

New Repair Scheme for Leaky Homes

Key features

Owners	Territorial authorities	Crown
<ul style="list-style-type: none"> 70% direct contribution Choice to 'opt In' (agree not to sue territorial authorities and Crown) WHRS mediation services and tribunal available in the interim 	<ul style="list-style-type: none"> 30% direct contribution 	<ul style="list-style-type: none"> Support to owners: <ul style="list-style-type: none"> Universal loan guarantees to help owners access bank finance Interest subsidies to help owners service a loan – 5% fixed interest rate (income <76K) Suspensory loans for owners who are over 65 – no interest or principal until death (income <76K) Assessments, mediation and tribunal services, advice and information to owners Support to territorial authorities: <ul style="list-style-type: none"> Targeted grants to assist with cost of debt servicing so that the same cumulative amount of revenue is reached overtime but with smoothed rates increases

Share of total system costs for each party (figures are indicative)

Owners	Territorial authorities	Crown
64%	26%	10%

Government assistance to owners (figures are indicative)

	Cost to Crown (\$m)						Total 2009/10 to 2014/15	Total 2009/10 to 2033/34
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15		
Universal Loan Guarantee	0	18	29	23	16	10	96	96
Assessments & Support to Claimants	1	56	83	55	38	25	258	258
Interest subsidies	0	3	8	12	15	17	53	238
Suspensory loans for over 65s	0	5	13	18	19	19	74	185
Total	1	81	132	108	87	72	482	777

Government assistance to territorial authorities (figures are indicative)

- Targeted grants so rates increases related to the cost of leaky homes are limited to 1% - 1.5% more than current plans
- Estimated that this may be up to around \$150m over the next five years
- Support to territories authorities whether owners opt into repair scheme or use mediation or tribunal services

Demand assumptions

- Costs based on 50% of eligible owners
- 15,500 homes

Assumed distribution of claimants entering the system

Year	Percentage	Number of owners
2010/11	15%	2325
2011/12	30%	4650
2012/13	25%	3875
2013/14	17.5%	2713
2014/15	12.5%	1937
Totals	100%	15,500

Share of total system costs for each party (%)

- Total system costs based on:
 - Crown.** Crown assistance to owners (incl. Assessments, Support to Claimants and Lending Assistance) + Crown assistance to Territorial Authorities
 - Territorial Authority.** 30% direct contributions to repairs + borrowing costs
 - Homeowner.** Owner contributions to repairs + borrowing costs