



26 March 2012

The Secretary
Select Committee on the Cost of Living
Parliament of Tasmania
Parliament House
Hobart TAS 7000

Dear Mr Shane Donnelly,

Re: Select Committee on the Cost of Living

The Tenants' Union of Tasmania (TUT) is pleased to have the opportunity to provide a submission to the Committee on the following term of reference:

- (a) the effectiveness of the current concessions system and related services, including social tariffs;
- ...

However, we do believe that the Committee has too narrowly defined the terms of reference, particularly when it is acknowledged that over the last decade the single largest increase in the cost of living in Tasmania has been associated with housing. Since 2000 median rents have doubled, dramatically outstripping inflation¹ and public housing stock has fallen despite population increases.

With regard to the terms of reference and in line with its advocacy on behalf of tenants, the TUT wishes to draw the Select Committee's attention to the *Residential Tenancy Act 1997* (Tas) and in particular section 17 which relevantly provides:

- ...
- (3) An owner must not require or receive from a tenant during the term of a residential tenancy agreement any money or other consideration other than –
 - (a) rent in advance for the relevant payment period; and
 - (b) a water consumption charge if the residential premises are equipped with a device that calculates the amount of water used at those premises; and

¹ This information is available at <http://www.tutas.org.au/campaigns/residential-tenancy-act-review/> at the link provided under 'November 2010' (Accessed 26 March 2012).





(c) reasonable compensation for damage to the residential premises arising from the actions of the tenant or any loss incurred by the owner arising from the actions of the tenant.

(4) In this section,

water consumption charge means an amount levied on an owner by a regulated entity, within the meaning of the [Water and Sewerage Industry Act 2008](#), for water consumed by an occupant of residential premises that is calculated as a fee for each unit of water consumed.

The effect of this provision is that the landlord is only able to pass on the metered component of a water bill to the tenant. However, because the water bill is almost always addressed to the landlord many socially and financially disadvantaged tenants are unable to access a concession that they would otherwise be entitled to. As the Tasmanian Council of Social Services has previously acknowledged 'the provision of concessions is recognition of the fact that those in the most disadvantaged financial positions require assistance to meet many of the essential costs of living'.² The availability of concessions for water usage is of particular importance in Tasmania with the publication of *A Cost of Living Strategy for Tasmania* recently pointing out that average Tasmanian household costs are higher than average Australian household costs in a number of areas including utilities.³

As well as the availability of water concessions for socially and financially disadvantaged tenants, the TUT also supports the introduction of a social tariff for both water and electricity costs.⁴ The TUT encourages the State Government to act on the recommendations put forward to this Committee by Anglicare in their Report 'The price of poverty: the cost of living for low income earners' on progressing the issue of a social tariff.

Recommendations

The TUT recommends that the State Government act in partnership with the community sector and relevant water bodies to ensure that tenants eligible for water concessions are also in receipt of water concessions.

² Tasmanian Council of Social Services, Submission to the Residential Tenancy Act Review – Final Report and Consultation Paper (February 2012).

³ David Adams, *A Cost of Living Strategy for Tasmania* (October 2011) 37.

⁴ A low cost social tariff for electricity has previously been recommended by Anglicare: see Jo Flanagan & Kathleen Flanagan, 'The price of poverty: the cost of living for low income earners' Social Action and Research Centre, Anglicare Tasmania at 64.





Further, that the State Government act on Anglicare recommendations for progressing the issue of a social tariff for essential services including water and electricity.

The TUT looks forward to the completion of the Committee's work and hopes that the recommendations made will go a long way towards easing the cost of living pressures on all Tasmanians.

If we can be of any further assistance, please do not hesitate to contact us.

Yours sincerely,

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