

	CONCEALED WATER LEAK ALLOWANCE POLICY	Doc No. D23.83119	
		Version	Date
		2	September 2023
Responsible Officer	Approved by: Council	Next Review Date	
General Manager	Minute Number	September 2025	

POLICY OBJECTIVE

This policy has been developed to

- provide fair and consistent guidelines and procedures for decision-making on the extent of, and the conditions under which, a reduced water and sewer usage account may be offered to property owners who have received unusually high-water use charges due to a 'Concealed Leak', and
- Provide some form of financial relief to property owners who have experienced a concealed leak while demonstrating to property owners that they have a responsibility for maintaining their private water infrastructure and services.

SCOPE

This policy applies to all requests for a reduction in water charges from customers who receive a metered supply of water by Balranald Shire Council to residential and non-residential property and who are also subject to commercial sewerage discharge usage charges.

Council is responsible for repairing water leaks on council-owned infrastructure up to and including the water meter but is not responsible for leaking internal property pipes beyond the water meter.

The property owner is responsible for reporting an unusually high-water bill to Council for consideration under this policy. Council will investigate and determine whether the usage is a 'significant leak' and in excess of expected 'average consumption'. The property owner is responsible for diagnosing and/or repairing water leaks in the pipes carrying water from the water meter onto the owner's property. These and any associated water damage from such a leak remain the sole responsibility of the property owner.

Council will only consider an adjustment to water notices issued for the billing periods immediately before and/or immediately after the leak has been detected and repaired. It is at the discretion of the Rates/Revenue Officer to determine if an account warrants adjustment to more than one billing period where the applicant is unable to demonstrate definitively that a leak has occurred over more than one billing period. Council may issue an additional water notice immediately after the leak was fixed in order to determine the full extent of the leak.

This policy is not intended to provide full compensation to customers for water consumption charges because of an undetected water leak on their property. However, as an act of good faith and in the interest of good public relations, Council provides a means by which some assistance for the above average consumption is caused by an undetected leak, subject to the provision of this policy being met.

POLICY STATEMENT

Council will only consider a request for a reduction of a water account due to a water leak where:

- the leak was a concealed leak;
- must have been a significant leak;
- the property owner took all reasonable steps to ensure the leak was repaired as soon as possible;
- the leak was repaired by a licensed plumber with the necessary certificate completed and a copy of the plumber's invoice attached outlining the date the leak was detected, where it was situated, details of cause, date repaired and cost of the repairs;
- The applicant must be the person liable for the water user charges for which the property for which the application applies;
- A written application or advise of a forthcoming application must be received by Council within 30 days of the owner becoming aware of the leak or within 14 days of the issue of the water usage account, whichever comes first;
- Council may request the plumber or property owner to provide a special water reading after the leak was fixed,
- The property owner is responsible for the payment of the water account in full including consumption related leaks by the due date, even if a concealed leak application has been made and not yet finalised, and
- Only one application per property per financial year will be considered.

DEFINITIONS

A 'concealed leakage' is determined as occurring within pipeline breaks or connections in the ground, under slabs, or within walls and was not clearly visible by the owner. It does not include leakage from an appliance, fixture, water pump, hot-water system or the like.

A 'significant leakage' is determined if the water usage for the period/s in question is 1.5 times greater than the previous 2 years average usage for potable water, or 1.5 times greater than the average of two same water bill periods for non-potable water (eg to allow for summer and winter variance for non-potable water usage). If the leak occurred over 2 periods, then both those periods are excluded from the previous 2 years average usage calculation.

'Average consumption' is calculated on the usage history for the subject property over the previous 2 years and prior to the leak occurring, whether there has been a change in ownership or not.

FINANCIAL IMPLICATIONS

Water consumption

The allowance will be equivalent to 50% of the increase from the average water usage bill of the previous 2 years, to a maximum of 250kl of that water service affected by the leak. (eg potable or non-potable)

The reduction to water consumption charges approved under this policy will be processed as write-offs, as the water was correctly charged, but Council has approved a reduction of the amount payable to reduce potential hardship to a property owner and would not be cost effective to recover. The Revenue Officer will initially assess the eligibility for a claim under this policy and then seek the approval of the write off from the General Manager. The write off amount will be in accordance with the maximum amount of write off for uncollectible debts delegated to the authorised Finance Department Manager or the General Manager.

Sewer usage discharge

In regards to properties where the payment of sewer treatment charges are applicable, and an undetected leak has occurred, and the water **has not** entered the sewerage system, the limit to which Council will provide assistance will be:

- A 100 % reduction of the estimated leak volume for complying claims. The reduction will be calculated according to the difference between the average water consumption for the previous 2 year period and the consumption recorded since the leak occurred and repairs completed, multiplied by the Sewer Discharge Factor, then multiplied by the sewer discharge unit rate for kilolitre charged.

In regards to properties where the payment of sewer treatment charges are applicable, and an undetected leak has occurred, and the water (or a portion thereof) **has** entered the sewerage system, the limit to which Council will provide assistance will be:

- A 50 % reduction of the estimated leak volume for complying claims. The reduction will be calculated according to the difference between the average water consumption for the previous 2 year period and the consumption recorded since the leak occurred and repairs completed, multiplied by the Sewer Discharge Factor, then multiplied by the sewer discharge unit rate for kilolitre charged.

The reduction to sewer usage charges approved under this section of the policy will be processed as credit levies, as it will be deemed to be incorrectly charged rather than waived, as the water leak either did not discharge into the sewer system, or did so as clean potable

water, not causing a substantial financial cost to the water treatment facility. The Revenue Officer will initially assess the eligibility for a claim under this policy and then seek the approval for the credit levy from an authorised Finance Department Manager.

LEGISLATIVE REQUIREMENTS

All significant Water leak applications are to comply with the following:

- Local Government Act 1993,
- Local Government (General) Regulation 2021.

RELATED POLICIES AND DOCUMENTS

- Council's current Revenue Policy and Fees and Charges
- Delegations of Authority, Delegations from Council.

POLICY HISTORY AND VERSION CONTROL

Policy Title	Water Leak Allowance Policy (June 2020)
Directorate	General Manager
Department	Finance
Policy Group	Finance
Responsible Officer	Revenue/Rates Officer
History	1.0