

FACT SHEET

Water Charging

The *Residential Tenancies Act 1994* contains provisions that assist in determining who is responsible for the payment of water costs in a rental property.

In Queensland, local governments (councils) have responsibility for charging for water consumption. The way in which councils charge for water varies from council to council.

Most Queensland councils are changing the way they charge for water. How this occurs will vary between council areas. Contact your local council for details on how they charge property owners for water.

What does the Act say about water charges?

Under sections 90 and 91a of the *Residential Tenancies Act 1994*, lessors are generally responsible for providing and paying for a reasonable amount of water supplied to the premises. Lessors can only pass on charges for excessive water use to the tenant in a general tenancy (units or houses) if the tenant uses water above that reasonable amount. See the heading "Caravans and mobile homes" for the water charging arrangements in these tenancies.

A term of a tenancy agreement dealing with water charges must comply with this principle from the Act.

Individually metered premises

Premises can be individually metered for water. This is the case with most houses. Some units are also individually metered. The lessor can only pass on water charges for excessive water use to the tenant in general tenancies where the premises are individually metered. The amount charged by the lessor to the tenant cannot exceed the amount

charged to the lessor by the water supply authority less an amount for reasonable consumption.

Caravans and mobile homes

The Act sets out different provisions relating to water charges for tenancies in caravans and mobile homes. Mobile homes are only covered by the Act where the owner rents it to someone else and not if the owner lives in it themselves, even though they may rent the site (this arrangement is covered by the *Mobile Homes Act 1989*).

In caravan and mobile homes tenancies covered by the *Residential Tenancies Act 1994*, lessors can pass on the whole cost of water to the tenant, but only if the site is individually metered. Lessors may not charge tenants more than what lessors are charged by the water supply authority.

If the site is not individually metered, a lessor can not charge separately for water but can include the cost of water in the rent.

Reading the water meter

It is a good idea for lessors and tenants to read the water meter at the beginning and end of tenancies. They may wish to record this reading on the *Entry Condition Report* (Form 1a for general tenancies, Form 1b for moveable dwelling tenancies). In many cases the beginning and end of a tenancy will not coincide with the water billing cycle of the council. By reading the meter, water usage can be calculated for the amount of time the tenant occupied the premises.

Outgoing tenants can then pay for any water usage for which they are responsible during the time they have been in the premises. Alternatively, councils will come out to read meters, but they may charge for this service.

Carted water, rain tanks, bore and pump waters

Tank Water - lessors are responsible for ensuring that a reasonable amount of water is provided to the premises, including where there is tank water. At the beginning of the tenancy, there should be provision for the tank to hold a reasonable amount of water for the tenancy at the lessor's cost.

The Act indicates that charges for "water supplied to the premises by means of a vehicle" are a service charge. However, where water is carted to the premises and deposited in the tank, the lessor is still required to pay for reasonable water usage. The lessor can pass on costs for water usage above that amount.

The lessor and tenant may agree to include a term in the tenancy agreement about the water costs which are reasonable for the lessor to pay in the case of tank water and those costs to be paid by the tenant. The Act states the lessor can only require the tenant to pay for water if the premises are individually metered and can not charge the tenant more for water than what is charged by the supply authority.

The *Entry Condition Report* (Form 1a or 1b) may be used to show tank water level at the start of the tenancy. This information could be used to support the agreement and clarify responsibilities during and at the end of the tenancy.

Bore & Pump Water - The Act does not specifically mention bore or pump water. The lessor and tenant can negotiate and agree at the start of the tenancy about water charges where bores and pumps are involved. This can be included in the tenancy agreement.

If it is a term that the premises have a supply of water for the term of the tenancy, then the lessor may be responsible for supplying water in situations where water is not available through these means. The lessor also has an obligation to maintain the bore and pump equipment.

Working out who pays

Lessors and tenants are encouraged to negotiate an agreement about the amount of water it is reasonable for the lessor to pay. Once the lessor and tenant agree

on what they consider is reasonable for the lessor to pay, they must put it in writing, sign it and include it in the tenancy agreement. This may help avoid disputes later on! If the tenancy has already commenced, the lessor and tenant may need to negotiate an agreement about water if their council introduces a new system of water charging.

Lessors and tenants could use the following questions to assist in deciding the amount of water that is reasonable for the lessor to pay:-

- How does the local council charge for water?
- What is the average water usage in your area? (Your council may have some information on this).
- How many people will be living in the premises?
- How large is the block or yard?
- Are there gardens or lawns which the lessor wants watered? (If the lessor wants the tenant to water an extensive garden, this may have a bearing on who pays for this water usage).
- Is there a pool or other special items that use a lot of water?
- Are the premises fitted with water saving devices, such as dual flush toilets, built in watering systems and shower roses?
- What should the lessor reasonably pay for?

What if the lessor and tenant don't agree?

If the lessor and tenant cannot agree on the amount the lessor should reasonably pay for and they have tried to sort it out themselves, they should send a *Dispute Resolution Request* (Form 16) to the Residential Tenancies Authority. The RTA offers a free Dispute Resolution Service to help resolve these types of disputes. If the Service can not assist, the parties may take the dispute to the Small Claims Tribunal.

Further information

The *Residential Tenancies Act 1994* is the primary source material on the law and takes precedence over this Fact Sheet should there be any inconsistency between the Act and this Fact Sheet.

For more information about the *Residential Tenancies Act 1994*, contact the Residential Tenancies Authority. Contact details are at the bottom of this Fact Sheet.

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