as at the central level. In the case of Health, however, local operational participation was expected to be by way of the local District Health Board (DHB). The relevant DHBs were:
- Northland DHB,
 - Bay of Plenty DHB
 - Tairāwhiti DHB.
- 4.13 Local stakeholders were also included:
- local and regional government:
 - Northland councils were:
 - Kaipara District Council
 - Far North District Council
 - Whangarei District Council
 - Northland Regional Council
 - Eastern Bay of Plenty councils were:
 - Opotiki District Council
 - Kawerau District Council
 - Whakatane District Council
 - Rotorua District Council
 - Environment Bay of Plenty
 - East Coast has a unitary authority:
 - Gisborne District Council
 - local social service providers

- local businesses working within the construction industry, and, most importantly,
 - hapu, iwi, whanau and Maori organisations and associated businesses. Some of those were directly engaged in NECBOP activities, others have a broader interest as mana whenua but were not directly engaged in the programme. The main iwi groups in each of the NECBOP areas are:
 - Northland: Ngati Kahu, Te Aupouri, Te Rarawa and Nga Puhī.
 - East Coast/Wairoa: Ngati Porou, Te Aitanga-A-Hauti, Ngati Ruapani, Ngati Tutekohe, Te Aitanga-a-Mahaki, Rongo-Whakaata, Ngati Tamanuhiri, Ngati Kahungunu ki Wairoa.
 - Eastern Bay of Plenty: Ngati Awa, Whakatohea, Ngai Tai, Whanau-a-Apanui, Tuhoe.
- 4.14 Hapu, iwi, whanau and Maori organisations were involved in a variety of ways from the beginning of the Rural Housing Programme in its NECBOP form in key activities such as housing needs assessment, installation of fire alarms and delivery of fire safety programmes.
- 4.15 Overall it might be said that Housing New Zealand Corporation's involvement in the Rural Housing Programme between 2001 and 2003, could be broadly divided into two periods.²⁶ The first period was from around August 2001 to 30 June 2002 and focused on an immediate response to the health and safety outcomes sought by Rural Housing Programme and concentrated on developing the capacity to identify and implement a programme of essential repairs supported by appropriate financial products such as suspensory loans.
- 4.16 In the first period, Ministers were actively engaged in cross-portfolio discussions and Housing New Zealand Corporation in building governmental support for resourcing and policy, and developing mechanisms for joint support and delivery in the regions. This included transfers of funding from Housing New Zealand Corporation to the Fire Service for the purchase and installation of fire alarms as well as working with Te Puni Kokiri, CEG, Work and Income and the Community Development workers of the Department of Internal Affairs.
- 4.17 Activities in Housing New Zealand Corporation were project based in the first period and situated under the auspices of the General Manager – Housing Partnerships. Two regional co-ordinators were established – one in Northland and one to cover the Eastern Bay of Plenty and the East Coast. Those regional co-ordinators had small teams of assessors who were working with local community and iwi groups to identify essential repairs, prepare proposals for the application of suspensory loans or other forms of Housing New Zealand Corporation product to address the housing needs of those in sub-standard housing.

²⁶ The Rural Housing Programme Management Plan (January 2003) envisages a third stage from 1 July 2003 to 30 June 2006 in which the programme is 'mainstreamed' and focuses on what it describes as:

- Housing response plans
- Planned response delivery
- Active partners/partnerships
- Joint agency projects.

- 4.18 Accountabilities for approval in relation to investments of less than \$20,000/dwelling resided with the General Manager, Housing Partnerships. Where application was being made for investments in excess of \$20,000/dwelling, approval was retained by the Chief Executive of Housing New Zealand Corporation.
- 4.19 At this period, it was clear that processes, operational policy specification and the Housing New Zealand Corporation support infrastructure were rudimentary. Paper files in relation to each dwelling were kept by the regional teams.
- 4.20 In 2002/03, the Rural Housing Programme became a core programme of Housing New Zealand Corporation and this led to the development and integration of a more strongly formalised set of structure, roles, responsibilities and accountabilities into the Housing New Zealand Corporation structure. Area Managers received, through a process of progressive transfer, responsibility for programme delivery over a 12- to 18-month period from the 30 June 2002/03 fiscal year. This was accompanied by:
- a shift in accountabilities from General Manager, Housing Partnerships to General Manager Housing Services
 - the appointment of a national programme manager
 - engagement of Housing New Zealand Corporation mainstream regional structure to deliver NECBOP using a specialist Rural Housing Programme team in each region
 - stronger specification of roles and responsibilities of regional or area project teams working on NECBOP. Teams expanded to include: regional programme managers; area co-ordinators; needs assessors and technical assessors; and, managers of property and repairs.
 - a shift in focus from immediate interventions targeting health and safety outcomes to activities seeking sustainable housing outcomes and capacity building.
- 4.21 There was an attempt at this time to articulate the Rural Housing Programme's multi-sectoral nature, having multi-sectoral determinants and requiring co-ordinated cross-sectoral and multi-sectoral responses.²⁷ The cross-sectoral stakeholders changed and evolved as the programme shifted its focus from immediate to planned responses and from the health and safety outcomes to generating stronger capacity, wellbeing and sustainable housing outcomes. There were strong linkages initially with the social development strategies then intending to be developed with leadership and facilitation by the Ministry of Social Development.
- 4.22 The Department of Internal Affairs also took a strong facilitative role through its chairing of an officials committee of central government agencies working in the NECBOP communities. That group of officials was oriented to dealing with immediate issues that prevented joint activities or the bringing together of joint resources and capacities in the regions. Where that group could not resolve issues, the chair referred issues to the joint Chief Executives and, potentially, to the working group of joint Ministers led by the Minister of Social Development.

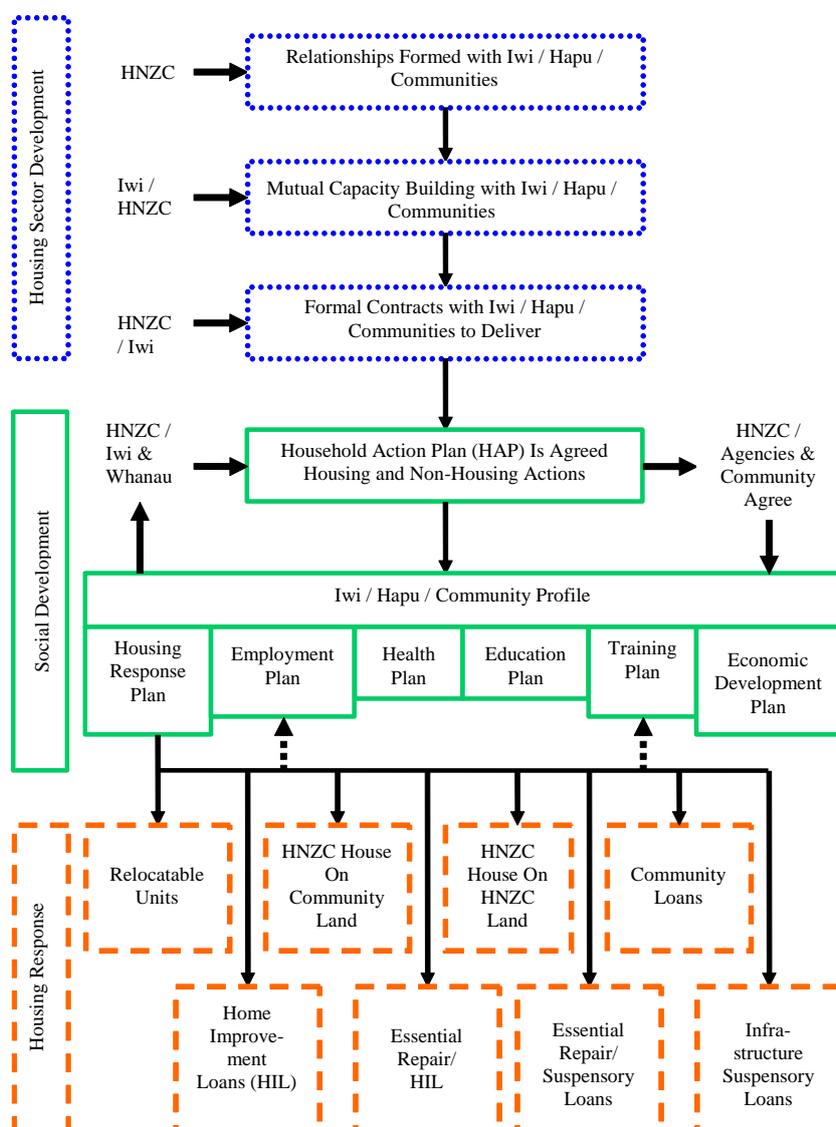
²⁷ Pol Min (01) 30/5.

- 4.23 That cross-departmental approach was consistent with the fundamental logic described in the evaluation of the programme logic report. That is that this was a programme which was concerned with ensuring that:
- The immediate response to addressing health and safety risk must:
 - address the inadequacies of sub-standard dwellings that exacerbate those risks and with the home escape plans, assist households to prevent injury resulting in death or ill-health.
 - be cross-sectoral and engage the resources of the multiple agencies with an interest in health and safety, rural communities, Maori, and the standard of the housing stock
 - engage with the real needs of whanau and the communities in which they live on the ground by developing ways in which immediate health and safety responses can be delivered by members of affected communities.
 - Immediate responses to health and safety risk must be supported by medium and long-term actions to eliminate sub-standard housing. This involves:
 - up-grading the existing housing stock
 - addressing the supply of appropriate housing stock, and
 - preventing the deterioration of the housing stock.
 - Effective short, medium and long term responses and actions involve:
 - practical and focused engagements with the target populations at household, whanau and community levels
 - systematic processes of needs assessment, planning and delivery.
 - Addressing sub-standard housing provided opportunities to leverage positive outcomes, the principal ones being:
 - improved individual, whanau and community self-esteem and self-assessed social and psychological well-being
 - long-term as well as short-term employment opportunities
 - new skills and training opportunities and improved educational achievement
 - new business activity in Maori communities
 - increased individual, whanau, iwi, local government, central government and community capacity to:
 - identify and respond to housing needs
 - engage cross-sectorally and on a cross-agency basis to meet short, medium and long-term needs
 - use and target resources effectively
 - determine, lead and sustain effective partnership-based initiatives.
- 4.24 There was a broad consensus among stakeholders around outcomes and recognition of the desire to address both the health and safety issues as well as ensuring sustainable solutions. However, there were, and continued to be, tensions around the target outputs for the programme. Those reflected the:
- difficulties of moving from an immediate response mode to a sustainable housing mode
 - new challenges for Housing New Zealand Corporation in moving from a direct delivery approach to a capacity building and community-based approach to housing

- difficulties arising from the lack of systems, procedures and operational policy to underpin the administration of the Rural Housing Programme and some concern about delays in approvals for loans for essential repairs and the cost-effectiveness and appropriateness of those repairs
 - challenges of developing cross-sectoral approaches among central government agencies
 - challenges of developing community-based understandings of both the opportunities presented by the Rural Housing Programme as well as the obligations of individuals, households and communities participating in the Rural Housing Programme and benefiting from it.
- 4.25 Those tensions did not disappear. Senior personnel in Housing New Zealand Corporation who were interviewed at the time reported significant internal organisational tension around the focus and macro-policy rationale for the Rural Housing Programme. There was also tension around:
- the complex product and relational needs of the Rural Housing Programme
 - the long and short-term responses required by the Rural Housing Programme, and
 - balancing the reactive focus on essential repairs and the outcomes sought around:
 - preventing the housing stock from falling into sub-standard conditions in the future
 - achieving outcomes by engaging with local communities.²⁸
- 4.26 The Rural Housing Programme teams in Northland, East Coast and the Eastern Bay of Plenty sought to address those tensions by articulating a coherent picture of the Rural Housing Programme within Housing New Zealand Corporation.
- 4.27 Figure 4.1 presents the way in which this was articulated in 2002/03 through a matrix of cross-sectoral, policy, planning and product delivery in the context of the housing sector and housing responsiveness and the linkage with social development outcomes.

²⁸ Immediate responses focus on mitigating the health and safety risk through essential repairs of dwellings and their water and sewerage infrastructure. Medium- to long- term responses are directed to developing housing solutions that are generated out of the needs of local communities and, because they are developed by communities and the households and families living in them, will attract on-going commitment, sense of responsibility and partnership between individuals, whanau, communities and local and central government agencies.

Figure 4.1: Rural Housing Programme Processes Articulated in 2002/03



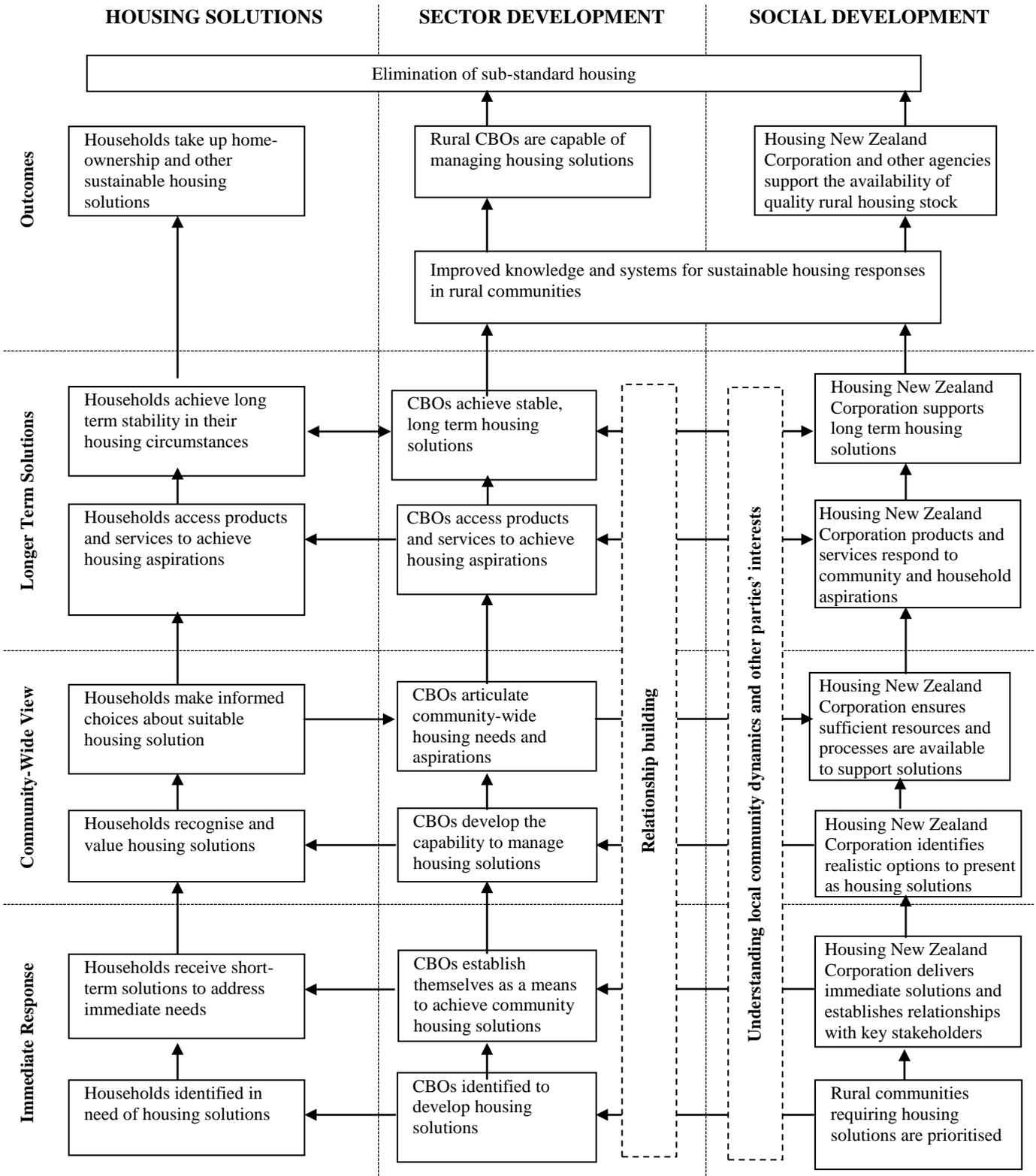
Rural Housing Programme from 2003 and its Configuration around 2005

4.28 The Rural Housing Programme can be said to have been in an almost constant state of change. The original NECBOP was rolled out to other regions where there was perceived sub-standard housing. The national programme structure of the Rural Housing Programme has been discarded and it is now part of a Housing Innovations Group that has a strong lending component. There was a move to broaden the focus of the Rural Housing Programme and re-articulate it in terms of the particular supply and demand-side and affordability dynamics of rural housing markets rather than a single focus on sub-standard housing.

- 4.29 A review of products was initiated in 2003, but there was no immediate reporting associated with that review. It is unclear whether that review continued. However, in December 2005, Housing New Zealand Corporation appears to have either reactivated the original review or started a new review of rural housing products and services. The 2005 review sought to formalise and strengthen the macro-policy framework of the Rural Housing Programme and rationalise the range of products.
- 4.30 Housing New Zealand Corporation has been actively attempting to articulate its rural housing intervention logic. Figure 4.2 shows how this was conceived in December 2005. A Rural Housing Products and Services Enhancements Project was established and a plan was set down for the management, policy and business improvement work relating to products and activities which were broadly encompassed by the Rural Housing Programme.²⁹ A series of refinements in products, macro and operational policy were actively being developed in 2006. These included policies and procedures to:
- Retire 'A' Category houses.
 - Revise the thresholds and limits on ERSL and ISLs.
 - Refine HIL and provide for mixing and matching with ERSLs where necessary.
 - Review state rentals and relocatables, particularly on Maori land.
 - Reconsider the alignment of the Housing Innovation Fund.
 - Investigate the use of leaseback opportunities in combination with Community Owned Rural Rental Housing Loans.
 - Better align Low Cost Housing Initiatives.
 - Re-target Low Deposit Rural Lending.
- 4.31 There are also new initiatives being developed between Housing New Zealand Corporation and the Ministry of Social Development to address longstanding issues around septic tanks and their subsequent maintenance. A recent paper to Cabinet Policy Committee among the documents provided by Housing New Zealand Corporation noted that if the Rural Housing Programme is to meet the requirements of the New Zealand Housing Strategy, new energy must be put into interagency collaboration and ensuring better alignment with:
- regional economic growth strategies
 - the Sustainable Water Programme of Action
 - the Positive Ageing Strategy
 - Tertiary Education Commission (TEC) and TEC funded training
 - Department of Labour's strategies to address regional skill shortages, and
 - the Department of Internal Affairs funding of non-government sector workforce grants.
- 4.32 There is a new focus on local agency engagement, especially with local authorities and the District Health Boards in Northland, East Coast and the Eastern Bay of Plenty.

²⁹ See Housing New Zealand Corporation's Terms of Reference: Programme Management Plan Rural Work Streams, 2006.

Figure 4.2: Revised Rural Housing Intervention Logic



Rural Housing Programme – Different or the Same?

4.33 Despite the various iterations of the Rural Housing Programme and its repeated movement within Housing New Zealand Corporation's organisational structure, the Rural Housing Programme at essence remains the same except that the focus has shifted geographically from dealing with areas with persistent, long-standing concentrations of severely dilapidated housing to a broader concern with housing in rural areas. Nevertheless, many of the comments about the programme, then referred to as NECBOP, found in the Programme Logic Evaluation appear to hold good today:

“Overall, a number of features should be noted:

- *NECBOP was prompted by dealing with concerns about the immediate safety of certain housing and has evolved as those concerns have been addressed. The focus has shifted onto sustained housing improvement.*
- *As is common for cross-sectoral initiatives in disadvantaged communities, NECBOP is evolving over time.*
- *At its initiation, and to some extent this is still the case, NECBOP did not have detailed or rigid specification of the products or processes that were to constitute NECBOP. What was to be provided was specified in terms of outputs. Similarly, there was a recognition that the development of NECBOP should evolve through a process of working with communities. Effectively the programme can deliver outputs through a variety of housing products to generate different mixes of initiatives.*
- *Considerable variation in the mix of initiatives, approaches and responses in the context of the programme can be expected between Northland, East Cape and Bay of Plenty respectively, but also between local communities within each of those regions. The programme is by its nature supposed to be tailored to local conditions, local needs and the aspirations of local Maori communities. By definition, then, there are unlikely to be standard mixes of solutions, products used, or even stakeholder relationships.*
- *There are multiple stakeholders engaged in the NECBOP programme and potential for multiple linkages both already identified and those which are not yet identified or yet to emerge.*
- *There is widespread consensus among stakeholders about the range of outcomes sought from NECBOP.*
- *While significant information is retained regarding NECBOP activities by key agencies such as the Housing New Zealand Corporation, Te Puni Kokiri and the Fire Service, that data has not been systematically reported through a systematised and integrated monitoring framework for NECBOP as a whole.³⁰”*

4.34 The Rural Housing Programme's outcomes still broadly fall into four categories:³¹ dwelling health and safety; sustainable housing; social and economic wellbeing, and improved individual, whanau and community capacity.

³⁰ Saville-Smith, K. and N. Wehipeihana (2003) *A Programme Logic Evaluation of NECBOP – A Rural Housing Programme*. A report prepared for Housing New Zealand Corporation.

³¹ These are heralded in Pol Min (01) 30/5 and its associated Cabinet Committee Paper Pol (01) 222 and are articulated explicitly or implicitly in the January 2003 Management Plan for the Rural Housing Programme (pp: 1-2, 4 and 5).

- 4.35 The differences are perhaps that there is currently a concerted effort to provide a strong alignment between macro-policy, operational policy and delivery for the Rural Housing Programme not only within Housing New Zealand Corporation but across a number of Government agencies. Products are being reviewed to consider their alignment with the outcomes sought by the Rural Housing Programme and the New Zealand Housing Strategy provides the Rural Housing Programme with a whole of Government framework that was previously missing.

5. RURAL HOUSING PROGRAMME DELIVERY

- 5.1 This section is concerned with the type and level of assistance delivered by way of the Rural Housing Programme to households in Northland, East Coast, and Eastern Bay of Plenty. The analysis in this section is based on the material set out in sections 3.8-3.10.
- 5.2 The discussion provides an overview of the aggregate outputs and direct expenditure associated with Rural Housing Programme delivery since 2001. After providing a brief overview of the process by which assistance to households was assessed and delivered in the 2001-2005 period, the discussion turns to the type of assistance provided by the Rural Housing Programme. Finally, the extent to which the delivered Rural Housing Programme assistance met the needs of households in sub-standard dwellings was considered in relation to three indicators: the perceptions of assisted householders; the timeliness of assistance to recipient households; and, the likely efficacy of assistance in relation to the Government's goal of eliminating sub-standard housing.

Aggregate Rural Housing Programme Outputs/Activity and Direct Expenditure

- 5.3 The Minister of Housing reported to Cabinet Policy Committee that between July 2001 and early 2006 over 1,500 households living in sub-standard dwellings had been assisted in Northland, East Coast/Bay of Plenty. This consisted of assistance to over 1,200 households living in dwellings with health and safety risks, the provision of 300 state rentals, planning for 25 new community provided units of social housing, and the provision of new sanitary water and electrical infrastructure to over 70 houses.³²
- 5.4 Exactitude regarding the precise number of households assisted, dwellings provided or repaired is impossible. Information systems used by Housing New Zealand Corporation and applied to the Rural Housing Programme have not been able to generate precise reports on Rural Housing Programme outputs.
- 5.5 It was in part, for those reasons, that the evaluation undertook the File Survey reported in December 2005.³³ That survey found that delivery for over half (60.9 percent) of the households randomly selected from files dated 2001-2005 were still being processed by the Rural Housing Programme. Not surprisingly as Table 5.1 shows, a larger proportion of households that

³² Office of the Minister of Housing, (2006) "The New Zealand Housing Strategy: Meeting Diverse Needs, Rural Housing and Community Partnership Programmes" page 3.

³³ Saville-Smith, K. (2005) *Findings of the Rural Housing Programme File Survey*.

entered the programme in 2005 were still in process at the time of the 2005 File Survey. Of considerable concern, however, was the high proportions of households that entered the programme in earlier years that were still in the Rural Housing Programme process in 2005.

Table 5.1: Rural Housing Programme Status of Householders by Year of Programme Entry (File Survey 2005)

Entry Year	% Completed Household	% In Process Households
2001	42.2%	57.8%
2002	26.9%	73.1%
2003	48.7%	51.3%
2004	33.3%	66.7%
2005	20.0%	80.0%

5.6 Consistent with the Evaluation's File Survey findings around the level of completed assistance, Housing New Zealand Corporation's review of expenditure found persistently less resourcing being applied than that appropriated, at least, in relation to ERSL (Table 5.2) both in the original Rural Housing Programme areas as well as in the roll-out areas.³⁴

Table 5.2: Appropriated, Draw Down and Expenditure on Essential Repairs Lending 1 July 2001 – 31 December 2005**

Product	Total appropriated	Total draw down against appropriation	Balance not drawn down	Total actual expenditure against amount drawn down	Balance between draw down and actual expenditure/work in progress*	Balance between Appropriation and the Total of Not Drawn Down and Work in progress
ERSL (NECBOP)	21.712	17.900	3.812	15.766	2.134	5.946
ISL	2.680	2.401	0.279	0.152	2.249	2.528
ERSL (Roll-out)	4.500	3.107	1.393	1.488	1.619	3.012
Total	28.892	23.408	5.484	17.406	6.002	11.486

* Work in progress represents work approved, not completed (in the financial system)

** Housing New Zealand Corporation noted that this figure in December 2005 was not fully reconciled, and the reconciliation was completed in December 2006 resulting in \$1.8 million being returned to Department of Building and Housing.

³⁴ These are Wanganui, South Whangarei, Wairoa, Minginui, Waikato, South Auckland, Mangakino and Helensville.

- 5.7 It should be noted that 'work in progress' is an accountancy term to indicate work not completed within the financial system. It may encompass what in common sense terms would be seen as work in progress such as where a contractor is in the process of undertaking repairs. But it also includes situations in which funding has been drawn down to provide an individual with assistance but that individual is unlikely to receive it because they have withdrawn from the programme for whatever reason, including death.

Rural Housing Programme Delivery Process

- 5.8 When households seek assistance through the Rural Housing Programme they become involved in a sequence of events designed to assess their housing needs and find sustainable housing solutions. That sequence can vary according to the particular circumstances of the household and the dwelling in which they reside. Nevertheless, it broadly consists of the following steps:

First. Clients are referred to, or come to the attention of, the Rural Housing Programme team. This can occur in a variety of ways from self-referral, to referral by an iwi or Maori provider, referral by a Housing New Zealand Corporation neighbourhood unit or other government agency. In some cases the initial contact may be Rural Housing Programme initiated.

Second. A file is established for a household that may have Rural Housing Programme related needs.

Third. The assessment process is commenced. This is designed to identify the needs of the client and their household – both housing and non-housing – and to ascertain whether the client meets the eligibility criteria for assistance under the Rural Housing Programme. The assessment process is broadly linear and includes a number of key stages with associated assessment documentation, although there can be some variations in the exact form this documentation takes across the Rural Housing Programme regions.

- The first step in the assessment process is the Needs Assessment. The Needs Assessment form is completed with the client/household and collects a range of information about the household, its needs, composition and circumstances.
- The next step in the assessment process is the Technical Assessment which also involves the use of broadly standardised forms. Information about the physical components of the dwelling is collected and assessed. The technical assessor rates the condition of each area of the house and gives the house an overall condition rating. In general, the Technical Assessment is done after or at the same time as the Needs Assessment.

- Fourth. The process turns to identifying housing and assistance options. In some cases the client may be informed at this stage that they do not meet Rural Housing Programme criteria and they may be referred elsewhere for assistance.
- Fifth. Selection of a housing product and supporting 'business case' follows. For clients who meet Rural Housing Programme eligibility criteria there are a range of solutions that the Rural Housing Programme can offer, from a relocatable home being sited on the client's land, to loans for infrastructure work, to a suspensory loan for urgent repair and maintenance work (ERSL). One or more of those products may be appropriate depending on the individual circumstances of each case. In most cases a business case will be prepared detailing the needs of the client, the condition of their house and setting out the preferred option to address those needs and the associated costs. The business case is then forwarded for managerial approval either within the programme or, if the funding required exceeds programme delegations, to National Office.
- Sixth. If the business case is not approved the client is informed that the case has been declined. If the business case is approved the Rural Housing Programme team then proceed with the approved option. This may include dealing with the business for organising a loan or relocatable, or letting the contract for maintenance. For the purpose of evaluation reporting delivery is considered complete when the approved product is delivered to the household.

Type of Assistance Provided

- 5.9 Section 4 points out that a variety of different housing solutions could be activated by the Rural Housing Programme ranging from essential repair suspensory loans and housing improvement loans to the provision of alternative rental accommodation. The reality is, however, that a limited range of products were used in the Rural Housing Programme between 2001 and 2005.
- 5.10 Table 5.3 sets out the products/plans formally agreed with Rural Housing Programme households. Of the 363 households in the File Survey, 307 households can be described as 'Assisted' (86 households) or 'In Process' (221 households). Households can access different products from the Rural Housing Programme. The prevalence and profile of product use is assessed in Table 5.3 by calculating the proportion of the 307 households that use each listed product.

