



UNITING
COMMUNITIES

Submission to:

Review of the SA Water Industry Act 2012

From:

Uniting Communities

May 2019

Contact

Mark Henley: MarkH@unitingcommunities.org

Mob: 04040 67 011

Uniting Communities is South Australia's first accredited Carbon Neutral organisation/business.

CARF Funding. The participation in responses to this Inquiry by Uniting Communities is possible due to funding received from the CARF (Consumer Advocacy Research Fund). The views expressed through our engagement cannot be regarded as reflecting those of the SA Government as provider of CARF funding.

Executive Summary

Following the introduction of the SA Water Industries Act 2012 the SA Residential Tenancies Act was updated. Prior to these 2014 changes, landlords were responsible for meeting sewerage, water supply and water usage charges up to 136 kL per year, tenants were only responsible for “excess” water use above the 136 kL per year threshold.

The Act changed these arrangements by allowing landlords to pass on all water related charges to their tenants including supply, basic use as well as excess water use. In talking to rental property agents, we’ve been informed that it is standard practice for agents acting on behalf of landlords to pass through all water related costs to tenants.

In short, the introduction of the SA Water Industries Act 2012 and ensuing changes in the Residential Tenancies Act has provided a windfall gain to landlords and a deadweight loss to renters. This is contrary to the objective of the Act to ‘protect the interests of consumers.’ Redressing this and the flow on implications for the Residential Tenancies Act update in 2014 is a priority for the Review.

Recommendations

- 1) Reinstating obligations for payment of water supply charge to be a landlord responsibility in the SA Water Industries Act
- 2) Propose a roll back of the 2014 Residential Tenancies Act amendments that shifted onus of supply cost on to tenants
- 3) Where properties are separately metered, implement mechanism for tenants to be directly billed for their portion of the water account. (As practised in Victoria & Western Australia)
- 4) SA Government to instruct SACAT to stop all evictions for unpaid water bills (add clause to *Residential Tenancies Act*?)
- 5) The SA Water Industry Act to embed access to the Energy and Water Industry Ombudsman as a right for all customers (and consumers?) of water services in South Australia.
- 6) The SA Water Industries Act should include a clear statement recognising that water and sewerage services are Essential Services.
- 7) There should be an obligation on all providers of water services for human use to provide fair hardship programs to ensure that poor and disadvantaged residents, including tenants, have reasonable access to these Essential Services.
- 8) Revise SA government Concession processes, including for water and sewerage concessions, so that the application process is streamlined, similar to better interstate practice.

- 9) That the SA Water Industry Act establish water efficiency standards for all new housing construction and for rental properties.

About Uniting Communities

Uniting Communities works across South Australia through more than 100 community service programs, including: aged care, disability, youth services, financial inclusion, homelessness intervention, foster care, family and financial counselling. Our team of staff and volunteers support and engage with more than 20,000 South Australians each year. We strive to build strong and supportive communities, to help people realise their potential and live the best life they can.

We have a long-standing role as a provider of financial counselling services and have observed over recent years that utilities affordability is the number one presenting issue across our financial counselling services. Consequently, we have actively engaged in advocacy and engaged with energy and water businesses and regulators to seek to make these essential services more affordable.

This submission builds on the experience of thousands of financial counselling interviews, provision of a diversity of other support services to lower income and disadvantaged households along with a decade and a half of active engagement in utilities policy and regulation advocacy.

Focus of the Review: Regulation

The review of the South Australia Water Industry Act 2012 is important and timely. Uniting Communities is an active participant in both the current negotiation with SA Water regarding their 2020-24 regulatory proposal and we have also been engaged with the enquiry into the appropriate value of the SA Water regulated asset base (RAB).

We understand both water and wastewater (sewerage) services to be essential services meaning that all humans need access to water for day-to-day living while wastewater services are essential in contemporary society by dramatically reducing the spread of disease and enhancing quality of life.

The Review is being undertaken at a time of significant financial pressure for a growing number of households due to a combination of constrained incomes, both for recipients of government transfer payments and for the growing number of working poor people who are trapped in casual and insecure employment. On the other hand, the costs of housing, essential services and other basic costs have increased at a greater rate than CPI over recent years.

The focus of the Review is to understand:

- the success or otherwise of the first five years of implementation of the *Water Industry Act 2012*
- opportunities for legislative or policy improvement and reform that will further the achievement of the objects of the Act.

