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Name: Rod Manns

Address: [REDACTED]

e-mail: [REDACTED]

Message:

I wish to comment on the issue of unit owners effectively paying GST on water consumption that is mentioned in the Issues Paper. The new Code should explicitly permit Icon Water (or any other water utility) to implement a scheme whereby an Owners Corporation for a Unit Plan that has single meter can opt to have the total water consumption charge divided among unit owners who would be billed directly by the water utility. Such a scheme would overcome the current inequity of unit owners paying GST on water consumption as a result of a Unit Plan's total consumption being billed to the Owners Corporation and paid from Administrative Fund contributions (levies) upon which GST is charged to owners.

The comment in the Issues Paper that the GST impost is minor is not accurate. An Owners Corporation's water bill for a large complex can be tens of thousands of dollars, with thousands of dollars effectively paid in GST for water consumption. There is also the principle of fairness – water should be GST free for all citizen.

The default mechanism for determining unit owner's shares of levies, and therefore shares of an Owner's Corporation's water bill, is by the unit entitlements that are set at the time a Units Plan is registered. This should be the default mechanism if an Owners Corporation opt-in to an individual billing scheme. This should require an unopposed resolution by an Owners Corporation, not a unanimous decision given the difficulty of engaging some owners in Owners Corporations' affairs. Any other mechanism might require a unanimous decision. The Issues Paper raised the question of action for non-payment of individual bills under such a scheme. Icon Water already bills unit owners direct for fixed water supply charges. Non-payment of a bills for a unit's water consumption share should be subject to the same arrangement as for non-payment of a supply charge.

Thanks for the opportunity to comment.