Table 5.3: Agreed Products and Plans for Assisted³⁵ and In Process³⁶ Households (n=307) 2001-2005 (File Survey 2005)

Product	Households	% Assisted and In Process Households
ERSL Loan	153	50%
Housing Action Plan or Whanau Support Plan	52	17%
ERSL variation	14	5%
Insulation retrofit	8	3%
ISL Loan	7	2%
State Rental	4	1%
Other	2	1%
No agreed products	183	60%

* Multiple response

- 5.11 The predominant products delivered by the Rural Housing Programme to those Rural Housing Programme households with formal approval of a product or housing solution are ERSLS. Almost half of the Rural Housing Programme households are looking towards or have ERSLS Loans. The use of ISLS is very low.
- 5.12 It will be noted that solutions were only formally signed with half of the Rural Housing Programme households at the time of the File Survey. It will also be noted that there are only formal records of agreed housing action plans or whanau support plans for 12.1 percent of households. This pattern of product delivery apparent in the File Survey is also evident in the in-depth interviews with 28 households in late 2005 and early 2006 to whom Rural Housing Programme assistance had been completed. All of those interviewees had received ERSLS assistance.³⁷
- 5.13 The tendency for the Rural Housing Programme to concentrate on the delivery of ERSLS with other products being only sporadically delivered had long been recognised. The evaluation of the programme logic of the Rural Housing Programme in the first phase of the evaluation noted that the range of products then presented by the Housing New Zealand Corporation fitted uneasily with the Rural Housing Programme.³⁸ Similarly, early in the second phase of the evaluation a set of interviews with senior personnel found that there was a widespread view among interviewed senior personnel that there continued to be a misalignment between products and the needs of the Rural Housing Programmes.³⁹

³⁵ The File Survey undertaken in 2005 consisted of 363 households involved with Rural Housing Programme from 2001-2005. Relationships with 142 (39.1%) of those households had been completed. Fifty-six of those households had not received assistance either because they had withdrawn from the programme or because Rural Housing Programme assessment showed them to be not eligible for the range of assistance available. Eighty-six of these 'completed' households had been assisted and the delivery of assistance had been completed. Those 86 households are labelled 'Assisted'.

³⁶ Of the 363 files surveyed in 2005, 221 households (60.0%) were still in the process of assessment and/or solution development. Those households are referred to as 'In Process' households.

³⁷ Saville-Smith, K., and Wehipeihana, N (2005) *Findings of In-depth Interviews with Recipients of Rural Housing Programme Assistance*.

³⁸ See Table 4.5 and p.20 of Saville-Smith and Wehipeihana (2003).

³⁹ Information regarding the perceptions of the Rural Housing Programme and the Housing New Zealand Corporation's capacity to effectively manage its delivery was collected from senior personnel

- 5.14 In general, interviewed senior personnel at the time suggested that:
- The Rural Housing Programme was still attempting to use products which had been demonstrably difficult to deliver to the very highly disadvantaged communities and families targeted by the Rural Housing Programme. No substantial progress had been made around lending products which would suit that environment or adjusting in an orderly manner the criteria governing those products when delivered in the Rural Housing Programme context.
 - The Rural Housing Programme was not able to access products which were more favourable to community providers introduced after the implementation of the Rural Housing Programme. Senior personnel identified the Housing Innovation Fund (2003/04) as being one example of this problem.⁴⁰
 - There was no adequate, coherent or concerted product development by the Housing New Zealand Corporation to address the issue of sustaining the condition of the stock improvements achieved through the Rural Housing Programme.

through a series of individual, semi-structured conversational interviews. Interviews took between an hour and an hour and a half and were undertaken by Kay Saville-Smith and Nan Wehipeihana. Annex A sets out the guidelines for those interviews. Overall, the interview guidelines for the senior personnel were designed to explore a number of critical questions: To what extent are understandings of Rural Housing Programme and its pre-requisites for delivery shared in the senior and regional management teams? To what extent is the Rural Housing Programme embedded in the ordinary structures of Housing New Zealand Corporation delivery? Is there transparency about responsibilities, accountabilities around Rural Housing Programme delivery? What challenges does the delivery of Rural Housing Programme present the Housing New Zealand Corporation? What capacity has the Housing New Zealand Corporation to effectively meet the challenges presented by the Rural Housing Programme? Interviews were completed with five members of the senior management team and the three regional managers who have the initial Rural Housing Programmes operating within their regions. A draft report was prepared: Saville-Smith, K. and Wehipeihana, N. (2004) *The Centre in the Delivery of the Rural Housing Programme: first Stakeholder Report* and Housing New Zealand Corporation asked for the findings to be presented to senior managers.

⁴⁰ The issue of access of the Rural Housing Programme to products was persistent, confused and frequently unresolved in the first years of the programme. While the NECBOP proposals from the Housing New Zealand Corporation involved targeting existing programmes and products, there was considerable internal confusion about the funding and appropriation streams for that provision as well as the relative accountabilities and responsibilities for delivery within Housing New Zealand Corporation. In addition, there was no coherent or systematic operational policy capacity to ensure appropriate and transparent decisions were made about the Rural Housing Programme's access to any new products or programmes developed within the mainstream provision of housing assistance. The Housing Innovation Fund was one such example but there were tensions and lack of clarity. Another area was around access and responsibilities of the Rural Housing Programme to deliver state rental house solutions as well. The senior management team at that time (2003/04) was made aware of those issues both through the evaluation and through the National Manager for the Rural Housing Programme. The mainstreaming of the Rural Housing Programme was, in part, an attempt to resolve some of those issues. So too was the product review. Those problems were not, however, resolved through the latter which did not make substantive findings during that period. Repeated shifting of the Rural Housing Programme within the structure of Housing New Zealand Corporation also did not resolve those problems. The fundamental problem was inadequate focus on, processes and capacity for operational policy analysis, product development and policy decision-making around the Rural Housing Programme. Those problems continued into 2005/06.

- 5.15 This is not to suggest that no new products were identified as being developed specifically to meet the Rural Housing Programme's goals. Relocatable rental housing was repeatedly cited as an example. Nevertheless, it was noted that, as with the acquisition and provision of Housing New Zealand Corporation rentals in some communities, the lack of operational policy around the use of products like relocatable housing often meant that the Rural Housing Programme team spent considerable time attempting to gain support for their delivery, justifying the use of such products, and developing the processes and protocols associated with their delivery.
- 5.16 Overall, there was a widespread view amongst interviewed senior personnel at the time that product development was neglected by the Housing New Zealand Corporation as an organisation and that it did not have an array of appropriate policy, product development, and decision-making mechanisms to ensure effective funding and orderly implementation of new products and programmes. Consequently, while there was a range of products ostensibly available to the Rural Housing Programme for delivery, the transaction requirements and lack of operational policy around the Rural Housing Programme and its interface with Housing New Zealand Corporation activities effectively mitigated their use.

Meeting the Needs of Households

- 5.17 Three critical indicators suggest that households receiving Rural Housing Programme assistance are having their needs met:
- household members' own assessment
 - the timeliness of delivery after an assessed need has been identified
 - the extent to which delivered assistance addresses identified needs.

Meeting Householders' Perceived Needs

- 5.18 In-depth interviews with 28 recipients of Rural Housing Programme assistance were completed early in 2006. Those explored:⁴¹
- the type of assistance received and recipients' perception of the service delivered to them
 - the impact of the assistance provided by way of the Rural Housing Programme on the housing experience of the recipient family
 - the impacts of providing housing assistance on the broader well-being, capacity and capabilities of the recipients' families.
- 5.19 Table 5.4 shows the composition of the households participating in those interviews. Households were typically comprised of an elderly couple and grandchildren. Two households that were assisted by way of relocatable rental houses were occupied by a sole parent with five children and a couple also with five children. In the Eastern Bay of Plenty, six of the eight interviewees were elderly people, some of whom were living with other family members at the time at which first contacts between themselves and the Rural Housing Programme were made.

⁴¹ Saville-Smith, K., and Wehipeihana, N (2005) *Findings of In-depth Interviews with Recipients of Rural Housing Programme Assistance*.

Table 5.4: Composition of Northland, East Coast, Eastern Bay of Plenty Rural Housing Programme Interviewed Households at the Time of First Rural Housing Programme Contact (In-depth Interviews 2006)

Household Type	East Coast	Eastern BOP	Northland	Total
Couple with child(ren)	4	4	1	9
One parent/caregiver with child(ren)	4	0	1	5
One person only	1	0	1	2
Couple only (no children)	1	0	2	3
Parent(s)/caregiver with child(ren) and other adult(s)	0	3	3	6
Several adults and no children	0	1	2	3
Total	10	8	10	28

5.20 Almost all these recipients of Rural Housing Programme assistance agreed that their housing was, at the time when first contacted by the Rural Housing Programme, in an unsatisfactory condition, with nineteen of the twenty-eight interviewees believing that their dwelling was in poor or very poor condition needing immediate and, frequently, extensive repairs. Table 5.5 sets out the repairs undertaken by way of the Rural Housing Programme for the householders as reported by them.

Table 5.5: Repairs Reported by Interviewees (In-depth Interviews 2006)

Component Rehabilitation	All Dwellings	Northland	East Coast	Bay of Plenty
		9 ESRL 1 Retrofit	8 ESRL 2 Relocatable	8 ESRL
Windows and door locks repaired	18	5	5	8
Spouting	13	4	1	8
Insulation	13	5		8
Hot water cylinder replacement	11	4	1	6
Shower	10	4		6
Bathroom	9		1	8
Roofing	9	4	3	2
Electrical – points	8			8
Plumbing	8			8
Deck, steps, railing, ramp	8	4	1	3
Laundry repairs	8		1	7
Water tank	7	3	1	3
Electrical	7	4	3	
Smoke detectors	6			6
Toilet	5			5
Pump	5	2	1	2
Fireplace replaced with woodburner	5	3		2
Septic tank	4			4
Electrical - light fittings	3		3	
Stove	1			1
General repairs – patched holes, replaced rotten boards	1		1	

- 5.21 Twenty-one of the 28 interviewees reported that Rural Housing Programme assistance and repairs outlined in Table 5.5 improved their housing situation. Some interviewees found that Rural Housing Programme assistance was associated with new burdens. For one interviewee, repairs revealed further problems including rotten flooring caused by a leaking hot water cylinder. For another interviewee, the solutions provided by the Rural Housing Programme had increased the household's financial problems through the installation of a water supply (pump) and disposal system requiring very regular maintenance and constant electricity consumption.
- 5.22 Nine of the 28 interviewees, however still considered their housing situation to be unsatisfactory after assistance was provided. Some of those were disappointed that repairs were not as extensive as they believed was needed. Some were dissatisfied with the workmanship associated with Rural Housing Programme repairs or repairs were unfinished, failed or did not work.

Timeliness of Rural Housing Programme Assistance

- 5.23 The gratitude expressed by Rural Housing Programme recipients was pronounced among the interviewees involved in in-depth interviews. Most interviewees received ERSL assistance and reported that the time taken after agreement and work was started was 'good' or 'excellent'. Twenty-two of the twenty-eight interviewees reported that the speed of work by contractors was 'good' or 'excellent'.
- 5.24 It is, however, shown from the File Survey that delivery of Rural Housing Programme assistance over the period 2001-2005 could be extremely slow. Indeed as Table 5.1 has already shown over half of the households seeking assistance over that period were still 'in process' in 2005. Even those households who were no longer in process⁴² showed considerable lapses of time between their first formal contact and completion of delivery. Table 5.6 shows that the average time for delivery for all years 2001/02-2004/05 for households contacted by the Rural Housing Programme in each financial year.

Table 5.6: Average Timeframes for Delivery for 'Completed' Rural Housing Programme Households (File Survey 2005)

Year	Time from first Contact to Completion
All years	19 months
2001/02	32 months
2002/03	20 months
2003/04	13 months
2004/05	9 months

- 5.25 There were certain points during the Rural Housing Programme process that lapse times became significant. As Table 5.7 shows, getting a business case accepted was particularly problematic in the early years of the programme.

⁴² That is the primary form of Rural Housing Programme assistance had been delivered, or the household had been declined assistance, or the household had withdrawn from the programme.

Table 5.7: Lapsed Time for Selected Critical Points in All Households from 2001-2004 (File Survey 2005)

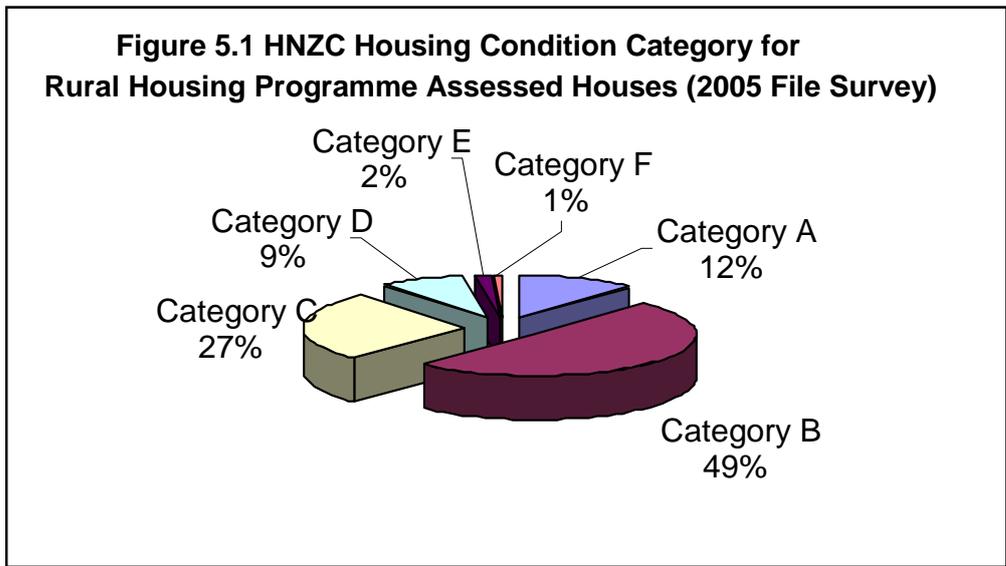
Critical Event	Average Lapsed Time*			
	2001	2002	2003	2004
First contact to Household Needs Assessment	69 days	32 days	7 days	1 day
First contact to Business Case	24 months	14 months	7 months	6 months
Business Case to Loan or Solution Approved	2 weeks	9 weeks	3 weeks	3 weeks
First contact to Loan/Solution Approval	24 months	14 months	8 months	6 months
Loan Approvals to Contracting	4 months	5 months	1 months	< 1 months
Contracting to Practical/Final Completion	4 months	2 months	3 months	3 months

* Times rounded to nearest whole number

Adequacy of ERSL Assistance in Addressing Health and Safety

5.26 Most assistance delivered under the Rural Housing Programme was ERSL, particularly directed to resolving immediate health and safety concerns. ERSL to deal with immediate health and safety concerns is only one of the activities required to meet the overall goal of the Rural Housing Programme. Sections 7, 8 and 9 respectively discuss the inadequacy of this in relation to meeting the Government’s goal of eliminating sub-standard housing. In this discussion, the focus is on the extent to which the ERSL assistance addressed the health and safety problems and/or the sub-standard housing problems of individual households.

5.27 Figure 5.1 presents data from the File Survey that indicates that over half the houses assessed in the Rural Housing Programme fall in Housing New Zealand Corporation’s condition categories of A and B.



- 5.28 Category 'A' houses are deemed by Housing New Zealand Corporation to be beyond repair but the 'B' category houses are defined as "urgent repairs required – house unsafe – house hazard – no power connected to house – house at risk". Of the 272 dwellings in the File Survey subject to a technical assessment, 262 dwellings had an estimate of cost of repairs. The estimated cost of repairs generated by those Rural Housing Programme technical assessments provides some indication of repair and maintenance funding requirement, although this needs to be treated with considerable care.
- 5.29 On a per dwelling basis, the estimated cost of repairs found in the period to 2005, ranges from a minimum of \$100 up to \$140,000. On average, the assessed Rural Housing Programme dwellings were reported to require \$11,865 repairs and maintenance work. The median amount estimated for repairs and maintenance was \$7,893. Table 5.8 sets out the estimated costs of repairs for the 199 houses for which that information was included in the files. That information is generated by the Rural Housing Programme teams through the technical assessments and consists of estimates of repairs prior to generating a business case.

**Table 5.8: Estimated Costs of Repairs at Technical Assessment
 All Households from 2001-2005 (File Survey 2005)**

Estimated Cost	Households	% of Households
Up to \$5,000	44	22%
\$5,001 - \$15,000	89	45%
\$15,001 and above	66	33%

- 5.30 Only a small proportion of households had an ESRL loan approved – 147 households in all. Of those 147 households with loan approvals, the largest proportion had loan approvals in excess of \$15,000.

**Table 5.9: Approved Loan Amount
 All Households from 2001-2005 (File Survey 2005)**

Approved Loan Amount	Households	% of Households
Up to \$5,000	21	14%
\$5,001 - \$15,000	61	42%
\$15,001 and above	65	44%

- 5.31 Two points need to be noted:
- The slightly higher proportion in the distribution of approved loans in the \$15,001 and above category relative to the distribution of estimated costs suggests that households with more serious and costly repairs are given priority relative to other households.
 - The levels of financial delegation applied to the Rural Housing Programme means that at least a third of loans have had to be approved by persons senior to the National Manager of the Rural Housing Programme.

- 5.32 In 2001 the financial delegations for the regional and National Rural Housing Programme managers were 'up to \$5,000' and 'up to \$15,000' respectively. These delegation levels were revised during the course of the programme with regional managers' delegations increasing to 'up to \$15,000' and the National Manager's delegation increasing to 'up to \$25,000'. While the value of approved loans ranges from \$972 to \$34,937, the average loan funding is \$14,600. The median value of approved loans is \$14,278.
- 5.33 The alignment between the value of approved loans and the delegation limits of regional managers is striking. It appears that the Rural Housing Programme Managers attempted to keep loan applications within the delegation of regional managers. The Rural Housing Programme team members reported that they tended to try to keep business case costs down in an attempt to avoid delays with or refusal of business case applications. This tendency is consistent with the evaluation's survey of rural house condition in the Northland, East Coast/Bay of Plenty regions.⁴³
- 5.34 The Rural Housing Programme House Condition Survey undertaken by the evaluation surveyed 452 rural dwellings and concluded that the National House Condition Index Scores used in that survey of less than 3 aligned relatively closely to the Housing New Zealand Corporation categories A, B and C. Around twenty percent of dwellings in the Rural Housing Programme areas of Northland, East Coast and Eastern Bay of Plenty fell into those categories. To bring them to an as new condition⁴⁴ was found to be an average cost of \$21,986. This is substantially more than the average loan value found by the File Survey to be Rural Housing Programme practice.⁴⁵
- 5.35 This is suggestive that the extent of repair required on Rural Housing Programme assisted dwellings has not been sufficient to meet the Government's goal of eliminating sub-standard housing. The Rural Housing Programme team members as well as local stakeholders did express concern that under-investment in repairs would mean that the sustainability of the repaired dwelling was still questionable. Particular risks were noted around limited sealing and painting of repairs, and the need for painting not being given a priority in relation to loan provision. Of course, painting of exterior cladding is an important protective mechanism for many dwellings, especially older dwellings of the type often found in Rural Housing Programme areas.
- 5.36 It should also be noted that the average costs calculated in the House Condition Survey, do not include the costs of making right septic tanks, reticulating electricity to dwellings or providing water to dwellings. Those costs, however, are included in the value of loans delivered through the Rural Housing Programme.

⁴³ Saville-Smith, K. (2006) *Rural Housing Programme House Condition Survey: East Coast/Eastern Bay of Plenty and Northland*.

⁴⁴ That is it meets the standards required for new buildings under the Building Code.

⁴⁵ Note the standard deviation for this average is \$11,442.

- 5.37 It should be noted that the House Condition Survey did not collect data around infrastructure because it was using a standardised national instrument for house condition surveying which excludes infrastructure. The evaluation team was not asked to specifically survey infrastructure either in the context of that survey or as a separate research component to fill Housing New Zealand Corporation's own information deficits. Nevertheless, the evaluation has collected data on infrastructure problems in the File Survey.
- 5.38 That data showed that among 280 assessed houses in the Rural Housing Programme for which a business case was prepared, the business case sought funding to rectify the following:
- 42 percent to address septic tank or sewerage problems
 - 7 percent to address no reticulated electricity⁴⁶
 - 23 percent to address no or damaged water supply
 - 11 percent to address no hot water.
- 5.39 In addition, an analysis of the File Survey technical assessments showed the proportion of all houses with the following problems:
- 23 percent had no hot water
 - 3 percent had no water supply on site including no access to a well/spring or stream
 - 13 percent had no reticulated electricity.
- 5.40 Given that problems with infrastructure and reticulation are widespread among rural dwellings in these areas, the gap between actual average expenditure and needed expenditure will be higher than that indicated by the House Condition Survey data analysis. Moreover, according to the Rural Housing Programme team and technical advice around septic waste disposal systems it is suggested that the costs of septic waste disposal are likely to increase rapidly from costs ranging from \$6,500 to \$12,000 for an appropriate waste solution. As the environmental protection requirements of the councils that serve these regions increase, the costs of sewage disposal is likely to double. Those likely cost increases have been reported to the Government by Housing New Zealand Corporation.
- 5.41 Overall, in relation to whether Rural Housing Programme assistance met people's needs it must be concluded that it has done so only partially. Householders are grateful for assistance but timeliness of delivery has been poor, although it does appear that the delivery of the Rural Housing Programme is becoming more efficient, and there remains a difference between assessed need and addressed need.
- 5.42 Lapse times between first contact and completion are dropping for each annual cohort (2001, 2002, 2003, 2004). Nevertheless, evidence suggests that the Rural Housing Programme has persistently been unable to complete the delivery process for significant proportions of households contacted by the Rural Housing Programme. Needs Assessments and Technical Assessments are undertaken relatively rapidly. However, it is in the lending approvals stage where lapse times are relatively high in the periods covered by the

⁴⁶ This proportion excludes those dwellings which had poor and dangerous electrical wiring.

evaluation.⁴⁷ This impacts disproportionately on the Rural Housing Programme because ESRL tends to be the dominant form of assistance.

- 5.43 There must also be some question as to the adequacy of repairs expenditure. While the value of actually approved loans ranges from \$972 to \$34,937, the range of estimated repair costs by technical assessors ranged from \$100 to \$140,000. These figures suggest that real or perceived funding constraints are imposing significant downward pressure on the extent of repairs being undertaken for some sub-standard dwellings. This is most clearly evident when the range of approved loans is compared to the range of estimated cost of repairs.
- 5.44 It should be noted that there has been upward pressure on construction prices since the File Survey and the Rural House Condition Survey were undertaken. These figures, consequently, do not represent the resourcing required to bring these dwellings up to the performance standards set out in the Building Act under current construction industry prices.
- 5.45 It should also be noted that New Zealand has no building standard for existing dwellings but rather performance standards which relate to new dwellings. The National Condition Survey and this condition survey both assess under-investment in repairs in relation to the building performance requirements set out in the relevant statute and regulations. Whether this is appropriate for the Rural Housing Programme is an operational policy issue that Housing New Zealand Corporation has not yet adequately addressed. It may not be appropriate for health and safety repairs. It may be appropriate in relation to the Government's goal for a sustainable housing stock that will not fall easily into severe disrepair.

6. TARGETING THE RURAL HOUSING PROGRAMME

- 6.1 This section is concerned with the extent to which Rural Housing Programme delivery has been appropriately targeted. Targeting the Rural Housing Programme is a complicated matter. It has two clear targets. First, households in housing need because they are living in sub-standard dwellings, and, secondly, the sub-standard dwelling stock. But, because of the social development approach asked for by the Government, the Rural Housing Programme could also arguably be required to target those communities in which sub-standard housing is a feature and in which addressing sub-standard housing by mobilising community capacity could be expected to generate family and community wide benefits in relation to social and economic well-being.
- 6.2 In general, effective targeting would usually require that resources be directed to those households that are in the greatest need and least able to resolve their situation without assistance, and the dwellings in the worst condition. The Rural Housing Programme, however, has more complex targeting

⁴⁷ It should be noted that where lapse times become extended will reflect both internal administrative efficiency and the state of the market. Where there is a heated construction market and an under-supply of contractors able to undertake repair and maintenance work, lapse times will become extended in the period around contracting out. While there are lapse times in the 2001-2004 period evident at the contracting period, the major lapse time was around approvals during that time.

requirements. This section discusses the nature of those targeting requirements as they are determined by the goal of eliminating sub-standard housing and in relation to the outcomes sought through the Rural Housing Programme. Those are:

- improved dwelling safety and health
- improved housing stock quality
- a reduction in unmet housing need
- improved knowledge and systems for sustainable housing responses in communities
- improved social and economic well-being
- increased community capacity to address housing need.

6.3 It also assesses the extent to which the Rural Housing Programme has met those targeting requirements in the period from 2001 to early 2006. In doing so, it considers two critical questions in relation to targeting: Firstly, are those receiving assistance through the Rural Housing Programme the households and dwellings targeted by the Rural Housing Programme? Secondly, are those households and dwellings targeted by the Rural Housing Programme receiving assistance?

6.4 The discussion is divided into three parts. The first part focuses on the targeting of households. The second part focuses on the targeting of dwellings. Finally the discussion turns to a consideration of the way in which communities have been targeted by the Rural Housing Programme.

Targeting Households for Rural Housing Programme Delivery

6.5 Targeting households for Rural Housing Programme delivery is relatively straightforward. Effectively three criteria have to be met. First, that the household has unmet housing need. Secondly, that they are at risk from living in sub-standard housing, and, thirdly, that they are unable to resolve their housing need without assistance.

6.6 Housing New Zealand Corporation's administrative systems and computerised information management system did not capture detail around household characteristics in the 2001 to early 2006 period in a way that analysis of targeting could be undertaken. Consequently, the two sources of targeting data lie in the evaluation's File Survey and the in-depth interviews with recipient householders.

6.7 The File Survey, for instance, shows that the households involved in the Rural Housing Programme tend to have characteristics associated with resource stress and deprivation including household size, occupancy, the number of dependents (young and old) as well as a high prevalence of health problems, low incomes and marginality to employment.

6.8 The average household size among the households assessed for Rural Housing Programme assistance is 3.7. The median household size is 3. In general, Rural Housing Programme households are larger than New Zealand households. Almost a fifth of the households assessed consist of a single caregiver and a child or children. A slightly lower proportion of households are one-person households (Table 6.1).

Table 6.1: Composition of Rural Housing Programme Households (File Survey 2005)*

Household Type	Households	% of Households
Couple with child(ren)	81	26.3%
One parent with child(ren)	60	19.5%
One person only	55	17.9%
Couple only (no children)	30	9.7%
One parent with child(ren) and other adult(s)	25	8.1%
Couple with child(ren) and other adult(s)	24	7.8%
Other	14	4.5%
Two families (with or without others)	13	4.2%
Couple with other adult(s) but no children	4	1.3%
Several adults flatting together	2	0.6%
Total	308	100%

* 55 missing data

- 6.9 Some 23.8 percent of households had a member less than five years of age and 30.8 percent had a member in excess of 65 years of age. These people are likely to be spending a lot of time in their dwellings and therefore risk lengthy exposure to poor housing conditions. Almost a fifth of files recorded poor health conditions among household members (see Annex B for a list of identified health conditions). Almost half of the households report wages/salaries and superannuation payments. Job-seekers make up a relatively small proportion (13.2 percent) of the Rural Housing Programme households (Table 6.2).

Table 6.2: Sources of Income for Rural Housing Programme Assessed Households (File Survey 2005 n=302)

Source of Income	Responses	% of Responses)	% of Households
NZ Super or veterans pension	81	21.2%	26.8%
Wages/salary paid by employer	67	17.5%	22.2%
Receiving a benefit but type unspecified	54	14.1%	17.9%
Domestic purposes benefit	45	11.8%	14.9%
Community wage – job seeker	40	10.5%	13.2%
Other govt benefits, income support payment	33	8.6%	10.9%
Community wage – sickness benefit	29	7.6%	9.6%
Invalids benefit	19	5.0%	6.3%
Payments from ACC of other private work	5	1.3%	1.7%
Student allowance	5	1.3%	1.7%
Other super, pension or annuities	3	0.8%	1.0%
Interest, dividends, rent, other investments	1	0.3%	0.3%
Total	382	100.0%	126.5%

* Multiple response for 302 files

- 6.10 Given the data related to sources of income and prevailing low wage rates in these areas, it is likely that participants in the Rural Housing Programme are not only affected by low income but that those incomes are marginal to housing solutions in the private homeownership market. This has two implications. Firstly, some housing solutions will necessarily involve a tenure shift for some households that are unable, as owner occupiers, to invest in the on-going maintenance and repair which will still be required subsequent to any essential repairs. Secondly, the experience of these rural households, especially those who are retired and aged, provides an insight into the

societal challenge of an ageing society and the importance for New Zealand of ensuring that older people are able to manage repairs and maintenance.

- 6.11 This data does not have implications for the economic gains and benefits that might come from Rural Housing Programme assistance. Employment, training and skills outcomes were intended to be generated primarily from the provision of the repair and maintenance services delivered by way of the Rural Housing Programme. Although the prevalence of children among households assisted does suggest that educational performance benefits may derive from assistance in the long-term, those benefits can not be measured in the short term.
- 6.12 The File Survey found 98 households in which additional contributory circumstances were noted. Forty-nine percent of the files with additional notes about household circumstances identify low income as a persistent problem (Table 6.3). There were frequently notes questioning whether beneficiaries were receiving their proper entitlement, particularly where the householder was acting as a caregiver for a person with disability or dependent children. In 46.9 percent of files with additional notes, the problem of on-going debt was cited as a barrier to addressing the household's housing needs through a lending mechanism.

