

## **Housing NSW – Ministerial Guidelines – Water Usage Charging**

This document is known as the Ministerial Guidelines made pursuant to Section 139 of the Residential Tenancies Act 2010, No.42.

These Guidelines are subject to amendment as part of an ongoing quality assurance process by Housing NSW and will subsequently be published on the Housing NSW website.

### **Policy Statement**

In December 2005, Housing NSW introduced a charge for water usage. The charge is in addition to the rent payable by the tenant.

Generally, tenants of properties managed by Housing NSW are required to pay water usage charges. Tenants pay either a 'percentage water charge' or an 'actual water charge'. This is determined by whether the property in which the tenant resides has a separate or a shared water meter and whether Housing NSW receives sufficient usage information from the local water authority to determine the tenant's water usage

Implementation of water usage charging by Housing NSW involved two stages:

- Stage 1 commenced on 5 December 2005. From that date Housing NSW charged all non-exempt tenants a percentage of their actual rent as a water usage charge. This charge applied whether or not the tenant's home had a separate or a shared water meter.
- Stage 2 commenced from July 2006 and, progressively after that date, tenants living in homes with separate water meters have been charged for water based on their actual water usage. Tenants who reside in homes that have shared water meters continue to pay only the percentage water charge.

Approximately half of Housing NSW tenants pay an actual water charge whilst the remaining tenants pay a percentage water charge. This water charge is separate to a tenant's rent.

This policy also applies to tenants of the Aboriginal Housing Office living in properties managed by Housing NSW.

### **Intent of Policy**

Housing NSW wants to make better use of the money it currently spends on water usage in public housing. With the money it saves, Housing NSW is able to improve or acquire public housing properties. In addition, the policy is designed to impact positively on environmental concerns by encouraging water conservation and reducing water usage.

Some properties are exempted from water usage charges (refer to Schedule "1") and Housing NSW will not charge tenants residing in those properties for water usage.

Housing NSW is responsible for:

- Meeting all other costs associated with water provision such as water connection charges, sewerage and other charges and provision of water in common areas.
- Monitoring water usage charges to ensure that, as a group, percentage water charge tenants do not pay more than the cost of water usage for shared meter properties.

Housing NSW expects tenants to:

- Arrange for prompt payment of their water usage charges
- Pay their water account on or before the due date
- Tell Housing NSW immediately if they are unable to make a payment. Where a tenant has difficulty paying their water usage charge, Housing NSW will work with and support that tenant towards resolving their difficulty
- Conserve water wherever possible
- Be responsible for complying with any water restrictions put into place by the local water authority
- Pay any penalties resulting from their breach of water restrictions. These penalties are imposed and collected by the local water authority, not Housing NSW

## **Percentage Water Charge**

From 11 October 2010, the water usage charge for shared meter properties has been set at 4.7% of the rent a tenant actually pays ie the tenant's net rent. Tenants start paying this charge from the commencement of their tenancy and continue paying it until their tenancy ends.

From 11 October 2010, the maximum percentage water charge has been set at \$7.00 per week.

The minimum water usage charge is \$1 per week. This means that Housing NSW will waive the water usage charge if it is calculated at less than \$1 per week.

Tenants residing in headleased properties pay a percentage water charge irrespective of whether the property has a shared or separate water meter.

## **Absences from dwelling**

If a whole household is absent from a property in excess of six weeks with the approval of Housing NSW, the tenant is not liable for percentage water charges for the period of absence in excess of six weeks. If any member of the household or someone else with the permission of the tenant remains in the property during the period in excess of the six weeks, percentage water charges will continue to apply.

## **Allowances**

Percentage water charge tenants are not eligible for the kidney dialysis allowance, health and disability allowance, or the large household allowance as the water charge this group of tenants pay is not directly related to their water usage.

In setting the percentage rate for the percentage water charge, Housing NSW deducts an allowance for high water use by some tenants due to health or disability.

## **Review of percentage water charge**

Housing NSW monitors percentage water charges to ensure that the total amount paid by all tenants subject to this charge is not more than the total cost of water usage for that group. The percentage rate applicable to shared metered properties and the maximum charge is reviewed regularly. Tenants paying the percentage water charge will be notified whenever the percentage rate changes.