With the objects of the Water Industry Act being:

- to promote planning associated with the availability of water within the State to respond to demand within the community
- to promote efficiency, competition and innovation in the water industry
- to provide mechanisms for the transparent setting of prices within the water industry and to facilitate pricing structures that reflect the true value of services provided by participants in that industry
- to provide for and enforce proper standards of reliability and quality in connection with the water industry, including in relation to technical standards for water and sewerage infrastructure and installations and plumbing
- to protect the interests of consumers of water and sewerage services
- to promote measures to ensure that water is managed wisely
- to promote the economically efficient use and operation of, and investment in, significant infrastructure to promote effective competition in upstream and downstream markets.

At the end of this submission we provide some brief comments in response to some of the discussion questions listed in the SA Government's consultation paper that has been produced in association with this Review. Most of our submission deals with the following discussion questions:

DISCUSSION QUESTIONS: REGULATION

- 2.1** Do you think that the introduction of the Water Industry Act has helped to achieve the objects of the Act? If yes, why? If not, why not?
- 2.2** What have been the advantages of regulation of the water industry?
- 2.3** What have been the disadvantages of regulation of the water industry?

Tenants

Our brief response to these questions is to say that the main area where we believe the Water Industry Act has failed to meet the objectives of the Act, specifically the objective of protecting the interests of consumers of water and sewerage services relates to a deep concern that interests of tenants have not been well met by the Act regarding the provision of water services. We are much more comfortable with limited impacts on sewerage services.

The following article from the Advertiser real estate section on Saturday, May 4, 2019 provide some useful context. The article is from a regular column "rental advice" written by Paul Edwards, the Real Estate Industry South Australia legislation and policy advisor.

"Avoid getting into hot water over utilities

Can I charge my tenant for sewerage, water supply and water usage?

The water question raises its head again. It's probably my number one question right now on the Real Estate Institute of South Australia's Query Connect line each Saturday.

Let's deal with sewerage first. Under tenancies legislation, you are not allowed to charge your tenant for sewerage. It doesn't matter if you have made the tenant responsible for sewerage in the lease and the tenant has agreed to it. This is called contracting out of the legislation and you cannot do it. Tenant never has to pay for sewerage, or any other statutory rates, charges and levies that appear on the SA Water bill.

At the beginning of a tenancy, you should reach an agreement with your tenant about who is to pay for water supply and usage. This should then be specifically included in the lease agreement with your tenant. You don't have to charge your tenant for supply and usage that if you do, it must be written into the lease.

If there is no agreement about water written into the lease, and the list began after March 1, 2014, then the tenant is responsible for paying all water supply and usage charges. If the list began before first of March 2014, then the tenant is responsible for water usage over 136 kL per year.

If you are a landlord and you are renting out a property that has a shared meter with other properties - typically a strata group of units - then you must include a term in the lease explaining how water charges will be shared. For instance, I live in a strata complex of 20 units and each unit pays approximately 5% of the total water usage. Talk to your body corporate and they will be able to tell you how the water usage is calculated - and then make sure you put it into the lease."

To the best of our understanding, the advice provided by Mr Edwards is accurate.

The article highlights our concern which is that before the introduction of the SA Water Industries Act 2012 and ensuing changes to the Residential Tenancies Act, landlords were responsible for meeting sewerage, water supply and water usage charges up to 136 kL per year, tenants were only responsible for "excess" water use above the 136 kL per year threshold.

The Act changed these arrangements by allowing landlords to pass on all water related charges to their tenants including supply, basic use as well as excess water use. In talking to rental property agents, we've been informed that it is standard practice for agents acting on behalf of landlords to pass through all water related costs to tenants.

In short, the introduction of the SA Water Industries Act 2012 leading to changes in the Residential Tenancies Act has provided a windfall gain to landlords and a deadweight loss to renters. This is contrary to the objective of the Act to 'protect the interests of consumers.'

We can find no evidence of rents being reduced as water charges were passed on to tenants.

Nor can we find any significant reference or debate about the changing relationship in water charging between landlords and tenants in the lead up to the passing of the SA Water Industries Act 2012. The rationale for this change is a mystery to us.

In an attempt to gain a better understanding of current experience of renters, Uniting Communities has surveyed a number of households about their water and sewerage charges.

Uniting Communities Survey – “Water and Sewerage Costs”

There were 156 respondents to our survey that was distributed through social media, networks and emergency relief centres, 67 (43%) were renters.