Table 6.3: Other Problems/Needs for Households Cited in Rural Housing Programme Files (File Survey 2005)

Problems/Needs Identified	Response	% of Responses	% of Households
Budgeting problems/low income	48	35.8%	49.0%
Debt	46	34.3%	46.9%
Overcrowding	12	9.0%	12.2%
Health/disability	10	7.5%	10.2%
Electrical/appliance safety	7	5.2%	7.1%
Housing supply	7	5.2%	7.1%
High living costs	4	3.0%	4.1%
Total	134	100.0%	136.7%

- 6.13 The in-depth interviews with households also provide data around the households targeted by the Rural Housing Programme.⁴⁸ Twenty-eight recipients of Rural Housing Programme assistance were interviewed. Ten were drawn from Northland, ten were located in the East Coast and the remaining eight were in the Eastern Bay of Plenty. Most of the participants were elderly⁴⁹ people, sometimes elderly couples, with others living with them, including children/grandchildren, or adults with children or other adults.

⁴⁸ The Household Survey of Rural Housing Programme recipients involved in-depth interviews with 28 people for whom the delivery of Rural Housing Programme assistance had been completed. Those recipients were selected to ensure that the experience of recipients in each of the three NECBOP areas of the Rural Housing Programme was captured and that the major forms of delivered assistance through the Rural Housing Programme were captured. Consequently, the majority of interviews (25 of 28) were conducted with recipients of an Essential Repairs Suspensory Loan. Two recipients received a relocatable rental and one was assisted by an energy retrofit.

⁴⁹ Elderly is defined as aged 65 years or older as this was a naturally occurring cluster emerging from the sample where elderly participants ranged in age from 65 to 83 years old. A total of 19 households reported people aged 65 years or over.

6.14 Table 6.4 sets out the household composition of participants at the time of their first Rural Housing Programme contact (as reported in 2006). Note that the child/children classification in the following tables can include a recipient's own child or children, those of siblings or cousins and/or grandchildren. Households were typically comprised of an elderly couple and grandchildren. Two households that were assisted by way of relocatable rental houses were occupied by a sole parent with five children and a couple also with five children. In the Eastern Bay of Plenty, six of the eight interviewees were elderly people, some of whom were living with other family members at the time at which first contacts between themselves and the Rural Housing Programme were made.

Table 6.4: Composition of Northland, East Coast, Eastern Bay of Plenty Rural Housing Programme Interviewed Households at the Time of First Rural Housing Programme Contact (In-depth Interviews 2006)

Household Type	East Coast	Eastern BOP	Northland	Total
Couple with child(ren)	4	4	1	9
One parent/caregiver with child(ren)	4	0	1	5
One person only	1	0	1	2
Couple only (no children)	1	0	2	3
Parent(s)/caregiver with child(ren) and other adult(s)	0	3	3	6
Several adults and no children	0	1	2	3
Total	10	8	10	28

6.15 The households showed considerable resource stress indicated in a number of ways including occupancy rates and dependency profiles. The occupancy rates at the time of first contact with the Rural Housing Programme were very high. The occupancy rate of interviewed households was 4.5. Highest occupancies were found in the Eastern Bay of Plenty with 3.8 adults and 3.5 children per household. In Northland the occupancy was 2.4 adults and 0.9 children per household, and in the East Coast it was 1.5 adults and 2.2 children per household.

6.16 People aged 65 years or older were reported in 19 of the 28 households. The same number of households also had children living in the dwelling. Interviewees reported that in 22 of the 28 households one or more household members had a chronic health problem or disability. In the majority of households there were multiple health problems.

6.17 Overall, in relation to ERS� and other loan or household directed solutions such as provision of alternative rental accommodation, there can be little doubt that the assistance that was delivered did appear to go to households in need. However, a problem arises in relation to other components of the Rural Housing Programme that were directed to improving the capacity of at risk households (both those assisted with loans and those not assisted in this way) to avoid falling into persistent sub-standard housing and to improve their housing-related safety.

- 6.18 It is clear from the data generated by the Rural House Condition Survey of rural houses in the Rural Housing Programme areas, that the numbers of households living in poor housing conditions is considerably higher than the numbers receiving product-based assistance. In short, those who received assistance fell within the appropriate targeted group, but many households in the targeted group received no assistance co-ordinated through the Rural Housing Programme either in the form of direct, individualised assistance or community-based education.
- 6.19 It could be argued that limited funds simply prevented assistance being provided to those households through lending and rental housing solutions. This is a strong argument, although somewhat weakened by not all the appropriated resources being drawn down in the period 2001 to 2005. Nevertheless, there are other components that were intended to be delivered by the Rural Housing Programme such as housing action plans that could have reached and been targeted at the wider population of at risk households. There could also have been promotion of housing repair and maintenance as a beneficial health practice. While ACC and the Fire Service were doing some work on these issues in the period there was little evidence of co-ordination with them either in the regions or at National Office.

Targeting Dwellings

- 6.20 Three problems immediately arose for the Housing New Zealand Corporation when given the task of leading the Government's Rural Housing Programme:
- First, there is no set of standards that legally apply to existing dwellings. New dwellings must meet the Building Code which is designed to ensure that dwellings are both safe and functional (with appropriate maintenance) for a period of fifty years.
 - Second, the Rural Housing Programme was given a goal which went beyond simply addressing the current houses posing a health and safety risk. The Government's goal of eliminating sub-standard housing implied that Rural Housing Programme interventions should ensure that the stock as a whole was persistently less likely to become sub-standard.
 - Third, the Housing New Zealand Corporation had little information about the profile of stock in the Rural Housing Programme areas either in relation to quantum of sub-standard stock or in relation to relative condition of that stock.

All those factors generate considerable problems with targeting. Over the 2001 to 2005 period it could be said that Housing New Zealand Corporation dealt with the first problem relatively rapidly and effectively. It attempted to deal with the third but did so in a manner that was ineffective and, certainly, in the period in question, largely left the second problem unresolved.

- 6.21 In the first years of delivery, the immediate focus was on identifying and addressing the dwelling needs of those households in dwellings that required immediate repairs to make them safe. To differentiate between dwellings Housing New Zealand Corporation developed a categorisation of dwelling stock. This condition category is used as an input into deciding the priority, nature and level of funding to be allocated to addressing the repair or maintenance of the dwelling or assisting the resident household into an alternative dwelling. Condition categories range from A-F. Category A

designates the dwellings that pose the most serious health and safety risks and are in the worst condition.

- 6.22 The specification of the Housing New Zealand Corporation Rural Housing Programme housing categories are set out in Infobox 6.1.

Infobox 6.1: Housing New Zealand Corporation Technical Assessment of Dwellings for Rural Housing Programme

Categories	Specification of Category Characteristics
A	Past redemption. Replacement of dwelling recommended
B	Urgent repairs required – House unsafe – Health hazard – No power connected to home – House at risk.
C	Reasonably urgent – essential repairs required – Not life threatening.
D	No urgency – Minimal risk – Some essential repairs required.
E	No urgency – Desirable repairs only to improve living conditions – No risk.
F	House in reasonable order and only minor repairs required.

- 6.23 It is unclear why this particular categorisation was used when the New Zealand House Condition Index created by BRANZ and used to assess stock condition through national surveying was extant. The failure to do so has had some significant ramifications for the programme in relation to estimating the numbers of dwellings that need repair, maintenance and renovation which are discussed later. At this point, however, the focus is simply on the extent to which those houses that have participated in the Rural Housing Programme have fallen within the repair categories set by the Rural Housing Programme.

- 6.24 As stated earlier, the Housing New Zealand Corporation computerised information management system was persistently reported to the evaluation by Rural Housing Programme’s delivery teams as problematic. They found it did not report reliably on the dwelling characteristics of households in contact with the Rural Housing Programme. Consequently, the evaluation had to establish an information base around targeting from the evaluation’s File Survey and the in-depth interviews with recipient householders.

- 6.25 The File Survey found that 12 percent of assessed houses fell into Category A with 49 percent in Category B and 27 percent in Category C. This partly reflected the age of the stock in the Rural Housing Programme areas. Among the 201 dwellings for which age was recorded in the sampled Rural Housing Programme files, around a quarter (24.4 percent) are aged 26 years or less. The largest category of dwellings (39 percent) were 55 years old or more.

- 6.26 Of the dwellings subject to a recorded technical assessment,⁵⁰ over half were in Category A or B (Table 6.5).

⁵⁰ Of the 363 dwellings in the File Survey sample, 91 dwellings have not yet been subject to a technical assessment of dwelling condition. Twenty of the 252 dwellings in the File Survey that have been subject to a technical assessment showed no recorded condition category.

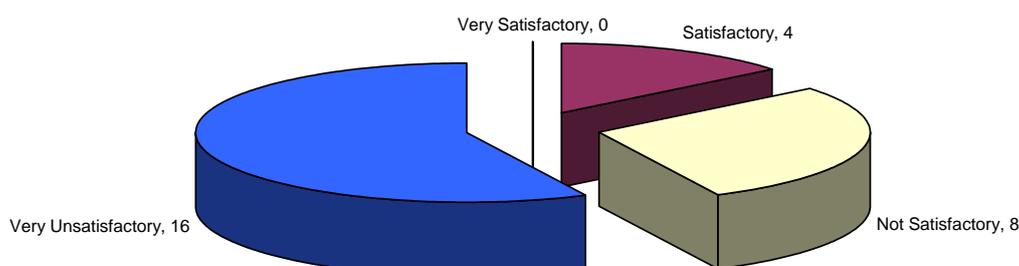
Table 6.5: Condition of Dwellings Engaged in the Rural Housing Programme 2001-2005 by Housing New Zealand Corporation Condition Categories (File Survey 2005)

Categories	Specification of Category Characteristics	% of Dwellings for Rural Housing Programme Assessed Houses
A	Past redemption. Replacement of dwelling recommended	12%
B	Urgent repairs required – House unsafe – Health hazard – No power connected to home – House at risk.	49%
C	Reasonably urgent – essential repairs required – Not life threatening.	27%
D	No urgency – Minimal risk – Some essential repairs required.	9%
E	No urgency – Desirable repairs only to improve living conditions – No risk.	2%
F	House in reasonable order and only minor repairs required.	1%

- 6.27 The Rural Housing Programme dwellings had lower levels of amenity than New Zealand houses generally. Only 84.6 percent had reticulated electricity compared to about 98.1 percent of New Zealand's households in the 2001 census. Only 72.3 percent of Rural Housing Programme dwellings had a hot water supply compared to 97.8 percent of New Zealand's 2001 housing stock. Only 76.1 percent of Rural Housing Programme dwellings had cold water supply compared to at least 97.8 percent of New Zealand's 2001 housing stock.
- 6.28 Annex C summarises the range of house condition problems affecting dwellings, identified by staff in the Rural Housing Programme files, against the condition categories assigned to those dwellings. The File Survey provides clear evidence that the ERSL component of the Rural Housing Programme was being targeted as intended to houses which are sub-standard. Almost two thirds (61 percent) of the dwellings in the Rural Housing Programme are Category B or worse. Almost three-quarters of the Rural Housing Programme households (73.3 percent) are in dwellings with bedroom occupancy rates higher than the national rate.
- 6.29 The in-depth interviews with households receiving Rural Housing Programme assistance also suggest that those assisted fell within the target group for immediate ERSL assistance. The vast majority found their housing situation unsatisfactory (Figure 6.1).
- 6.30 A wide range of repair and maintenance problems were listed by interviewees in relation to the condition of their dwellings. Typically interviewees noted extensive wear and tear and reported that the impacts of ordinary wear and tear had accumulated over the life of the property owing to limited maintenance. Plumbing was frequently reported as a problem. In some cases this consisted of lack of plumbed amenities (sinks, hot water, showers). In other cases, plumbing was simply inoperable, damaged or inadequate. In

particular, septic tanks, water tanks, spouting and sumps were repeatedly identified as problems by the interviewees.

Figure 6.1: Interviewees Satisfaction with Their Housing at Time of First RHP Contact (In-depth Interviews 2006)



- 6.31 Cladding problems such as broken weatherboards, poor windows, and leaking roofs were persistent problems. A number of health and safety problems were repeatedly identified including an inability to lock windows or doors, dangerous steps and decking for exterior/interior access, rotten floor boards and holes in the floor, as well as exposed electrical wiring. Interviewees persistently found their homes leaky, draughty and cold, subject to mould and the growth of other fungi which required on-going cleaning.
- 6.32 Two problems arise even among those dwellings in need of ERSL because of severe health and safety risks and urgent repair needs. Firstly, the delivery of assistance was slow. Section 5 has already pointed out that the Rural Housing Programme between 2001 and 2005 was unable to complete the delivery process for significant proportions of households contacted by the Rural Housing Programme. Secondly, Housing New Zealand Corporation has not systematically quantified the numbers of stock likely to fall into the A, B or C categories.
- 6.33 Identification of stock for immediate ERSL assistance because of urgent repair needs was initially undertaken by technical assessment in communities believed to be most heavily affected by poor dwelling condition. After an initial set of assessments around 2000/01 for budgetary and appropriation purposes, there was no systematic survey of the overall condition of the stock. Instead, the Rural Housing Programme was forced to rely on a snowballing approach in which they simply assessed dwellings which were represented by householders or community agencies as likely to require assistance.
- 6.34 While that approach was a practical approach to delivery of assistance, it was not an approach that allows either the quantum of need or the effectiveness of Rural Housing Programme targeting to be established. The evaluative as well as the operational problems caused by this led to the evaluation undertaking a survey of the house condition of rural stock in the Rural Housing Programme areas. By surveying and establishing the condition of the

whole stock, rather than focusing simply on stock likely to fall within the assistance criteria of the Rural Housing Programme, the Rural Housing Programme Condition Survey provided:

- a baseline for future measurement of changes in the quality of the housing stock in the Rural Housing Programme areas
- a baseline to compare the housing stock in the Rural Housing Programme areas with the national New Zealand stock
- a basis for assessing the adequacy of the Rural Housing Programme's resourcing in relation to rehabilitating what might be considered substandard stock, and
- an insight into how to target assistance in the Rural Housing Programme areas in ways that both meet the health and safety outcomes as well as the sustainability outcomes sought by the Rural Housing Programme.⁵¹

- 6.35 The Rural Housing Programme House Condition Survey applied the New Zealand House Condition Index in its analysis of all rural stock in the Rural Housing Programme areas. After a consideration of the alignment between Housing New Zealand Corporation's condition categories and the New Zealand House Condition Index, stock with an average component score of less than 3 (<HC Score 3) was identified as the sort of stock that could be considered sub-standard in the context of the Rural Housing Programme. Stock with <HC Score 2.5 could be considered as requiring immediate repair and posing significant health and safety risk.
- 6.36 What the Rural Housing Programme Condition Survey found was that substantial proportions of stock fell into these categories. Overall, the Rural Housing Programme Condition Survey showed that the number of dwellings identified as in significantly 'sub-standard' condition has been underestimated in the early planning for the Rural Housing Programme in the NECBOP areas. The initial assumption for housing responses required through NECBOP on a regional basis used a 2,500 affected household baseline. In reality, it appears likely that at least twice that number of dwellings required assistance. Under those conditions, while the dwellings and households that received assistance certainly fell into the targeted dwelling population, the targeted dwelling population far exceeds the dwelling population actually participating in the Rural Housing Programme.
- 6.37 There is a further issue in relation to targeting dwellings that caused concern for the Rural Housing Programme operational teams but was not adequately addressed or resolved in the 2001 to early 2006 period. That is the problem of targeting dwellings that are at risk of becoming in poor or very poor condition but are not prioritised because they do not fall into or are marginal to Housing New Zealand Corporation's A and B house condition categories. For many stakeholders involved in the Rural Housing Programme the focus on the most extreme examples of dilapidated stock without allocation of investment in 'at risk' dwellings and the prevention of sub-standard housing placed in jeopardy the Government's goal of eliminating sub-standard housing.

⁵¹ The Rural Housing Programme Condition Survey results are presented in Saville-Smith, K (March 2006) *Rural Housing Programme House Condition Survey – East Coast/Eastern Bay of Plenty and Northland*. Because of the importance of the method in understanding the results of this survey, Section 3 of that report is presented in Annex D of this report.

- 6.38 The problem of how to target Rural Housing Programme resourcing in the context of a programme that had both preventative and reactive elements frequently preoccupied the Rural Housing Programme operational team. They were confronted with a programme that the Government wanted to both address the repair needs of severely dilapidated houses but also prevent repaired and other houses falling into dilapidation in the future. What the Rural Housing Programme House Condition Survey shows is that:
- The essential repair needs of the majority of dilapidated houses in these areas have not been addressed.
 - Those dwellings receiving essential repairs are undoubtedly within the highly dilapidated category, but there are significant proportions of 'at risk' dwellings which could be expected, given the outcomes sought by the programme, to have been targeted
- 6.39 How and whether to target 'at risk' dwellings and to undertake preventative investments through Home Improvement Loans or other products was an unresolved macro-policy issue identified as critical by the evaluation in 2004/05.⁵² But the macro-policy issues unresolved for Housing New Zealand Corporation went beyond the relative focus on reactive and preventative interventions. There was also an implicit, and sometimes explicit, view expressed within the organisation that, despite Government directives, public investment in the private housing stock was inappropriate and would have few public benefits. Resolution of this required vigorous macro-policy analysis with Housing New Zealand Corporation advice to Ministers.
- 6.40 To both stimulate and to assist Housing New Zealand Corporation to focus on that issue, the evaluation team was requested by Housing New Zealand Corporation to undertake a review of international practice in relation to four questions:
- What is international prevalence of investment of public funds in the maintenance and improvement of the private housing stock?
 - What circumstances prompt investment in the private stock and the macro-policy rationale associated with that investment?
 - What are the range of tools, products and mechanisms through which such assistance is delivered?
 - What can the Housing New Zealand Corporation learn from the international models of public investment into private stock maintenance in both the context of the Rural Housing Programme and within its broader role as a key agent in the implementation of the New Zealand Housing Strategy?
- 6.41 That review found that internationally there was an increasing desire to refurbish existing and at risk stock as well as to assist where individual dwellings were presenting a household with a significant health and safety risk.

⁵² Saville-Smith, K., and N. Wehipeihana (2004) *The Centre in the Delivery of the Rural Housing Programme: first Stakeholder Report*.

- 6.42 Internationally, those countries that encourage and assist owner occupiers to repair and maintain their houses, see a dilapidated housing stock and/or a housing stock with low levels of performance and amenity as a national problem. They recognise that the social, economic and environmental costs of a poor housing stock extend beyond the people who reside in dilapidated housing.
- 6.43 Internationally, there is a strong research and experiential platform of evidence showing that poor housing stock:
- places at risk the value of previous private and public investment in the national infrastructure
 - is a major impediment to sustainability
 - reduces the energy efficiency of the stock with associated excessive demand for energy and/or fuel poverty problems
 - risks the long-run degradation of stock functionality
 - generates poor health, safety, educational and human capital outcomes, the costs of which are not confined to the individuals who live in poor housing
 - is likely to expose governments to the costs of the poor social, environmental and health outcomes associated with poor housing condition
 - increases the pressure to fund or provide social housing or, in the case of older people, residential care
 - de-stabilises households and communities
 - encourages localised social and economic decline, and
 - increases residential movement and instability.⁵³
- 6.44 Four notable points emerge from an analysis of the range of assistance provided around repairs and maintenance. They are:
- There is a strong focus on renovation and refurbishment in European states. Of 27 European states including Great Britain, only four do not have explicit housing refurbishment or renovation policies for the owner-occupied stock.

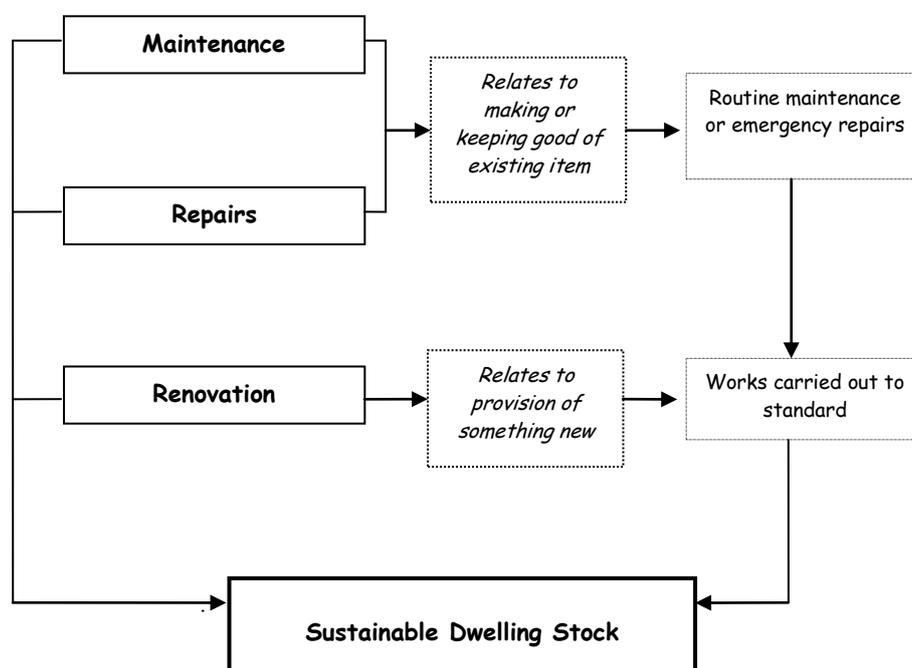
⁵³ There is a significant range of research around the problems generated by stock dilapidation, aging and decline. Parkes, A. and Kearns, A. (2003) Residential perception and housing mobility in Scotland: An analysis of the Scottish House Condition Survey 1991-96. *Housing Studies* 18 (No. 5), pp673-701. recommend investments in both housing quality and in neighbourhood management as primary pathways to stabilising neighbourhoods irrespective of the tenure profile of the declining neighbourhood. Other key references are: Forrest, R. (2004) *Who cares about neighbourhoods?* (CNR Paper 26). London, UK: ESRC Centre for Neighbourhood Research; Bridge, G. *et al* (2004) *Neighbouring: A review of the evidence.* (CNR Paper 24). London, UK: ESRC Centre for Neighbourhood Research; Scottish Executive (2003) *Stewardship and responsibility: a policy framework for private housing in Scotland.* Scotland: Housing Improvement Taskforce; ODPM (Oct 2002) *Addressing the needs of run-down private sector housing.* London: UK Government; Cole, I. and Nevin, B. (2004) *The road to renewal: The early development of the Housing Market Renewal programme in England* (PDF). York, UK: Joseph Rowntree Foundation; Terry, R. and Joseph, D. (1998) *Effective and protected housing investment.* York, UK: Joseph Rowntree Foundation; Green, G. *et al* (2005) *The dynamics of neighbourhood sustainability.* York, UK: Joseph Rowntree Foundation; Boelhouwer, P. and Elsinga, M. (no date) *Evaluation of Finnish housing finance.* Finland: Ministry of the Environment; Scottish Executive (2002) *Issues in improving quality in private housing.* Scotland: Housing Improvement Task Force; Leather, P. (2000) *Crumbling castles: Helping owners to repair and maintain their homes.* York, UK: Joseph Rowntree Foundation; Mullins, D. *et al* (2004) *Empowering communities, improving housing: Involving black and minority ethnic tenants and communities.* London: ODPM.

- Even in countries without an explicit refurbishment or renovation policy, there is public investment in renovation, repairs and maintenance.
- There is strong support for repairs and maintenance investments. As Table 6.6 shows, over half of the European countries reviewed had explicit programmes for assistance to owner occupiers to undertake dwelling repairs and just under half provided maintenance related assistance. North America and Australia both have examples of programmes directed to maintenance and repairs as well as renovation.
- Assistance tended to be targeted across three different segments – repair, maintenance and refurbishment respectively. A co-ordinated and coherent balance of investment over those segments was increasingly recognised internationally as critical to preventing stock decline and ensuring a sustainable stock into the future (Figure 6.2).⁵⁴

Table 6.6: Maintenance, Repairs and Renovation Assistance for Owner Occupiers in Europe, North America and Australia

Focus of Assistance	Europe (Incl. Great Britain) 27 Countries Reviewed	North America and Australia 3 Countries Reviewed
Renovation/Refurbishment	23/27	3/3
Repairs	14/27	3/3
Maintenance	12/27	3/3
Renovation/Retrofit Climate Change and/or Environment	5/27	1/3
Neighbourhood Renewal	5/27	2/3
Specified Home Adaptation	3/27	3/3

Figure 6.2: Maintenance, Repairs and Renovation – Sustainable Housing Outcomes⁵⁵



⁵⁴ See Saville-Smith, K (2005) *Public Investment in the Repairs and Maintenance of Owner-Occupied Dwellings: A review of international policy and practice*.

⁵⁵ Adapted from Stewart, J. (2003a) Encouraging home-owners to maintain their homes: Initiatives in the Bellenden Renewal Area, Peckham. *Journal of Environmental Health Research*, 2 (No.1), pp10-21.

- 6.45 In the 2001-2005 period, there is little evidence that the Housing New Zealand Corporation resolved the alignment of its targeting and products with the demands of the Rural Housing Programme's goal of eliminating sub-standard housing. It concentrated almost entirely on the provision of assistance for essential repairs and dealing with those repairs that were seen as most critical in relation to a relatively narrow view of health and safety risk.
- 6.46 In addition, despite the international review work undertaken around international practices on repair and maintenance, the Housing New Zealand Corporation was slow to address the macro-policy issue of public investment in privately owned stock. There is every indication that poor understanding and acceptance of the Government's policy within Housing New Zealand Corporation contributed to the delays in approving business cases in the first few years of the Rural Housing Programme's operations. This was evident in the programme logic evaluation and in the subsequent interviews with staff and senior personnel through 2004 and 2005.

Targeting Communities

- 6.47 Because of the lack of robust information about the profile of sub-standard housing in the Rural Housing Programme areas, Housing New Zealand Corporation's targeting of communities was undertaken through a process of community engagement involving two different types of engagement. Firstly there was engagement with iwi, runanga and local organisations that had an explicit or potential interest in addressing housing need and a capacity and/or desire to deliver services through the programme. Secondly, there was a process by which those organisations and individuals identified particular individuals in housing need. Both these approaches are consistent with the goals and targeting of the Rural Housing Programme. Indeed, as a means of systematically addressing sub-standard stock at both the individual level and at the aggregate stock level, systematic targeting locality by locality is a practical and orderly way in which to deliver a programme such as this. This is particularly the case when delivery is intended to involve local communities and generate whanau and community social and economic benefits as well as household benefits.

7. RURAL HOUSING PROGRAMME OUTCOMES

- 7.1 The chain of inputs and outputs that are required to ensure outcomes can be both achieved and attributed to the Rural Housing Programme had not been firmly established by early 2006. Under those conditions it is inappropriate to continue with the long-term monitoring and outcomes assessment component originally conceived of as a component of the evaluation, despite the development in 2004 of an outcomes framework for that evaluation. It is, nevertheless, important to comment on a number of aspects of outcomes in relation to the Rural Housing Programme:
- Whether the Rural Housing Programme is in fact amenable to outcome based performance measurement.
 - The extent to which there is evidence of outcome based performance measurement being integrated into the Housing New Zealand Corporation's business planning and reporting systems over the 2001 to early 2006 period.

- Whether there is any indication in the current evaluation data platform that outcomes sought by the Rural Housing Programme are being generated by Rural Housing Programme delivery.

Those issues are the subject of the discussion in this section.