When reviewing the percentage water charge, Housing NSW also reviews the allowance for the costs of watering common areas, excess usage by tenants with health ailments and disabilities and leaks from pipes and taps.

## **Actual Water Charge**

Commencing on 6 November 2006 and progressively after that date, tenants residing in homes that have a separate water meter have been charged for water based on their actual water usage.

The date actual water charges will be set for a tenant in this group will follow receipt by Housing NSW of the first water authority bill for that tenant after 6 November 2006, where:

- The tenant was in occupation of the dwelling for the full period of that water usage bill, and
- The start date of that water usage billing period is a date on or after 1 July 2006.

The tenant's first actual water charge will be calculated by dividing the total amount of water usage charged in the latest bill by the number of weeks included in that billing period. The result is rounded to the next lowest five cents.

For example, if the water usage amount was \$65 and the billing period was 13 weeks, then the first actual water charge will be set at \$5 per week (\$65 divided by 13 weeks).

The tenant's actual water charge will be debited to the tenant's water usage account each week commencing on the Monday following the elapse of 14 days from the date the actual water charge is calculated. From that date the actual water charge will replace the percentage water charge for that tenant.

## **Adjusted Actual Water Charge**

Following receipt of the next water usage bill after the above process, the tenant's actual water usage charge will be adjusted for the subsequent period.

The adjusted actual water charge will be based on the tenant's actual water usage from the latest water authority bill plus or minus an adjustment to take account of the

tenant having used more or less water than charged for during the latest billing period.

The adjustment may be a credit, debit or zero adjustment.

To determine the adjusted actual water charge, the adjustment amount will be added to or subtracted from the actual water usage amount and the result divided by the number of weeks in the latest billing period.

Where the adjustment amount is greater than the latest water usage bill, a credit will be posted to the tenant's account for the adjustment amount. In this case, the adjusted actual water charge will be set by dividing the latest water usage bill by the number of weeks included in that billing period.

There will be no maximum actual water charge, so if a tenant's water usage is excessive, the water charge will reflect that usage.

Where the adjusted actual water charge is calculated at less than \$1.00 per week, the charge will be set to zero.

### **Reconciliation of Tenant Water Accounts**

This section applies only to tenants who were current tenants of Housing NSW on 5 November 2006.

From 5 December 2005, a weekly percentage water charge of the tenant's net weekly rent was charged to the water account of every non-exempt tenant.

From 6 November 2006, for those tenants required to pay an actual water charge, a calculation will be made on a reconciliation date to compare the percentage water charges debited to the tenant's water account from 5 December 2005 up to the end date of the latest water authority billing period with the actual water usage payable over the same period. For new tenants who commenced their tenancy after 5 December 2005, this reconciliation period will commence on the start date of their tenancy.

Any credit adjustment due to the tenant arising from the reconciliation will be posted to the tenant's water usage account. Any debit adjustment arising from the reconciliation will be waived.

The reconciliation date will vary for each tenant and will follow receipt by Housing NSW of the first bill from the relevant water authority after 6 November 2006, where:

- The tenant was in occupation of the dwelling for the full period of that water usage bill, and
- The start date of that water usage billing period is a date on or after 1 July 2006.

Where actual usage information is not available to Housing NSW for the full period covered by the reconciliation, Housing NSW will use all available information to estimate actual water usage over the full reconciliation period.

Where a tenancy started after 5 December 2005, the tenancy start date will be used for reconciliation except where a tenant has transferred to their current dwelling from another Housing NSW dwelling. In that case Housing NSW will seek to reconcile the tenant's account back to 5 December 2005 (using links to any former tenancies in separately metered dwellings since 5 December 2005). If this is not possible, then the tenant's account will be automatically reconciled back to the earliest date that is linked on the Housing NSW information system and tenants will then be able to request a manual adjustment for any previous tenancies in separately metered dwellings between 5 December 2005 and the earliest date available.

Where an earlier tenancy was a joint tenancy, that tenancy will not be included in the automated reconciliation but may be included in a manual adjustment. Where a tenant vacates a property and leaves Housing NSW accommodation after 5 December 2005 but before a reconciliation can occur, a reconciliation of the vacated account will not be undertaken.

