

Charging for water in a rental property

At the beginning of a tenancy, a landlord and tenant can reach an agreement regarding responsibility for water supply and usage. The agreement must be specifically included as a term in the written residential tenancy agreement (lease agreement) – Section 73(2) of the *Residential Tenancies Act 1995*

No specific agreement

Lease agreements from 1 March 2014 – The tenant is responsible for paying all water supply and usage charges on separately metered properties.

Lease agreements before 1 March 2014 – The tenant is responsible for water use over 136 kilolitres per year.

Sending an invoice to the tenant

The landlord/agent should advise the tenant of water charges and provide a copy of the bill as soon as it is received from SA Water.

Lease agreements from 1 March 2014 – A tenant does not have to pay a water bill if the landlord doesn't pass charges on to them within three months of the bill's issue date or if the tenant requests a copy of the bill and it is not provided within 30 days of the request.

Lease agreements before 1 March 2014 – The landlord does not have to pass the charges on within a specified time. However, the tenant can dispute the claim for payment if a landlord/agent is slow to provide the bill, the South Australian Civil and Administrative Tribunal (SACAT) may reduce or disregard the claim if the tenant is not given a chance to modify their water use.

No separate water meter

If there are multiple properties on a meter, a term must be included in the written lease agreement explaining how water charges will be shared.

A percentage of the water usage based on the number of properties and number of tenants may be a reasonable way to share the charges.

Landlords do not have to pass on water usage charges. Water costs can be taken into account before the start of the tenancy, when the rental amount is set.

Water use in the garden

Consider the following when calculating water usage charged to the tenant:

- The average water usage in the area
- How many people will be living at the property
- Landlord's requirements for watering
- Pools or other high water use items
- Water saving devices fitted – eg watering systems, water saving bathroom fixtures.

Tenant's responsibilities

The tenant should advise their landlord/agent immediately about problems such as leaking taps. If they don't, they may be liable for increased water costs caused by the leak. SACAT determines responsibility for water costs if there is a dispute.

Properties not on mains water

If a rental property is not on mains water, it should include a water tank that is suitable for the property. An adequate supply of drinking water must be provided by the landlord. Pumps must be operating and maintained in a reasonable condition. When rainwater is collected from the roof, gutters and downpipes should be clear from leaves and other debris to keep them from clogging.

The tenant must be given clear instructions about how to use equipment such as pumps.

Other rates and taxes

The landlord must pay for all statutory rates and charges. The sewerage charge and any levies that appear on the SA Water bill are always the responsibility of the landlord.

Concessions

Tenants who are paying for all water charges may be able to get a water rate remission. For further information contact: Concessions Hotline on 1800 307 758. Website: www.dcsi.sa.gov.au.

Avoiding disputes

Ensure that the:

- lease clearly states how water charges are determined
- tenant agrees with how the water will be charged
- tenant understands their responsibility to report repairs or maintenance
- charges for water are given to the tenant as soon as the bill is received.

Calculating water use

Consider the following when determining charges for the tenant's water use:

- Water pricing tiers set by SA Water must be used
- The tiered thresholds apply for each billing period.
- The SA Water account is calculated on a daily basis.

Table – SA Water tiers used to calculate water usage

2020-2021 water use prices calculated on a daily basis		
Tier	Water charge	Daily thresholds
1	\$1.945/kl	0 to 0.3836kl
2	\$2.775/kl	0.3836 kl to 1.4247 kl
3	\$3.007/kl	Above 1.4247 kl

EXAMPLE – How to calculate water usage where the tenant pays for all water used (this is a guide only).

This example uses a water meter reading taken from a SA Water bill and a reading taken from the water meter at the end of an agreement – the period claimed is not a full period that appears on the SA Water bill.

Step 1 – Calculate the total number of kilolitres (kl) used:

Meter reading on last day of tenancy	660 kl
Less meter reading on the previous bill	– 500 kl
Equals total number of kl used	160 kl

Step 2 – Calculate the daily usage over a 100 day period

Total kl used by tenant (<i>step 1</i>)	160 kl
Divided by number of tenancy days	÷ 100 days
Equals tenant's average daily use	1.6 kl

Step 3 – Calculate the daily water charge/usage for each tier – refer to above table:

Daily usage charge Tier 1 (0.3836 kl x \$1.945)	= \$0.75
Daily usage charge Tier 2 (1.4247 kl minus 0.3836 kl = 1.0411 kl x \$2.775)	= \$2.89
Daily usage charge Tier 3 (Balance – 1.6 kl minus 1.4247 kl = 0.1753 x \$3.007)	= <u>\$0.53</u>
Total daily water usage charge – tier 1 + tier 2 + tier 3	= \$4.17

Total water usage charge over the period (\$4.17 x 100 days)	\$417.00
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For further information contact Consumer and Business Services on 131 882, or visit www.sa.gov.au/tenancy/renters