



**Family &  
Community Services**  
Housing NSW

# **Ministerial Guidelines for Community Housing Water Charging**

## 1. Introduction

These Ministerial Guidelines for Community Housing Water Charging are made pursuant to Section 139 of the *Residential Tenancies Act 2010*.

## 2. Legislation

The *Residential Tenancies Act 2010* (s139) makes provision for water charges payable by tenancies covered under a social housing tenancy agreement.

This Section states: “A tenant under a social housing tenancy agreement must pay to the landlord any charges, determined in accordance with guidelines approved by the appropriate Minister, in respect of water usage by the tenant”.

Under the Act, guidelines for the payment of water charges will not apply to a social housing tenancy if the agreement specifies that section 39 is to apply to the payment of water usage charges. Section 39<sup>1</sup> requires a tenant to pay the water charges for residential premises only if premises are separately metered (or water supply is delivered by vehicle), the premises contain prescribed water efficiency measures and charges do not exceed the amount payable by the landlord for the water used. This section also specifies the time period for billing and payment of water charges.

When preparing social housing tenancy agreements, community housing providers should specify which section of the Act applies to the water charging of the tenancy.

## 3. Scope

These Guidelines apply to properties subject to a community housing agreement between Housing NSW and a community housing provider for the provision of social and/or affordable housing. The Guidelines cover both capital and leasehold properties.

The Guidelines will apply to all tenancies managed under a social housing tenancy agreement, including affordable housing, unless the property is exempted from water usage charges. Information on tenancies that are exempt from water usage charges is detailed in Section 8 of these Guidelines.

Where a provider chooses to raise water charges for tenants it will do so in accordance with these guidelines or in accordance with s39 of the Act. These guidelines do not compel a provider to raise water charges where the provider considers for operational reasons it prefers to absorb these costs. Providers may only levy water charges to tenants where the account is generated from a recognised water authority and the provider is responsible for the payment of the water account.

## 4. General Requirements

*Water charging separate from rent*

Community housing providers must itemise the tenant water usage charges as a separate item (differentiated from rent and separate from other water charges) in their accounts.

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<sup>1</sup> S39 is the general water charge provision of the Act that applies to private rentals.

### *Frequency of Water Charging*

Water usage charges are to be levied at the same time and frequency as rental payments.

### *Documentation of Provider's water charging policy*

The provider will develop and document a fair and transparent water charging policy. The documentation must be made available free of charge to any tenant. Such documentation will address:

- which tenants will be required to pay water charges;
- the method for calculating the fee;
- the information that will be provided to tenants regarding their water usage;
- any allowances available;
- arrangements for handling payment difficulties; and
- arrangements for handling complaints or disputes regarding water charges.

## **5. Calculating Water Usage Charges**

Community housing providers are to calculate the charge for water based on:

- the actual water usage for separately metered dwellings; or
- a method to be developed by the provider to apportion the costs in shared meter properties.

Water usage charges, whether for separately metered or shared meter dwellings, must:

- be based on actual usage as shown in the water authority bill;
- list the water charge as an item separate to rent on the tenant's account; and
- not include charges for common area water use.

Community housing providers are responsible for meeting all other costs associated with water provision, such as water connection charges, sewerage and other charges including common area water usage.

### **Water charging in dwellings with separate meters**

Community housing providers are to calculate charges for tenants residing in dwellings with separate water meters<sup>2</sup> based on their actual water usage.

In the case of new tenants, water charges are to be estimated and levied from the commencement of their tenancy.

The amount of water charges will be based on the water bill from the local water authority. The water charge will be adjusted as needed to reflect the tenant's actual water use over time.

### **Water charging in dwellings with shared meters**

Providers should develop a fair and transparent method to calculate water charging in shared meter dwellings. The method for calculating the water usage charge can be made with reference to any of the following:

- estimated use (taking into account property configuration and household type)

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<sup>2</sup> A separate meter must be readily accessible for reading by the water authority and generate an individual water account. Where individual meters are located inside the dwelling (e.g. in older units) the provider should manage the water usage charges as though it was a shared meter dwelling.

- the income of the tenant
- rent payable by the tenant (with or without rent rebate).

Providers need to ensure that no more is collected from a tenant in total than is needed to cover the tenant's water bills over time.

There is no exemption from water usage charges for tenants temporarily away from their dwelling.

## **6. Adjustments to tenants' water charging accounts**

Tenants who are leaving their current dwelling or are transferring to another social housing of affordable housing dwelling are required to pay any water charges outstanding at the end of the tenancy, adjusted for the actual use as at the termination date.

Community housing providers are required to adjust water charges on tenants' accounts in cases of under/over charging from the water authority arising from problems with faulty water meters or other billing problems (e.g. under reads, bill estimates and high bills due to leaks and faults).

## **7. Allowances**

Consistent with the approach taken by Housing NSW to grant a water usage allowance to households that require considerably higher amounts of water than similar sized households (for example where a household member is on kidney dialysis or has a health condition or disability which means they need to use significantly more water than normal) or to households with 6 or more members, the provider can choose to offer allowances for households to reduce their water usage charges. The conditions of any water allowance should be clearly documented in the provider's water usage policy.

## **8. Exemptions**

Crisis accommodation properties managed by community housing providers are exempt from water charging. Crisis accommodation is defined as short term accommodation (usually 3 months or less) for people experiencing homelessness or people at risk of homelessness. Usually, clients do not enter into a social housing tenancy agreement when in crisis accommodation. Tenants in transitional housing where individual residential tenancy agreements are not appropriate (e.g. congregate care) and/or where a tenant cannot afford to pay social housing rent will also be exempt from water usage charges.

## **9. Appeals and Reviews**

Community housing providers must have an appropriate process in place to manage complaints and appeals from tenants in relation to water usage charge determination and payment of water charges.

The complaints and appeals mechanism will include, where appropriate, referral of matters to the Housing Appeals Committee where a tenant believes that a community housing provider has not applied the Guidelines or water charging policy correctly or fairly or referral to the Energy and Water Ombudsman where the tenant's complaint relates to a dispute regarding a metered service of the water authority.