We asked which components of the water retailer bill were paid, concession status and whether efforts had been made to restrict water use, for various housing tenures. The following two tables summarise the responses we have received.

| Components of the Water Retailer bill x Tenure | Total | Concession | Components of Water Retailer Bill Paid | | | | Restrict Water Use (to reduce costs) |
|--|-------|------------|--|-------------|-------------|----------|--------------------------------------|
| | | | Water Supply | Water Usage | Excess Only | Sewerage | |
| Rent - Private Landlord | 40 | 15 | 24 | 32 | 17 | 2 | 28 |
| Rent - Housing SA/ Community Housing | 27 | 16 | 6 | 13 | 10 | 1 | 17 |
| Home Owner/Mortgage | 83 | 16 | 79 | 78 | 45 | 65 | 61 |
| Other* | 6 | 3 | 5 | 4 | 4 | 3 | 4 |

Table 1, Source: Uniting Communities Survey, May 2019

| Water Retailer bill stress x Tenure | Difficulty Paying | Frequency of Difficulty | | | Applied for Hardship | Hardship | | |
|--------------------------------------|-------------------|-------------------------|-----------|------------|----------------------|----------|---------|-----------|
| | | Once | 2-3 Times | Every Time | | Helpful | Neutral | Unhelpful |
| Rent - Private Landlord | 18 | 6 | 8 | 3 | 3 | 3 | 0 | 1 |
| Rent - Housing SA/ Community Housing | 11 | 3 | 3 | 5 | 1 | 1 | 0 | 1 |
| Home Owner/ Mortgage | 22 | 7 | 13 | 2 | 4 | 3 | 1 | 1 |
| Other* | 2 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |

Table 2, Source: Uniting Communities Survey, May 2019

Note that “Other” refers to any of homeless, living in someone else’s house, living in car, living with family, living in a retirement village (with “lease to Occupy”)

The survey data confirms our observation which is that tenants in the private rental market are finding it most difficult to pay the most basic bills rent, essential services and food. The data also shows that most private market tenants are paying water supply and water use costs.

The information in table 2 shows that nearly half of the private sector renters in our survey had difficulty paying their water retailer bills, compared to just over a quarter of mortgagees/homeowners.

Problems of the Triangular Relationship: Retailer, Tenant, Landlord.

In South Australia, almost 1 in 3 households are privately or publicly rented. Water Retailers deal directly with the landlords as the customer, while landlords pass these costs onto the tenant, identified in the Water Industries Act as the consumer of water. This has created a triangular relationship between the retailer, their customer - the landlord and the consumer who ultimately pays the bill – the tenant. This scenario creates the following problems:

- 1) The tenant who usually has ultimate responsibility for paying the bulk of the bill has no direct relationship with the water retailer.
- 2) The tenant can feel like they cannot liaise directly with the water retailer over service issues as they are not considered the customer. Some tenants have stated they have fears/reservations reporting problems to the water retailer as this may incur costs against the landlord and jeopardise the landlord/tenant relationship
- 3) If the tenant is experiencing financial stress, they have no ability to be accepted on to a hardship plan.
- 4) If the tenant has difficulty paying the account and the landlord is unable or unwilling to make a payment plan, their only recourse is to take the tenant to SACAT. The outcome for failing to manage a water bill may result in a tenant facing eviction and a poor rental history.
- 5) The landlord is not required to pass on a copy of the account but only to request payment. This makes it difficult for tenants to track water use over time, identify potential faults and complicates processes when seeking concessions or financial counselling.
- 6) Water Retailers do not have an easy mechanism for consumer engagement with tenants.
- 7) In some cases landlords are either wilfully or ignorantly passing along sewerage charges to tenants. Tenants who are aware of this have expressed reluctance in confronting the issue over fears of receiving a bad reference from the landlord, jeopardising future rental applications.

According to the Residential Tenancies Act, at the commencement of a lease, the landlord and tenant sign an agreement as to what charges are to be borne by the tenant, excluding sewerage access charges which must always be paid by the landlord. Prior to changes to the Tenancy Act coming into effect on March 1st, 2014, the default scenario was that the landlord would pay water supply charges and water usage up to 136 kL, with the tenant bearing the cost for any excess water use. From 1st March 2014, the default position of the agreement is that the tenant will bear both supply and all usage charges. From our engagement with housing workers, financial counsellors, budget workers, property managers and tenants it appears to be common (but not universal) practice in the private sector that landlords are passing on the cost of supply.

To the best of our endeavours we have been unable identify what led parliament to enact this change, what outcomes they were hoping for and if they are being achieved.