Outcome-based Performance

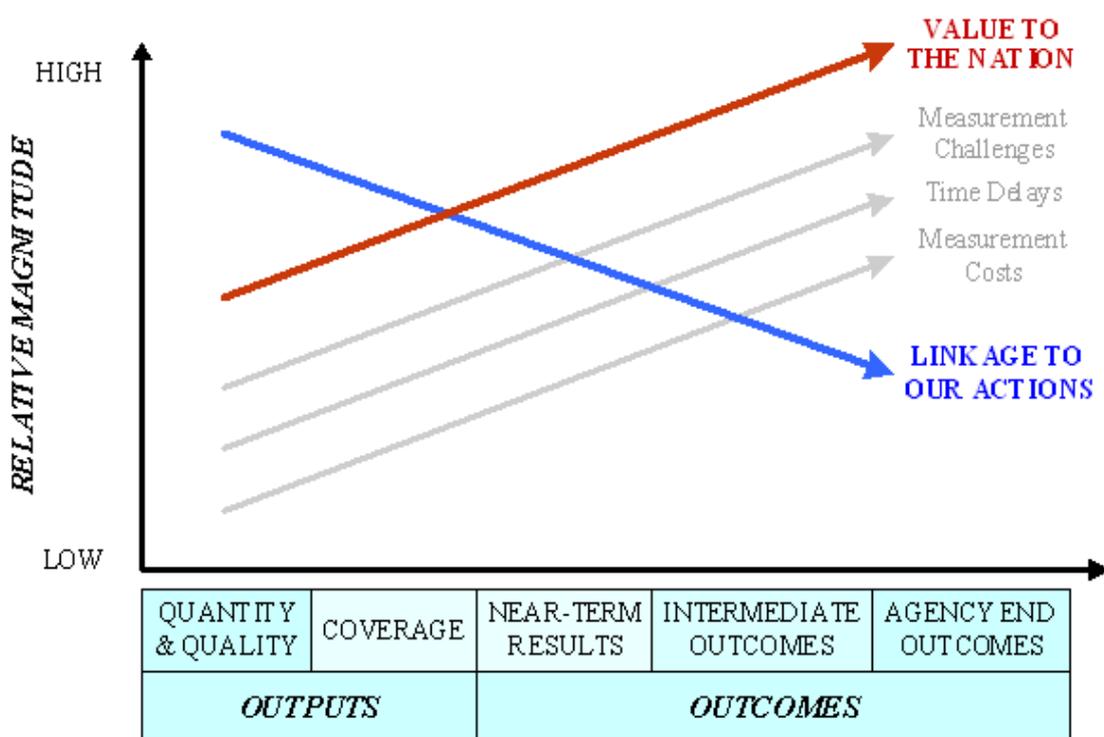
- 7.2 Over the last few years Government agencies have increasingly moved to reporting on the basis of achieved outcomes to ensure that the Government's programmatic investments deliver agreed outputs and contribute to the Government's broader strategic goals. It was in the context of that orientation that the Government Steering Group for Managing Outcomes Roll-out released their report in 2003 called *Learning for Evaluation Activity: Enhancing Performance through Outcome-focused Management*.⁵⁶ That report provided the paradigm in which the outcome framework for the long-term evaluation of the Rural Housing Programme was generated. That report advocated development of outcome frameworks as part of the process by which organisations can continuously improve. Managing for outcomes was seen as enabling organisations to be more effective in direction setting, planning, implementation and delivery.
- 7.3 Consequently, the development and use of outcome frameworks are based on three important ideas. Those are that:
- Programme delivery is intended to change situations and achieve results rather than be an end in itself.
 - Programme interventions are part of a chain – often referred to as the 'results chain' – in which actions can be continuously monitored to assess the probability of those actions generating desired near-term results and intermediate and end-term outcomes.
 - Agencies which are transparent about the results they are trying to achieve and how they are trying to achieve them are more likely to optimise their performance and the efficacy of programmes.
- 7.4 The components of outcome frameworks can be described in a number of different ways but broadly consist of specification of: Firstly, the outcomes sought by a programme; and, secondly, the measures used to assess outcome achievements.
- 7.5 Outcomes are the results sought by a programme intervention. They have two important characteristics. Firstly, outcomes are achieved in the long-term rather than the immediate term. Secondly, the achievement of outcomes is contingent on a variety of inputs and behavioural changes. Programme interventions are only one input into those changes. It is widely recognised that the achievement or non-achievement of outcomes can rarely be attributed to the action or inaction of a single agency or its programmes. As

⁵⁶ Note that a number of Government reports and papers have been subsequently released. They include a report *Getting Better at Managing for Outcomes* released in 2005. Those are not described in this discussion, however, because the Outcome Framework for the Long-term Evaluation of Rural Housing Programme was generated in the context of the 2003 report.

Figure 7.1 indicates the causality between agency actions and results become more attenuated in the move from outputs to outcomes.⁵⁷

7.6 Outcomes are long-term rather than immediate. Therefore, it is usual for outcome frameworks to identify results which can be seen as a progressive pathway of movement or progress towards outcomes. The State Services Commission's project *Managing for Outcomes* divides outcomes into three categories: near term results; intermediate outcomes, and end outcomes. Whether all of these categories are measured depends on the complexity of the programme.

Figure 7.1: Linkages to Agency Action and Measurement Issues for Outputs and Outcomes



7.7 Intermediate outcomes can be measured in many ways. The measures in an outcome framework should be based on the following principles of:

- Tangibility – Measures should capture visible and comprehensive links between inputs, outputs and outcomes with a particular focus on the activities that an agency manages.
- Practicality – Measures should use information and data which can be obtained without unreasonable imposition or cost.
- Reliability – Measures should use information and data that is replicable and around which there is broad agreement on interpretation.
- Coverage – Measures should capture the range of benefits expected for the individuals or groups with which the delivery agency engages.

⁵⁷ Figure 7.1 is from Steering Group for the Managing for Outcomes Roll-out 2004/05 (2003) *Learning from Evaluative Activity: Enhancing Performance through Outcome-focussed Management*. Appendix 2, p.12.

- 7.8 The results or impacts sought from programmes are numerous and complex. Not all results or impacts need to be captured in an outcomes framework. Outcomes frameworks are effective when they focus on a 'vital few' outcomes. The 'vital few' outcomes that need to be part of the outcomes framework can usually be identified by referring to the decisions that led to a programme's establishment. Within the context of government programmes, outcomes frameworks must recognise the hierarchy of decision-making. Programme outcomes identified in cabinet decisions, through ministerial letters of expectation, and ministerial direction must be given precedence. Similarly, programme outcomes sought by the governance bodies of agencies or articulated in statements of intent also need to be captured within the outcome framework.
- 7.9 Concern was expressed during the evaluation that the reporting of Rural Housing Programme achievement was focused on a very narrow range of outputs. In particular, the number of loans approved and the number of rental units provided. Other Rural Housing Programme activities and other outputs were largely unrecorded and, potentially, unreported. Internal stakeholders saw this tendency in one of two ways:
- One group believed that both the outcomes and outputs of the Rural Housing Programme were too amorphous to operationalise and report against.
 - Others believed that the range of output measures and indicators which could be used to report on for the Rural Housing Programme were amenable to measurement but as yet had not been incorporated into Housing New Zealand Corporation's broader framework of business performance and reporting.
- 7.10 To fill that gap and to provide a platform for the eventual monitoring and assessment of outcomes, the evaluation undertook the preparation of an outcomes framework.⁵⁸ That outcomes framework was promulgated in July 2004 to inform the evaluation of the Rural Housing Programme in Northland, the Eastern Bay of Plenty and the East Coast.

Rural Housing Programme Long Term Outcomes Evaluation Framework

- 7.11 The outcome framework consisted of a hierarchy of outcomes, indicators and measures with a single end-outcome with three associated end-outcome measures; six intermediate outcomes, and twenty-two intermediate outcome indicators. Each intermediate outcome is associated with measures. Figure 7.2 sets out the end-outcome for the Rural Housing Programme and the six intermediate outcomes associated with the programme. The end-outcome and the intermediate outcomes were selected because they represented the key outcomes sought by the Government through successive Cabinet decisions in relation to the establishment, implementation and funding of the Rural Housing Programme. The framework identified the intermediate outcome indicators (Figure 7.3).

⁵⁸ Long-Term Rural Housing Programme Evaluation Team (2004) *Outcomes Framework for the Evaluation of the Rural Housing Programme (Rural Housing Programme) in Northland, the East Coast and the Eastern Bay of Plenty*

Figure 7.2 Outcomes for the Rural Housing Programme Evaluation

End-Outcome	Intermediate-Outcomes
Elimination of Sub-Standard Housing	<i>Improved Safety and Health of Dwellings</i>
	<i>Improved Quality of Housing Stock</i>
	<i>Reduced Unmet Housing Need</i>
	<i>Improved Knowledge and Systems for Sustainable Housing Response in Communities</i>
	<i>Improved Social and Economic Wellbeing</i>
	<i>Increased Community Capacity</i>

Figure 7.3 Intermediate Outcomes and Associated Indicators

Intermediate Outcomes	Intermediate Outcome Indicators
Improved Safety and Health of Dwellings	1. Reduced incidence of house fire in assisted communities 2. Reduced incidence of death from dwelling fires in assisted communities 3. Reduced incidence of dwelling associated illness in assisted households
Improved Quality of Housing Stock	4. Increased allocation among assisted households of resources to dwelling maintenance and repairs 5. Reduced incidence of sub-standard housing in assisted communities 6. Renovation, expansion and replacement of existing stock
Reduced Unmet Housing Need	7. Household expenditure on housing does not exceed 30% of net household income. 8. Reduced use of special benefits and special needs grants for housing related purposes in assisted communities 9. Increased take-up of AS among eligible households. 10. Reduced crowding among assisted households. 11. Reduction in use of emergency and temporary dwellings. 12. Reduced waiting lists for public and social housing.
Improved Knowledge and Systems for Sustainable Housing Response in Communities	13. Increased provision of housing for low-income households. 14. Improved capacity of individuals to identify and address their housing needs 15. Improved cross-sectoral co-ordination around housing
Improved Social and Economic Well-being	16. New innovative business activities and employment through Rural Housing Programme activities 17. New and improved training and educational opportunities through Rural Housing Programme activities 18. Increased self-assessed well-being among assisted communities and households

Increased Community Capacity	19. Improved cross-sectoral engagement in assisted communities
	20. Improved community leadership and participation in assisted communities
	21. Improved community-based planning, resource use and targeting in assisted communities

- 7.12 The Minister of Housing has noted in his 2004/05 letter of expectation that the Board should ensure that the Housing New Zealand Corporation:
- “works with communities and iwi to improve the quality and availability of housing in rural communities.”
 - “works with non-government organizations, iwi and local government to increase diversity and choice for specific groups.”

Those priorities are expected to be pursued in ways that “create the greatest value from finite resources... [and] where the priorities are capital intensive, we expect the Corporation to assess and differentiate between, the value of multiple demands on capital and develop policy options that enable it to balance these priorities to achieve the Government’s overall vision.” The letter of expectation also directs the evaluation of the Rural Housing Programme in Northland, Eastern Bay of Plenty and East Coast to go beyond the assessment of output achievement to a focus on the achievement of outcomes especially those outcomes “linked back to the strategic framework of the draft NZHS”.

Outcomes Measurement

- 7.13 Supporting the end-outcome and the intermediate outcome indicators were a set of end-outcome measures and a set of measures for the intermediate indicators. Those are set out in Figures 7.4 and 7.5 respectively.

Figure 7.4 Measuring the Elimination of Sub-Standard Housing

End-Outcome	End-Outcome Measures
Elimination of Sub-Standard Housing	Proportion of Households in Temporary Private Dwellings Equivalent to the National Average
	Proportion of Overcrowded Dwellings Equivalent to the National Distribution of Overcrowded Households by Household Composition
	Average Dwelling Condition Equivalent to the National Profile of Dwelling Condition

Figure 7.5 Measuring the Intermediate Outcome Indicators

Intermediate Outcome Indicator	Intermediate Outcome Measure
1. Reduced incidence of house fire in assisted communities	▪ Fires/1,000 dwellings
2. Reduced incidence of death from dwelling fires in assisted communities	▪ Fire deaths/100,000 population
3. Reduced incidence of dwelling associated illness in assisted households	▪ Self-reported education and employment days lost ▪ Self-assessed health ▪ Visits to healthcare providers

4. Increased allocation among assisted households of resources to dwelling maintenance and repairs	<ul style="list-style-type: none"> ▪ Maintenance and repair expenditure by household ▪ Maintenance and repair labour contribution by household
5. Reduced incidence of sub-standard housing in assisted communities	<ul style="list-style-type: none"> ▪ Number of condemned dwellings ▪ Number of households residing in temporary dwellings
6. Renovation, expansion and replacement of existing stock	<ul style="list-style-type: none"> ▪ Renovation, repairs, and maintenance investment by landlords. ▪ Building consents.
7. Household expenditure on housing does not exceed 30% of net household income.	<ul style="list-style-type: none"> ▪ Number of households exceeding 30% of net income on housing outgoings.
8. Reduced use of special benefits (SB) and special needs grants (SNG) for housing related purposes in assisted communities	<ul style="list-style-type: none"> ▪ Housing related number of SB and SNG ▪ Housing assistance expenditure through SB and SNG.
9. Increased take-up of Accommodation Supplement (AS) among eligible households.	<ul style="list-style-type: none"> ▪ Proportions of eligible households taking-up AS.
10. Reduced crowding among assisted households.	<ul style="list-style-type: none"> ▪ Occupancy rates by household composition and size. ▪ Self-assessed crowding by assisted households.
11. Reduction in use of emergency and temporary dwellings.	<ul style="list-style-type: none"> ▪ Number of households using emergency housing. ▪ Number of households in temporary dwellings.
12. Reduced waiting lists for public and social housing.	<ul style="list-style-type: none"> ▪ Number and duration on housing waiting lists.
13. Increased provision of housing for low-income households.	<ul style="list-style-type: none"> ▪ Number of new social housing stock units. ▪ Number of community-based housing providers. ▪ Hapu/Iwi/community governance processes established to manage housing and housing-related activities. ▪ Increased resourcing directed to housing through Rural Housing Programme initiated partnerships and inter-organisation initiatives. ▪ Initiatives to address dynamics that threaten the supply and maintenance of affordable housing stock such as rate inflation/arrears.
14. Improved capacity of individuals to identify and address their housing needs	<ul style="list-style-type: none"> ▪ Self-assessed improvement in capability among Rural Housing Programme participant households
15. Improved cross-sectoral co-ordination around housing	<ul style="list-style-type: none"> ▪ Cross-organisation initiatives and systems established to identify and address housing need. ▪ Number of initiatives showing cross-sectoral planning and delivery of housing, welfare and health services. ▪ Number of initiatives showing cross-sectoral planning and delivery of housing, business and employment services. ▪ Housing plans agreed with hapu, iwi and local communities that address settlement infrastructure issues.
16. New innovative business activities and employment through Rural Housing Programme activities	<ul style="list-style-type: none"> ▪ Increased employment take-up among Rural Housing Programme participants. ▪ New business units related to Rural Housing Programme participation. Positions created by Rural Housing Programme activities.
17. New and improved training and educational opportunities through Rural Housing Programme activities	<ul style="list-style-type: none"> ▪ Increased participation in training and education by Rural Housing Programme participants (numbers, duration and level). ▪ Number of new and expanded training courses and positions relevant to housing and housing related outcomes by accredited training providers.

18. Increased well-being among assisted communities and households	<ul style="list-style-type: none"> ▪ <i>Self-assessed individual, household and community well-being</i>
19. Improved cross-sectoral engagement in assisted communities	<ul style="list-style-type: none"> ▪ <i>Self-assessed cross-sectoral co-operation among key agencies.</i> ▪ <i>Increased participation by Rural Housing Programme stakeholders in co-operative cross-sectoral processes.</i> ▪ <i>Increased number of cross-sectoral fora.</i>
20. Improved community leadership and participation in assisted communities	<ul style="list-style-type: none"> ▪ <i>Self-assessed improvement in leadership and governance capacity among Rural Housing Programme stakeholders.</i> ▪ <i>Increased participation and leadership of community initiatives by Rural Housing Programme stakeholder organisations.</i>
21. Improved community-based planning, resource use and targeting in assisted communities	<ul style="list-style-type: none"> ▪ <i>Self-assessed improvement in planning, resource use and targeting by community stakeholders.</i> ▪ <i>Increased use of participative planning, needs assessment and resource allocation mechanisms.</i> ▪ <i>Increased participation of Rural Housing Programme stakeholders in planning and resource allocation processes.</i>

7.14 Any outcome frameworks generate problems of measurement and the Rural Housing Programme was no exception. In particular, while the measurement of dwelling condition represented the most direct measurement of the existence of sub-standard housing, sub-standard housing could not be strictly treated as a direct measure because of the lack of a clear operational definition of sub-standard housing in New Zealand. The measure related to temporary dwellings was used because temporary dwellings tend, even if they are permanent structures, not to be built with the performance and amenity requirements placed on new residential dwellings. The measure related to overcrowding recognised the tendency for overcrowding to stress dwellings and dwelling infrastructures.

7.15 All of the three end-outcome measures had three characteristics in common. Firstly, they were all derived from well established time series data. Secondly, they utilised agreed standards for the measurement in so far as those were available. Thirdly, the standards were embedded in the measures calibrated to the national experience. In essence, this meant that the outcome sought through the Rural Housing Programme was to bring Northland, the Eastern Bay of Plenty and the East Coast to a housing profile that is similar to the average of national experience. As such it can be expected that some unmet housing need would still remain to be addressed in the Rural Housing Programme areas as it is in other areas in New Zealand.

- 7.16 Those end and intermediate outcomes were incorporated into the 2003-2006 Housing New Zealand Corporation Statement of Intent (SOI). The SOI identified five key strategies for Housing New Zealand Corporation⁵⁹ and specifically identified the Rural Housing Programme in the SOI as an initiative.⁶⁰ The Rural Housing Programme was also aligned to the strategies around sustainability. It is part of a responsible and responsive housing system which builds partnerships with, and provides support to, non-government agencies, local government iwi and Maori housing providers. Much of this work involves investment in relationship-building and consultation to ensure subsequent investment in housing solutions is sustainable and meets the needs of communities concerned.⁶¹
- 7.17 While those requirements were incorporated into the business management framework, routine reporting and reporting systems by the Rural Housing Programme teams remained largely dominated by the narrow range of measures related to lending approvals and rental house provision. Reporting on other activities appeared to fall into what might be referred to as extraordinary reporting. That is, specially prepared reporting that relied on extensive written reporting.

Achievement of Desired Outcomes

- 7.18 Measuring outcomes of delivery is impossible when, as the File Survey found in 2005, that delivery through the Rural Housing Programme had not been completed for a significant proportion of those who were intended to be assisted by it. Nevertheless the in-depth interviews with those recipients of Rural Housing Programme assistance do provide some indication of the potential of an effectively delivered Rural Housing Programme to achieve the outcomes desired by the Government.
- 7.19 The following provide vignettes of the situations in which people in need of the Rural Housing Programme find themselves.

⁵⁹ Those strategies were to:

- understand the housing system
- facilitate housing solutions
- establish good relationships with stakeholders
- demonstrate sustainability in the built environment
- contribute to a responsible and responsive housing system.

⁶⁰ Within the Statement of Intent and operationalised in the Business Plan

⁶¹ Housing New Zealand Corporation – Statement of Intent 2003/2006 Executive Summary p. 2

1. Elderly Maori Couple – Eastern Bay of Plenty

This elderly Maori couple (both aged over 70) raised all of their children in the family home, which they have lived in for nearly 50 years. The home has fallen into disrepair as they were unable to stay on top of the ongoing maintenance, in the main, due to limited financial resources.

“We’re on the pension so doing the repairs is hard.”

The house was cold and draughty and there were health and safety issues due to sanitation (septic tank and bathroom toilet) and some precarious electrical points and wiring. Whanau were visiting and staying less frequently and the couple believed it was due not only to space limitations but because of the poor/run-down condition of the house.

As a recipient of Rural Housing Programme assistance, a new septic tank, toilet and bathroom vanity have been installed. In addition, new spouting has been installed, the laundry basin replaced and new electrical points fitted. Window latches, sills and doors have been repaired, including locks to the outside doors.

The couple are grateful for the assistance they have received but continued leaks in the bathroom following the repairs are of concern. Notwithstanding, the house is now much warmer and snug and their children and grandchildren are staying for longer periods. They feel that their whanau is coming back closer to them and therefore to one another and they are feeling less stressed now that the major household repairs have been taken care of.

This couple now feel they are in a better position to undertake some of the ongoing maintenance required, finances permitting, because Rural Housing Programme assistance has brought the house up to a more manageable level and with assistance from whanau who are now visiting more frequently.

“Our whanau are returning and staying.”

2. Maori Couple – Eastern Bay of Plenty

This married couple in their early fifties have two preschool grandchildren living with them and their adult children live nearby. The home required extensive repairs due to maintenance and damage not being attended to over the years.

Repairs and maintenance have always been a struggle for this couple on low incomes and is exacerbated by significant periods of unemployment.

The impact for the whanau of living in a badly rundown home was that friends and whanau seldom visited and if they did it was typically for short periods.

Rural Housing Programme assistance has resulted in windows being replaced, the installation of a bath, vanity and laundry basin. Spouting has also been replaced and power points and light fittings have been repaired or installed. Broken and missing door handles were replaced and locks fitted to outside doors. One major problem which was not addressed, and still persists, is a leaking roof.

This couple no longer have to fear for the safety of their grandchildren in and around the home because the repairs, particularly the electrical, plumbing and sanitation repairs and improvements have resulted in a home that is safer and healthier for their grandchildren (and for themselves).

“There is less worry and anxiety”

They’ve noticed an increase in visits by children (and parents) who are friends with their grandchildren. They put the increased visitors down to the repairs and the visible improvements to the house particularly safety and sanitation. As a result they feel proud of their home once again.

“We feel proud of our whare.”

The leaking roof is still a problem and the couple believe that if it is not addressed it will worsen and most likely cause other damage. However, the extensive nature of the work needing to be done means they will have to save to be able to afford the repairs.

“Money is what stops us from fixing up the place – we are on tight budgets”

3. Elderly Maori Couple – Small and isolated rural community – Northland

This elderly couple had returned from the city 20 years ago when the family home became run-down. They are currently living in this small community and have two of their children and their families living in close proximity. They are very industrious spending lots of time daily tending to flower and vegetable gardens. They live in their house primarily by themselves.

The house had no electricity, no running water, no kitchen sink, was draughty, cold and damp but for this couple 'it was home', and 'that's how it had always been!' Their grandchildren would come for short visits but they did not like for them to stay the night because of the cold conditions and poor sanitation.

"I used to worry so much about the little things in my house – the leaks, the damp, and for my grandchildren in the cold – because it gets very cold here in winter!"

It was the couple's children who encouraged them to have the work done when they heard about the Rural Housing Programme. They were humble people and would not have put themselves forward ahead of others in their community. Their children insisted that they make an application and organised for the Housing New Zealand Corporation visit.

Rural Housing Programme assistance resulted in extensive work being done including the installation of a water tank, water pump, a sink, a new stove, a washbasin and shower box, hot water cylinder and a wetback stove. The couple are very appreciative of the work. They had not expected that this would ever happen and were most grateful as on their beneficiary income they would not have been able to afford to have these repairs completed. They were very pleased with the carpenters whom they described as very efficient. They also helped the carpenters do the work 'to make their job easier'. They would always cook a big meal for them as it was one way of showing their gratitude.

"We are enjoying our sleeps now, we have a better life now. It used to be cold and miserable before".

Now that Rural Housing Programme repairs have been completed they have a constant flow of grandchildren coming and going from their home, staying for varying amounts of time. In this small community where power cuts occur, often for up to three days, they are very happy as they use the wetback for cooking and they ensured that the water pump was free flow and was not affected by power cuts. They are most grateful to their children for their ongoing support to get this work completed. They say they would not have got it done without the support of their family.

"The wairua is always high with the support from the whanau."

4. Pakeha Couple – Small and isolated rural community – Northland

This couple are both on the pension. She is an amputee, diabetic and has a range of other illnesses. He does also. They have no children and family support is minimal.

At the time this couple had bought their house there was no running water. They used to have to go down the road with the bucket to fetch a pail of water to flush the loo! This was a very stressful time particularly for the woman who faced a number of health problems.

The Rural Housing Programme support they received was in the form of essential repairs. A water tank, water pump, and shower were installed, spouting and windows fixed and a ramp was put out the back to assist with access to and from the house. When the water pump was first put in they had trouble with it for some time until it was realised that the workmen had forgotten to put the pressure disc in. The woman is pleased with the ramp, however because the property has no paving she is basically housebound. She can get down the ramp but no further as the ground is rocky and unstable and she can't go anywhere on her wheelchair. They tried through the hospital board to get a path but to no avail.

The couple believe that the essential repairs have definitely improved their health.

"I feel a lot better, there's not so much pressure. I don't have so many rashes from being stressed out with no water, no showers and not being able to do the washing... There is less stress in my life now!"

5. Elderly Maori woman – Small Northland community

This elderly woman had lived by herself for years until her health slowly deteriorated. All of her children lived elsewhere too, some in Auckland and others overseas and were infrequent occasional visitors.

"Our whanau is fragmented – they are all over the place. They want to come back more often but they can't because they are working"

She lived in the family home which had no insulation and problems with leaks throughout. The house was cold and damp and the applicant was a chronic asthmatic and had regular hospital stays in relation to her asthma.

"It wasn't pleasant living in damp conditions."

At one stage the family decided that their mother could no longer live by herself due to her health, which was being affected by the condition of the house, so they decided that their mother would be better off in a rest home. They tried this but their mother was very unhappy and suffered bouts of depression. While she was in the rest home, the family were amazed at the number of social service organisations that were available to assist the elderly.

“We had to put Mum in a rest home because her home was so bad – she lasted two weeks and hated it, she wanted to come home, leaks and all. Once she went into the rest home though – everyone wanted to know us - this service and that service.”

After the mother returned home, one of her daughters decided to move in with her mother to care for her and has since completed caregiver training courses.

“I came to live with Mum and then became her caregiver and now I have also been able to do a caregivers course and get my first aid and cross infection certificate”

Rural Housing Programme provided insulation, a new kent fireplace, spouting repairs and a new roof. They were pleased with the work that was done as it was done quickly and efficiently. Some minor leaks occurred post the completion of the repairs but they have not followed up with Housing New Zealand Corporation or made a complaint because they are grateful for the work that was done and the house condition is a significant improvement on the pre Rural Housing Programme context.

The daughter has noticed a considerable improvement in her mother’s health.

“This is the first winter Mum didn’t go into hospital. She was depressed and hated having to go to bed for fear of what might happen in the night (with heavy downpours and leaking roof)”

“We are happy the work has been done and that there are no leaks now. We are happy knowing that the support is there locally because we had no idea. For a while it was Mum and I against the world!”

6. Solo mother with family – Isolated rural community – Tairāwhiti

This woman is a solo mother of five small children and lives in this community as this is where her family are from. She has family members living within the community and is very independent. She works part time doing house cleaning and also does some care-giving to supplement her benefit.

The house she lives in is an ex-Housing New Zealand Corporation home that she was able to purchase with the assistance of a loan through Housing New Zealand Corporation. It is a three bedroom house that was very damp, no insulation and very draughty. In winter time she would rent another house within the community in order to avoid the damp conditions that played havoc on her asthmatic children.

“I have been paying my mortgage and rent for another house at the same time because the house is icy cold in winter and the power costs are so high.”

Rural Housing Programme provided a new roof, partial insulation and some spouting improvements. She has been very grateful for the support received, however there are still areas of the house that are very draughty and cold. She does not feel that she can ask for any more but because the local housing provider has been very supportive she said she would go back to them to have a conversation about the current situation.

- 7.20 In relation to the housing improvement outcomes sought by the Rural Housing Programme, 19 of the 28 interviewees assessed their current housing condition as either very satisfactory (3 interviewees) or satisfactory (16 interviewees) compared to the four interviewees who assessed their housing situation as satisfactory prior to Rural Housing Programme assistance. Twenty-one of the 28 interviewees reported that Rural Housing Programme assistance had improved their housing situation. Almost half of those reporting an improvement considered that Rural Housing Programme assistance had made their situation 'much better'.
- 7.21 Interviewees who thought that their housing situation was improved, associated this with a distinct increase in householders' pride in their homes and gratitude was pronounced among the interviewees. A number of the interviewees noted that since assistance from the Rural Housing Programme they found that some maintenance and repair tasks previously thought unmanageable could be dealt with and that some repairs could actually be undertaken for minimal cost.
- 7.22 Twelve of the 28 interviewees responded that they were more likely to continue repairs and maintenance work on their homes. Nine of the interviewees reported that their own or their family's propensity to undertake repairs and maintenance was about the same as that prior to Rural Housing Programme assistance. For those interviewees cost remained an issue. Lack of access to tools and materials was identified as continuing barriers to taking a more active and on-going role in the repair and maintenance of their homes.
- 7.23 In relation to economic and social well-being outcomes nearly two-thirds of interviewees (20 of 28) reported that their own lives and the lives of their families had improved after the receipt of Rural Housing Programme assistance. Interviewees reported particularly beneficial impacts on older people. Fourteen of the 19 interviewees who lived in households with a member aged 65 years or more, noted improvements in the older person's quality of life. The well-being of children was also seen as particularly benefiting from Rural Housing Programme assistance. Ten of the 19 interviewees who had children in their households, reported that the life of their children had improved. Similar improvements for those with chronic health conditions and disability were also noted.
- 7.24 The main benefits associated with Rural Housing Programme assistance were:
- Reduced/lower levels of stress and anxiety
"There is less stress in my life now"
"I used to worry so much about the little things in my house – the leaks, the bung lights"
 - Reduced incidence of illness/ ailments
"The children's health is much better. Previously always chesty"
"I feel a lot better, there's not so much pressure. I don't have so many rashes from being stressed out with no water, no showers and not being able to do the washing" [amputee]

- Improved hygiene
“The best thing is having clean drinking water, not having to worry about the kids and having to boil it all the time”
- Increased comfort
“We are enjoying our sleeps now, we have a better life now. It used to be cold and miserable before”
- Increased contact with family and friends in the home especially among children
“Self esteem is much better - now the kids don’t mind bringing their friends over”
“Whanau is coming back more often.”
- Reduced conflict in the household
“We’ve got power, it’s more hygienic. Children are happier, lot less bickering”
“We can see that since we had our whare done the stress levels have gone way down making us function better”
- Improved safety and security (and less anxious about electrical safety)
“Safety – points and light fittings”
- Improved ability to care for elderly within their own homes
“I came to live with Mum and then became her caregiver and now I have also been able to do a caregivers course and get my first aid and red cross certificate”
- Increased sense of pride in the home
“The whole house has changed. It made us want to look after it.”

