

# Community Housing Coalition of WA

1st Floor, Claisebrook Lotteries House, 33 Moore St., EAST PERTH 6004  
Ph: 08 9221 7933 Fax: 08 9221 7944 FreeCall: 1800 35 7933  
Email: [reception@communityhousing.com.au](mailto:reception@communityhousing.com.au) [www.communityhousing.com.au](http://www.communityhousing.com.au)

## Water Corporation Annual Service Charges and Consumption

January 2004

Community housing providers, through a range of arrangements with the Department of Housing and Works, take responsibility for the payment of annual service charges to the Water Corporation and collecting water consumption costs from tenants. This includes the proposed CDHP lease, which it seems likely the responsibility for the payment of all rates will rest with the organisation.

This is largely due to the fact Homeswest anticipate community housing providers will benefit from their 'charitable status' and negotiate concessions (unavailable to Homeswest) on both local government authority (LGA) and water rates.

However, correspondence with the Water Corporation reveals that whilst 'charitable properties' no longer attract water or drainage service charges, and the charge for connection to the sewer is greatly reduced, in the metropolitan area water consumption is charged at a higher rate. This means that tenants using less than 550 kL per annum are disadvantaged by their properties being assessed as charitable. Furthermore, tenants cannot apply for a pension concession for their water consumption if the property is classified as charitable. (Pensioners would normally receive 50% concession for the first 150 kL used, with normal tariffs being applied thereafter.)

It seems that some organisations are not requesting the charitable concession from the Water Corporation because of this disadvantage to their tenants. However, because the savings in service charges are so great, housing providers would be better off to request this status and then compensate tenants for their increased consumption charges (those household using less than 550 kL per annum).

CHCWA have developed a 'Water Charges Calculator' designed to assist providers in the metro area to work out the most beneficial way of structuring the accounts for individual properties with the Water Corporation, and for compensating tenants where they incur increased consumption charges. This calculator is available to members on the CHCWA website. A number of worked examples have been include, to demonstrate how charitable status impacts on water charges. The tables provided by the Water Corporation, upon which the calculator is based, are also included.

Because the per kilolitre cost of water for both normal residential and charitable properties rises as the amount of water used increases (unless over 1,100,000 kL are used by Charitable properties), it is cheaper for tenants in multiple unit developments to be billed individually than for the organisation to be billed for the entire amount. This is demonstrated in Example 1 where the charitable consumption cost for 3,000 kL is \$2,279.90 (giving an average cost of \$227.99

for the ten units), however when each unit is billed individually for 300 kL the cost drops to \$207.90 per unit. Within the charitable status, service charges remain the same for both options. This saving would not be evident if the average consumption of each unit was above 550 kL, however this would be a high level of consumption in a unit development.

In addition to the cost savings in consumption charges, individual metering of units in multiple developments encourages tenants to use water wisely and ensures that tenants pay proportionally for their own water consumption.

The CHCWA Water Charges Calculator cannot be used for country areas as Country town water supplies are categorized into 5 classes, based on the cost of providing the service. As can be seen in Tables 3 and 4, each class is charged according to a different fee structure. However as in metro areas, charitable charges will be higher across all classes for households consuming comparatively small amounts of water.

The CHCWA Water Charges Calculator can be used by housing providers to calculate the amount a tenant would have to pay for their water consumption using the option which is most favourable to them. If providers pass this cost onto their tenants, and benefit from charitable service charges, they will still pay less than if they pay normal residential service charges alone.

The following tables were provided by the Water Corporation, and the metro charges have been incorporated into the CHCWA Water Charges Calculator.

