

Operational Policy



Policy Title:	Concealed Water Leak – Granting of Allowance
Policy Number:	6.1
Focus Area:	CS2: Great Support
Responsibility:	Finance and Procurement
Authorisation:	January 2020

OBJECTIVE

This policy is to establish guidelines for staff and the public regarding the financial assistance Council may provide for excessive water bills as a result of a concealed water leak.

POLICY

Council recognises that in certain circumstances a water consumer may incur a significant water bill due to a concealed leak. This can place unreasonable financial pressure on the consumer's finances, as the resulting water account was unplanned and may adversely impact the monies available for the person's day to day living. This may also affect residential customers for the remainder of the financial year due to exceeding the first-tier consumption level of 200 kilolitres per annum. This can also be regarded as inequitable when historical consumption is less than the consumption recorded from the leak period.

DEFINITIONS

For the purposes of this policy:

- (a) A concealed leak is water escaping from a water service that is hidden from view (usually below ground). The interpretation of the customer being unaware of a leaking service and the leak being concealed from view is to be taken that there is no visible evidence of soaking or dampness. Damp walls, lush grass or damp soil does not constitute being concealed from view.
- (b) A water service relates to all water service pipes, including recycled water service pipes, fixtures and fittings on the customer's side of the meter (outlet side), or one (1) metre inside the property boundary for unmetered properties (excluding separate fire services).
- (c) It does not involve leakage from an appliance, fixture, water pump, hot water system or the like.
- (d) It does not involve leaks from swimming pools, spas or water features. They are not included in this policy as they are not considered as plumbing.
- (e) If a consumer is negligent in failing to take action to repair a leak, no adjustment will be made for water lost due to this inaction.

BACKGROUND / LEGISLATIVE REQUIREMENTS

The *Local Government Act 1993* section 607 deals with writing off rates, charges and accrued interest. The Local Government (General) Regulation 2005 section 131 details the procedures for writing off rates and charges.

This policy provides a means for Council to grant relief from water consumption charges resulting from a concealed leak.

Due to aging plumbing, property owners will experience failures in pipes causing water to be lost from plumbing that is behind walls and underground. Weather conditions may also impact the water pipes.

Concealed water leaks can occur over a period of months and are either discovered by Council staff in high consumption reporting (when the water meter is read for quarterly billing), or when a larger than usual water bill is received by the property owner / or delegated agent (for which proof has already been given to Council).

Council recognises that in certain circumstances it is reasonable to provide financial assistance and this policy ensures any decisions in respect to financial assistance are consistent, fair and equitable.

SCOPE

(a) The allowance is a concession that applies to all customer types and is property based.

Only one (1) application will be accepted as a result of a concealed leak (per property/per owner) regardless of whether it is a related event or a separate concealed leak within a five (5) year period. If a customer moves to another property or owns more than one (1) property, each property is subjectable to a claim.

(b) The customer is responsible for the maintenance and repair of their private water service.

(c) An allowance may be granted for water lost through a concealed leak in a private water service. An allowance may be granted provided that:

- (i) The customer was unaware of the leak and the leak was concealed from view
- (ii) The leak was not due to the neglect of obvious defects in the water service
- (iii) The water service is repaired to Council's satisfaction
- (iv) The "Concealed Water Leak Allowance Claim Application" form is completed
- (v) The appropriate supporting documents are provided

(d) In order to be eligible for the allowance Council must be satisfied the cause of the concealed leak has been rectified. Evidence must be provided, either by a licensed plumber's invoice or by other documentation.

- (e) The allowance will apply to the potable (drinking water) service and/or recycled water service to the maximum of 200 kilolitres per service. The allowance will be calculated using data from previous consumption periods deemed leak free.
- (f) If the leak is not due to neglect, an allowance shall be given for the quarter that the leak was first identified to have occurred.
- (g) The allowance will be equivalent to 50% of the increase from the previous consumption periods deemed leak free, to a maximum of 200 kilolitres. In some cases, the allowance may be granted over the total of two (2) periods, depending on the date the leak was identified and repaired i.e. leak was identified during quarterly reading process.
- (h) In addition to the allowance granted, the residential water consumption charge will remain at the first-tier rate until the end of the financial year.
- (i) A sewer usage charge is levied on Non-Residential properties that have a water meter and are liable for a percentage discharge factor of water that is discharged into the sewer system. Where sewer usage is involved, 100% allowance will be given for the increase in the sewer charge due to the concealed leak for the current billing quarter only. All other conditions of the policy are to be met before consideration of an allowance is granted.
- (j) Where a liquid trade waste charge is applicable, the allowance given will be in addition to the allowance for the water usage charge. No maximum allowance will apply and the calculation will be based on the revised daily average for the amended period. The allowance will be granted for the same period of the water usage allowance.
- (k) Properties served by a common meter (strata's and multi occupancies) will attract the one (1) allowance of up to a maximum of 200 kilolitres within a five (5) year period.
- (l) The claim must be submitted for the concealed leak, detected and repaired, within 60 days from the date of issue of the water/sewer account detailing the high consumption, or any other relevant notification from Council, whichever is earliest. The allowance will be granted provided the above conditions are met and the "Concealed Water Leak Allowance Claim Application" form is completed and signed, and the appropriate supporting documents are provided.

ACCOUNT ADJUSTMENT GUIDELINES

- (a) Adjustment for water consumption will not be made for amounts less than \$100.
- (b) The adjustment relates to only the water consumption lost in the concealed leak event for residential properties.
- (c) The adjustment relates to the water consumption lost in the concealed leak event and the sewer component for Non-Residential properties.

- (d) The adjustment to the water consumption will also be extended to Liquid Trade Waste where applicable.
- (e) The adjustment is to be determined by the General Manager or nominated delegate.
- (f) Interest free extensions may be applicable for accounts greater than \$1000 (upon negotiation).
- (g) If rates and charges are overdue, debt recovery action will commence as per the Debt Recovery Policy.

PROCEDURE TO CLAIM ALLOWANCE

- (a) The "Concealed Water Leak Allowance Claim" form is to be completed and signed and all supporting documentation provided.
- (b) The documentation provided must be to the satisfaction of the General Manager or nominated delegate, proving the leak was concealed, that the consumer was unaware of the leak and confirms the leak is repaired. This may include but not limited to a plumber's invoice and/or photos.
- (c) Confirmation by Council to applicant confirming status of application.
- (d) If not eligible for allowance, all monies are payable by due date.
- (e) All overdue monies are subject to interest charges in accordance with section 566 *Local Government Act 1993*.

REVIEW

This policy will be reviewed by Council at the time of any relevant legislative changes, compliance requirements or at least every two (2) years.

Version Number	Date	Reason / Comments
1	July 2015	Review
2	January 2020	Review