7.25 The impacts of Rural Housing Programme assistance is almost universally perceived as beneficial. Those impacts can be summarised as follows:

- *Improved physical well-being*
 - ▶ improved access and increased mobility due to the repair of decks, railings, steps and paths
 - ▶ improved physical safety due to remedying electrical faults; reduced risk of falls through repair of floor boards and decks
 - ▶ improved security due to the replacement of locks and window latches
 - ▶ improved hygiene due to the installation or repair of drinking, bathing and washing facilities, toilets and septic tanks
 - ▶ improved health due to repairs to windows, doors and roofs which have improved the warmth of the house.

- *Improved mental health*
 - ▶ greatly reduced levels of stress and anxiety
 - ▶ increased sense of empowerment expressed through an increased knowledge or confidence in doing repairs and maintenance.
- *Improved household and whanau relationships*
 - ▶ increased number and frequency of family visits
 - ▶ whanau members are able to undertake some repairs and maintenance tasks.
- *Enhanced emotional and spiritual well-being*
 - ▶ increased sense of well-being
 - ▶ increased sense of pride.

7.26 There are a number of reasons why this range of outcomes is more limited than those to be measured by the outcomes framework. It reflects the limited numbers of recipients for whom Rural Housing Programme delivery was completed over the evaluation period. It also reflects the evaluation being curtailed prior to when it was timed to collect and analyse data in relation to some of the outcome framework measures. In particular, the job creation, employment, and training benefits expected to be achieved by the programme were to be generated primarily through the expanded business and community opportunities related to retrofit provision. Those outcomes were not expected to be generated primarily in recipient households. Nevertheless, it is also arguable that some of the employment and training outcomes that some believed might be stimulated by increased domestic well-being did not emerge among householders because of the demographics of assisted households. Many of the households assisted were composed of people usually outside the labourforce – the very old, and the very young.

7.27 It is evident that the Rural Housing Programme has made a real difference in people's lives. Rural Housing Programme recipients cite numerous examples of improved physical, mental, and whanau well being and the positive impact on the recipient/s and whanau.

"There are less arguments, less bickering, the children are happier, and day-to-day living is easier."

"The 'new house' (relocatable rental) has 'changed' our focus on life, we are happier, more positive."

7.28 To a lesser extent, Rural Housing Programme assistance was also seen to have supported interviewees to access other social services and support. For example, one family that had major debt was receiving budgeting advice (through the support of the Rural Housing Programme provider) and another family where the children had experienced abuse were receiving counselling.

8. RURAL HOUSING PROGRAMME: ACHIEVEMENT AND BARRIERS

- 8.1 In this section of the report we provide an evaluative assessment of the programme's achievements in the context of the opportunities provided by the programme, and consider the range of factors that have inhibited the impact of the Rural Housing Programme in so far as the current platform of evidence allows.
- 8.2 The Programme Logic Evaluation and the Long-term Evaluation Plan identified seven evaluation parameters as critical to the assessment of the Rural Housing Programme. They were:
- Achievement of outcome and outputs
 - Targeting
 - Acceptability
 - Administrative Efficiency
 - Cost-effectiveness
 - Robustness
 - Responsiveness to the Treaty of Waitangi.
- The discussion of Rural Housing Programme achievement is structured around those parameters.

Achievement of Outcomes and Outputs

- 8.3 It has already been noted that the achievement of intermediate and end-outcomes is dependent on the delivery of the programme. That is the achievement of outputs. There have been significant deficiencies in the latter which are manifest in three ways:
- The quantum of delivery of any kind to resolve housing need among those living in sub-standard housing is less than that expected by the Government.
 - The range of products delivered to assist people in severe housing need is narrower than desirable.
 - Activities directed to securing community based and family capacity improvements have been minimal.
- 8.4 Section 5 has set out in detail some of the critical evidence of under-delivery of the Rural Housing Programme. In 2005 less than half of the households who were engaged in the Rural Housing Programme in 2001 had completed the process of decisions around and receipt of (if any) approved assistance. Delays were particularly apparent at the point of approval of assistance. This is evidenced not only by the File Survey findings but also Housing New Zealand Corporation's subsequent business review.
- 8.5 That review found that the draw-down on approved assistance for various forms of lending was significantly less than the quantum of assistance approved. The draw-down itself was significantly less than that was available through appropriation.

- 8.6 This is important. The evaluation's Rural House Condition Survey estimated that an average \$21,986/dwelling expenditure was required to bring very sub-standard dwellings to an as new condition in Northland, East Coast and Eastern Bay of Plenty.⁶² If the residual funding between appropriation and draw down combined with the difference between draw down and 'work in progress' one could have expected at least another 522 dwellings to have been brought up to an as new condition over the 2001-Dec 2005 period on the basis of 2005/06 pricing structures which is the period at which the Rural House Condition Survey was undertaken. At current prices that number could be expected to be substantially lower. Making that estimate is outside the confines of this report.
- 8.7 Those figures are based on the reconciliation reported by Housing New Zealand Corporation in March 2006. The Housing Corporation completed reconciliation for the period 1 July 2001- 31 December 2005 returned \$1.8 million to the Department of Building and Housing. That funding and the amount of funding available for appropriation but not drawn down is \$7.284 million. If that had been used, it could be expected, at 2005/6 prices, to have provided for bringing around 331 very sub-standard dwellings (excluding infrastructure) to an as new condition.
- 8.8 In relation to the development of community capacity, the evaluation has not collected field-based evidence on this since 2003/04. However, in the first phase of the evaluation and early in the second phase a number of issues were identified that required resolution in relation to both community and whanau capacity building. There seems little indication given the limited range of activities identified in the File Survey and Housing New Zealand's own internal business reviews of product use that the subsequent pattern of delivery changed during 2005. Consequently, it may be suggested that community and whanau capacity outcomes have been relatively limited.
- 8.9 The evaluation's fieldwork with community stakeholders and the File Survey demonstrated that housing action plans at the whanau level were not systematically prepared. There was also a low level of formal engagement with public agencies. This, however, varied from region to region.
- 8.10 In Northland, the Ministry of Social Development provided staff to work in a team-based approach with the Rural Housing Programme. This was generating a much more effective approach to addressing whole of family needs. There was also evidence of close relations between the Northland Rural Housing Programme team and Accident Compensation Corporation and District Health Board case managers and staff. In the East Coast and Eastern Bay of Plenty, this was less evident. Indeed, the Rural Housing Programme team reported that they were frustrated by what they saw as reluctance on the part of the Ministry of Social Development and Child Youth and Family to become involved with the resolution of problems for households whose needs went far beyond a housing need.

⁶² Saville-Smith, K. (2006) *Rural Housing Programme House Condition Survey – East Coast/Eastern Bay of Plenty and Northland*.

- 8.11 At the community level, the building of relationships with community stakeholders and the generation of community capacity was, at that time, pursued primarily through the contracting of local providers to undertake assessments of housing need and provision of repair and maintenance services. The latter clearly generated both skill and employment outcomes. Those, however, were clearly fragile.
- 8.12 Organisations involved in those contracts identified a number of critical problems for them in relating to the programme. Those included:
- Uncertainty around processes and changing compliance requirements.⁶³
 - Fluctuations in funding streams, pricing parameters and forecast activity levels that made some providers wary of recruiting staff and trainees.
 - Delays in approvals on business cases which also exacerbated cash flow problems for local organisations and businesses.
- The evaluation reported to Housing New Zealand Corporation the nature of these issues in a series of presentations and dot-point summaries between March and May 2005. The evaluation noted that those issues needed to be addressed if community capacity was to be increased and the programmatic outcomes of the programme achieved.
- 8.13 In the 2001 to 2004 period there was also a pronounced view among a number of internal Housing New Zealand Corporation stakeholders and community organisations that community capacity was not being effectively used but rather overloaded with competing demands.
- 8.14 Community organisations reported a desire for better and co-ordinated alignment between the local operations of Housing New Zealand Corporation (primarily around state rentals) and the Rural Housing Programme. Similarly, they reported that there needed to be better alignment and co-ordination between the group with Housing New Zealand Corporation promoting the Housing Innovation Fund and other community based lending products with the Rural Housing Programme.
- 8.15 Similarly, community based organisations involved in Rural Housing Programme assessments and other service delivery in the 2001 to 2004 period identified situations in which government agencies were effectively competing for rather than developing community capacity. The most obvious example which directly related to housing was around retrofitting privately owned dwellings. Community providers active in Northland, East Coast and Bay of Plenty commented that better funding management across community based delivery of housing services whether funded by way of EECA's retrofit or by way of the Rural Housing Programme would have allowed community agencies and businesses to increase their employment and training investments and activities.

⁶³ Many community organisations reported that those problems were exacerbated by lack of clarity about who within Housing New Zealand Corporation was responsible for decision-making with regard to programme resourcing.

- 8.16 Where delivery has been made to individual households, delivery is generally associated with improved household outcomes. Section 7 has shown that repairs and maintenance interventions among those households that have received it:
- improves the condition of dwellings
 - encourages households to maintain and repair their homes
 - leads to considerable improvements in wellbeing, especially for older people and children, including:
 - reduced stress and anxiety
 - increased self-reported health
 - improved hygiene
 - increased comfort
 - increased social engagement both within the family and with people living outside the household
 - reduced conflict in the household
 - improved safety especially from electrical risk, falls and vermin
 - greater independence and capacity to care for both elderly and children within the home
 - increased capacity to resolve persistent household problems such as debt and abuse.

Targeting

- 8.17 The data presented in Section 5 suggests that those who have received assistance by way of the Rural Housing Programme have been in considerable housing need and have not had the resources to resolve those needs themselves. In that sense the Rural Housing Programme has been targeted well. However, not all those who need help have received help despite persistent under-expenditure in the programme in the period 1 July 2001-31 December 2005.
- 8.18 In addition, there were targeting problems because the Rural Housing Programme only delivered a narrow range of products and had not adequately segmented its activities.⁶⁴ For those reasons the Housing New Zealand Corporation failed to target many dwellings that would have allowed the required stock outcome to be met. It should not be forgotten that the Rural Housing Programme's goal was to eliminate substandard housing. That goal requires not simply a reactive approach, but a preventative approach. The Rural Housing Programme did not, however, target stock that was already dilapidated and could tip into the severely substandard category.

Acceptability

- 8.19 The acceptability of the Rural Housing Programme to householders who received assistance was high. Among the householders involved in in-depth interviews very few interviewees identified areas in which they felt that delivery was poor or very poor (Table 8.1).

⁶⁴ See section 6.43ff.

Table 8.1: Interviewees' Assessment of Rural Housing Programme Service Delivery on Specified Parameters (In-depth Interviews 2006)

Performance Parameter	Total	Northland	East Coast	Eastern Bay of Plenty
Being told when workers would call				
Excellent	11	4	3	4
Good	9	5	2	2
Neither	3	0	3	0
Poor	3	1	1	1
Very Poor	2	0	1	1
Time taken before work started				
Excellent	7	3	2	2
Good	11	5	2	4
Neither	5	1	3	1
Poor	2	1	1	0
Very Poor	3	0	2	1
Speed of work				
Excellent	12	5	4	3
Good	10	4	3	3
Neither	3	1	2	0
Poor	2	0	1	1
Very Poor	1	0	0	1
Attitude of workers				
Excellent	16	7	5	4
Good	8	3	2	3
Neither	1	0	1	0
Poor	1	0	0	1
Very Poor	2	0	2	0
Overall quality of work				
Excellent	13	4	4	5
Good	5	2	2	1
Neither	3	3	0	0
Poor	5	1	2	2
Very Poor	2	0	2	0
Managing dirt				
Excellent	14	7	4	3
Good	11	3	5	3
Neither	1	0	0	1
Poor	1	0	1	0
Very Poor	1	0	0	1

8.20 Where issues did arise for householders those clustered around ensuring appropriateness of the repairs and maintenance provided. A repeated concern with householders was the use of septic tank systems reliant on electricity in areas in which there was uncertainty of supply or energy costs were seen as prohibitive. There were also some issues around the placement of septic tanks. There was also some concern around the lending instruments used and the extent and sustainability of the repairs made available under the Rural Housing Programme.

- 8.21 Remembering that no fieldwork has been undertaken with communities and community based organisations since 2004, it is difficult to comment on the current levels of acceptability of the programme. At that time there was still considerable optimism about the programme but also considerable concern that the programme would not meet its goals. Practices of concern identified by community based providers included:
- Lack of transparency about decision-making.
 - Lack of clarity about operational policy, especially the funding available for and level of activity required from providers.
 - Rapidly changing reporting and 'branding' requirements.
 - Long delays between assessments, business case preparation, and funding decisions.

Administrative Efficiency, Robustness and Cost Effectiveness

- 8.22 Administrative efficiency is concerned with the extent to which the Rural Housing Programme established effective systems and processes which minimised transaction costs and allowed for the effective management of risk. Robustness is concerned with the extent to which the programme is resilient and able to accommodate the changing dynamics of need in the regions, changing relationships, and changing resources and personnel. Cost-effectiveness is concerned with achieving the lowest sustainable and fair prices for the services provided within the Rural Housing Programme.
- 8.23 In relation to administrative efficiency, the adequacy of Housing New Zealand Corporation's platform for administratively supporting the Rural Housing Programme has always been subject to some doubt.
- 8.24 For instance, the Programme Logic Evaluation was unable to be definitive about the funding being directed through the Rural Housing Programme and noted that Rural Housing Programme activities and outputs appeared to have changed and diversified since the inception of the programme. The Programme Logic Evaluation could only estimate on the basis of information received from Housing New Zealand Corporation that the total capital funding over a five year term was to be about \$72m.
- 8.25 This was partly because of the Housing New Zealand Corporation's intention to engage in an extraordinarily complex movement of funding to the Rural Housing Programme from various existing programmes. The Rural Housing Programme Management Plan promulgated in 2003 suggested that the bulk of funds (\$52.4 million) was expected to be directed to community ownership. Suspensory loans for essential repairs and infrastructure are expected to be funded at \$11.2 million with Special Housing Action Zone loans to the value of \$9 million (Table 8.2).

Table 8.2: Indicative Splits of Funding Approved for the Rural Housing Programme⁶⁵

Products/Services		2002/03	2003/04	2004/05	2005/06	Total
		\$m	\$m	\$m	\$m	\$m
Suspensory Loans						
Essential Improvements (repairs)		4.0	4.0	2.0	0.0	10.0
Infrastructure		0.67	0.5	0.0	0.0	1.17
<i>Total Suspensory Loans</i>		<i>4.67</i>	<i>4.5</i>	<i>2.0</i>	<i>0.0</i>	<i>11.17</i>
SHAZ Loans						
(incl urban)	PAC Projects					
Bridging Finance	Subsidy TPK	3.8	0.5	0.0	0.0	4.3
Other (no subsidy)	Normal rates	2.3	2.4	0.0	0.0	4.7
Rural Housing Programme Community Ownership**						
Joint Ventures		0.95	0.95	0.95	0.95	52.407
Community Ownership		1.7	2.601	4.422	4.51	
Housing New Zealand Corporation Rental		5.75	10.557	11.965	6.102	
		8.400	14.108	17.337	11.562	
HIPZ Programme		.350	.350	.350	0.0	0
<i>Totals</i>		<i>19.525</i>	<i>21.858</i>	<i>19.687</i>	<i>11.562</i>	<i>71.582</i>

8.26 Recent documentation from Housing New Zealand Corporation does not provide a reconciliation of this 2003 view of resourcing to be delivered via the Rural Housing Programme with what was actually allocated to and expended by the Rural Housing Programme. It appears likely that such reconciliation could not be achieved easily through its usual accountancy and financial reporting systems.

8.27 The first stakeholder data collection in 2004 of the Long-term Outcome Evaluation of the Rural Housing Programme in Northland, the East Coast and the Eastern Bay of Plenty focused on the perceptions of the Housing New Zealand Corporation's senior and regional management teams on the organisation's capacity to deliver and manage the Rural Housing Programme. That exercise also found that most of the senior personnel interviewed in 2003/04 believed the programme was not well understood within the organisation and that the organisation did not have the products, the procedures nor the reporting and management systems to administer the programme efficiently.

8.28 There were comments in 2004 among some senior personnel that there was only a limited understanding of the policy rationale and operational requirements of the programme within Housing New Zealand Corporation. Some interviewed senior personnel also commented in early 2004 that there were perceptions that the programme:

⁶⁵ Table sourced from Rural Housing Programme Management Plan V2 January 2003.

- had been too rapidly implemented
 - was seen by staff as of low importance because:
 - it was a sunset programme with an end date and would not be continued and consequently should be managed using mainstream products, business practices and information processes developed for other activities
 - it was a small programme relative to other operational activities – in particular, management of the rental stock and the associated assets.
 - had no systematic recording of operational policy, processes and protocols for use of Housing New Zealand Corporation products and realignment of the criteria for product access.⁶⁶
- 8.29 There was agreement that there had been a lack of ‘ownership’ of the programme and associated lack of sponsorship at senior management team level.
- 8.30 From an evaluative perspective, these are not circumstances likely to lead to administrative efficiency. Subsequent evaluation findings around delayed delivery, poor product alignment, stress among the Rural Housing Programme teams around capturing activities on the computerised information systems, and the considerable effort to establish the actual expenditure pattern of the Rural Housing Programme are all symptoms of administrative inadequacies in the period 2001 to 2005.
- 8.31 Nor are these circumstances in which robustness thrives. In 2004, the evaluation noted after a series of interviews with Rural Housing Programme team members and senior personnel that inadequacies in Housing New Zealand Corporation’s policy and administrative platform posed very real risks to the Rural Housing Programme because:
- The Rural Housing Programme team was constantly distracted from programme delivery to deal with operational policy issues and reporting problems.
 - The Rural Housing Programme team and programme was separated and isolated from the rest of Housing New Zealand Corporation and the business of the Housing New Zealand Corporation with consequent potential for:
 - tension, conflict and duplication between different parts of the organisation
 - missed opportunities for Housing New Zealand Corporation to learn from and build on the skills and knowledge developed in the context of the Rural Housing Programme.
 - Burn-out of the Rural Housing Programme team members as they attempted to take-on activities and functions – policy and product development being the primary example – that should reside elsewhere in the organisation.
 - Rural Housing Programme policy and procedures which diverged from and contradicted Housing New Zealand Corporation positions with:

⁶⁶ The review of the adequacy of Housing New Zealand Corporation products for the delivery of Rural Housing Programme sought by Treasury was identified by members of the senior management team as reflecting that lacunae. For some interviewed senior personnel, the review was to provide the Rural Housing Programme with a transparent, soundly articulated, and flexible set of products and processes which are better aligned to the needs of the Rural Housing Programme.

- consequent difficulties in maintaining credibility with internal and external stakeholders
- delays in delivery while approaches, decisions, criteria and processes have to be relitigated.

8.32 With regard to cost-effectiveness there has been persistent concern expressed among internal and external stakeholders that under-investment in repairs could in the long-term be a more costly option than higher initial repair investments. This has arisen from a lack of segmentation of the sub-standard housing stock into those dwellings which:

- could at a relatively low cost be up-graded
- need more significant repairs
- require demolition.

The evaluation report on international practice demonstrated clearly that segmenting the housing stock and allocating resources to each segment presented real opportunities to make progress on the elimination of sub-standard housing goal sought by the Government while optimising return on investment. There is little evidence that Housing New Zealand Corporation has actively reflected on the benefits of segmenting its resource investments in this way.

Responsiveness to Treaty of Waitangi

8.33 The Rural Housing Programme has been overwhelmingly taken up by Maori. Many of the community-based providers were iwi, runanga and Maori organisations.

Barriers to Achievement

8.34 Assistance delivered through the Rural Housing Programme does provide considerable opportunities to generate the intermediate outcomes sought by the Government. Both the Programme Logic Evaluation and evaluative work among stakeholders early in the second phase of the evaluation suggest opportunities for skill and business expansion in communities in which the Rural Housing Programme is being delivered. There are opportunities to resolve the problem of concentrations of severely dilapidated unhealthy housing in these rural communities that have suffered those problems for so long.

8.35 There have been, however, some clear barriers to the Rural Housing Programme effectiveness. Those are:

- Failure to establish a sound chain of policy from macro-policy rationale to operational policy to an effective array of products.
- Failure to recognise the range of activities and targeting required in the Rural Housing Programme and the subsequent inadequacy of financial and reporting systems to provide the information necessary to manage the risks around the Rural Housing Programme and its performance.
- A dependence on existing products and lack of co-ordinated effort among Government agencies. This pervasive problem was particularly acute in relation to resolution of infrastructure problems.
- Lack of differentiation between the pathways, activities and targeting required to meet the various intermediate and end-outcomes sought by the Government through the programme.

- A lack of information about:
 - the profile of dwelling condition extant in Northland, East Coast, and Eastern Bay of Plenty
 - the characteristics of households affected by or at risk from sub-standard housing and the quantum and distribution of outcomes sought.

- 8.36 Three sets of information that organisations typically require in the planning and delivery of programmes are:
 - demand for the programme
 - range of activities and outputs associated with the programme's delivery
 - service and asset costs of a programme.

- 8.37 This programme was deficient in the information base on almost all aspects critical to programme performance in relation to dwellings, people and the infrastructure costs that would be generated in the course of addressing essential repairs. Those informational gaps could have been met if robust research had been recognised as making a contribution to the delivery of the Rural Housing Programme. Despite early attempts to assess the incidence and prevalence of sub-standard housing in the original Rural Housing Programme areas, uncertainty about the estimates of housing need remained. Indeed, the evaluation de facto started to undertake the research and information collection that should have been undertaken prior to and during the programme development, implementation and delivery.

- 8.38 The uncertainty about the 'size' of the sub-standard housing problem, combined with a lack of clarity about product and programme costs, have been significant barriers to:
 - knowing whether an appropriate mix of product interventions has been established
 - establishing an appropriate level of resourcing for product and programme delivery both at the aggregate level and on a per dwelling basis
 - establishing a sustainable funding path for the Rural Housing Programme
 - instituting a set of appropriate output targets
 - building a coherent prioritisation and targeting system
 - determining the baseline for measuring the extent to which the programme is making progress against the Rural Housing Programme's end-outcome.

- 8.39 The problems of attempting to implement a new and challenging programme in the context of a newly constituted organisation should also not be underestimated. Senior personnel interviewed in 2004 noted that organisational change had meant that Housing New Zealand Corporation was struggling to:
 - promulgate a clear specification of roles and responsibilities both at national office and between national office and the regions
 - fill gaps in responsibilities and accountabilities
 - integrate functions especially across the policy and delivery chain
 - establish processes and mechanisms around decision-making, recording and the dissemination of senior management decisions
 - establish systems to ensure the centralised capture, storage and retrieval of significant Governmental decisions, cabinet papers and minutes.

Those difficulties affected the organisation as a whole. They were particularly felt in relation to the Rural Housing Programme because of the challenging and diverse nature of the programme.

- 8.40 Between 2001 and 2005 it can be fairly said that the Rural Housing Programme was not provided with a robust delivery platform based on the construction of a coherent 'results chain'. There was a lack of shared organisational understanding or knowledge of programme components. More importantly, the definition and reporting of programme targets, outputs, activities, outcomes were not well aligned with the policy intent of the programme. Housing New Zealand Corporation did not provide an adequate policy, product or procedural platform for the effective delivery of the Rural Housing Programme.
- 8.41 The lack of shared understanding of the programme and its macro-policy rationale made Housing New Zealand Corporation vulnerable to being distracted by:
- On-going questioning of the nature and implications of the programme and the need to repeatedly re-articulate the programme to both internal and external stakeholders.
 - The need to address tensions, duplication of process and gaps in coverage arising out of lack of transparency about roles, functions, responsibilities and accountabilities.
 - Instituting reporting and surveillance requirements which might be considered excessive relative to the resourcing of the programme and its associated fiscal risks.
- 8.42 In 2004 Housing New Zealand Corporation's senior management saw the Rural Housing Programme as a critical and flagship programme for the Housing New Zealand Corporation. Despite this the evaluation concluded and reported that at that time the Rural Housing Programme did not appear well integrated into the 'business' of the Housing New Zealand Corporation. This was evidenced by Housing New Zealand Corporation's struggle to find a stable and appropriate place for the programme within its management and accountability structures. It was also inhibited by a lack of understanding about the programme and the Government's intentions and outcomes sought. There appeared to be little engagement with the programme at either the macro-policy or the operational policy levels despite identified need in those areas. In 2004 there was evidence still of a persistent misalignment between the range of products to support the goals of the Rural Housing Programme and Housing New Zealand Corporation's lack of active product review and product development.
- 8.43 This was not an environment likely either to contribute to the Rural Housing Programme's resilience as a programme or optimise the probability of achieving its end and intermediate outcomes. The documentation of Housing New Zealand Corporation's business enhancement and associated reports suggests that actively addressing those problems in a coherent manner was becoming evident in the second part of the 2005 calendar year.

9. LESSONS FROM THE EVALUATION

- 9.1 When the Rural Housing Programme was initiated as NECBOP in 2001 it was an ambitious programme. The Government set an uncompromising goal – the elimination of sub-standard housing in three areas that had long histories of persistent and apparently concentrated stocks of extremely dilapidated housing posing significant health and safety risks to those who lived in them. It was intended to be a sharp, intense intervention designed to up-grade severely sub-standard housing and build capacity among vulnerable households and communities. The Government asked that the Rural Housing Programme be implemented by way of both a whole of government approach and a social development approach. The former was intended to leverage the best efforts of the public sector. The social development approach was intended to reap social, skill and economic benefits for the local economics of the repairs and maintenance work that made up the core of the programme.
- 9.2 The Programme Logic Evaluation reported in 2003 that the accomplishment of demands had been a challenge. It pointed out that the Rural Housing Programme had multiple stakeholders cross-cutting government agencies, local government, and community organisations and agencies including iwi and hapu. It noted that there were complex flows of resources and partnerships developing between stakeholders that would require tight fiscal and relationship management. The Programme Logic Evaluation pointed out, as many of the stakeholders did when interviewed for that evaluation, that:
- The operational policy and implementation of the programme required a sophisticated balancing of short, medium, and long-term objectives.
 - If community agencies were to be involved and generate both housing and non-housing outcomes such as skill development and employment, they needed clear policy and processes and secure and transparent flows of resources.
 - The programme required Housing New Zealand Corporation to review and modify its products, integrate a new concern with relationships and relationships targets into its mainstream activities and business planning, and develop new performance measures if the Rural Housing Programme was to be effectively managed to meet its outcomes.
- 9.3 Many stakeholders in that first phase of the evaluation identified risks to the programme achieving its outputs and even greater risks to achieving its outcomes. The great strength of the programme came from the fact that despite stakeholders' different experiences, aspirations and perspectives, they exhibited a degree of consensus round the broad outcomes sought through the programme. Moreover, they expressed considerable optimism about the opportunities presented by the Rural Housing Programme.
- 9.4 It is clear that for many, that optimism faded over subsequent years. Not because the Rural Housing Programme was not delivering some assistance. It clearly has been. But because the level and range of assistance did not match the original promise of the programme. Mechanisms for whole of government co-operation faded in the post 2003 period. Issues around delivery risks appeared not to be effectively addressed.

- 9.5 The Rural Housing Programme Evaluation and the Housing New Zealand Corporation policy and planning documents generated from December 2005 show that the Rural Housing Programme has struggled to find an effective modus operandi. The programme has been marked by a failure to draw down on all the resources available to it. Moreover, a substantial amount of drawn down funding was not used. There is a lack of transparency about the extent to which baseline funding in existing programmes has been directed to resolving persistent and sub-standard housing in rural Northland, East Coast and Eastern Bay of Plenty.
- 9.6 In 2003, Housing New Zealand Corporation identified \$71.582m of funding from new appropriations and within existing baselines⁶⁷ to be directed to resolving sub-standard housing in those areas for the period 2002/03 to 2005/06. Table 5.2 only accounts for a small proportion of that funding.
- 9.7 We have not been provided with any Housing New Zealand Corporation reconciliation between the forecast expenditure from baseline in existing programmes and actual expenditure. Certainly between 2001 and 2005, Housing New Zealand Corporation was struggling to make transparent the funding for the Rural Housing Programme. It is clear that housing solutions were provided through the programme in those areas through existing programmes and reallocation of baseline funding. However, it is unclear what those resource flows were. It is notable that Housing New Zealand Corporation only completed reconciliation for that period in December 2006 in relation to lending.
- 9.8 Lack of transparency on resource flows must, by definition, reduce the ability of any organisation to effectively manage a programme. The problems created by this where an organisation is attempting to manage a very complex, innovative and dynamic programme such as the Rural Housing Programme are even more pronounced.
- 9.9 The reality is that there is considerable unmet need which might have been addressed if the Rural Housing Programme had been appropriately constituted with integrated information, financial systems, policy (macro and operational) and delivery systems. Moreover, there are indications that meeting that unmet need would have generated many of the intermediate outcomes sought by the Government.
- 9.10 Certainly, recipient households reported their relationship with the Rural Housing Programme teams to be good. The assistance received through the programme had significant impacts on their well-being and capacity to manage their housing requirements in the future. The social and economic outcomes generated through engagement with local community organisations and businesses also appear to hold potential.
- 9.11 The policy and business development processes that have been underway since late December 2005 show that Housing New Zealand Corporation has acknowledged these issues and is now actively addressing the deficiencies in constitution, implementation and delivery of the programme, and the products and systems needed to support it.