Interstate comparisons

In regard to tenants and water payments, there is much that can be gleaned from comparisons with other Australian states:

- South Australia is the only state that defaults to tenants paying water supply charges. This practice is becoming increasingly common. Real Estate Agents that we spoke to do not even discuss with landlords but automatically pass on supply charges to tenants.
- New South Wales and Queensland have minimum water efficiency criteria that must be met before landlords can even pass on the cost of water usage such as low flow taps and showerheads, dual flush toilets (Qld) and ensuring no leaking taps at the start of tenancy (NSW).
- In Victoria, a landlord must ensure that if an appliance, fitting or fixture uses or supplies water at the rented premises needs to be replaced, the replacement has at least an A rating. Breaching this condition results in the landlord also paying for water usage.
- Victoria and Western Australia both have mechanisms for tenants to be directly billed.
- Victoria and Western Australia both have hardship programs available to tenants.
- Access to South Australia's Concession scheme is far more complicated than other states. Financial Counsellors and budget workers report they encounter numerous clients who are either not aware of the program or have been overwhelmed by the application process and not followed through.

We have compiled the following table to summarise the lack of any standard approaches to water pricing across Australia.

| State | Who pays supply charge | Conditions | Direct Billing to Tenants | Hardship Program |
|------------|---|--|---------------------------|--|
| ACT | Landlord pays supply | | No | Yes (tenants not specifically mentioned) |
| NSW | Landlords pay supply. Landlords can only pass on usage if they meet efficiency criteria | Water efficiency criteria must be met* | No | Yes - with specific reference to tenants: If you are a private residential tenant who pays your water usage charge, you are eligible for: <ul style="list-style-type: none"> • information from us about an accredited welfare agency for payment assistance; • Payment Assistance Scheme credit issued by an accredited welfare agency or us; • tailored advice on other broader assistance options; and • referral to financial counselling services. |
| NT | Landlord pays supply | Tenant pays excess usage only if stated in the lease, generally when above 125 KL | No | Yes (no mention of tenants) |
| QLD | Landlords pay supply. Landlords can only pass on usage if they meet efficiency criteria | Water efficiency criteria must be met** | No | Only in South East Queensland (some regional water suppliers may also provide hardship programs) Tenants not eligible for concessions or hardship program (can negotiate with landlords) |
| SA | Landlord can pass on supply and usage, but not sewerage. | Default to tenants when not specified in lease. No obligation on provision of water efficiency | No | Yes for property owners (vague reference to redirecting bills to third parties) |
| TAS | Landlord pays supply | | No | Yes (tenants not specifically mentioned) |

| | | | | |
|------------|--|---|--|---|
| WA | Landlord pays supply | Landlords are encouraged to contribute to consumption where gardens are watered to maintain the property. | Yes | Hardship Utility Grant Scheme (HUGS) available to all consumers for utilities including tenants |
| VIC | Landlord pays Water and sewer system charges, waterways and drainage charges, annual parks charge. Tenant pays water usage and sewerage disposal | If any water appliances, fittings and fixtures need to be replaced, the landlord must replace them with items that meet minimum efficiency standards. | Yes (separately metered properties only) | Yes |

Table 3, Sources: State Government websites – See Appendix 1

Comparison of Water Charges across Australia

The Adelaide metropolitan typical residential water bill is comparatively the 4th most expensive of Australia’s seven metropolitan centres, based on data from Bureau of Meteorology. (2019). National Performance Report 2017–18: Urban Water Utilities PART A.¹

Table 2.5 Typical residential bill: water supply and sewerage (\$).

| Major urban centre | 2013–14 | 2014–15 | 2015–16 | 2016–17 | 2017–18 | Change from 2016–17 (%) |
|---------------------------|----------------|----------------|----------------|----------------|----------------|--------------------------------|
| <i>Adelaide</i> | 1,371 | 1,393 | 1,420 | 1,188 | 1,271 | 7 |
| Canberra | 1,175 | 1,153 | 1,175 | 1,158 | 1,169 | 1 |
| Darwin | 1,908 | 1,967 | 1,951 | 1,831 | 1,820 | –1 |
| Melbourne | 1,164 | 1,029 | 1,065 | 1,023 | 1,016 | –1 |
| Perth | 1,376 | 1,404 | 1,420 | 1,413 | 1,465 | 4 |
| South East Queensland | 1,368. | 1,444 | 1,437 | 1,435 | 1,401 | –2 |
| Sydney | 1,221 | 1,215 | 1,212 | 1,106 | 1,127 | 2 |

Table 4, Source Bureau of Meteorology. (2019). National Performance Report 2017–18

The report compares Australia’s 15 largest water utility companies and demonstrates that SA Water customers are paying ‘mid-level’ prices when compared to water and wastewater charges nationally. SA Customers pay the 7th most expensive typical water bill (BoM page 35, figure 4.2). When comparing the 15 utilities on an annual bill of 200 kL water supply and sewerage, SA Water customers pay the 8th most expensive (BoM page 37, figure 4.3).

