

SPECIAL BUDGET MEETING**25 JUNE 2018****12****CONCEALED WATER LEAK POLICY**

JC | 54/1/1 | #5762627

RECOMMENDATION:**That Council adopts the Concealed Water Leak Policy.****EXECUTIVE SUMMARY:**

This policy provides assistance to qualifying residential and Not For Profit water customers who have larger than normal water accounts due to the existence of a concealed leak.

This report provides an update of the Concealed Water Leak Policy. Changes made are as follows:

- Excess water added to definitions;
- Clarification added to Pensioner definition;
- Timescale for applications to be received amended from 30 days after repair to 30 days after the issue of the water usage account for the period affected by the leak.

COMMENT:

This policy provides assistance to qualifying residential and Not For Profit water customers who have larger than normal water accounts due to the existence of a concealed leak. Provision of assistance is subject to conditions and assistance is calculated using a defined methodology.

Changes to the timescales for applications to be received has been changed from 30 days after the repairs to the leak have been completed, to 30 days after the issue of the water usage account for the period affected by the leak. This change will assist customers as not everyone is able to be 'warned' prior to the bill being issued. Some customers are aware they had a problem but aren't aware of what the impact is until their bill is issued which then prompts them to apply for assistance.

CONSIDERATIONS:**Statutory:**

In formulating the concealed water leak policy, Council has complied with the relevant legislative provisions.

ATTACHMENTS:

- Concealed Water Leak Policy



Mandy Wise
Manager Cairns Shared Services



Lisa Whitton
Chief Financial Officer

CONCEALED WATER LEAK POLICY

- Intent** Cairns Regional Council will provide assistance to qualifying residential and Not For Profit water customers who have larger than normal water accounts due to the existence of a concealed leak. Provision of assistance is subject to conditions and assistance is calculated using a defined methodology.
- Scope** This policy applies to all residential properties and Not For Profit organisations connected to the Cairns Regional Council water supply scheme and have a Council approved water meter. Not For Profit organisations that manage or operate premises with poker machines will not be considered eligible.

PROVISIONS

Under the *Plumbing and Drainage Act 2002*, owners must take all reasonable steps to ensure all plumbing on their property are kept in good condition and operate properly. Accordingly responsibility for all plumbing on the property side of the meter resides with the property owner. This includes repairing leaks in a timely manner to conserve water and reduce potential costs.

Tenants have an obligation to report a suspected leak to the owner/managing agent of the property.

Council has no obligation to provide financial assistance to customers affected by leaks on their property, however, Council recognises that at times residential water leaks can go undetected for relatively long periods and may cause financial difficulties for some customers. Cairns Regional Council residential customers and Not For Profit organisations that have experienced a sudden and very large increase in water use due to concealed leaks on their property may apply for financial assistance subject to conditions outlined in this policy.

DEFINITIONS

Average Water Consumption

Average of three equivalent billing periods i.e. the same period in previous years and where there has been no major excess water use detected. Where no prior billing history is available the average Cairns residential consumption will be used.

Concealed Leaks

Water escaping from pipework on the customer's side of the water meter in a location that is not readily visible or apparent.

Excess Water

The water used over and above the average water consumption due to a concealed leak at the relevant consumption charge.

Not For Profit Organisations

The following organisations are eligible for consideration of financial assistance in relation to a concealed water leak:

- Not For Profit organisations, as determined by Australian Taxation Office (ATO);
- Religious institutions as determined by ATO;
- Schools registered with the Queensland Department of Education.

To be considered a Not For Profit organisation the following criteria must apply:

- the organisation is incorporated under Queensland's Associations Incorporation Act 1981 or registered under the Collections Act 1961; and
- there is no profit or gain by individual members of the group; and
- its constitution or governing documents prevent it from distributing profits or assets for the benefit of particular persons, both while it is operating and on winding up; and

- whilst a surplus can be made, it must be used to carry out the purpose and functions of the organisation.