⁶⁷ Rural Housing Programme Management Plan V2 January 2003.

Lessons from the Rural Housing Programme Experience

- 9.12 There was a strong sense of commitment to the programme expressed by members of the Rural Housing Programme who were delivering it. The Programme Logic Evaluation also found that both Government agencies and local stakeholders expressed a real desire for the problems of persistent and severe sub-standard housing to be addressed. Housing New Zealand Corporation also saw the programme as representing a flagship programme which heralded new ways of working with communities. The local Rural Housing Programme teams also put considerable effort into the implementation of the Rural Housing Programme. Despite those conditions, this programme has under delivered. There must be lessons that can be learnt from that.
- 9.13 In our view those lessons can be summarised as follows:
- The need to provide sufficient organisational support when establishing complex, innovative programmes.
 - The importance of transforming whole of government approaches from rhetoric to reality.
 - The necessity of positioning programmes within an organisation and providing them with a secure home and sponsor.
 - The need to invest in and maintain a robust and developing informational platform tailored to the programme both in relation to identifying household need and in relation to inputs, outputs and outcomes.
 - The necessity of establishing aligned, transparent resource and appropriation flows and financial reporting systems.
 - The critical importance of establishing a robust chain between inputs, outputs and outcomes based on an equally robust alignment through macro-policy, operational policy, processes, delivery and reporting.
 - The need to actively respond to identified areas of risk or concern.
 - The need to achieve stability in programmes before attempting to extend or transfer them.
- 9.14 Those lessons need not simply to be learned by Housing New Zealand Corporation. As our subsequent discussion suggests, some of the issues that have arisen in relation to the Rural Housing Programme could have been avoided, or at least addressed earlier, if there had been a more collaborative approach within the machinery of Government.

Support for Organisations Undertaking Innovative Programmes

- 9.15 From the outset, the unique nature and context of the Rural Housing Programme presented an implementation challenge. The Government set for the programme the extraordinarily challenging goal of eliminating sub-standard housing. This challenge was presented to Housing New Zealand Corporation at a time when sub-standard housing as a concept, or the dynamics of sub-standard housing, had been outside the margins of the state sector's policy and operational interest for almost a decade. In addition, the Government asked officials to address that issue through a social development approach which would leverage and generate not only housing outcomes but capacity, social and economic benefits.

- 9.16 It is not inappropriate for Governments to challenge the state sector to deliver more effectively or to seek from the state sector new ways of leveraging outcomes. The notion of a short, sharp intervention programme to deal with a specific and apparently unique problem is well established as an appropriate way of achieving outcomes.
- 9.17 For the state sector to deliver, however, it is important that a careful analysis of functional alignment, capacity and risk is undertaken. In this case, Housing New Zealand Corporation was clearly the appropriate organisation to lead the Rural Housing Programme in terms of the functional divisions within the state sector and ministerial responsibilities.
- 9.18 However, the analysis of capacity and risk was deficient and consequently appropriate supports for Housing New Zealand Corporation to undertake that role do not appear to have been sustained after the immediate ministerially led work on the programme's development. The mechanisms for state sector co-operation and support appear to have rapidly fallen away and effectively Housing New Zealand Corporation pursued the programme as if it were solely its responsibility and involved only its skills and resources.
- 9.19 This was at a time when Housing New Zealand Corporation was in an extreme state of organisational change and repositioning within the machinery of government. Housing New Zealand Corporation was emerging out of a state owned enterprise organisation that had managed the Government's ownership interest in state housing and a small organisation, the Housing Corporation of New Zealand, which managed the residual lending portfolio. The new organisation was also taking on the primary policy role in relation to housing. All those realignments involved transfers of staff, the need to develop a unified organisational culture, reformulating financial and reporting systems, and the establishment of new accountabilities to Ministers and to the Housing New Zealand Corporation Board. In addition, there were a raft of systemic and policy changes that was accompanied the organisational restructuring, in particular the move from market driven state rentals to social allocation housing provision.
- 9.20 The allocation of the Rural Housing Programme leadership to Housing New Zealand Corporation was not a problem of functional misalignment. It is clear that Housing New Zealand Corporation should, given its sectoral responsibilities, have been tasked as the lead agency. Problems arose because of inadequate recognition that Housing New Zealand Corporation might require additional assistance and resourcing, including secondments of skilled and experienced personnel in policy and project management, to develop and implement such a complex and innovative programme.
- 9.21 Many of the problems that have undermined the programme – such as the persistent inability to articulate the macro policy of the programme and, from that, address operational policy development, and business procedures – reflect a problem of mobilising and applying sufficient skilled resource in those areas early enough. By definition to do so would have required a more collaborative approach among state sector agencies including Housing New Zealand Corporation itself.

- 9.22 Models of drawing resource together to 'crunch' programme development issues are by no means unknown in the state sector. It would have been advantageous to this programme if they had been systematically applied here. It is notable that evidence of that sort of collaboration is starting to emerge in the 2005/06 fiscal year, five years after the programme was initiated and, indeed, almost after the short, sharp intervention envisaged in early policy papers was expected to have been completed.
- 9.23 It is notable that collaboration between the Ministry of Health and Housing New Zealand Corporation has begun to emerge around infrastructure issues in rural areas. The fact that this collaboration is relatively recent and yet the work on rural water supply, sewerage and water quality has been on-going for some years, including the Sanitary Works Subsidy Scheme and the Drinking Water Assistance Programme, is indicative of previously missed opportunities and shows how fragile the notion of whole-of-government has been in the state sector.

Making the Whole of Government Approach More than Rhetoric

- 9.24 The Rural Housing Programme is a programme with multiple stakeholders across government, local government, and community organisations including iwi and hapu. It involves complex flows of resources between the partner organisations.
- 9.25 In the early years of the Rural Housing Programme (2001-2003) there was a high level of interest, and engagement by Ministers, senior officials and regional people across a wide range of central and local government agencies and community, hapu, and iwi organisations. This included transfers of funding from Housing New Zealand Corporation to the Fire Service as well as Housing New Zealand Corporation working with Te Puni Kokiri, the Department of Labour through the then Community Employment Group, Work and Income, and the Department of Internal Affairs.
- 9.26 In addition, the whole of government approach was expected to include the development of linkages and activities with a number of agencies including the Ministry of Social Development through its Social Development Strategy, the Ministry of Health in relation to sewage disposal, Te Puni Kokiri through its capacity building programme and the Ministry of Economic Development through its facilitation of regional economic development.
- 9.27 It is notable that those linkages are beginning to be practically re-engaged in planning over 2005/6. It must be said, however, that for much of the programme the operational members of the Rural Housing Programme did not feel that there was strong local commitment across the regions. An example of very positive engagement was the development of a team approach with the Ministry of Social Development in Northland that involved placement of personnel with the Rural Housing Programme team to address a range of unmet needs that lay outside the delivery of housing assistance. This was not able to be replicated in the East Coast or Eastern Bay of Plenty.

- 9.28 Other opportunities for co-ordination appear not to have been established, despite local community providers identifying the benefits of better integration, such as aligning EECA retrofit activities in rural areas with the programme.
- 9.29 The problem was that many of the mechanisms for whole of government activation, such as the cross-organisation, senior officials meetings and co-ordination evident when the Government first pushed for the issue to be addressed, simply were not sustained. The notion of whole of government must go beyond ministerial interaction and be embedded into inter-agency processes if programmes like the Rural Housing Programme are to succeed and leverage both the outcomes and the resources sought.
- 9.30 Whilst Prime Ministerial, Ministerial and Senior Official interest is likely to have spurred on the initial sector engagement, in the absence of an ongoing accountability mechanism, there is no imperative for agencies to commit to a whole of government approach once initial enthusiasm wanes, and other relationships or activities are prioritised. The establishment of clear mechanisms for engagement, management and accountability for cross-agency engagement is one means by which whole of government rhetoric can be transformed into a modus operandi.

Positioning of Innovative Programmes

- 9.31 Housing New Zealand Corporation has struggled to find a “home” for the Rural Housing Programme within its management and accountability structures. The Rural Housing Programme has been located in a number of different business units with the resultant changes in senior management. This is in part due to Housing New Zealand Corporation’s restructuring and in part due to the Rural Housing Programme’s utilisation of a range of services, processes and products across the Corporation with no natural or obvious positioning within Housing New Zealand Corporation being evident.
- 9.32 The frequent movement of the Rural Housing Programme within the organisation has been accompanied by an acknowledged lack of leadership and programme sponsorship. It was exacerbated by a lack of understanding of the Rural Housing Programme amongst some members of the senior management team, regional managers and more generally among staff. This is, of course, a reflection of the failure to establish a robust articulation of macro policy and the generation of a rigorous platform of operational policy, products and processes.
- 9.33 The lack of sponsorship generated an on-going questioning and challenging of Rural Housing Programme staff to justify the existence of the programme, despite the programme being Cabinet mandated. Certainly in the period 2003/05, staff involved in programme delivery, often relatively junior and without experience in policy, felt that they were being asked to provide other members of Housing New Zealand Corporation with macro-policy justifications as well as develop operational policy without a senior manager consistently taking responsibility.

- 9.34 The lessons here are that a programme needs to be appropriately and strategically positioned within an organisation, and wholehearted organisational agreement and commitment is required to establish the necessary management systems and processes to support implementation.

Appropriate Information Platform

- 9.35 As a new (and challenging) programme for Housing New Zealand Corporation, the Rural Housing Programme suffered from the lack of a robust profile of sub-standard housing to inform implementation. As a consequence the nature, extent and size of the problem – persistent sub-standard housing in Northland, East Coast and the Bay of Plenty – was not fully known or understood and the ability of the Rural Housing Programme to tailor approaches and develop products to meet the needs of the market was circumscribed.
- 9.36 Further, such information is needed to ensure that delivery is appropriately targeted, to identify the types of products or services needed and their appropriate mix and volume, and to determine an appropriate level of resourcing for product and programme delivery both on a per dwelling basis and at an aggregate level. That is, the programme needed to have a robust understanding of the costs associated with dwellings of different types and condition. It also needed an understanding of the distribution of those different dwelling types and conditions across the whole stock. Information about costs for dwelling repair by dwelling type and condition allows the programme to ensure that the level of investment is appropriate to the particular type and condition of the house been repaired. Cost-effective delivery can not be achieved without that information. Understanding the distribution of housing conditions and types in the housing stock as a whole and the cost information noted above is necessary to estimate the total funding required to ensure rural housing is healthy and safe.
- 9.37 There is, of course, always a temptation to not account for costs where existing programmes and products do not meet the actual need either because there are product deficiencies in the programme or a lack of available funding. It is imperative that the gap between need and current ability to address it is not artificially disguised but made quite transparent. Only in this way can appropriate operational policy and resource allocation be reviewed and clear decisions made.
- 9.38 The problem of accounting for costs and the problem of isolating the real gap between resources delivered and need is a persistent issue for all governments. The health and disability sector is, for instance, currently reviewing precisely that issue in its current review of environment support services.⁶⁸ The Mental Health Commission undertook an exercise to establish the funding gap in the provision of services released in 1998. It is unfortunate that the preliminary estimates of need used to establish resource requirements and targets for the Rural Housing Programme were not subject to substantial and coherent review. The File Survey indicates that assessment of need was increasingly tailored to prevailing perceptions of available funding and the delegation structure.

⁶⁸ <http://www.moh.govt.nz/moh.nsf/indexmh/disability-aboutdsd-keyprojects-ess-faq>

- 9.39 Many of the problems about poor segmentation, under-estimation of need, under-estimation of costs and the subsequent imposition of spending limits on, for instance, ERSL reflect an under investment in basic research. The housing condition survey undertaken by the evaluation in 2005 could and should have been undertaken in 2001. The necessary survey instruments and methodology were available.
- 9.40 Doing so would have:
- allowed the development of the house category schema developed by Housing New Zealand Corporation to be better aligned with the NZ House Condition Index
 - increased the reliability of resource requirements
 - generated a stronger platform for targeting
 - increased the ability of Housing New Zealand Corporation to identify the range of products needed to deal with different segments of need
 - provided a better platform for allocating resources to:
 - stock posing extreme health and safety risks
 - increasing the prevalence of healthy housing
 - increasing the overall standard of the stock through preventative repair.
- 9.41 All of these could be expected to generate greater cost-effectiveness in relation to the goal of the programme. Perhaps the most obvious example of the latter is the finding by the evaluation's House Condition Survey that 50 percent of the stock had seriously inadequate or poor ceiling insulation. Immediate health benefits at a relatively low cost could have been gained by undertaking a mass insulation programme without jeopardising responses to very severely dilapidated dwellings requiring emergency repairs.
- 9.42 Investing in research is often unattractive for agencies when pressure is placed on them to deliver. The reality, however, is that effective policy development and effective delivery is based on information. Without an understanding of the quantum and nature of the problem, interventions can not be developed to optimise outcomes. Neither inputs nor outputs can be monitored. Lack of information makes it impossible to manage for outcomes.
- 9.43 In the context of the Rural Housing Programme, the informational deficits were not only around the nature and quantum of the problem the programme was intended to address. There were substantial problems for Housing New Zealand Corporation in establishing activity systems that captured information necessary for reporting on and managing a programme that:
- drew on a diverse range of products
 - needed to report on the characteristics of the households they were assisting
 - needed to report on relationships with community stakeholders and capacity outcomes as well as housing outcomes.

- 9.44 The Rural Housing Programme would have benefited from the following research and information capture as part of the programme's initial development and implementation:
- Robust research into the house conditions extant in the NECBOP areas using established house condition instruments. In short, the Rural Housing Programme House Condition Survey subsequently undertaken by the evaluation.
 - Robust research into the infrastructural requirements of targeted houses and the cost structure and local authority requirements associated with repair and renewal.
 - A review of the adequacy of Housing New Zealand Corporation's capture of performance and activity information in relation to the inputs, outputs and outcomes sought by the Rural Housing Programme.
 - Development of additional information and reporting systems where current systems do not allow for critical activities and outputs to be collected.
- 9.45 Notably, Housing New Zealand Corporation could have used the outcomes framework for the evaluation of long-term outcomes for the systematic review and development work needed for Housing New Zealand Corporation's internal administrative and informational systems development.

Financial Monitoring and Reporting Systems

- 9.46 Lack of transparency about appropriation, baseline funding, draw down and expenditure has been described previously. In this context, however, the impacts of that cannot be ignored. A large number of potential households were not assisted when they could have been given the level of appropriation. Moreover, the downward pressure on the extent and adequacy of repairs being undertaken to manage perceived funding constraints were clearly unnecessary. The inability to reconcile Rural Housing Programme expenditure to baseline may mask the size of a potentially larger total under resourcing against Housing New Zealand Corporation's \$71.582m of funding from new appropriations and within existing baselines⁶⁹ that it identified as being directed to resolving sub-standard housing in Northland, East Coast and the Eastern Bay of Plenty.
- 9.47 The inadequacy of the financial reporting systems exposes Housing New Zealand Corporation to increased risk in relation to the management of the Rural Housing Programme. Realignment of the financial management systems is needed to allow for baseline and appropriations to be clearly and accurately reported.
- 9.48 The lesson here is that organisations need to have, or develop, appropriate financial and reporting systems, which permit the accurate and timely reporting of expenditure against programme funding allocations and stated programme activities and expenditure areas.

⁶⁹ Rural Housing Programme Management Plan V2 January 2003.

A Robust Policy to Delivery Chain

- 9.49 A sound policy chain, from macro-policy rationale to operational policy to service delivery did not accompany the implementation of the Rural Housing Programme. As a result, it lacked a robust delivery platform based on the construction of a coherent 'results chain'. It is understandable that the early implementation warranted an immediate response in terms of a focus on health and safety issues and therefore a pre-occupation with service delivery. At the time of implementing the Rural Housing Programme, there was a pre-occupation with outcomes and a movement away from recognising the link between macro and operational policy and the chain of inputs, outputs and outcomes.
- 9.50 Again, like research, investing in the construction of that chain is always unattractive for agencies when pressure is placed on them to deliver. It is especially problematic where an agency is itself in a state of flux. However the costs of not doing so are high. In 2004, the evaluation noted that those costs potentially included:
- Distracting the Rural Housing Programme team from programme delivery.
 - Distancing between the Rural Housing Programme team and programme from the rest of the Housing New Zealand Corporation and the business of the Housing New Zealand Corporation with consequent potential for:
 - tension, conflict and duplication between different parts of the organisation
 - missed opportunities for Housing New Zealand Corporation to learn from and build on the skills and knowledge developed in the context of the Rural Housing Programme.
 - Burn-out of the Rural Housing Programme team members as they attempted to take-on activities and functions – policy and product development is the primary instance – residing elsewhere in the organisation.
 - Rural Housing Programme policy and procedures that diverge from and contradict Housing New Zealand Corporation positions with:
 - consequent difficulties in maintaining credibility with internal and external stakeholders
 - delays in delivery while approaches, decisions, criteria and processes have to be relitigated.
 - Unintended impacts from the Rural Housing Programme on other Housing New Zealand Corporation activities.

Responding as a Learning Organisation

- 9.51 The process component of the evaluation was designed to provide Housing New Zealand Corporation with programme management information throughout the evaluation and contribute to a process of continuous improvement, and inform ongoing programme decision-making. For evaluations to be useful, or indeed any reflection by staff, managers or stakeholders, formal or informal, to be useful, organisations have to be willing to learn. Not only do they have to be willing to learn, they have to be confident enough to admit under performance, mistakes and simply that some innovations worked and some did not.

- 9.52 That confidence is difficult to achieve in new organisations. It is also difficult to achieve where those issues become treated internally or externally as the basis for censure rather than organisational learning and continuous improvement.
- 9.53 Under those conditions, there is a tendency to attempt to minimise the issues or become preoccupied with minutiae of fact or interpretation. Both inhibit a learning response and typically mean that timely correctives are not put in place. It can not be ignored that many of the issues that needed to be resolved in the Rural Housing Programme were identified as long ago as 2003, not only by managers and staff, but in the first phase of the evaluation. Subsequent evaluative activities repeatedly raised similar issues, albeit manifest in a variety of different ways.
- 9.54 Many of the Housing New Zealand Corporation actions now evident since December 2005 in relation to planning and enhancing the Rural Housing Programme could have been activated earlier on the basis of evidence arising from the evaluation and the risks predicted around those issues.

Getting it Right Before Moving On

- 9.55 The final lesson around the Rural Housing Programme is about getting programmes running well before attempting to extend their focus or transferring them to other areas. The Rural Housing Programme was originally conceived as a short, time-limited intervention to be delivered in the NECBOP regions and has since been rolled out beyond the original NECBOP regions.
- 9.56 Whilst the Rural Housing Programme has much to offer in terms of the transferability of its approach to other arena, it seems somewhat ambitious to have expanded beyond the original NECBOP regions, without first cementing the systems, procedures and operational policy to underpin the administration of the Rural Housing Programme in the NECBOP regions and with the medium and long-term outcomes as yet unconfirmed.
- 9.57 A programme should be both stable and proven before expansion beyond its original boundaries is contemplated. That is, it should be operating effectively (appropriately targeted, administratively efficient and cost effective) and there should be evidence that the programme is achieving, or likely to achieve, the expected outcomes.
- 9.58 If this programme is to deliver in the future, there are some clear policy, process and informational gaps that need to be addressed. Those are:
- establishing a targeting regime that differentiates between reactive responses and responses that will ensure that 'at risk' housing do not reach the extremes of severe dilapidation currently seen in these rural areas
 - a transparent and widely accepted view about the level of repair that will be undertaken on different segments of the housing stock
 - coherent and robust data about the condition of the housing stock in targeted rural areas including infrastructure condition

- a flexible and robust range of assistance and products that can meet the needs of each of the targeted segments of the housing stock
- mechanisms at the policy and operational levels to ensure collaboration between key agencies and stakeholders.

Annex A: The Interview Guidelines for Semi-Structured Conversational Interviewing with Housing New Zealand Corporation Senior Personnel

Housing New Zealand Corporation Senior Manager Interview Guidelines

1. Can you tell us firstly what your position involves and the range of responsibilities and functions your group plays within Housing New Zealand Corporation?
2. In relation to the functions and responsibilities of your group, do have:
 - Particular responsibilities for the delivery of the Rural Housing Programme?
 - Particular responsibilities for the policy, planning or financial management of the Rural Housing Programme?
 - Particular activities, synergies, or contacts with the Rural Housing Programme?
3. As a senior manager, how do you see the Rural Housing Programme in the context of:
 - The Housing New Zealand Corporation's core business
Follow-up on who defines the core business – executive, Board, Govt
 - The outcomes Housing New Zealand Corporation is seeking
 - Challenges Rural Housing Programme presents to Housing New Zealand Corporation as an organisation
 - Capacity
 - Capability
 - Systems and processes
 - Policy
 - Whole of Government approaches
4. As a senior manager, how effectively do you believe Housing New Zealand Corporation is delivering Rural Housing Programme in relation to:
 - Outcomes sought *Explore what outcomes are associated with Rural Housing Programme*
 - Delivery of outputs *Explore what outputs are associated with Rural Housing Programme*
 - Robustness and efficiency of delivery

Housing New Zealand Corporation Regional Managers

1. Can you tell us firstly what your position involves and the range of responsibilities and functions your group plays within Housing New Zealand Corporation and in the regions?
2. As regional manager, do have:
 - Particular responsibilities for the delivery of the Rural Housing Programme?
 - Particular responsibilities for the policy, planning or financial management of the Rural Housing Programme?
 - Particular activities, synergies, or contacts with the Rural Housing Programme?
3. As a regional manager, how do you see the Rural Housing Programme in the context of:
 - The Housing New Zealand Corporation's core business in the regions
Follow-up on the range of business in the regions
 - The outcomes Housing New Zealand Corporation is seeking in general and your region in particular
 - Challenges Rural Housing Programme presents to Housing New Zealand Corporation as an organisation
 - Capacity
 - Capability
 - Systems and processes
 - Policy
 - Whole of Government approaches
4. As a regional manager, how effectively do you believe Housing New Zealand Corporation is delivering Rural Housing Programme in relation to:
 - Outcomes sought *Explore what outcomes are associated with Rural Housing Programme*
 - Delivery of outputs *Explore what outputs are associated with Rural Housing Programme*
 - Robustness and efficiency of delivery

**Annex B: Health Conditions Identified in the Rural Housing Programme Files
(File Survey 2005)**

Health Condition (ICD code*)	Households	% of All Households (n=363)	% of Households with Health Need (n=183)
Asthma (J45)	64	17.6%	35.0%
Arthritis (M00-M25)	31	8.5%	16.9%
Hypertension (I10-I15)	30	8.3%	16.4%
Diabetes (E10-14)	29	8.0%	15.8%
Heart disease - unspecified (I00-H99)	28	7.7%	15.3%
Mobility problems (Z74)	26	7.2%	14.2%
Hearing disorder (H60-H95)	11	3.0%	6.0%
Eye disorder (H00-H59)	10	2.8%	5.5%
Hip replacement (Z96)	9	2.5%	4.9%
Breathing problems - unspecified (J40-J47)	8	2.2%	4.4%
Ear infection (H65)	7	1.9%	3.8%
Angina (I20)	7	1.9%	3.8%
Cold and flu (J00-J06)	6	1.7%	3.3%
Back problems (M40-M54)	6	1.7%	3.3%
External causes, i.e. accidents, injury (S00-T98)	6	1.7%	3.3%
Kidney problems (D70-D77)	5	1.4%	2.7%
Rheumatic (I00-I02)	5	1.4%	2.7%
Dermatitis and Eczema (L20-L30)	5	1.4%	2.7%
Mental retardation (F70-F79)	4	1.1%	2.2%
Epilepsy (G40)	4	1.1%	2.2%
Stroke (I60-I69)	4	1.1%	2.2%
Gout (M10)	4	1.1%	2.2%
Scabs and Abscesses (A41)	3	0.8%	1.6%
Cancer - unspecified (C00-C75)	3	0.8%	1.6%
Breast cancer (C50)	3	0.8%	1.6%
Cataract (H25-H28)	3	0.8%	1.6%
Varicose veins (I83)	3	0.8%	1.6%
Influenza and Pneumonia (J10-J18)	3	0.8%	1.6%
Bronchitis (J40)	3	0.8%	1.6%
Terminal illness – unspecified	3	0.8%	1.6%
Hepatitis (B15)	2	0.6%	1.1%
Lung cancer (C30-C39)	2	0.6%	1.1%
Prostate cancer (C61)	2	0.6%	1.1%
Thyroid disorder (E00-E07)	2	0.6%	1.1%
Dementia (F00-09)	2	0.6%	1.1%
Schizophrenia (F20-F29)	2	0.6%	1.1%
Parkinson's G20	2	0.6%	1.1%
Hay fever (J30)	2	0.6%	1.1%
Emphysema (J43)	2	0.6%	1.1%
Stomach (K20-K31)	2	0.6%	1.1%
Gallbladder disorders (K80-K87)	2	0.6%	1.1%
Allergy - unspecified (L20-L30)	2	0.6%	1.1%
Nausea and vomiting (R11)	2	0.6%	1.1%
Oedema (R60)	2	0.6%	1.1%

TB (A15-A19)	1	0.3%	0.5%
Bacterial infection - unspecified (A49)	1	0.3%	0.5%
Stomach growth (D13)	1	0.3%	0.5%
Alcoholic (F10-F19)	1	0.3%	0.5%
Post traumatic stress disorder (F43)	1	0.3%	0.5%
Autism (F84)	1	0.3%	0.5%
Alzheimer's (G30)	1	0.3%	0.5%
Migraine (G43)	1	0.3%	0.5%
Pulmonary (I26-I28)	1	0.3%	0.5%
Arrhythmia (I49.9)	1	0.3%	0.5%
Pulmonary collapse (J98.1)	1	0.3%	0.5%
Hernia (K40-K46)	1	0.3%	0.5%
Liver disorder (K70-K77)	1	0.3%	0.5%
Hip problem - unspecified (M00-M99)	1	0.3%	0.5%
Renal failure (N17-N19)	1	0.3%	0.5%
Kidney stone (N20)	1	0.3%	0.5%
Floppy baby syndrome (P94)	1	0.3%	0.5%
Arial septal defect (Q21)	1	0.3%	0.5%
Club foot (Q66)	1	0.3%	0.5%
Cardiac murmurs (R01)	1	0.3%	0.5%
Lower leg amputation (S88)	1	0.3%	0.5%
Achilles injury (S96)	1	0.3%	0.5%
Lower leg amputation (S98)	1	0.3%	0.5%
Abuse – unspecified (T74)	1	0.3%	0.5%
Drug use (Z72.2)	1	0.3%	0.5%

* International Statistical Classification of Diseases and Related Health Problems 10th Revision Version for 2003

Annex C: Summary of House Condition Problems by Housing New Zealand Corporation House Condition Categories A-F

Table 1: Comments for Rural Housing Programme Dwellings Assessed as Condition A

<p>Large water tank next to house, however condition of roof stops a connection for drinking water. Power - extensions are from a builders box. Run to bach and to caravan. All look to be overloaded. Fire risk. 5 smoke alarms required, 2 for caravans. Only long drop toilet. Condition of house does not justify repair. Every structure and covering needs replacing.</p>
<p>Property is very old. Power was disconnected and there is no water to house with containers from a galvanised tank being used. Cleaning and washing is done at the river. The house is beyond refurbishment and is a real fire risk. There is a fire place but no clearance - occupant a collector so surrounded by possessions - very dangerous.</p>
<p>Primus with gas bottle linked under it very dangerous. Rats and mice visible while assessing. Hot water cylinder - exposed wiring. House has been structurally messed around with. Very rough - foundation is poor too many walls having doors cut in them. Extension of house to laundry very poorly constructed - iron missing from roof and/or liable to blow off in a wind. Exposed wires tapes but not used.</p>
<p>Estimates new 3 bedroom dwelling required estimated cost \$95,000. In meantime need to install 4 smoke detectors until home vacated.</p>
<p>2 room sub-standard bach. Unlined (originally a stable and pig sty). Long drop toilet. Wants assistance to install water reservoir and to line lean-to inside. Also replacement of spouting and downpipe. Note: bach little if any value, difficult to see any lending organisation providing finance on the basis of it as security.</p>
<p>No modern day facilities. Roof leaks badly, joinery needs replacing. Exterior cladding damaged. Needs major work to water/power/sewer. Estimated cost new 2 bedroom house \$115,000 includes sewer and clearing existing site. Feasibility rough costing estimate \$60,000 to effect necessary repairs - but home would continue to deteriorate.</p>
<p>This is a caravan and a small room containing an ablution area. One leak in caravan. 50L Black PVC tank to catch water. Services from bathroom connected to septic tank. Shower/hand basin/toilet water supply is by roof catchment but this is minimal.</p>
<p>Caravan in poor condition.</p>
<p>Dwelling should be pulled down (not worth spending money). No services and very run down. No power. No water.</p>
<p>In present form bach has no power, water or sewerage system. Occupants/owners currently residing in comfortable condo at kaumatua flats marae. New additions started but sub-standard - severe wind would blow roof off. Not adequately secured. Likely no building consent. Needs re-wiring, re-plumbing.</p>
<p>No power connected and owner doesn't want power. No maintenance so house has deteriorated to the stage where it is almost past repairs. Roof needs replacing, timber joinery is decaying. Spouting shot. Owner would like inside toilet but this would require installation of septic tank. Recommend a new transportable 2 bedroom dwelling be arranged.</p>
<p>No water supply rely on neighbours. No sewage system - long drop only. House in very poor condition. Major work required to bring up to a good standard. No plumbing. Asbestos roof. All work considered urgent to fairly urgent. Uneconomical to renovate - almost past redemption.</p>
<p>Water supply directly from spring to holding tank (not filtered). Power comes from extension cord to builders box - earthed but no transformer. Structure poorly constructed and would be unsafe in a storm. Needs more substantial shower.</p>
<p>Windows in bus not sealed. Power is from 100 metres of extension cord from next door builders box - no transformer. Severe fire risk - burner located at front. Gas bottle for primus inside and in close proximity to pot belly burner. Owner previously living in shack on property but roof blew off.</p>

Piles are old and have broken dramatically affecting doors and windows. Roof leaks. Wiring is suspect. Electrical report required. Rotten floors in bathroom.
Long drop only. House maintenance: floor has holes in it, piles sunk floors uneven, rotten windows, no running water, no ablution in house, ceilings leak, roof rusted.
Uneconomical and impractical to reinstate. Foundations collapsed, no kitchen, bathroom or laundry facilities. Total replacement recommended.
House is past its useful life. Owners want to build a new home on family trust land. Any house on this land would need built up foundations too low lying if river floods. 800 acres block and family are hoping a minimum 10 houses can be built under papakainga zoning.
Everything is so temporary that all facilities are beyond repair economically. For protection of client - power should be inspected and temporary extension cords to outside huts require special fusing. Fire should not be used. Spouting upgrade to collect water efficiently to tank. 4 broken windows.
Caravan with small shed attached. Little if any modern day facilities attached to caravan and shed.
Replace windows. Supply shower unit and sink bench. Check all wiring. Install water tank and pump and spouting. Re-roof.
Breaking down in two rooms. Should not be lived in - extreme hazard.
Exterior: replace rotten boards, re-roof, replace window sashes. Bathroom/laundry: install shower, replace rotten floor, fix door/locks/handles. Hall and bedrooms: Fix doors and replace ceiling panels. Plumbing: Replace spouting with PVC, install water tank and pump, and install toilet and tub. Kitchen: Install hot water cylinder. Electrical: check wiring.
Should pursue free insulation. Install smoke detectors.
Replace caravans with own house (long-term). "They have other priorities right now."
This old shack is well and truly past redemption. Very rotten - fortunately owners agree but unlikely to move out until another home is found/built for them.
Floors uneven and unsafe. Wood burner stove is free-standing - exposed and dangerous. No power supply/lighting. Urgent: replace wood burner stove and fire, install grey water system, re-pitch roof, kitchen area and replace side flashings, upgrade bathroom area, upgrade plumbing, new caliphont for kitchen, re-build deck, remove super 6 and replace, new rear door. Essential: General repairs.
Urgent: to check wiring and make safe. Steps rot safe and deck. Rotten wall cladding. Broken windows. No floor under bath. Replace hot water cylinder. Check wiring.
Owners have installed power at a cost of \$8,000 but could only afford 1 power point and 1 light. Accommodation very small and sub-standard. Entire family sleep in a single dormitory style bedroom. Old pot belly in sleeping quarters - provides heat for batch. Owner aware unsafe but does not want it replaced. Mishmash of power boxes and extension cords. Dangerous more power points/lights required. Needs 5000 gallon PVC reservoir and piping. Needs door locks to complete exterior doors.
Long drop. Roof very poor. Exterior cladding very poor. Windows boarded over. Doors missing. Needs new stove.