Relationship: SA Water Industry Act 2012 and Residential Tenancies Act 2014

¹ Retrieved from http://www.bom.gov.au/water/npr/docs/201718/nationalPerformanceReport2017_18UrbanWaterUtilities.pdf

In practice, there has been a clear relationship between the SA Water Industry Act 2012 and the application of the Residential Tenancies Act changes of 2014 regarding the treatment of payment of water retailer bills by tenants. It appears to us that the Residential Tenancies Act changes embedded the opportunity provided by the Water Industry Act 2012 for landlords to be able to pass water costs on to tenants. This has placed tenants at risk of eviction where they are unable to pay their water bills. The landlord relationship with the water retailer means that in practice tenants who are struggling to meet their payments are limited in their capacity to receive concessions and to access hardship programs.

We understand that the status of the Residential Tenancies Act for renters limits the capacity of the South Australian Energy and Water Industry Ombudsman to effectively intervene in disputes involving tenants and their water and sewerage bills.

Figure 1 shows the main enquiries and actions undertaken by the Energy And Water Industry Ombudsman in South Australia over the last year and indicates that relatively low numbers of water related enquiries go through to the Ombudsman. We suggest that this is partly because of limited capacity to act regarding water disputes, coupled with a lack of realisation from water customers that they can approach the ombudsman.

It is no surprise that the major area of complaint/enquiry regarding water services is high water bills while the leading area of action is civil disputes with tenant / landlord issues.

Top 5 Enquiries & Top 5 OOJs

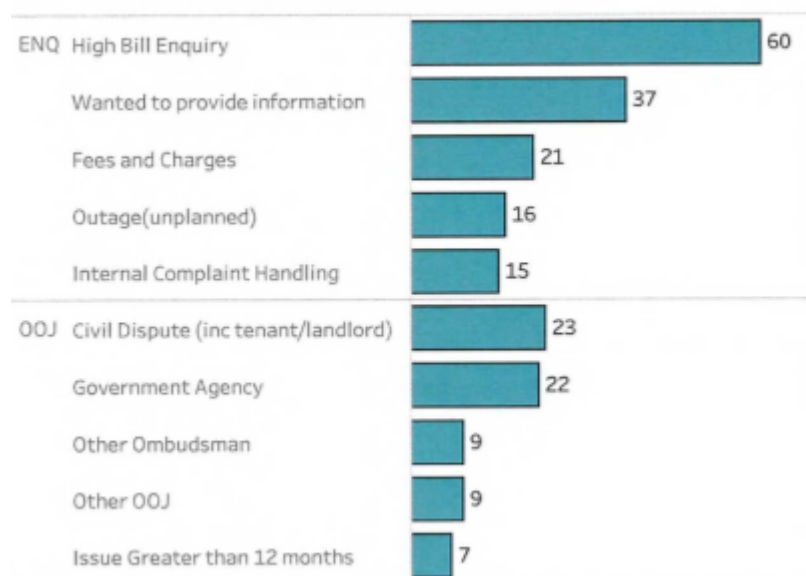


Figure 1, Source, Energy and Water Industry Ombudsman of SA

In considering amendments to the Water Industry Act, we strongly suggest that it is also important to recognise links to the Residential Tenancies Act for tenants, there is an interplay between the two Acts.

The Act should also be more overt about tenants, as well as other households, having ready access to third-party dispute resolution schemes and in particular the SA Energy and Water Industry Ombudsman.

Recommendations

- 1) Reinstatement obligations for payment of water supply charge to be a landlord responsibility in the SA Water Industries Act
- 2) Roll back 2014 Residential Tenancies Act amendments shifting onus of supply cost on to tenants
- 3) SA Government to instruct SACAT to stop all evictions for unpaid water bills (add clause to *Residential Tenancies Act*?)
- 4) The SA Water Industry Act to embed access to the energy and water industry ombudsman as a right for all customers of water services in South Australia.

Hardship

Water and sewerage services are essential services and they need to be enshrined in the Act as such. This gives rise to the issue of hardship, which while it cannot be solved through the Act, is a crucial context in which the Act needs to be applied.

The following are some case studies from Uniting Communities financial counsellors that illustrate the day-to-day realities of many of our clients.