Pensioner

The holder of a Queensland Pensioner Concession Card or a Queensland Repatriation Health Card (For all Conditions – Gold Card) issued by Centrelink or the Department of Veteran Affairs and is in receipt of Council's pensioner remission.

Residential Property

Properties classed as residential on Council rates notices.

Conditions for receiving financial assistance

Approval of financial assistance is at the discretion of Cairns Regional Council and will only be granted as follows:

- All applications are to be submitted via the approved application form ("Application for Financial Assistance - Concealed Water Leak").
- The concealed water service leak must have been repaired by a licensed plumber in a timely and effective manner to minimise water loss. Repairs must be completed within 14 days of a water account being issued or the customer becoming aware of a possible water leak via Council notification.
- The customer must also provide a copy of the licensed plumbers invoice detailing the work undertaken and confirming the repair of the leak.
- The leak has been effectively repaired. Council may undertake water meter reads to confirm the leak has been repaired effectively.
- Applications must be received no more than 30 days after the issue of the water usage account for the period affected by the leak.
- The application must be for a residential property or a Not For Profit organisation that owns the property or is responsible for water usage charges under lease agreement.
- For residential properties within a Community Titles Scheme an adjustment may be made as per the following:
 - Individually sub-metered properties where sub-meters are being read by Council and the leak occurred within a property other than the common property, the property owner must submit the required application.
 - Individually sub-metered properties where sub-meters are being read by Council and the leak occurred within the common property the body corporate must submit the required application.
 - Where the Community Title property is not sub-metered or is sub-metered but sub-meters are not read by Council, the body corporate acting on behalf of all lot owners must submit the required application.
- Only two applications may be granted per owner or organisation per property within a five year period (i.e. five years from the date of approval of the first application for financial assistance).

Assistance will not be considered for:

- leaks and/or bursts on internal appliances, fixtures or fittings including air conditioners, dish washers, swimming pools, hot water systems, toilet cisterns, valves, internal or external taps
- situations where the leak is visible
- leaks not repaired by a licensed plumber
- plumbing that is not compliant with government regulations
- vacant land.

Extent of Assistance

If the application for the financial assistance is approved the customer will pay for the full water charges of their average water consumption plus \$200 and 50% of the remaining excess water charge. The customer will only be required to pay a maximum of \$800 in excess of the average water consumption (comprising the initial \$200 plus a portion of the 50% balance). Council will provide assistance for all remaining charges above the required customer payments.

In the event that all owners of a residential property are pensioners, the calculation will be based on the average water consumption plus \$100 and 50% of the remaining excess water charge.

The following examples illustrate how the adjustment is calculated based on the above.

Example 1.

Customer's total bill is \$1,000. Customer's normal average usage is \$60

Bill Total		Assistance	You Pay
\$1,000	Average Consumption		\$ 60
	Plus \$200		\$200
	<i>Balance of bill is now \$740</i>		
	Council Pays 50%	\$370	\$370
	<i>Balance of bill is now NIL</i>		
	Total	\$370	\$630

Example 2.

Customer's total bill is \$2,500. Customer's normal average usage is \$120.

Bill Total		Assistance	You Pay
\$2,500	Average Consumption		\$120
	Plus \$200		\$200
	<i>Balance of bill is now \$2180</i>		
	Council Pays 50%	\$1,090	\$1,090 \$600*
	<i>Balance of bill is now \$490</i>		
	Total	\$1,580	\$920

*Your maximum excess payment is \$800 plus the average consumption.

Delegated Authority

The administration of this policy shall occur through the Chief Executive Officer delegated to the Chief Financial Officer.

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This policy is to remain in force until otherwise determined by Council.

General Manager Responsible for Review:

Chief Financial Officer

ORIGINALLY ADOPTED: 23/06/2014

CURRENT ADOPTION: 25/06/2018

DUE FOR REVISION: 25/06/2022

REVOKED/SUPERSEDED

John Andrejic
Chief Executive Officer