Table 2: Comments for Rural Housing Programme Dwellings Assessed as Condition B

<p>Spring water but no holding tank. House has very poor water pressure. Serious fire risk with a wood burner in the bedroom. Urgently need a bathroom. Need water holding tank. 3 x smoke alarms. Eldest son lives in a bus close to shed/shack. Access not available but looks in a rough condition.</p>
<p>Wiring requires electrical report. No toilet and bathroom needs upgrade. Hot water cylinder working but very old. A lot of finishing work required to bring house to liveable standard. Roof has had some replacement but needs to be finished with part of house still having water damage. Chimney closed at roof level but still open at fireplace. New stove needed.</p>
<p>Electrical report required - no. of fittings not working. Hot water cylinder only limited life. Decoration required throughout. Toilet not working - new cistern required. Roof needs rust prevention and painting. 6 smoke alarms.</p>
<p>Electrical report required - old fittings look dangerous; extension cords used throughout the house; bedroom 1 has exposed wires from the ceiling. New bath required. Whole house needs decorating. Windows need replacing throughout. 5 x smoke alarms needed.</p>
<p>Install new wood burner. Needs hearth surround and general childproofing. Replace 3 latch sets. Laundry: install washing machine waste pipe overflow, replace tap handles, remove tub and replace rotten floor, install vinyl. Bathroom: remove fittings and replace rotten floor, install vinyl, install new shower cubicle, replace shower mixer, replace vanity unit. Total power service code of compliance. Electrical upgrade. At present water pump services 3 homes - needs separate pump. Install water filter and gate valve.</p>
<p>Effluent from septic tank blocked. Wiring inspection required. Chimney needs replacing. 2 sashes blown out. 4 x windows broken. Decayed floor in bathroom. Water tank leaking. Down pipe into water tank missing.</p>
<p>Roof and spouting need replacing. No insulation – sarking, scrim and paper. Floor uneven - needs re-piling. Ceiling leaks in dining room. Front steps need replacing. Needs 3 smoke detectors.</p>
<p>Laundry needs replacing (walls and roof). Roof leaking. Wiring suspect and needs checking. Water tank leaking. Poor: Bathroom walls, bed1 ceilings, bed 3 walls, bed 4 ceilings, toilet (no door, not lined, no lights), lounge ceilings.</p>
<p>Serious issues with flooring. Major problems with septic tank. Require electrical report.</p>
<p>The toilet has a leak and needs immediate attention. Particle board flooring In laundry needs sealing and additional bearers or it will deteriorate rapidly. New stove required. 5 x smoke alarms. The front entrance TandG flooring needs replacing. Electrical report. Deck has been built off lounge but needs proper steps - currently has pallets instead of steps.</p>
<p>Flashing to terminal vent leaking. Replace hand basin in bathroom. Check wiring. Replace floor behind toilet. Replace rotten sheathing to front and end walls. Remove rotten sashes from window frames and replace.</p>
<p>Replace roof. Replace bore liner. Retrofit insulation. Supply/install new hot water cylinder. Remove old lino and replace. Electric work. New lock sets. Replace 3 windows.</p>
<p>Hot water cylinder very old and will need replacing. Wood burner old and needs a firebox report. No useable drinking water. No toilet - has almost rusted completely. New bath and upgrade of plumbing required. Laundry tub and upgrade of taps. Septic tank upgrade. Clear cockroach infestation.</p>
<p>Solid old Maori Affairs house structure is good. Problems - kitchen due to bad maintenance. Sink falls out of place. Living is good. No spouting system which creates bad flooding in heavy downpours needs soak holes to eliminate. If repairs undertaken family will have 40 years left in it if care for it the way it is now. Plumber will need to check pipes under sink and surface flooding. Electrical report requested.</p>
<p>Buzzing noise when some electrics switched on. Power points required to eliminate use of extension cords. Rotten stringers and steps to both egresses that need to be replaced. Rotten floor in the bathroom area. Septic tank lid needs replacing. Some window linens rotten. If work carried out will extend lifespan 20 years.</p>

<p>Toilet fills when flushed. Septic tank needs clearing and possible upgrade. Bathroom needs upgrade - plumbing/hand basin replacement and flooring with vinyl. Electrical report required and possible upgrade. Three smoke alarms. Septic tank upgrade.</p>
<p>Stove very old needs replacement. 2 broken electrical fittings. Garage out front of house structurally unsound. Urgent repairs: electrical report and the fixing of 2 broken fittings, bad septic tank, 4 smoke alarms, new stove, new hand basin, new w/c pan, new water tank, fire place report and possible upgrade. Non-urgent: a new hot water cupboard, corrugated iron roof upgrade.</p>
<p>Nogs to be installed under the floor to stop sponging. Rotten decking. Some electrics. Ranch slider to be replaced. Soak holes required. Replace treads on steps.</p>
<p>Plumbing needs to be connected. Pot belly stove unsafe. Flashings required. Both decks. Soak holes required. No septic system.</p>
<p>New 5000 PVC reservoir and connect to house. Re-do spouting and reconnect down pipes. Remove and replace laundry floor - lay new vinyl. Replace wood burner. Replace kitchen floor. Electrical report and then undertake work.</p>
<p>Repair damaged windows and doors. New septic system. Repair electrical damage due to rodents. Fix broken window panes. New water tank. Replace roof (asbestos).</p>
<p>Rotting decking and steps, damaged doors and windows. Extensive electrical repairs. Replace broken septic tank lids. Replace water tank.</p>
<p>New wood burner. Replace spouting. Ease doors. Free up back door and replace lock set. Replace windows x 3. Remove old corrugated asbestos roof replace with corrugated iron. Remove chimney in lounge down to below roof line - also remove bricks from inside to make way for wood burner.</p>
<p>Exterior desperately in need of paint. Windows starting to rot and weatherboards cracking. Hand basin needs replacing. Cover plate required for bedroom light switch. Large extension box carrying leads to all rooms. House requires an electrical refit. Bathroom has shower over bath but no wet wall linings. There is no heat shield. House has previously had a fire from the kitchen.</p>
<p>Urgent work includes door handle and lock replacement and report on wiring. Essential work includes replacement of decayed timbers, sealing of leaks in exterior walls, replacement of window catches, easing windows and broken light switch.</p>
<p>Decayed flooring in kitchen, laundry, bathroom. Rear deck potential danger - 800mm high - needs a rail. Hand basin cracked. Lights and power points broken, several corner soaker weatherboards loose. Door handles/latches missing or broken. Window jamb liners decayed. Stove requires repair.</p>
<p>Issues with north facing wall. Very bad water leaking problems. As a result most of flooring in lounge along north wall is rotten and needs replacing. New water tank required as currently draining water straight from the neighbours house. Good home and maintained well. Repairs will extend life of house 50 years. Also rotten flooring in laundry due to leak in hot water cylinder.</p>
<p>Electrics, probably with cabling giving off small electric shocks. No mushroom to the septic and it flows into the paddock next door. Rotten window liners throughout house - weep holes will eliminate this problem. Rotten floors in wet areas - recommended work will extend life 15 years. Carpeting \$4,991.15, Plumbing \$649.69, electrical \$1,257.07, sewerage \$2,102.34, other \$322.04. Total: \$9,322.29.</p>
<p>Some spouting needs fixing (for rust) or replacing. Needs report on water tank. Connecting no water to property this is main concern. Doors need easing. A couple of window replacements.</p>
<p>Windows severe rot. Exterior desperately needs painting to prevent further deterioration. Walls removed in kitchen with no support beams put in - these are unfinished. Hot water cylinder very old and has exposed wires (new cylinder required very soon). Existing coal range still being used, old but seems safe. Chimney needs checking.</p>
<p>New septic tank, drainage, new hot water cylinder, insulation where house rejoined. Replace laundry tub. Extensive gib boarding. Install vinyl flooring, install wood burner, exterior painting.</p>

Re-roof. Spouting replacement. New down pipes. Bedrooms: new frame and door, replace latches. Kitchen: replace frame, doors, locks, window latches. Lounge: replace frame, door, window latches. 5 x smoke alarms.
Replace bath taps. Repair coal range. Complete electrical work. Repair spouting.
Wood burner report required. 5 x smoke alarms. Electrical report - bulbs blow every two weeks.
Shower pipes leaking in wall. Rotten flooring in bathroom.
Carpentry i.e. rotting steps. Repair septic tank. Repair windows. Extensive electrical repairs.
Extensive carpentry repairs. Spouting and piping repairs. Require electrical report.
Rotted and missing windows. Electrical report required. Replace wood burner. New stove.
Re-roofing. Ramp to replace steps. Need fire exit (only 1 door). Floor rotting around the shower. Minor plumbing upgrade.
Rotten flooring. Broken windows. Septic issues.
Everything is clean and tidy. But not an acceptable dwelling; consists of lean-to construction of timber frame and corrugated iron. Safer 'conventional' house is required.
Major septic tank problems. Water pressure problems.
Major electrical issues. New septic tank required.
No toilet has long drop. No bathroom or laundry. Water is carried from neighbour's property. Extensive work required on foundations, exterior cladding and roof. Probably uneconomic to renovate - unless home handyman or trade training group.
Septic tank and effluent require replacing. Bathroom and laundry combined not hygienic. Pressure to washing machine very poor due to height of house. Cladding to near porch full of holes and does not offer protection from weather. NB: ceilings all Pinex potential fire risk.
Essential repairs: repiling to bring house up to level, exterior sheathing repairs, replace 1 window, repair roof, spouting, shower floor, electric range.
Electrical inspection. Roof replacement. Wood burner. Alternative waterless toilet system.
Roof needs re-fixing. Some windows poor condition. Some electrical work required - bathroom skirts replaced. Door ease. Patch in bathroom ceiling. No mention of septic on this assessment.
Replace septic tank. Replace roof. Bathroom floor needs work. Several new windows. Replace rotten weatherboard. Replace back porch. Chimney work.
Urgent: unblock hand basin waste (plumber), replace panel exterior meter box (electrician), install pipe for grey water to soak pit. Note on file urgent work arranged for by local tradesman 20/09/01. Essential: roof replacement, install new tank. File note says loan from WINZ approved for new tank just never installed. Desirable: concrete reservoir and header tank, flush toilet, septic tank, hot water to house etc.
No insulation. Concrete reservoir and header tank leaking. Poor: bathroom walls and floor need replacing; bedrooms 1, 2, 4 replace window; bedroom 3 look at wiring; toilet and laundry floor. Need 5 smoke detectors,
Appears to be some general carpentry. Electrical (16 items to address). Replacement of bath plus fixing some leaks in roof and repairing water tank. Noted chimney cracked potentially unsafe.
Poor: bathroom (bath, basin, ceiling, long drop only), bedroom 1 (ceiling), bedroom4 (window), kitchen (stove and benches). Needs wall in shower and inside toilet. Essential: leaks in roof and repair oven and get drainage report as to suitability of existing sewerage tank for new toilet.
No washing facilities - bathroom half renovated. Some re-wiring required. Fireplace needs replacing.
Roof needs replacing - rusted impacts on drinkable water. No insulation. Aspects identified as poor: bathroom (bath rusting and hand basin cracked), bedroom 1 (door no latch or handle), Bedroom 2 (windows, ceiling and floor), Bedroom 3 (ceiling), hall (cracks in concrete floor near door). No other dwelling condition assessments but clear significant drainage work also priced in quotes.
Replace bath, hand basin and taps.

Roof requires urgent replacement. Timber windows in poor condition. Replace water pump. Ceiling has severe water damage. Replace oven. New tub required.
Rust-roof sheathing. Chimney cracking (remove). Replace window panes.
Bring wiring up to standard. Replace rusted spouting. General carpentry and plumbing repairs. Roof repairs.
Damage to hardboard walls. Cracked hand basin.
Roof leaking. Spouting had it.
Roof leaking badly. Electrical wiring suspect. Spouting missing. Tank stand in state of collapse. Leaking pipes in wall. Missing exterior sheathing.
No proper hot water cylinder. Water pressure only from level of water in tanks. Toilet - longdrop - no septics. Roof and spouting poor. Bath/shub barely adequate. No laundry - washing machine on small back porch. Wiring report required.
Ceiling water damage.
Ceiling leaks (replace). Cracked and leaking roof to be replaced.
No electrical reticulation or internal plumbing reticulation.
Latch and furniture repair/replacement. Roof iron rusting. Windows need painting. Replace toilet cistern. Need 5 smoke detectors.
Replace taps and hand basin. Repair hot water cylinder.
Septic tank decayed. New roof. Toilet repairs. General repairs (i.e. windows, bench top, door latches).
Fix alarms. Cracked white ware, electrical danger.
Water supply, rotting walls, floors, electrical, sewerage.
Door handles missing. Ceiling texture may contain asbestos. Spouting rusted. Bath and hand basin worn.
Notes owner insisted only roof, back porch and sink bench looked at. Back porch needs repairs. Roof needs checking. Did not want interior checked. Replace sink bench in kitchen including associated plumbing work.
Roof needs checking and valley rust proofing. Bathroom: remove and re-fix bath to replace rotten floor. Door ease in 2 bedrooms. Electrical test to point of entry by back door. Replace stove as very bad condition dangerous. Replace mushroom to septic tank. Replace 2 windows.
Check roof leak over lounge and eliminate leak (suggest roof laps on east side). Obtain a report on in-built wood burner in lounge, owner had told occupant that it is unsafe. In general overall condition is good.
Dwelling was set up as a builders display area on timber blocks. It does not have electricity or internal plumbing. It does not have netting on building paper under the roof. It does not have insulation installed. Dwelling doesn't comply for a building consent - needs upgrading.
Electrical - several skirts to be replaced plus general fix. Drainage system needs upgrading. Bathroom - lock set and hand basin to replace toilet pan and seat replace. Floor in hallway rotten. Also laundry floor. 2 x taps in laundry to replace.
Some carpentry required exterior - front porch, replace rotten window, ease several doors, replace rotten weatherboards, replace rotten floor laundry. Replace spouting and down pipe. Fix electronics.
Septic tank only connected to sink and bathroom. Water to house has been severed. Toilet is long drop. Exterior requires considerable repairs. Replace - hot water tank, laundry tub, wiring, roof, window/door latches, spouting. Areas of bathroom floor need replacing.
Wet wall at end of bath has broken and rotted will be affecting the floor under the bath. Electrical report required. Gas primus used with gas bottle next to the cooker - needs a new stove. Upgrade of shower unit. 6 x smoke alarms. (Caravan used for a fifth bedroom at times - visitors only).

<p>Wiring hand installed and needs electrical report. Lots of extension cords with main cable running off builders box (no transformer). Lots of large extension boxes to run appliances. Gas bottle for stove is next to appliance inside dwelling (should be outside). Tank water collected off roof with a small section of guttering - full of pine needles. Needs caliphont or hot water cylinder for kitchen. Needs new septic tank and toilet.</p>
<p>Septic tank situated at back door. Hand rails required for decking. 4 broken windows to fix. Septic tank empty and report (may need replacing). Roof repairs.</p>
<p>Needs plumbing throughout house and then connection to septic tank. Install hot water cylinder and all plumbing. New gullys and waste required. Needed cabling and power box to be connected inside house. Septic tank there but needs to be connected.</p>
<p>Major issues with this house. Roof needs to be completely replaced. Full septic tank replacement required. Rotten windows require replacing. Electrical report also required due to state of roof and potential for leaks.</p>
<p>Down pipes need replacing. Septic tank needs emptying - new drain pipes and gullies. Doors need easing and a couple of new catches. One wall in bathroom rotted - needs replacing. Bath needs seal around it.</p>
<p>Repair steps and deck, replace door handles and locksets. Get electrical report. Replace broken glass. Replace rusted spouting/shower mixer. Replace spouting with PVC.</p>
<p>Replace handles and locks - laundry, toilet, and bathroom. Repair rotten flooring. Replace bath and hand basin. Electrical report. Replace septic tank and down pipes.</p>
<p>Septic tank problems. Electrical report required. New RCD required. Rot in the floors.</p>
<p>Bad rotting in floors. Replace water tank.</p>
<p>Rotten scribes. Broken frictions stays (windows), window pane.</p>
<p>Replace bath. Upgrade septic tank. Repair shower. 5 x smoke alarms.</p>
<p>Water damage in bathroom - spreading to bedroom and hallway. Septic tank blocked (needs upgrading). Electrical report required.</p>
<p>New power points required to eliminate use of extension cords. Sofitt requires replacement. Ranch slider door in lounge needs replacing. Shower walls need replacing. Some doors missing handles. Septic tank needs emptying and a report required to check it - possibly requires field drains.</p>
<p>Internal wood burner - the surround is tin and would get very hot - high fire risk. Access door from the front, wood burner also at front. Second access/exit covered by bed at back of bus. Primus stove and fridge run off gas - gas bottles outside. 2 x smoke alarms required. Water filled from a tank collected from a stream.</p>
<p>Bathroom needs immediate repairs. Bath with shower over it has no wet wall linings. The wall has rotted and broken away. Shower is makeshift and needs replacing. Bath has rust around waste and if upgrade done best to replace bath now. Floors new repair and new vinyl. Hand basin needs replacing and 2 new taps. New stove required.</p>
<p>exterior: replace cracked fibrolite cladding, replace base boards, ease windows. Bathroom: reline shower walls, vinyl floor, replace shower mixer. Kitchen: vinyl floor after checking for rot, replace kitchen unit and bench, replace HWC. Lounge: install French doors. Electric wiring check.</p>
<p>Wiring needs checking and any necessary repairs made. Bathroom/laundry are needs to be lined. A pump will be required to enable use of the shower. Supply and install new septic tank (whanau have already dug hole). Install new shower, new toilet, allow for all piping, etc.</p>
<p>Remove roof and repitch - make weatherproof. Strip out bathroom completely replace floor, install new bath and line with wet wall lining, then line rest, redecorate, etc. Vinyl floor covering in bathroom. Supply and install 10 windows. Replace rotten floor in bedroom and hall.</p>
<p>Old shack - exterior re-sheathed and windows installed - pretty rustic. Roof rough. No power supply. No drainage or water supply - would need to be run off marae system. Ramp required and wider doors. Notes would need to be done in partnership with marae as coming off their services.</p>

<p>Replace existing galvanised heater tank with 300 gallon PVC heater tank. Replace old wood range in kitchen with a new Masport or similar and connect to existing wetback. Owner would prefer windmill/solar combo for power - needed to stop use of candles for lighting. Home would need re-wiring for alternative power - including switch/metre board. Needs a pressure pump to pump water from creek.</p>
<p>Replace exterior cladding where rotten. Replace roof/spouting and down pipes. Demolish chimney. Re-wire. Replace/repair septic lid. Replace bathroom ceiling.</p>
<p>Replacement handles some windows. Rebuild rear steps. Replace spouting and down pipes. Check septic - possibly put in soak pit. Wiring check. Replace 2 sheets in shower wall. New vanity in bathroom. Replace washtub in laundry. Check laundry floor and re-vinyl. Replace kitchen floor and re-vinyl.</p>
<p>Replace rusty/leaking roof with coloursteel. Replace existing spouting rear of house. Repair/replace barge board. Supply and install new 5000 gallon PVC reservoir. Complete with copper piping to house and motor/pump, etc.</p>
<p>Clean septic tank. Check electrics. Replace door handles. Replace/ease/re-glaze windows. Laundry: replace walls and lining.</p>
<p>Extensive repairs to windows, doors, fire, chimney, etc. Clean out septic tank. Inspect and upgrade wiring/fittings. Re-glaze 3 windows. Install new water tank and pump. Replace old piping. Repair leaking roof.</p>
<p>Power. Water pump and hot water cylinder. Upgrade floors (priority is floor rot). Some miscellaneous interior and exterior repairs.</p>
<p>Urgent: Re-roof and repairs \$6,000; Septic tank repairs \$3,000; Bathroom floor and renovations to wet wall and shower \$2,000; Repair laundry floor \$1,200; Misc door repairs, power points, etc. \$800. Essential Window repairs in bedrooms \$400; Install log fire \$1,700. Total: \$14,100.</p>
<p>Need eco toilet. New soak pit system. Wall linings and plumbing. Replace ranch sliders. Repair front timber deck (is dangerous).</p>
<p>Check wiring. Replace stove and hot water cylinder. Line walls and ceiling. Replace windows.</p>
<p>Replace ridging and re-nail roof. Replace concrete path from front gate. Replace latch sets all internal doors. Bathroom - remove fittings and replace floor and make good - including paint. Ease windows. Replace kitchen window. Replace ceiling in dining room. Replace hand basin and toilet. Replace grill on oven. Vinyl bathroom/laundry floors.</p>
<p>Install hand basin, shower unit, toilet, and laundry tub. Install new spouting and down pipes. Install new water tank and pressure pump. Plumb new fittings to bathroom and laundry. New taps. Install septic tank. Electrical inspection and upgrade. Re-glaze 2 x broken windows and repair bedroom window. Supply and install new door latches and furniture to bedroom.</p>
<p>Urgent: electrical check and re-wire. Roof leaks - check and install new flashings. Essential: new 500 gallon water tank, replace spouting, connect down pipes to new reservoir, install new soak pit, replace steps from veranda.</p>
<p>Replace stove. Electrical check. Repair floor and replace vinyl - laundry. Check roof leaks and repair/replace where needed.</p>
<p>Old house in poor state of repairs, particularly bathroom where the floor has collapsed. Electrical re-wiring required. Strip bathroom, re-floor, re-do walls and ceiling, linings, etc. Check all piping for leaks and rectify. New shower mixer and new bath. Vinyl bathroom floor. Completely re-paint on completion.</p>
<p>Needs re-piling. Re-roofing. Needs septic. Needs water supply. Would need to be fitted out with bathroom and all necessary connections.</p>
<p>Repair deck. Check/repair roof flashing. Supply new water tank. Wiring check and repair. Install new shower box. Repair floor in laundry.</p>
<p>Replace asbestos cement roof on original building including flashings. Repair rotten floor in kitchen and strengthen sub-floor structure. Replace rotten window sashes and frames. Remove old roofing off-site.</p>

Carpentry: wall linings above bath, patch rear roof, replace piece of laundry floor. Plumbing: re-fix toilet cistern to wall. Electrical: replace element on stove. Glazing: replace 2 window panes.
Check roof leaks and replace. Replace exterior fascia where missing. Ease/repair/re-glaze windows. Check wiring. Replace shower walls. Replace lounge ceiling where damaged.
Replace back stairs/ramp and install handrails. Re-glaze/repair several windows. Replace roof, realign spouting and down pipes. Replace hand basin in bathroom. Replace laundry tub. Patch holes in lounge ceiling.
Check piles. Replace roof. Replace spouting and down pipes. Repair/replace weatherboards where rotten. Check wiring. Shift hot water cylinder from kitchen to laundry. Fix bench unit to wall.
Re-wire whole house and upgrade electrical fittings. Replace weatherboards where rotten. Replace 15 sheets of roofing iron. Replace lock sets x 3. Replace glazing in 3 windows.
Problems with septic tank. Water pressure. Plumbing old. Borer system on pump needs replacing. Filter and gate valve need to be installed. Unsafe extension cord. Needs more power points installed. Home 50 years old. Old Maori Affairs home - good structure - repairs will prolong life another 50 years.
No power points in bed/rooms, lounge or laundry. Windows on east facing wall all need replacing due to bad rot. Structurally very solid - concrete piles, rimu facing, TandG flooring. No maintenance done to house since built. Electrical test required. Roof leaks need to be addressed.
Problems with septic tank - floods during heavy rain. Electrical points need checking, lights always blowing. Spouting poor needs replacing. Bedrooms need new door handles (all 4). Tap needs securing to hand basin. Laundry floor rotten.
Replace tread on steps with grip tread. Septic tank - replace collapsed walls. Bedroom 1 and 3 replace rotten bottom window liners. Hall - replace handles, lockset and broken glass. Bathroom: 1 dangerous light switch, Shower - leaking remove gib in bedroom 3 and replace pipes, replace rotten floor boards and vinyl. Laundry: replace rotten floor, replace hot water cylinder - including seismic movement.
Septic issues (probably need replacing) and electrical issues also. Reports on both required. Structure is very good but the steps unsafe and the handrail to the deck also these need to be secured. Some doors catching. Rotten floors need replacing. Notes if repairs done house will last another 60 years.
Home 50 years old. Owner suffers bad arthritis needs new shower put in over bath. Because roof leaks an electrical report required. Also evidence of rat infestation. Septic tank needs to be replaced or field drain re done.
Roof sheathing needs total replacement. Some window sashes and glazing. Rotting floor, shower and front porch.
Replace corrugated iron and spouting to main roof. Floor repairs bathroom and bedroom 2. Concrete water tank to be repaired then refilled with clean water. Replace existing septic tank with aerated water treatment system. General carpentry maintenance.
Laundry needs replacing (walls and roof). Roof leaking. Wiring suspect and needs checking. Water tank leaking. Poor: Bathroom walls, bed1 ceilings, bed 3 walls, bed 4 ceilings, toilet (no door, not lined, no lights), lounge ceilings.
Septic tank overflows. Electrical report. No hot water cylinder - no shower. 2 x smoke alarms required. Urgent work required: fix septic tank, wiring checks, 2 x smoke alarms, new hot water cylinder.
Replace base boards - West/south/east walls. New exterior door and locksets. Ease windows in all bedrooms and toilet. Replace floor in laundry with H3 ply. New ranch slider in lounge. New spouting. Needs reports on - chimney/fireplace, septics, and electrics. Possible re-wire required. New toilet.
New door handles - 7 doors. Replace lounge windows. Replace gully support. New walls, floor and vanity bathroom. New floor toilet. Replace spouting and install 3 new soak holes. Septic tank report required. New shower mixer.

