

Homes NSW – Ministerial Guidelines for Water Usage Charging - 2024-2025

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 Homes NSW and will be published on the Department of Communities & Justice website.

Policy Statement

Generally, tenants of properties managed by Homes 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 Homes NSW receives sufficient usage information from the local water authority to determine the tenant's water usage.

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 Homes NSW.

Intent of Policy

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 as per Homes NSW Water Usage Charges Policy and Homes NSW will not charge tenants residing in those properties for water usage.

Homes 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.

Homes NSW expects tenants to:

- Arrange for prompt payment of their water usage charges
- Pay their water account on or before the due date
- Tell Homes NSW immediately if they are unable to make a payment. Where a tenant has difficulty paying their water usage charge, Homes 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 Homes NSW.

Percentage Water Charge

From 1 July 2024, the water usage charge for shared meter properties shall be 5.3% of the rent a tenant actually pays i.e. the tenant's net rent.

From 1 July 2024, the maximum percentage water charge shall be \$11 per week.

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

Tenants residing in head leased 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 Homes 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, Homes NSW deducts an allowance for high water use by some tenants due to health or disability.

Review of percentage water charge

Homes NSW Housing 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, Homes 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

Tenants residing in homes that have a separate water meter are 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 Homes NSW of the first water authority bill for that tenant, where the tenant was in occupation of the dwelling for the full period of that water usage bill.

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.

Outgoing Tenants

Outgoing tenants, whether they are leaving Homes NSW accommodation or transferring to another Homes 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

Where new tenants, transferring tenants or tenants through recognition as a tenant 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, Homes 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 Homes 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

Homes 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 Homes 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, Homes 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, Homes 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, Homes 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, Homes 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. Homes 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 Homes NSW processes the bill for that property.

Health and Disability Allowance

Homes 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 Homes 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, Homes 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

Homes 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

Homes 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.

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 Homes NSW repairing a water leak on the property side of the meter where the tenant has informed Homes 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 Homes NSW on their application for a water allowance

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

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

Date on which these Guidelines take effect: 1 July 2024

Electronically approved by:

The Hon. Rose Jackson, MLC
Minister for Housing