

## 9.7 Water Usage Charges - Undetected Leaks Policy Review

REPORT BY THE REVENUE COORDINATOR  
TO 17 AUGUST 2022 ORDINARY MEETING  
GOV400098, GOV400066

### RECOMMENDATION

#### That Council:

1. **receive the report by the Revenue Coordinator on the Water Usage Charges - Undetected Leaks Policy Review;**
2. **place the revised Water Usage Charges – Concealed Leaks Policy on public exhibition for 28 days; and**
3. **adopt the Water Usage Charges – Concealed Leaks Policy if no submissions are received during the public exhibition period.**

### Executive summary

The existing Water Usage Charges – Undetected Leaks Policy (the Policy) has been reviewed as part of Council's ongoing policy review program and is being presented to Council for endorsement. Some relatively minor changes are suggested, including referring to concealed leaks which better represents the intent of the policy. Recommended changes are shown in the track changes version of the Policy appended to this Report.

### Disclosure of Interest

Nil

### Detailed report

The Policy was executed in response to providing some financial relief in relation to the increasing cost of water and the financial impacts that can occur to both the Residential ratepayer and Council, when water usage is not routinely monitored.

The Policy also extends to provide some financial relief to the owners of Non-Residential properties regarding the payment of Sewer Usage and Liquid Trade Waste Charges where the water leak is significant and undetectable.

The proposed amendments are relatively minor, mostly seeking to clarify the types of water loss applicable to the policy. There's also a new requirement relating to repair of leaks following owner notification by Council. Although no robust notification process currently exists, discussions have taken place in this regard. It's envisaged that if leak notifications are consistently made by Council in the future, this policy may require further significant review, or potentially, the policy may not be required at all.

It should be noted that the calculation of any credit under the policy continues to be based on the difference between the actual charge and double the raw water rate. The raw water rate has increased significantly in recent years, which has seen the amount of credit provided under this policy diminish. The concession is currently around \$0.60 per KL, but was close to \$2.00 only a few years ago. This is considered appropriate given that property owners now have the ability to register for

leak notifications on the “Your Water” platform. It also serves as the start of a progressive winding back of the concession should Council driven notifications increase.

## Community Plan implications

<b>Theme</b>	<b>Good Government</b>
Goal	An effective and efficient organisation
Strategy	Prudently manage risks associated with all Council activities

## Strategic implications

### **Council Strategies**

Not Applicable

### **Council Policies**

Not Applicable

### **Legislation**

Not Applicable

## Financial implications

Not Applicable

## Associated Risks

Not Applicable

IAN CLAYTON  
REVENUE COORDINATOR



NEIL BUNGATE  
ACTING CHIEF FINANCIAL OFFICER

3 August 2022

*Attachments:* 1. Water Usage Charges - Undetected Leaks Policy.

### APPROVED FOR SUBMISSION:

BRAD CAM  
GENERAL MANAGER

 <p><b>Mid-Western</b> Regional Council</p>	<b>POLICY</b>		
	WATER USAGE CHARGES – <del>UNDETECTABLE CONCEALED</del> LEAKS		
	VERSION NO	1.12	
COUNCIL MEETING MIN NO	57148	REVIEW DATE	March 2022-2027
DATE:	21 March 2018, May 2022	FILE NUMBER	F6780002

## Objective

The purpose of this policy is to provide a framework for processing and assessing requests for a reduction in water usage and sewer usage charges due to an undetectable concealed water leak.

The objectives of this policy are to:

1. Provide some financial relief to property owners when water is lost due to an undetectable-concealed leak, whilst demonstrating to property owners that they have a responsibility for maintaining their private water infrastructure and services.
2. Provide a standard approach in dealing with requests for financial relief when water is lost due to an undetectable-concealed leak.

## Legislative requirements

- Local Government Act 1993
- Local Government (General) Regulation 2005

## Related policies and plans

- Hardship Provision – Rates and Charges Policy
- Debt Management and Recovery Policy

## Policy

### Principles

- a) The property owner is responsible for managing their water consumption at their property. This includes registering for "YourWater" to monitor daily water usage and leak alerts or regularly checking the water meter to monitor water usage and consumption patterns.
- b) The property owner is responsible for maintaining and repairing any water infrastructure including internal pipes or fixtures and irrigation systems in a timely manner to conserve water and reduce potential costs.
- c) Council may try to contact the property owner in regards to the leak. Such notification is provided as an added service and should not be relied on.

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### Water usage charges – (residential properties)

- a) A property owner is responsible for all water usage that is recorded on the water meter/s located on their property, notwithstanding there is a leak, which includes an undetectable concealed leak.
- b) The determination of the application will be made by Manager Revenue & Property.
- c) The application is to be made on the appropriate form and adequate supporting documentation must accompany the application.

- d) The property for which the application applies must be land categorised as ~~residential-~~ *Residential* for rating purposes in accordance with section 516 Local Government Act.
- e) The applicant must be the owner/s of the property for which the application applies.
- f) The application must be received by Council within ~~60~~30 days of the issue of the water usage account. Applications may be accepted after 30 days in exceptional circumstances, at the discretion of the Manager - Revenue & Property.
- g) The leakage must have been significant and ~~undetectable~~ concealed. Significant leakage is determined if the water usage for the period in question is greater than 150 kilolitres and is 1.5 times greater than the previous 3 years daily average usage. Undetectable-Concealed leakage is defined as being hidden from view and occurring within pipeline breaks or connections in the ground, under slabs or within walls and is clearly not visible by the owner or occupier.

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POLICY: | 21 March 2018

- h) The submission of a copy of the licensed plumber's invoice or account should accompany the application outlining the cost of the repairs that were necessary, stating the location of the leak, and the nature of the repairs, and supported by a Statutory Declaration, advising that the entire service is in good condition and does not need replacing. If the works have been completed by a property owner, a Statutory Declaration needs to be submitted addressing the detail mentioned above.
- i) Where the application meets the criteria specified, the water usage which is greater than 1.5 times the previous 3 years daily average water usage, will be charged at 2 times the rate of the raw water usage charge for the relevant financial year. A maximum reduction of \$2,500, being the amount that was raised initially to the amount raised based upon the raw water charge, applies.
- j) Only one application will be accepted as a result of an undetectable leak at the same property and by the same owner/s, regardless of whether it is a related event or a separate undetectable leakage. The adjustment process is considered an educational activity and the property owner, by receiving an adjustment the first time, should then be aware to check for leaks regularly and maintain plumbing at the property.
- k) Applicants will be advised in writing of the decision within 30 days of receipt of the application.
- k<sup>1</sup>)\*\* The leak must be repaired within 30 days of notification by Council. This notification may be received via text, email or letter advising of increased consumption. In the absence of advice from Council or leak alert from 'YourWater', the leak must be repaired within 30 days of the issue date of the water account containing the increased water consumption charges due to concealed leak.

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**Sewer usage and liquid trade waste charges – (non-residential properties)**

- a) In accordance with clause d) above, non-residential properties are ineligible for reduction in water usage charges under this policy.
- b) Where a non-residential property, subject to sewer usage charges based on water consumption, experiences an undetected-concealed leak which has not discharged to the sewer system, sewer usage and liquid trade waste charges will not apply in relation to the quantity of water estimated to be the subject of the leak.
- c) Clauses a), b), c), e), f), g), h) K) & k<sup>1</sup>) above apply to any application under this part.

**VARIATION**

Council reserves the right to vary the terms and conditions of this policy, subject to a report to Council.