

10.14 Policy (Review) - Concealed Water Leaks.DOC

POLICY NAME: (DRAFT REVIEW)  
Concealed Water Leaks

POLICY REF: C02

MEETING ADOPTED: 24 February 2011  
Resolution No. 240211/15

POLICY HISTORY:



---

TABLE OF CONTENTS

OBJECTIVE .....	1
BACKGROUND .....	1
DEFINITIONS.....	1
SCOPE OF POLICY .....	1
RELATED DOCUMENTATION .....	1
POLICY .....	2
1. Account adjustments .....	2
1.1 Application criteria .....	2
1.2 Adjustment guidelines – providing application criteria has been met.....	2
2. Account interest free period extensions .....	3
2.1 Extension guidelines.....	3
REVIEW .....	3

### OBJECTIVE

To provide guidelines for managing account adjustments and / or interest free payment extensions for the payment of excessive water consumption generated as a result of concealed water leaks.

### BACKGROUND

On 3 December 1985, Council resolved not to adjust or waive excessive water accounts caused as a result of leaking or broken water pipes (Resolution reference number 8889). This practice was then followed until the adoption of this policy and its date of implementation (i.e. 1 January 2011).

The policy arose following requests from customers and investigations into practices adopted by other water supply authorities in respect to water leaks. Those investigations found it to be common practice amongst most other authorities that some level of **compassionate** relief is provided where a large water consumption charge is generated as a result of a concealed water leak.

It is acknowledged that some water leaks may be undetectable by inspection although consumers are also generally more careful in regard to water consumption due to:

- Social and economic impacts of the historical and prolonged droughts in most parts of Australia
- Increasing environmental awareness
- The cost of water being payable by measure (user pays billing)
- The value of water as a resource

### DEFINITIONS

**Concealed water leak** is **Defined as** water leaking from plumbing, on private property, that is hidden from view and generally underground.

Water leaks in paddocks, yards and gardens are generally detectable by finding lush grass or boggy ground, **although may be considered concealed until the effect of the leak is visible.**

Loss of water from faulty fixtures and fittings such as taps and toilet cisterns or appliances such as dishwashers are **usually** not considered to be concealed water leaks.

### SCOPE OF POLICY

This policy applies to water customers of Ballina Shire Council.

### RELATED DOCUMENTATION

Related documents, policies and legislation:

- Local Government Act 1993
- Local Government (General) Regulation 2005
- Council's revenue policy (fees and charges)

### POLICY

Council policy is to grant a "one-off" financial relief, in the form of an account adjustment and/or interest free period, to customers for that experience substantially higher than usual water consumption charges and sewer wastewater usage charges (applicable for non-residential customers only) caused as a result of concealed water leaks.

Financial assistance provided towards water consumption accounts are considered a "write off" in accordance with section 607 of the Local Government Act 1993, and clauses 131/132 of the Local Government (General) Regulation 2005. Amendments to wastewater usage charges are considered as an account adjustment rather than as a write off.

The guidelines to comply with this policy are as follows:

#### 1. ACCOUNT ADJUSTMENTS

##### 1.1 Application criteria

- Any disputes as to whether the water leak event meets the definition of a concealed water leak, will be determined on a case by case basis by the General Manager or authorised delegate.
- The increase in water consumption due to the concealed leak must be substantial. An increase in excess of 200% of the normal water consumption is considered to be substantial.
- Normal consumption will be determined by historical consumption data for the occupant/s (if relevant) or alternative methods at the discretion of Council's General Manager or nominated delegate.
- The applicant must provide a report from a licensed plumber outlining the repairs undertaken and confirming that in their opinion, the water leak would have been concealed and the property occupant/s were unaware of the leak. Council may accept a statutory declaration from the applicant if a plumber's report is unavailable.
- The application must be received within 30 days of the date of issue of the Rates & Charges Notice detailing the high consumption. Late applications may be accepted at the discretion of the General Manager or authorised delegate.

##### 1.2 Adjustment guidelines – providing application criteria has been met

- **Part 1 – Kilotre rate adjustment** – The increase in consumption determined by Council to be above normal consumption will be adjusted to the lower step rate per kilolitre, assuming Council has a stepped tariff.
- The maximum part 1 adjustment to be \$1,000 per application.

- Apart from the consumption determined by Council to be above normal consumption, all normal water consumption will still be subject to Council's step rate of charging per kilolitre.
- **Part 2 – 50% of increase adjustment** – The water consumption charges will be adjusted to 50% of the increase in consumption determined by Council to be above normal consumption. The minimum part 2 adjustment is \$50 and the maximum is the equivalent of 250 kilolitres (at the lower step rate per kilolitre) following the Part 1 adjustment.
- The minimum sewer wastewater usage charges adjustment is \$50. There is no maximum adjustment for sewer wastewater usage charges providing the water consumption determined by Council to be above normal consumption was not returned to Council's wastewater drainage system.
- sewer Wastewater usage charges (applicable for non-residential customers only) will be adjusted at 100% of the increase above normal water consumption caused by the concealed water leak, taking into consideration the property's sewer wastewater (sewer) discharge factor (SDF).
- All property owners will receive a benefit under this policy one time only irrespective of future property ownership changes. Relevant parties will receive advice in writing that they will not be eligible for any future relief under this policy. They will also be provided with a document that outlines how to regularly check for water leaks.
- If the property that an adjustment is being provided for is not occupied by the owner then separate correspondence, including information on how to check for water leaks, will be sent to the occupant/s of the property.
- Under this policy any adjustments are to be approved by Council's General Manager or nominated delegate.

## 2. ACCOUNT INTEREST FREE PERIOD EXTENSIONS

### 2.1 Extension guidelines

- Interest free payment extensions for large accounts caused as a result of a concealed water leak will be granted for accounts where the increase, following adjustments, is greater than \$250 of the normal water consumption charges.
- The interest free period will be negotiated with the applicant and will be approved by Council's General Manager or nominated delegate. The maximum interest free period is 12 months from the application approval date.

## REVIEW

The Concealed Water Leaks Policy is to be reviewed every four years.