

## Water Usage



Water usage in Queensland rental properties is the most contentious and misunderstood issue in the industry today. Property Owners have been given the authority to charge tenants for water usage (under strict guidelines), but the Legislation makes it very hard for them to enforce this right.

The issue is further complicated for interstate owners because water billing policy varies greatly between states.

To try to clarify some of the challenges, here are a few facts that you as a property Owner needs to be aware of:

### **FACT 1: Water Billing Policy in Queensland is Different to most other States**

In Queensland, water bills are sent to you, the property owner – not the resident. Because the bills are in your name, you must pay the bill in full, irrespective of whether you will be on-charging the tenant.

### **FACT 2: Tenants can only be liable to pay for Water Usage**

You can only pass on charges that you incur for WATER USAGE. You are NOT permitted to pass on the entire water invoice as there are access and sewerage charges which are not payable by the tenant.

### **FACT 3: Your Property must be Water Compliant**

If you wish to charge your tenants for full water usage, your property must be 'water compliant' according to the [Water Efficiency Labelling and Standards \('WELS'\) Scheme](#).

If a disagreement arises whereby the tenants refuse to pay the water usage invoice, and the matter is taken to QCAT (Queensland and Civil Administrative Tribunal), the water compliancy of the property will need to be verified via a Water Compliancy Certificate. Because this certificate needs to be in place for the period of water usage in question (ie cannot be performed retrospectively), we require that a Compliancy Certificate be issued at the beginning of every new tenancy if you wish to charge for all water usage.

This certificate is issued by a plumber who performs an inspection on the property. The minimum cost to you will be a call-out fee, plus any adjustments that are needed to make the property compliant.

Note that this needs to be done at every change of tenancy, because of the possibility that the previous tenant has removed restrictors without our knowledge, as well as the fact that plumbing fixtures deteriorate over time and require regular updating to meet compliancy standards.

#### **FACT 4: Repayment by Tenants is often Slow; and Recourse by Owners is very Limited and Costly**

Once your property is compliant, in order to claim reimbursement from your tenants for water usage, you provide us with your water bill. We use the usage information from this bill to issue an invoice to the tenants. According to Legislation, they have 30 days to pay.

If they do not pay this invoice, they are in breach of their agreement and we issue a Notice to Remedy Breach (RTA Form 11).

If this Breach expires (after 7 days) without payment from the tenant, the next step is to lodge a Dispute Resolution Form which involves the RTA conciliating between the parties. If there is no resolution, the next step is QCAT (Tribunal). This can take months to resolve and there are costs involved to the owner, whether or not you win the case.

#### **FACT 5: Faulty Plumbing can Void your Claim on Reimbursement**

In the event of a water leak, worn out washers, faulty toilet flush, or other such routine incident, the tenant can put forward an argument to avoid paying the water usage bill. These sorts of disputes are clogging the QCAT schedule and according to the case studies, adjudicators are siding with the tenants.

As a result, you need to ensure all such maintenance is attended to as a matter of urgency – even if it means an after-hours call-out fee to a plumber.

#### **FACT 6: Lease Dates Rarely Coincide with Water Billing Periods, reducing the amount you can claim back**

Because we take the readings from your water bills, which are issued on a quarterly basis, there will be periods at the beginning and end of the tenancy where we can't charge the tenants for water usage.

As you can see, there is more to the matter than simply 'making the tenants pay for water'. The problem is this: water is an essential service that must be provided by the property owner. If the tenants do not pay the invoice, we cannot simply turn the water off (like Energex can turn the power off to counteract unpaid bills).

Furthermore, the tenancy laws, in trying to be fair to both sides, end up complicating the issue so much, that many disputes end up at QCAT with a lot of wasted time, resources, and money.

Charging tenants for their water usage can therefore actually end up costing you more than it is worth.

#### **THE SOLUTION...**

Please don't be disheartened – just be informed. Because we have the Solution.

We follow a simple and fair procedure of making tenants pay for a certain amount of water usage, without burdening the owners with all the extra costs associated with charging for ALL water usage. Owners are happy, tenants are happy, and our Property Managers are focused on what is important – looking after your investment.

If you are a new Client, or we have taken over a tenancy from another agent with 'All Water Usage' in place, please speak with your Property Manager about changing over to our simple and proven system.