

Dear Brooke

Thank you for the opportunity to comment on the ESCOSA SA Water Pricing Reform Enquiry and thank you for your courtesy in bringing this to my attention.

Please find below specific comments in response to the questions asked.

As background I will explain a little about Housing Associations and Housing Co-operatives. Housing Associations predominantly have paid staff with a community based board that is skills based. There are a few very small Housing Associations that are volunteer managed. Housing Associations are required to house people who have the highest need, like Housing SA, which means homeless people or people at risk of homelessness. People who are very disadvantaged in our society. The Housing Association is the landlord.

Housing Co-operatives are managed by their members and it is the members who are housed in the properties. Housing Co-operatives are volunteer managed by the members.

The management of Housing Associations and Housing Co-operatives are very different.

It was difficult to appropriately answer a number of the questions as there were no real costs identified. The cost of a number of the proposals to individuals and organisations will have a significant impact on whether they are sensible or appropriate.

The CHCSA Policy Committee has considered these issues papers and would be very keen to provide further information to you or meet with you to further discuss the needs of Community Housing Providers.

Please contact me if you wish to clarify anything or require further information as we are very keen to work with ESCOSA to ensure a good outcome for our members and their tenants.

Kind regards

Carmel

Carmel Rosier: Executive Officer

Community Housing Council of SA Inc p: 8362 1022 f: 8362 1944 m: 0405 245 512

 *'The Peak Industry Body for Housing Organisations in SA'*
Think green: read on the screen.

ESCOSA SA Water Pricing Reform Inquiry

Q: Are the current shared water metering and shared billing arrangements satisfactory? If not, why?

As the Commission's report, *Costs and benefits of installing water meters in public housing* indicated for Public Housing the lowest cost option would be to maintain the status quo, the same situation exists for Community Housing Providers (CHPs).

CHPs providers differ from Housing SA as they do not retain 100% of rent received whereas Housing SA does; CHPs have a lesser rental income stream than Housing AS. As a consequence CHPs are financially less able to provide individual water meters compared with Housing SA.

Recognising that the current shared water metering and shared billing arrangements have limitations, CHPs like Housing SA (by providing the 30% discount) have arrangements in place to assist tenants. These range from CHPs paying for 100% of water and others that provide a proportion at no cost to the tenant.

CHPs have implemented strategies where there are shared water meters, to offset any disadvantage that a tenant may incur as a consequence of the share meter. Given CHPs are able to respond flexibly to tenant needs the current shared water metering and shared billing arrangements are satisfactory. A change to the status quo is likely to result in some tenants being worse off.

CHPs who are currently tendering for stock transfer from Housing SA will be doing this on the basis that where there are shared water meters these will remain. Much of this stock is 50 years plus old and to retrofit properties that when funds become available, will be part of a regeneration program, would be a very poor use of funds when money for housing is so scarce.

Q: Should individual metering be mandatory for new build properties even if it is shown to be more expensive than the status quo?

The flexibility of CHPs needs to be considered in relation to this question. At least one CHP does not charge tenants for any water and therefore with new builds has only installed one water meter. The CHP has also worked very hard to ensure that water is recycled, included a huge underground storage tank to capture stormwater and had a strong focus on an environmentally sound development. Ultimately this benefits the tenants who are on very low, fixed incomes. Private owners are often able to do this however this is an example of a responsible landlord putting in place strategies that benefits vulnerable and at risk tenants. The cost of individual meters may well have a negative impact on these water saving measures. It is unlikely that individual meters would be as beneficial for saving water as the other strategies implemented.

In other situations individual metering for new build properties would be an inexpensive and sensible option. Mandating anything however takes the flexibility out of any system and it is important to ensure there are no unintended consequences.

Q: Should individual metering be retrofitted to existing properties? If yes, should it be mandated or optional?

Retrofitting should be the decision of individual CHPs in their capacity as responsible landlords. It should not be mandatory as CHPs will be disadvantaged, in particular relative to Housing SA. This is simply an expense that CHPs cannot afford..

Q. Would customers be willing to pay a fee for the provision of an individual meter to an existing property?

The majority of CHP tenants are on fixed low incomes and paying a fee for an individual meter would be out of their reach. This would also be the case for a smart meter.

CHP tenants are often on very low incomes with very limited financial capacity. Paying rent can be a struggle for some.

Q: Is there a case for mandating smart meters for all properties in SA?

No. The circumstance for CHPs and their tenants is the same as for individual water meters.

In one example a CHP has installed flow meters where they own 100% of the group. Different sites are being treated differently by SA Water. At one site with 10 units, (5 x 3 beds, and 5 x 2 beds) the CHP is charged as one group while another with 10 units are charged as individual properties. This means the first property, the lower charge for the first 0.3288kl is divided amongst the 10 units and therefore they only get to use 0.03288kl before they are charged for water at a higher rate versus a tenant in a property in that latter group with an individual allowance being able to use 0.3288kl before being charged at a higher rate. In this instance it seems that a CHP has gone to the expense of installing flow meters only for their tenants to be disadvantaged. This type of inconsistency by SA Water will not encourage CHPs to make significant capital outlays only to be treated in an arbitrary manner.

This question should be asked again when the Optimal Water Mix for Metropolitan Adelaide is known. This is the case for many of these issues papers; we are being asked to comment with little or no definitive or quantitative data.

Q: Are the current arrangements where landowners, rather than tenants, are liable for water and sewerage charges satisfactory?

Yes. CHPs do not want the current arrangement to change. A change is likely to disadvantage vulnerable tenants. CHPs are able to agree to a system whereby tenants make regular additional payments so they don't get in arrears with water bills or if they do, the tenant can come to an arrangement to pay the CHP back. If the tenant was billed direct for their water this flexibility would be lost.

There is no support to change the status quo.

Q: Should tenants be responsible for water and sewerage charges? If so, should they be responsible for all charges, including supply charges, or only water consumption and sewage disposal charges?

In the majority of cases, CHPs only charge tenants for water consumption and in many cases only a portion.

Q. How should a scheme for issuing exemptions or concessions on water and sewerage charges operate?

Please see response submitted as part of the Water Industry Bill, this remains the position of the CHCSA. For CHPs there would be no benefit in removing the flexibility the current system provides. Removing this flexibility is likely to result in tenants being disadvantaged.

From: Carmel Rosier

Sent: Wednesday, 12 January 2011 3:25 PM

To: 'waterforgood.consultation@sa.gov.au'

Subject: Issues that affect Community Housing Organisations

Good Afternoon

I am writing to comment on the proposed Water Industry Bill.

I am making this submission on behalf of Community Housing Organisations.

Section 88 of the current Waterworks Act states:

88 (1) Subject to this section, land that has been acquired or is used –

(a) Exclusively for charitable purposes; or

(b) Exclusively for public worship; or

(c) For the purpose of a State school,

Shall be exempt from water rates.

(Similar wording can be found in the Sewerage Act).

Many Community Housing Organisations have taken advantage of this exemption. While Community Housing Organisations are able to apply for DFC rebates the current exemption is both administratively and financial better for them.

I would recommend that the current provision in the Waterworks Act be translated to the Water Industry Bill.

Please do not hesitate to contact me if you wish to discuss this further.

Kind regards

Carmel Rosier