Table 3: Comments for Rural Housing Programme Dwellings Assessed as Condition C

Septic tank needs upgrade. hot water cylinder very old with exposed wires and rust around base (short life expectancy). Fire box broken glass front. Built on hearth but no back wall protection and 200 from wall. Electrical report required. Laundry floor needs repairs and vinyl.
Hand basin badly cracked. Shower unit added but taps coming adrift from the wall and broken. Total unit replacement required. Kent burner is in reasonable order but wall at the back has no heat guard and wood and paper stacked next to stove. Whole house needs decorating.
Windows decayed. New sewer effluent may be required. Rotten flooring in toilet. Repair spouting and drainpipes.
broken asbestos. Lack of hot water. Dangerous chimneys. Lack of sewage.
Broken gully surround at rear. Urgent work includes - door latches, electrical fittings and plumbing fittings. Essential work is for spouting, decayed windows, etc. and electrical report.
Replace flooring in wet areas. Electrical upgrade. Replace wet wall linings. Replace faulty pipes.
Install pressure pump to house. Replace faulty wood burner. Rewire hot water cylinder. Repairs to roof and flue. Locksets to egress doors x2. Re-line shower/bath area and install taps. Install drain at rear of house.
No heat shield next to stove. Toilet pan replacement required. No shower. Very damaged hand basin. No guttering or down pipes - totally rusted out. Electrical report required. New stove required. 5 x smoke alarms.
No toilet has not been fixed to the concrete floor and pulls away from the outlet. Water comes from the river and needs a check for quality - very cloudy and owner is concerned about its safety. Storage tank used very rusty old galvanised tank - needs replacing. Next to this is a new PVC tank which collects water from river - apparently there is a filter at the river end which probably needs to be changed.
Ajax valve requires adjusting. Several sashes wind damaged. Lounge light switch needs to be relocated. Several windows blown out. Door glass broken. Bath and vanity to be replaced. Floor decayed. Hot water cylinder thermostat cover has missing latches - faulty.
Caliphont directly over bath - this is only hot water in house. Gas bottle next to bath with rubber garden hose being used as piping to the caliphont. Only partial internal plumbing with no hot water to kitchen or laundry. No filter to the water from the spring. Septic tank plumbing leaking under the house next to back doorsteps. Two sleep outs - small, rough but dry. Meter box in garage - fuse box too low children could reach and wiring very suspect.
Effluent line appears to be blocked. Bathroom floor decayed. Otherwise good condition.
Decayed windows require replacing. Missing locks and door handles. Laundry floor decayed. Possible wiring problem in bedroom. Septic causing problems in wet weather - may require replacing high water table. Urgent for replacing door handles/latches.
Not hot water. Heating by pot belly - no safety guard and no barrier to exterior wall. No smoke alarms. Interior not lined. Lean-to of garage has holes throughout the roof. Meter box exposed to weather - electrics shorting probably from exposed box. Chimney needs fire inspection. lean-to not liveable and needs to be upgraded.
Original house good weather boards but addition at back has severe dry rot. Roof on addition also old and rusty. Water tank is rusty and leaking but only used for the garden. Bathroom is very old with a bath replacement needed very shortly - very rusty around the waste, taps need replacing. Kitchen has a power cord with a slice taken out - needs electrician. Sink old held up by piece of wood - generally house is sound but old. Needs upgrades in bathroom, w/c and kitchen for a better living standard.
Tank and new effluent line required - high water table. Lounge and bedrooms not looked at (owners request). Wiring requires report. Spouting along one side missing. Hand basin cracked. Toilet floor decayed.
Urgent: electrical report and upgrade, septic tank upgrade, new stove, 5 smoke alarms, floor repair. Non-urgent: handrail on back steps, front deck upgrade.
Decayed laundry floor. Wiring report. Bath and basin in poor condition. Replace leaking sink top.
Septic tank upgrade. House in good condition, only looking at septic tank problem.

House is fairly sound but owner has bach as rear of house which is a category A. Owner has been told about safety issue with power leads running from house to bach and outside window to pump they have. Clean out septics. Replace spouting. Replace toilet/hand basin. Fit new shower mixer. Supply and fit new pump.
Septic system. Water catchment. General repairs.
Water pumped from creek when tank is low (possible risk of giardia). On bedroom unlined. Roof, spouting and piles all need replacing. Soffit decayed in places.
Requires new waste pipes. No real detail. Most of house average condition.
Replace roof sheathing, spouting, down pipes and rotten decking.
Areas identified as poor. Bathroom: hand basin, taps, floors. Bedroom 1: walls (hole), power points. Bedrooms: power points. Bedroom 3: No handle on door, no catch on window, leak in ceiling. Toilet: walls, windows, toilet cistern. Laundry: doors, walls, floors. Kitchen: doors, power, sink top, hot water cylinder. Lounge: walls, power points, windows, fireplace, chimney base badly cracked.
Ceiling in bedrooms potential fire risk. Unable to use fire because of chimney (potential fire risks). Waste pipe under house disconnected. Effluent probably blocked (new septic system may be required). Header tank on temporary construction starting to decay. Chimney unsafe. Wiring inspection required. Waste pipe under bench damaged by rodents. New Stove required. Repairs to spouting required.
3 windows broken. Spouting requires replacing. Inside of house fine.
Spouting replacement. Hot water insulating jacket. Replace old timber windows with aluminium joinery. Chimney replacement. Replace window frames/joinery/latches in bathroom and bedroom 2. Electrical inspection report.
Notes house is reasonably sound just needing a few repairs. A number of carpentry repairs required. Also moderate electrical repairs to bring the house up to the required standard. Some broken windows.
Storm water soak pit adjacent to septic effluent line. Possibly contributing to sewage problems. Shower (including some framing and possibly flooring) decayed. No heating.
Hole - bathroom wall. Rotten flooring. No heat guard for stove. Unsafe steps and decking. Replace wet areas in floor. 5 x smoke alarms.
4 x smoke alarms. New bath. Repairs to spouting and down pipes.
Urgent: electrical report and upgrade, 5 x smoke alarms, septic upgrade, close off fireplace. Non-urgent: paint exterior, replace hot water cylinder, replace front door railing.
Essential: Toilet floor decayed - starting to spread into bathroom. Urgent: renewing glass to back door.
Faulty stove. No door handles - bathroom and 2 bedroom doors. House not secure due to missing lock.
Septic tank has to be cleaned - effluent line seems inadequate. Several window jam liners decayed. Lights blow when lights turned on.
Owners advised new effluent required - problems in wet weather. Decayed sashes, spouting, bench top. Decayed flooring - all considered essential work. Roof leaks. Pinex ceilings - potential fire risk.
House is 43 years old. Allowance made to free up windows, replace existing shower with wheelchair shower, replace sink tops, replace decayed windows and replace window catches where required. Also notes pinex ceilings throughout house are a fire risk.
Urgent work: door handle replacement. Essential work: fencing, spouting, refitting bath and vanity, repair decayed floor, broken window and window catches. New sink top, roof leak, heat shield and repairs to chimney.
Urgent: replace electric range wall switch. Essential: house re-piling, weather board replacement-10m, roof replacement, spouting replacement, replace hand basin in bathroom, replace 7m2 ceiling in living and bedroom 1, re-secure toilet pan.
House in really good order except the rear lean-to roof leaks badly and needs replacing. Also there is a faulty double extension plug in the lounge.
Replace toilet pan and seat. Repair hole in wall in toilet. Fit wall linings around bath and install shower. Check electrical installation. Install fire proof panel on wall by stove. Remove ceramic tiles from kitchen floor and replace with vinyl. Upgrade storm water system. Replace gully trap at back of house.

install wetback, upgrade water header tank, supply petrol driven water pump, install disabled shower, install vanity or basin, plumb hot water to bath and kitchen, upgrade solar system (lighting only) and repair roof leaks.
Needs repairs to roof (roof replacement) and water tank. Some changes to access and shower room to meet mobility needs of Mr X. Electrical check needed.
Main concerns - septic system and water tank. Hot water cylinder needs replacement. Repair/re-glaze windows.
Install water tank, plumb and pump. Install wood fire. Replace stove. Electrical inspection. Replace toilet cistern. Install machine waste. New effluent.
Replace rotten weatherboards. Repair leaks above lounge. Repair gutters and down pipes. Electrical check. Door/window catch repairs.
Line dwelling with bison boar - walls/ceilings and insulate. Install plumbing lines to shower and kitchen unit/sink, etc.
Rear roof corroded and leaking - needs replacing, and right hand side slumping badly - piles rotten.
Roof-check for leaks. Check bathroom windows. Repair bedroom windows. New door latch set. Replace twin tubs with single tub. Window repairs. Replace door handles.
Septic system. Bathroom/toilet/laundry. Piping - upgrade. Water tank and distribution to house.
Replace window pane. Replace cladding. Patch bathroom floor. Replace plastic bath. Replace ranch slider handle/lock set. Replace 2 x latch sets and 3 x window catches.
Replace broken fibrolite exterior wall cladding. Repair windows. Replace sheathing, spouting and down pipes where leaking. Check wiring. Repair or replace faulty doors. New toilet pan. Replace interior hardboard walling where needed. Replace hot water cylinder. Replace stove elements.
essential repairs: cladding, joinery, flooring, steps, water tank, interior door fittings, stove repairs.
Windows leak. Water supply inadequate. Gravity feed from hills. Rusted spouting. No waste connected to kitchen sink. No hot water.
Leaking roof. Inadequate water supply. Old and dangerous electrical wiring. Rotten flooring by front door. Dangerous concrete steps to front door.
Upgrades to deck support, garage door, electrical system and toilet floor. Roof leaks (needs repair).
Very tidy home - septic system has failed, water collection from roof needs reconnecting to tank, driveway needs upgrade, wood fire requires replacement.
Carpentry. Replace roofing iron. Install new water tank. Install new wetback/fireplace. Electrical inspection and upgrade.
Replace decking and construct handrail. Check for leaks and replace iron below chimney. Check and re-align spouting as necessary. Check water pump. Replace flue. Check hot water cylinder.
Urgent: Replace roof. Sort out spouting. Replace glass - bathroom. Plumbing. Weatherproof exterior. Essential: complete kitchen living and fit out. Install laundry tub and plumbing. Completes interior lining including walls - to lounge, hall and bedrooms.
Install shower over bath. Replace back door. Toilet - repair floor and re-vinyl. Repair roof leaks. Replace down pipes, connect to new tank. Install new 20,000 litre water tank and pressure pump. Install wood fire. Inspect electrics - re-wire house.
Replace roof, realign spouting. Connect down pipes to new tank. Install new 20,000 litre tank. Install new wood fire. Re-wire house. Ease windows. Install latch set x 3. Replace front steps.
Install new 20,000 litre water tank and pump and connect to house. Install septic tank and effluent field and connections. Replace stove. Replace roof over veranda/dining. Install wet area shower/toilet to Bedroom 1. Latch set to toilet. Re-glaze 1 window.
Key issue overcrowding. Clients wish to upgrade veranda deck to improve existing temporary bedroom and living areas. Frame and line where windows removed. Fit new plywood floor. Fit foil insulation under deck. Frame between deck posts. Fit windows and ranch slider. For partitions to create 2 new bedrooms. Gib internal walls. Remove roof deck - insulate and make good.
Septic tank repair. Spouting repair. Water damage in bathroom, toilet, laundry, kitchen.

6 x smoke alarms required. Home in good condition. Only real problems - shower linings and water. Sewer report required - possible second chamber to be inserted pending report. Water tank is old vat that the family were given it is not a tank and holding capacity is about 80 gallons - tank stand unstable and dangerous, also low pressure. Replace toilet pan and screw cistern to wall. Replace shower linings.

New septic. Exterior door replacement. Bathroom repairs. Roof repairs. Flue repairs. Tap repair and electrical check.

Replace roof. Install wetback to fireplace. New pump to bore. Pressure pump to house. Install wetback, hot water cylinder, plumbing and wire. Uplift asbestos backed lino and replace. Align spouting and guttering to tank.

Table 4: Comments for Rural Housing Programme Dwellings Assessed as Condition D, E or F

Deck off lounge has an unsafe railing with a number of deck treads becoming rotten. Guttering and down pipes completely rusted out. Shower - wet wall starting to rot at bottom. No wall protection behind fire.
Assessed caravan. Smoke alarm required. Spring water for beach reserve. Large shed next to caravan very dilapidated - fire risk but 30m for caravan park.
Laundry floor decayed. Weather side external wall cladding starting to decay. N.B. homeowner indicated he would attend to decayed floor himself.
Only essential repair is door handle missing from lounge door and lounge floor requires repairs - borer infestation.
Main area of concern is the flooring in the wet areas - bathroom/laundry. Also some water damage in dining room - flooring only particle board so has buckled swelled.
Plumbing to bath, basin, toilet, laundry. Need telephone, solar power unit. Plumbing, latch and furniture replacement.
Septic problems. Rats. Rotted door and windows. Loose roofing.
Septic tank problem. Electrical report required. Roof sheathing problems.
Concern about wiring. Gap in fireplace.
Repairs to roof. Rusted spouting and water storage tanks.
Majority of dwelling identified as good or average condition. Poor: washing machine, waste pipe overflow, laundry floor, 1m square by back door.
Broken windows, small areas of rusted spouting. Main concern is owners health and distance from town.
Generator not working, lighting resorted to use of candles and gas light. Septic tank too small, causing backflow. 5 smoke alarms required.
Minor broken window.
Spouting needs replacing and 2 x down pipes. Window sashes need replacing. Some window catches required. Taps in kitchen need replacing. Seismic strap for hot water cylinder. Repair wall in toilet.
Shower located in back of shed next to garage - has small gas caliphont for hot water. Floor missing some boards and there is rot in the base of the shower unit. This is combined with the laundry which uses extension leads. Extension lead between sheds could run water along it to power point. Gas tank for caliphont inside next to washing machine. Toilet is a long drop so probably requires septic. no smoke alarms. Wiring needs electrical check. extension cord from shed to caravan - used for sleeping.
Pinex ceiling. No installed heating.
Decayed windows/sills. Rusted spouting.
Front steps decayed. Deck requires safety rail. Heat shield beside stove.
Side fence to replace electric fence. Water leaks to roof. Plumbing, interior power fitting, doors, glazing. Power to outbuildings (i.e. shed for elderly mother).
Carpentry \$1,050 replace steps, ease bathroom door; plumbing/heating \$7,400 install gas caliphont, install water pump, install solar, install gas stove. Total: \$8,450.
Water storage tank leaking on bottom. No other issues. Owner did not need/want further inspection. Notes roof/spouting is rusting.
5 x smoke alarms. Spring feeds a tank for water - no obvious health problems. Stove poor condition - one element only fully operational. Lid to septic tank does not fit correctly. Handrail around deck broken.
Apart from problems with stove and wiring to light circuits house is in good condition. House is rented and problems should be landlords responsibility. Rest of house looks good.
No fire burner. Electrical report. No shower. Concrete tubs should be replaced.
Carpentry: \$1,370.00, Plumbing/drainage: \$2,850.00, Electrical: \$1,500.00, Travel: \$400.00. Total: \$6,120.00. New locksets, splash board to bath, new flue kit and hearth to existing pot belly, check and repair roof leaks, check wiring, replace PVC roofing and barge to laundry area.
Ceiling - no insulation. Bath - enamel worn. Windows can't open in bedrooms.

Annex D: Extract of Rural Housing Programme Condition Survey Report Related to Method

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- 3.1 The Rural Housing Programme Condition Survey was undertaken by local people trained to implement a condition survey instrument that would allow comparison of stock in the Rural Housing Programme areas with the national stock measured in the 2005 NZHCS undertaken by BRANZ. To ensure that analytic comparability with the 2005 NZHCS, BRANZ was contracted to undertake a preliminary analysis of the data set comparable to the BRANZ NZHCS 2005. That analysis is included as Annex B. It should be noted that for the purpose of this report, further analysis was undertaken that goes beyond that undertaken by BRANZ for the purpose of aggregate analysis of stock condition. Those differences are discussed in section 3.17.
- 3.2 Surveying was undertaken in EC/EBOP primarily in September/October 2005 and in Northland in February/March 2006.

The Sample

- 3.3 A total of 452 dwellings were surveyed. Those dwellings were selected through random sampling designed to be representative of dwellings within the NECBOP Rural Housing Programme delivery areas.
- 3.4 A meshblock approach to sampling was developed to ensure that the final sample of dwellings would be appropriately geographically distributed across the Rural Housing Programme delivery areas. The use of a meshblock based sample rather than property information from valuation or rates databases also ensured that caravans and other temporary dwellings were not automatically excluded from the sample.
- 3.5 Census 2001 figures were used to estimate the total number of dwellings for all Census Area Units (CAUs) within the Rural Housing Programme regions. No attempt was made to forecast likely dwelling increases since the 2001 census. A sample of meshblocks from the three regions was identified using a random number generator. Each meshblock was assigned a number and then a random sample of those numbers was selected up to a maximum of 625 meshblocks. Using this method an individual meshblock could be included in the sample multiple times. The number of meshblocks selected from each of the three regions was proportional to the number of dwellings in that region. A total of 456 individual meshblocks were sampled. Each meshblock also included a notation for how many times it had been included in the sample ranging from 1–5 times.

- 3.6 Roads within the sampled meshblocks were then identified. The set of randomly selected meshblock numbers was forwarded to Quotable Value New Zealand (QVNZ) who provided a list of the road names within, bordering and intersecting each meshblock. A road or roads were randomly selected from each meshblock consistent with the number of times the meshblock had been included in the sample.
- 3.7 Because the sample was meshblock based and in many cases a street covered multiple meshblocks, further definition was required to specify which side and/or part of the street was to be sampled. Selected streets were located and matched with meshblock data using Visual Census 01 to provide further specification of the street in relation to the selected meshblock.
- 3.8 In consequence, in addition to a list of street names, surveyors were also provided with instructions as to any boundaries to the selected streets (e.g. between street A and street B) and whether one side or both sides of the street were selected (where streets formed meshblock boundaries an instruction such as 'east side only' was included).
- 3.9 The final selection of individual dwellings was undertaken by surveyors in the field using a random selection rule to eliminate any surveyor bias. Those rules involved surveyors abiding by boundary instructions for the road and then selecting the 6th house. Where a single side of the road only was selected in the random selection of a road within the meshblock, surveyors were instructed to select the 6th house they came to regardless of which end of the road they started from. Where both sides of a road were included in the sample, surveyors were directed to select either the left or right side and then selecting the 6th house, alternating between the left and right sides for subsequent roads. Residents of selected dwellings were then approached for permission to undertake the Rural Housing Programme Condition Survey.
- 3.10 There were few incidents of refusal to participate. Where there was a refusal or a non-contact, surveyors were instructed to continue along the road using the rules until the participant numbers were reached.

The Surveyors

- 3.11 The surveying was undertaken by teams of community based surveyors coordinated by Energy Options in Eastern Bay of Plenty and East Coast and Collins Maintenance Ltd in Northland. Each team included at least one surveyor who had been involved in the house condition survey of Opotiki's rural housing stock conducted in 1999.⁷⁰ To ensure consistent application of the BRANZ instrument, a BRANZ adviser who had been involved in surveying for the NZHCS provided training and on-site demonstration of the instrument. That adviser also monitored each team's application of the instrument in each of the three regions.

⁷⁰ Saville-Smith, K. (1999) *The Condition of Opotiki's Rural Housing Stock: A Survey of Three Communities*, unpublished report prepared for the Opotiki Development Project, Centre for Research, Evaluation and Social Assessment, Wellington.

The Survey Instrument

- 3.12 The survey instrument requires recording of descriptive and measured data and surveyor application of condition ratings on various components of dwellings. The survey is based on a visual inspection of the dwelling and dwelling components only. The instrument was based on the NZHCS instrument to allow data comparison with the data on the national stock. Annex A provides a copy of the instrument.

House Condition Categories and Sub-Standard Housing

- 3.13 Both the Rural Housing Programme and the NZHCS instruments provide a measure of the condition of twenty-five components of a house on a scale of 1 to 5 referred to as the House Condition Scale. An overall HCScore is generated for each house. That score is an average of the twenty-five house components. None of the house components are weighted.
- 3.14 A full description of the scale used to determine the standard for each component can be found in the recently released report of the national 2004/05 survey.⁷¹ The condition scale for each component is as follows:
- HCScore 5 = Excellent (as new condition)
 - HCScore 4 = Good
 - HCScore 3 = Moderate
 - HCScore 2 = Poor
 - HCScore 1 = Serious (requires immediate attention, active health/safety threat)
- 3.15 Houses are then typified according to the average component condition. The rating of the average component condition⁷² appears to be as follows:
- Excellent – average component HCScore 4.5-5.0
 - Very Good – average component HCScore 4.0-4.4
 - Good – average component HCScore 3.5-3.9
 - Moderate – average component HCScore 3.0-3.4
 - Poor – average component HCScore 2.5-2.9
 - Serious – average component HCScore <2.5
- 3.16 It is clear that at the aggregate level the distance between successive numbers in the overall House Condition Scale is not equal between each condition. This is most apparent when considering the average cost of repair to bring a dwelling to a new condition. Table 3.1 sets out those costs for a 140m² home for a scenario in which a home had all components in each of the scale categories.

⁷¹ Clark S.J., Jones, M., and Page, I.C. (2005). *New Zealand 2005 House Condition Survey*. BRANZ Study Report 142. Judgeford, Porirua: 6

⁷² *ibid*: 12, Ian Page, pers com. 16 March 2006.

Table 3.1: Average Repair Cost* for Dwellings with All Components at a Specific House Condition Scale Score

All Component Score	Average Repair Cost 2005/06 \$
HCscore 1	89,704
HCscore 2	60,565
HCscore 3	9,330
HCscore 4	1,083
HCscore 5	0

* Cost for 140 sqm house to bring to new condition.

- 3.17 As we have pointed out in a previous report⁷³: New Zealand law allows local authorities to condemn and remove dwellings that are deemed inappropriate for human habitation. The Building Act also requires that new buildings must meet certain levels of performance. Nevertheless, there is no agreed definition of sub-standard dwellings either in practice or in statute. Consequently, there is no set of standards against which the Rural Housing Programme can determine either the quantum of substandard housing in a locality nor the status of an individual house.
- 3.18 Dwellings assessed in the Rural Housing Programme are subject to both a household needs assessment, which frequently identifies structural and other condition defects with the dwelling, and a full technical assessment. The technical assessment generates an Housing New Zealand Corporation condition category. This condition category is used as an input into deciding the priority, nature and level of funding to be allocated to addressing the repair or maintenance of the dwelling or assisting the resident household into an alternative dwelling. Condition categories range from A-F, for instance Category A dwellings pose the most serious health and safety risks and are in the worst condition. The specification of the Housing New Zealand Corporation Rural Housing Programme housing categories are set out in Infobox 3.1.

Infobox 3.1 Housing New Zealand Corporation Technical Assessment of Dwellings for Rural Housing Programme

Categories	Specification of Category Characteristics
A	Past redemption. Replacement of dwelling recommended
B	Urgent repairs required – House unsafe – Health hazard – No power connected to home – House at risk.
C	Reasonable urgent – essential repairs required – Not life threatening.
D	No urgency – Minimal risk – Some essential repairs required.
E	No urgency – Desirable repairs only to improve living conditions – No risk.
F	House in reasonable order and only minor repairs required.

⁷³ Saville-Smith, K. (2005) *Findings of the Rural Housing Programme File Survey*. Prepared for Housing New Zealand Corporation. CRESA: Wellington,

- 3.19 The File Survey previously undertaken as part of the Long-term Outcomes Evaluation found that 12 percent of assessed houses fell into Category A with 49 percent in Category B and 27 percent in Category C.
- 3.20 The Housing New Zealand Corporation did not calibrate those categories against the existing House Condition Scale nor did technical assessors use the NZHCS instrument to undertake their home assessment. The categories used by Housing New Zealand Corporation in the Rural Housing Programme have been primarily used as a prioritization mechanism. This raises two issues. Firstly, how to define sub-standard and, secondly, how to establish the relative alignment between the Housing New Zealand Corporation categories and the House Condition Scale.
- 3.21 The HCScore 1 defines a component as seriously deficient requiring immediate attention, and posing an active health/safety threat. It is clear that a house with all components at HCScore 1 would pose a health and safety risk. Where the terminology of 'sub-standard' housing is usefully calibrated against the House Condition Scale or, indeed, the Housing New Zealand Corporation categories must be the subject of further reflection. It could be argued that all dwellings in New Zealand, except those in an 'as new' condition are sub-standard in so far as they do not meet performance requirements of the Building Act for residential dwellings. However, there seemed no intention in the Cabinet decisions on NECBOP that such a definition should prevail.
- 3.22 A relative definition of 'sub-standard' could be employed. That is, 'sub-standard' could be defined as dwellings with HCScores below the national and regional average HCScores. In the Rural Housing Programme areas, stock with an HCScore of less than 3.6 would be considered sub-standard if a region average was employed. If the national average HCScore was used, all stock below a score of <4 would be defined as sub-standard. Using averages in this manner, while defensible if a social exclusion approach was to be adopted, again does not appear to grasp the Cabinet's intent to address the problems of persistent pockets of housing dilapidation in the Rural Housing Programme NECBOP areas.
- 3.23 Using a series of specifications as both the Housing New Zealand Corporation categories and the HCScale do seems to be the most useful approach. It appears that Housing New Zealand Corporation categories A, B, C align relatively closely to HCScale scores of less than three. An analysis of component scores by dwelling scores presented later in this report (see Section 4) show that about a third or more of the 25 components measured in the NZHCS must fall into the 'poor' or 'serious' category before a dwellings' overall score falls below HCScore 3.
- 3.24 It is, to some extent, a policy decision within the context of the programme logic of this programme to decide what the definition of sub-standard is. Part of the purpose of the Rural Housing Programme Condition Survey has been to provide a stronger evidential platform to reflect on that issue. For the purposes of quantification and description, we have paid particular attention to dwellings that have significant proportions of components in such poor or

serious condition that the overall HCScore is 'poor' with an average overall component score of 2.5-2.9 or 'serious' with an average overall component score of <2.5.

Data Input, Condition and Cost Calculations

- 3.25 BRANZ was contracted to undertake the data input and quality control of the data input from the completed Rural Housing Programme Condition Survey and to calculate repair costs, dwelling HCScores and component HCScores. Annex B presents the BRANZ report.
- 3.26 Further specified calculations were requested from BRANZ to enable additional subsequent analysis and interpretation presented in this report. The consultant statistician, John Jowett, was also contracted to assist with the sample structure, review the statistical significance of elements of the analysis and to assist with the calculation of confidence limits, particularly around the cost of repair in the Northland and East Coast regions.
- 3.27 BRANZ's calculation of average costs for dwelling upgrades to new is based on a computation of average costs for upgrading individual component sets. Because of the dispersion of the condition of the stock in the NECBOP areas, the costs of up-grade for the analysis in this report have been undertaken by calculating the cost of upgrading each surveyed dwelling. This provides a more accurate understanding of the probable financial implications of upgrading the stock.
- 3.28 The calculation of costs of repair is based on component costs established by BRANZ. The dollar values used are mid-2004 values to allow easy comparison with the 2005 NZHCS. Upgrade costs have been calculated by BRANZ using the cost data published by Rawlinson in the 2004 Construction handbook. Rawlinson's annually publish a detailed building cost schedule. Rawlinson provides costs for Auckland, Wellington, Christchurch and Dunedin. For NZHCS and the Rural Housing Programme Condition Survey, Wellington costs have been used. Note estimates of cost throughout the executive summary and report do not include costs associated with the installation and repair of sewage systems or water, electricity reticulation or waste reticulation systems which lie outside the dwelling structure

Margin of Error⁷⁴ and Confidence Limits

- 3.29 The sample size was originally calculated when there was some uncertainty about the number of dwellings within the Rural Housing Programme NECBOP areas. The sample size was initially set to achieve a margin of error of ± 4 percentage points at the 95 percent confidence across the Rural Housing Programme NECBOP areas. The total dwelling populations of EC/EBOP and Northland are estimated to be 14,190 and 16,047 on the basis of 2001 census statistics. The margin of error for the completed surveys at 95 percent

⁷⁴ Margins of error reported represent the maximum margin of error for a percentage over the whole sample population and for a percentage from the whole of the Northland and EC/EBOP sample populations respectively.

confidence is ± 4.7 percentage points. At 90 percent confidence the margin of error is ± 3.9 percentage points.

- 3.30 It should be noted that the margin of error of any survey should be treated with caution. They provide an overall or broad brush picture of the precision or generalisability of a survey. It applies only to estimates of the percentage of the whole population surveyed, not a subset of it. The margin of error should only be applied to percentages of the whole population that fall within the range of 30-70 percent. In other instances, more specific estimates of the margin of error are required.
- 3.31 The Rural Housing Programme Condition Survey has found statistically significant differences between the condition of dwellings surveyed in EC/EBOP and the condition of dwellings surveyed in Northland. For that reason it is desirable for the areas to be analysed separately.
- 3.32 The considerable number of dwellings surveyed in each area allows this to be undertaken. The margin of error for Northland at 95 percent confidence is ± 6.3 percentage points and ± 5.2 percentage points at 90 percent confidence. For EC/EBOP the margin of error at 95 percent confidence is ± 7.0 percentage points and ± 5.8 percentage points at 90 percent confidence. As noted above, those margins of error are appropriate for estimates in the range of 30-70 percent. Outside this range, the margins of error will be smaller.”