**Table 1  
Metro Charges - Residential Charges**

Water Consumed (kilolitres)	Cents per Kilolitre (c/kL)
150	\$ 0.416
350	\$ 0.674
551	\$ 0.910
950	\$ 1.200
951	\$ 1.500

**Table 2  
Metro Charges – Charitable Charges**

Water Consumed (kilolitres)	Cents per Kilolitre (c/kL)
First 600	\$ 0.693
Next 1,099,400	\$ 0.775
Thereafter	\$ 0.755

**Table 3  
Country Charges – Country South Residential**

Usage in Kilolitres (kL's)	Class 1	Class 2	Class 3	Class 4	Class 5
	c/kl	c/kl	c/kl	c/kl	c/kl
<b>First 150</b>	41.6	41.6	41.6	41.6	41.6
<b>next 200 (350)</b>	67.4	67.4	67.4	67.4	67.4
<b>next 100 (450)</b>	83.3	85.7	85.7	85.7	85.7
<b>next 100 (550)</b>	83.3	110.7	121.6	132.8	136.5
<b>next 200 (750)</b>	120	125.2	144.2	159.5	174.6
<b>next 400 (1150)</b>	152.6	206.8	230.6	262.4	294.2
<b>next 400 (1550)</b>	219.3	302.2	349.7	477.1	588.2
<b>next 400 (1950)</b>	252.7	373.7	461.2	572.5	683.8
<b>over 1950</b>	293.7	477.1	556.6	667.7	763.2

**Table 4  
Country Charges – Country North Residential**

Usage in Kilolitres (kL's)	Class 1	Classes 2 - 5
	c/kl	c/kl
First 150 kl	41.6	41.6
next 400kl (550)	67.4	67.4
next 100kl (650)	76	81.4
Over 650kl The same charges as Country South		

**Table 5  
Country Charges – Charitable Charges**

Water Consumed	Cents per Kilolitre (c/kL)
First 300 kL's	81.0
Thereafter	141.4

Cost Comparison for Different Housing Types with Residential or Charitable Status				
Housing Type		Residential Pensioner	Normal Residential	Charitable
<b>Example 1</b>				(For multiple units) Single Meter
		Cost Per Unit	Cost Per Unit	Individual Meters Cost Per Unit
<b>Ten Unit Development</b>				
One bedroom units, one major fixture, average annual water consumption 300 kL per unit	<b>Service Charges</b>	\$ 437.30	\$ 437.30	<b>Recommended Option</b> \$ 136.50
Using minimum drainage and sewer charges	<b>Consumption Charges</b>	\$ 132.70	\$ 163.50	\$ 207.90
	<b>Total</b>	\$ 570.00	\$ 600.80	\$ 344.40
As service charges are paid by Organisation - Best option for Organisation is Charitable Individual Meters				NB: Single Meter reading for multiple units produces higher Charitable consumption cost
As consumption charges are paid by Tenant - Best option for Tenant is Normal Residential (or Residential - Pensioner if eligible)				
Cost to organisation of paying Normal Residential service fees \$4373				
Cost to organisation of paying Charitable services charges plus compensation to tenants \$1808 (\$1365 service fees plus \$444 compensation) - Cost rises to \$2117 if tenants would be eligible for pensioner concessions.				
<b>Example 2</b>				<b>Recommended Option</b>
Large Home - Two major fixtures, annual water consumption 800 kL	<b>Service Charges</b>	\$ 707.16	\$ 707.16	\$ 273.00
Service charges based on GRV of \$9256	<b>Consumption Charges</b>	\$ 647.60	\$ 679.20	\$ 574.90
	<b>Total</b>	\$ 1,354.76	\$ 1,386.36	\$ 847.90
As consumption is above 550 kL - Charitable charges are best for organisation and tenant - no compensation to tenant required				
<b>Example 3</b>				<b>Recommended Option</b>
Large Home - Two major fixtures, annual water consumption 450 kL	<b>Service Charges</b>	\$ 707.16	\$ 707.16	\$ 273.00
Service charges based on GRV of \$9256	<b>Consumption Charges</b>	\$ 256.60	\$ 288.20	\$ 311.85
	<b>Total</b>	\$ 963.76	\$ 995.36	\$ 584.85
Cost to organisation of paying Normal Residential service fees \$707.16				
Cost to organisation of paying Charitable service charges plus compensation to tenant \$296.65				