- *Single mother of young autistic child living in metropolitan suburb, receiving a parenting payment plus carer payment & allowance, renting privately, car recently written off by an unlicensed and uninsured driver, her water costs charged by real estate agent is **water use only \$150.84 for 94 days & no supply charge, as identified on her Fixed Term Lease “all water usage only”.***

Her water cost is 4.45% of total income.
- *Grandmother lives in regional SA, receives an age pension cares, for two grandchildren and in her case in the retirement complex, the landlord will bear all rates and charges for water supply and usage, therefore no water costs for the resident who has a license to occupy as per the Residential Tenancies Act 1995.*
- *A retired widow who receives the age pension & a small UK pension, has lived in her home in outer metropolitan Adelaide for 45 years, her water retailer charge is \$350.34/qtr or \$117/mth. Her total monthly income is \$2259, therefore **water cost as a percentage of her total income is 5.1%.***

- *A couple, mother on Newstart & husband receiving an age pension plus a small UK pension, have two adult sons living in their own home. They have a small mortgage, had a water account in 2018 last quarter for \$1007.40, is paying \$60/ft via Centrepay and the usage for 2019 has decreased to 50KL usage \$210.15/qtr & sewerage \$117.84, with deductions for SA government concession, water & sewer showing on the account of \$76.45, total a/c now \$251.54/qtr. The mother and finance manager of the household, negotiated a payment arrangement with the water retailer of \$60/ft and she is steadily reducing the sum owed to the retailer.*

*In 2018, water cost/qtr is \$335.66/mth, total income is \$3166/mth, therefore **water cost is 10.60% of total income is 10.60%**.*

*In 2019, water cost is \$251.54 for 1st qtr, total income is still \$3166/mth, therefore **water cost is now 2.6% of total income**. I think this has occurred through good household management by the 'financial controller'!*

- *A single, mature woman who receives a DSP and works part time, is like so many people I see, she pays \$20/ft via Centrepay to her community residential organization in a metro suburb for her water costs, and she is always in credit. Her quarterly cost for water usage is on average \$60/qtr. Her Tenancy Agreement requires her to be responsible for her water supply & usage costs.*

These examples reflect something of the diversity of circumstances of people seeking financial help and the range of Water Bill costs when expressed as a percentage of total income. We observe that some people are paying a significant percentage of their income to meet the costs of essential services of water and sewerage. (Note that we think that a State policy goal should be that no one pays more than 4% of their income on water and sewerage services)

Links to SACAT

We have previously discussed the relationship between the SA Water Industry Act and the Residential Tenancies Act but when considering hardship there remains a fundamental question that needs to be considered.

Should difficulty in paying for an essential service result in homelessness?

Effectively Landlords act as pseudo **water-retailers**. This is by virtue of being responsible for paying water accounts and then recouping costs from tenants. If the tenant is having ongoing and mounting difficulties in meeting payments, the only recourse for the landlord is to initiate action against the tenant in the SA Civil and Administrative Tribunal (SACAT). If an agreement cannot be reached and agreed to, the tenant faces likely eviction. Either way the tenant will be unlikely to get a good reference from the landlord, jeopardising future rental prospects in a competitive market. Ongoing threat of homelessness is a potential outcome. We also note that for many lower income households, the landlord – tenant relationship is fraught.

SACAT have reported to us estimates of how many applications they will receive with a water component (in addition to unpaid rents and other claims). For Vacant Possessions they estimate that approximately 50% will involve unpaid water charges, totalling 3,555 applications in 2018/19. Approximately 70% of Bond and Compensation applications will include a water component, totalling 3,007 for 2018/19. Therefore an educated estimate is in the order of 6,500 applications will be made to SACAT where the tenancy has been affected by unpaid water accounts. SACAT do receive applications that only relate to unpaid water accounts but these are a rare exception.

Hardship and concessions access for Tenants

SA Water provides a measured financial hardship program. However nearly a third of SA's residential water consumers are not eligible to access it. Investigations by SA Water into how to make the program accessible to tenants have proven that it is difficult. The optimal solution to this would be to introduce direct billing of tenants where separately metered, as is current practice in Victoria.

The process in SA for accessing concessions for utilities is overly complex and requires urgent revision. The current six page SA Concession Application Form, Form No APC F500 01/19, is daunting and confusing for consumers who are eligible to apply for concessions. For tenants wanting to apply, not only are they faced with a complicated six page form with two signed authority and declaration statements and answering questions about all other residents at the address, but they must also provide a copy of their lease agreement clearly stating who is responsible for paying for water usage and supply charges, a copy of both sides of their concession cards and provide their bank details. Furthermore, they must wait for and provide a copy of all pages of their most recent electricity/gas bill for an energy concession and a copy of the most recent water bill for a water concession.

And of course, without the option of direct billing for tenants, the tenant must request and wait for a copy of the water bill from their landlord, as in most cases these are not provided by the landlord. In order to get the maximum water concession, the tenant must provide copies of all water bills every financial year. And if the tenant is hoping to receive the cost of living concession, the application must be received between July 1st and October 31st, or they miss out for the entire financial year. This entire process needs to be repeated every time there is a change of address or when switching to a new energy retailer with the hope of getting a better electricity deal.

