

**POLICY NAME:** Concealed Water Leaks – Financial Assistance

**POLICY REF:** C05

**MEETING ADOPTED:** 23 November 2017  
Resolution No. 280917/22

**POLICY HISTORY:**



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## **OBJECTIVE**

To clarify the financial assistance Council will 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 the unforeseen circumstances of a concealed water leak.

This can place unreasonable financial pressure on a consumer's finances as the resultant excess water bill represents an amount owing to Council that was unplanned for and may adversely impact the monies available for a person's day to day living.

Also the charging of the Step 2 rate for the remainder of the financial year for a consumer, who has exceeded the 350 kilolitre Step 1 threshold allowed by Council, can also be regarded as inequitable when the historical consumption figures for that consumer are usually less than this 350 kilolitre allowance.

In recognition of these matters Council will grant financial assistance to residential property owners experiencing substantially higher than normal water consumption charges due to a concealed water leak event by applying a different charging structure for the water consumed based on the following guidelines:

- a) The Step 1 rate will apply for all water estimated to have been lost in the water leak event. The consumer will remain fully liable for this charge.
- b) The Step 1 rate will apply for the remainder of the rating year, unless the normal water consumption for the property exceeds the 350 kilolitre Step 1 allowance, at which time water consumption will be charged at the Step 2 rate, once that normal consumption allowance has been applied.
- c) Consumers may apply for an interest free repayment plan over a reasonable period of time to help pay for any significant increase in their normal water charges. The maximum period for this relief is 12 months from the determination, by Council, of the concealed water leak claim.

## **Exclusions**

- Loss of water from faulty fixtures and fittings such as taps and toilet cisterns, or appliances such as dishwashers and washing machines, is not considered a concealed water leak.
- Leaks from swimming pools, spas or water features are not included in this policy as they are not considered as plumbing.
- 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.

### **Application Criteria**

- All applications are to be made in writing and will only be accepted for residential properties.
- The applicant must provide evidence, to the satisfaction of the General Manager or nominated delegate, proving the leak was concealed, that the consumer was unaware of the leak and confirmation that the leak has been repaired.
- Where a licenced plumber's report is not available alternate proof is to be provided and should include photographs.
- The application must be received within two months of the date of issue of the rates and charges notice detailing the high consumption, or any other relevant notification from Council, whichever is the earliest.

### **Account Adjustment Guidelines**

- The adjustment relates to only the water consumption lost in the concealed leak event.
- The increase in consumption determined by Council, to be above the normal consumption, will be adjusted to the Step 1 rate per kilolitre.
- Apart from the consumption determined to be above normal consumption, all normal water consumption will be subject to Council's two step (Step 1 and Step 2) charging structure.
- Adjustments will not be made for amounts under \$50.
- The amount of the adjustments will not be recorded as a write-off in Council's financial records as there has been no write-off, as a separate pricing policy applies (i.e. Step 1 rate) for concealed water leaks, as per the contents of this policy.
- All adjustments are to be determined by the General Manager or nominated delegate.

### **Interest Free Period Extensions**

#### Extension Guidelines

- Interest free payment extensions for large accounts, caused as a result of a concealed water leak, will be granted on a case by case basis.
- Upon application by the property owner, the interest free period will be negotiated with the applicant and will be approved by the General Manager or nominated delegate. The maximum interest free period is 12 months from the application determination date.
- If rates and charges not relating to a concealed leak are overdue, debt recovery action relating to those overdue amounts will continue.
- Amounts relating to the leak event will be excluded from debt recovery action whilst the repayment arrangement is being met.

## **BACKGROUND**

Due to aging plumbing, property owners will experience failures in pipes causing water to be lost from plumbing that is behind walls or underground.

These concealed water leaks can sometimes occur over a period of a few months and are either discovered by Council staff in high consumption reporting, when the water meter is read for quarterly water billing, or when a larger than usual water bill is received by the consumer.

Council recognises that in certain circumstances it is reasonable to provide financial assistance and this policy helps to ensure that any decisions in respect to assistance are made on a consistent and equitable basis.

## **DEFINITIONS**

- **Concealed Water Leak** - A concealed water leak is defined as water leaking from plumbing that is hidden from view and would generally be behind walls or under-ground. Obvious water leaks in paddocks, yards and gardens are generally detectable by finding lush grass or boggy ground from visual inspection.
- **Step 1 and Step 2** – Refers to the pricing per kilolitre consumed as per Council's Schedule of Fees and Charges. The Step 2 pricing, which is typically 50% higher than Step 1, applies following the usage of 350 kilolitres per rateable year.

## **SCOPE OF POLICY**

This policy applies to:

- Council employees
- Councillors
- Property owners and water consumers

## **RELATED DOCUMENTATION**

Related documents, policies and legislation:

- Local Government Act 1993 (NSW)
- Local Government (General) Regulation 2005
- Ballina Shire Council Water Metering Policy

## **REVIEW**

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