### **Outgoing Tenants**

Outgoing tenants, whether they are leaving Housing NSW accommodation or transferring to another Housing NSW property, will be required to pay any actual water charges outstanding on their water usage account as at the termination date of the tenancy. Once a tenant has left a property, no further water charges or adjustments will be placed on their water usage account.

### **Incoming Tenants**

This section applies to new, transferring, mutual exchanging and succeeding tenants who commenced their tenancy after 5 November 2006 and to tenants in occupation on that date, who later leave Housing NSW accommodation and then return.

Where new tenants, transferring tenants or tenants through succession of tenancy take up residence in an actual water charge property, the tenant will pay a percentage water charge until the first water usage bill is received where the tenant was in occupation for the full billing period.

On receipt of that water usage bill, the percentage water charge paid by the tenant since tenancy commencement will be compared with the tenant's estimated actual usage over that period. Any credit or debit adjustment arising from that reconciliation will be included as an adjustment in the calculation of the first adjusted actual water charge for that tenancy. That charge will be made in accordance with the calculation of adjusted actual water charges described above.

To estimate actual water usage from the start of the tenancy to the end date of the first full billing period, Housing NSW will use the water usage data from that first full billing period and assume the same level of water usage over the entire reconciliation period.

## **Notifying Tenants**

Each time Housing NSW adjusts a tenant's actual water charges, it will advise the tenant in writing of the following:

- The start and end dates of the relevant water authority billing period
- The meter reading at the start and end dates of the relevant billing period
- The number of kilolitres of water used during the relevant billing period
- The dollar amount of water usage charged by the water authority for the relevant billing period
- The adjustment amount calculated (credit/debit)
- The amount of the adjusted actual water charge to be paid by the tenant
- The date when the adjusted actual water charge is to start.

## **Kidney Dialysis Allowance**

Housing NSW will provide a water usage allowance to actual water charge tenants where the tenant or a household member is undergoing kidney dialysis at home.

To obtain this allowance, the tenant should provide written evidence to Housing NSW that the tenant or a household member is undergoing kidney dialysis at home. Where the local water authority provides an allowance in such circumstances, Housing NSW will provide assistance to the tenant to obtain an allowance from the water authority.

If the local water authority does not provide an allowance, Housing NSW will grant an allowance and a manual adjustment will be made to the tenant's water usage account at the start of each quarter based on a calculation of the cost of 100 kilolitres of water from the local water authority. An allowance of 100 kilolitres of water per quarter aligns with the allowance offered by Sydney Water for customers undergoing kidney dialysis at home.

If the credit adjustment provided under this allowance is greater than the actual water charge for the billing period, Housing NSW will adjust the tenant's water account so that there is a 'nil' water usage charge for that period.

At the end of each year, Housing NSW will extend the water usage allowance on production by the tenant of evidence that the tenant or a household member is expected to continue to undertake kidney dialysis at home for a further twelve months. Housing NSW will not need to provide an additional water usage allowance where the water provider is already providing that allowance, as it will be passed onto the tenant when Housing NSW processes the bill for that property.

## **Health and Disability Allowance**

Housing NSW will consider granting a water usage allowance to actual water charge tenants on production of medical evidence establishing that a tenant or a household member has a health condition or disability that necessitates the use of significantly higher amounts of water than Housing NSW considers normal for a similar sized household. The medical evidence is to include information about the amount of additional water required to be used due to the medical condition or disability. For example, the number of extra baths or showers the tenant must take.

For the purposes of assessing eligibility for this allowance, a significant amount of water is regarded as a minimum of 25 kilolitres per quarter above normal household

use. If an allowance is granted, Housing NSW will manually adjust the tenant's water usage account on a quarterly basis. This adjustment will be based on a calculation of the cost of the kilolitre allowance granted applying the current water usage charges of the local water supplier.

### **Large Household Allowance**

Housing NSW will grant a large household allowance of \$10 per quarter to actual water charge tenants where the household comprises six or more persons.

### **Dwelling Modifications**

Housing NSW undertakes modifications to dwellings where a need exists due to a tenant's physical disability. Such modifications include the provision of wheelchair accessible bathrooms and hand-held showers.