All that a South Australian customer should be required to do to obtain a concession on their electricity account, is to be able to ring or apply in person for a concession to be applied to their current electricity account. A customer should be required to prove their identity by showing their Centrelink card and be able to quote their Centrelink Client Record Number (CRN) to the worker, so the validity of that client with Centrelink can be determined and their concession applied to their next electricity account.

In some other states of Australia, the water bill is sent to the tenant by the Water authority and not sent by the landlord. The local water authority handles the concessions aspect of tenant's account.

Water retailers could administer the concessions and we would not see people facing the theoretical risk of eviction for an unpaid water bill.

This process is so complicated, that customers need assistance to collect the past accounts required and complete the detailed information required on the six pages of the application form. One has to ask has this Form been deliberately designed to confuse customers, so they give up and do not apply for eligible concessions because the process is all too hard? Financial Counsellors, Budget Workers and Housing Support officers regularly report meeting new clients who are either unaware of being entitled to a concession discount or have given up in the process of applying.

Recommendations:

5) The SA Water Industries Act should include a clear statement recognising that water and sewerage services are Essential Services.

6) There should be an obligation on all providers of water services for human use to provide fair hardship programs to ensure that poor and disadvantaged residents have reasonable access to these Essential Services.

7) Revise SA government Concession processes, including for water and sewerage concessions, so that the application process is streamlined, similar to better interstate practice.

Water Efficiency

Water efficiency is one measure that some households can introduce to reduce their water use and consequently reduce their water use charges. For tenants, the capacity to use water more efficiently is limited to behavioural responses when often it is housing fittings and appliances that can make the greatest difference. Many of these appliances or fixtures are the responsibility of landlords.

We observe the mandated water efficiency criteria that apply in New South Wales and Queensland and strongly recommend that South Australia adopt similar minimum standards for rental properties.

| * NSW Water Efficiency Criteria | |
|---|--|
| Water efficiency devices | Minimum standard required |
| Internal cold water taps and single mixer taps for kitchen sinks and bathroom hand basins | A maximum flow rate of nine litres per minute |
| Showerheads | A maximum flow rate of nine litres per minute |
| No leaking taps | No leaking taps anywhere on the premises at the start of the tenancy or when the other water efficiency measures are installed |

| ** QLD Water Efficiency Criteria | |
|---|--|
| Water efficient devices | Minimum water efficient standard required |
| Internal cold water taps and single mixer taps (excluding bathtub taps and taps for appliances) | A maximum flow rate of 9 litres per minute |
| Showerheads | A maximum flow rate of 9 litres per minute |
| Toilets | A dual flush function not exceeding 6.5 litres on full flush and 3.5 litres on half flush and a maximum average flush volume of 4 litres (based on the average of 1 full flush and 4 half flushes) |

Table 5. Sources: State Government websites – See Appendix 1

Recommendation

- 8) That the SA Water Industry Act establish water efficiency standards for all new housing construction and for rental properties.

Other Discussion Paper Questions (selected)

DISCUSSION QUESTIONS: AVAILABILITY CHARGING

- 4D.1** Should water industry entities be able to charge landowners for the ability to connect to a water or sewerage supply that is available? If yes, why? If not, why not?
- 4D.2** If charges are allowed, should the person paying be considered a customer under the Act and therefore have the various customer protection policies available to them?
- 4D.3** Do you have any additional comments in relation to availability charging?

We think that water industry entities should be able to charge landowners for the ability to connect to water or sewerage supply that is available, as a matter of principle. The principle being that water and sewerage services are essential services required by all residents of the state and so all residents should contribute to provision of the services they receive.

The one area for consideration is where an established property has a new water or sewerage main installed in proximity. In this instance we think there should be recognition

that the property owner has spent money to invest in their own water supply / wastewater treatment system and so should have a “rent holiday” for maybe five years from the completion of the main installation.

We note our primary concerns from this submission relate to the treatment of renters. Any ability to charge landowners must ensure that tenants are not given additional charges in their rental, simply because water and sewerage services that they are not using, are potentially available.

DISCUSSION QUESTIONS: CEASING OPERATIONS AS A WATER INDUSTRY ENTITY

4J.1 Do you have any comments relating to the ability of the Commission to take over operation of a water industry entity?

We are relaxed about the potential of the Commission to take over operation of a water industry entity, both because we have faith in the Commission to act in the best interest of affected customers and also because we think it is highly unlikely that a substantial water industry entity would be likely to fail to the extent that Commission intervention was warranted.

DISCUSSION QUESTIONS: BROADER WATER REFORMS

- 6.1** Do you see any opportunities to achieve broader water reforms through future amendments to the Water Industry Act? Please explain your answer.
- 6.2** Do you see opportunities for the water industry in other areas of water reform?
- 6.3** Do you have any further comments related to broader water reforms?

We think that periodic review of the Water Industry Act is crucial, for three main reasons:

1. The current arrangements regarding tenants are inappropriate and need to be changed. Reviewing of the Act periodically will enable assessment as to whether there are any groups in our community who are being unintentionally adversely impacted by the Act or by any ways in which the industry is behaving poorly.
2. Uncertainties about climate change mean that periodic review of the industry and the Act is of crucial importance to respond to unknown future circumstances.
3. The Water Industry Act interacts formally and informally with other policy and regulatory instruments and so revising the relationship between this Act and other relevant Acts, rules and guidelines is important to ensure fairness for all consumers in balance between competing Acts and competing interest

DISCUSSION QUESTIONS

- 4B.5.** The Act currently requires the state water demand and supply statement to be reviewed and reported on annually. What do you think is the appropriate frequency for review?
- 4b. 6** Information contained in the statements has the potential to motivate new market entrants and therefore increase competition in the water sector. What additional information do you think would be required in the statements to increase water sector competition?

Given that SA Water is the dominant water industry provider in South Australia, we think there is merit in aligning reviews of the Act with SA Water regulatory processes, so every four years makes sense, given that this is the duration of current regulatory periods.

Appendix 1

Date Sources

| | Sources |
|-------------|--|
| A C T | https://www.legislation.act.gov.au/View/a/1997-84/current/PDF/1997-84.PDF https://www.tenantsact.org.au/electricitywatergas-who-pays/ https://www.iconwater.com.au/my-home/my-account/financial-hardship.aspx |
| N S W | https://www.legislation.nsw.gov.au/#/view/act/2010/42/whole https://www.fairtrading.nsw.gov.au/housing-and-property/renting/during-a-tenancy/paying-water-charges |
| N T | https://legislation.nt.gov.au/Legislation/RESIDENTIAL-TENANCIES-ACT-1999 https://nt.gov.au/property/renters/find-out-about-rental-costs/your-tenancy-and-water-charges https://www.powerwater.com.au/__data/assets/pdf_file/0014/1580/QDOC2010_22_Retail_-_Stay_Connected_Hardship_Policy.pdf |
| Q L D | https://www.legislation.qld.gov.au/view/pdf/inforce/current/act-2008-073 https://www.rta.qld.gov.au/Forms-and-publications/Fact-sheets/General-tenancy-fact-sheets/Water-charging-fact-sheet https://www.qld.gov.au/community/cost-of-living-support/concessions/property-concessions/water-subsidy https://communitydoor.org.au/cost-of-living/tenant-rights-as-a-water-user |
| S A | https://www.legislation.sa.gov.au/LZ/C/A/RESIDENTIAL%20TENANCIES%20ACT%201995/CURRENT/1995.63.AUTH.PDF https://www.sa.gov.au/__data/assets/pdf_file/0003/11964/Charging_for_water_bulletin.pdf https://www.sawater.com.au/__data/assets/pdf_file/0005/288977/hardshippolicy_0818.pdf |
| T A S | https://www.legislation.tas.gov.au/view/whole/html/inforce/current/act-1997-082 https://www.taswater.com.au/Your-Account/Tenant-Billing |
| W A | https://www.legislation.wa.gov.au/legislation/prod/filestore.nsf/FileURL/mrdoc_32252.pdf/\$FILE/Residential%20Tenancies%20Act%201987%20-%20%5B06-c0-00%5D.pdf?OpenElement https://tenanthelp.com.au/wa-water-charges/ http://www.concessions.wa.gov.au/Concessions/Pages/HUGS-(Hardship-Utility-Grant-Scheme).aspx |
| VI C | http://www.legislation.vic.gov.au/Domino/Web_Notes/LDMS/PubStatbook.nsf/edfb620cf7503d1aca256da4001b08af/C7F3C6D8118D4BCACA256E5B00213C3D/\$FILE/97-109a.pdf https://www.consumer.vic.gov.au/housing/renting/beginning-a-lease-or-residency/utilities-telephone-internet-and-television https://www.yvw.com.au/help-advice/help-my-account/payment-responsibilities https://www.tuv.org.au/articles/files/resources/utility_charges_RT_FS_052010.pdf |