### **Payment of Water Charges**

Public housing residents who receive income from Centrelink can pay their water usage charge through the Rent Deduction Scheme (RDS). Tenants should ring Housing NSW on 1300 468746 and ask for a Rent Deduction Authority to be sent to them along with the 'Self-Help Guide' for that Authority.

Water usage charges can also be paid by direct debit from a tenant's bank, credit union or building society (fees may apply) or with a tenant card at Australia Post. Tenant cards are linked to both rent and water usage accounts. Tenants should advise Australia Post staff that they are paying for water, so it is paid into their separate water usage account and not into their rent account.

### **Payment Difficulties**

Tenants are expected to arrange for prompt payment of their water usage charges, to make those payments on or before the due date and to tell Housing NSW immediately if they are unable to make a payment. Where a tenant has difficulty paying their water usage charge, Housing NSW will work with and support that tenant, towards resolving their difficulty.

### **Tenants Appealing Decisions**

If a tenant has concerns over an aspect of their water usage charge, they are encouraged to speak to their client service officer to seek a resolution of those concerns. For example, a tenant may want to talk to their client service officer about:

- The calculation of the tenant's actual water charges
- Delay in Housing NSW repairing a water leak on the property side of the meter where the tenant has informed Housing NSW of that leak
- Water meter readings
- Whether they should be exempt from water charges.

A tenant may also want to talk to their client service officer about:

- Perceived errors in the application of the percentage water charge to the tenant's actual rent
- A decision by Housing NSW on their application for a water allowance

In relation to those two issues, if the tenant believes that Housing NSW has not applied the water charging policy correctly or fairly, then the tenant may appeal to Housing NSW.

Note however, that Housing NSW has a legal right to charge tenants for water and the Consumer, Trader and Tenancy Tribunal ultimately determines disputes between Housing NSW and a tenant relating to the non-payment of water usage charges.

## Schedule “1”

### Tenancy Types and Program Purposes Exempted from Water Usage Charging Tenancy Types

Community lease  
Commercial lease  
Office of Community Housing  
PEP –Private  
Protected tenancy  
Serviced rooming house/joint venture  
Shared equity  
staff/resident managers  
Not known at conversion

### Program Purposes

Affordable Housing – DOH managed	Housing for Community Programs
Affordable Housing – OCH managed	Housing Partnership Community
CAP general Non-SAAP	Housing Partnership Mainstream
CAP Women’s Non-SAAP	Housing Stock Transfer
Cap Youth Non-SAAP	LGCHG (General) CWMIS
Commercial Properties non shops/DOH	LGCHG (Main) Non-CWMIS
Community Housing Acquisition - general	LGCHG (Mainstream) CWMIS
Community Housing Acquisition – partnership	LGCHG Burdekin Youth
Community Housing Acquisition – pensioner	LGCHG Co-op CWMIS
Community Housing Acquisition – supported	Local Government Initiatives Program
Community Housing Programs	Long Term Head leasing OCH
Community Tenancy Capital Scheme	Long Term Leases
Community Tenancy Leasehold Scheme	Neighbourhood Facilities
Community tenancy Mainstream Scheme	Occasional Child Care Program
Crisis Deed of Agreement	Portable Unit (Separate from Dwelling)
Crisis Female Capital (Women’s Housing)	RBB/DOH Joint Venture Private Rental
Crisis General Capital	Redevelopment Community Mainstream
Crisis General Leasehold	Richmond Scheme
Crisis General Mainstream	Shared Equity Partnership Scheme
Crisis Hostels Capital	Shops Only
Crisis Women’s Capital	Short Term Head Leasing OCH
Crisis Women’s Leasehold	Social Housing Subsidy Program Initiative
Crisis Women’s Mainstream	Special Purpose Capital Housing
Crisis Youth Burdekin	Special Purpose Leasehold Housing
Crisis Youth Capital	Special Purpose Mainstream Housing
Crisis Youth Leasehold	Special State Program – Homeless Youth
Crisis Youth Mainstream	State Boarding Houses
Crisis Youth Social Justice Burdekin	State Community Capital Housing
Housing NSW Offices	State Community Leasehold Housing
	State Community Mainstream Housing
	Supported Disabled Initiative (SHIP)
	Supported Mental Health Initiative
	Unknown at data load
	Vacant land

Signed

**The Hon Pru Goward MP**  
**Minister for Family and Community Services**