

5.15. POLICY DIRECTION FOR WATER LEAKS ON PRIVATE PROPERTY

REPORT AUTHOR(S) Darryl Crees, General Manager Corporate Services

DEPARTMENT Corporate Services

RECOMMENDATION

It is recommended that Council adopts a policy direction that water leaks on private property remain the responsibility of the land owner and no rebates are provided.

EXECUTIVE SUMMARY

As part of the 2016/17 Operational Plan, staff were required to investigate the feasibility of introducing a water leak policy. In undertaking this work staff considered water leak policies held by other Queensland Councils, the ability Council has to control maintenance or works undertaken with internal plumbing on private property and the high importance for this Shire to become more water resilient.

COMMENT

On 26 April 2017, Council adopted a range of short and medium term strategies due to the importance of water supply security, reliability and resilience to the Shire considering there are no large dam storage facilities available and the annual occurrences of water shortage and restriction events.

Council as a registered water service provider has a statutory obligation to ensure it is able to provide clean, reliable water services to our customers. Council's reputation would suffer if it is unable to maintain service levels at the prescribed standards and reliability of supplies.

The strategies adopted by Council will, over time, de-risk water reliability, manage demand and prevent harsh water restrictions on residential and commercial customers. Council's water consumers and property owners also have a vital role to play in ensuring that potable water is used conservatively and internal plumbing within private property is adequately maintained to avoid water loss.

Council's responsibility for the supply of water to properties located within the water reticulated system, ceases at the water meter on the property boundary. The internal plumbing infrastructure within private property is the responsibility of the land owner and Council has no jurisdiction or ability to influence land owners about an appropriate maintenance regime. Therefore the party or entity that has the greatest capacity to mitigate risk of water leaks is the land owner.

There is considerable cost to Council in the provision of water infrastructure, reticulation and treating potable water for consumption. Regardless whether the water is used for the purpose intended or not (loss through leakage on private property), there is a cost to Council. As approximately 80% of Council's revenue is derived through rates and utility charges, any rebates provided to compensate leaks on private property will be ultimately borne by other ratepayers. This is not an equitable situation for the land owners who do maintain their internal plumbing infrastructure adequately. Furthermore there is no capability to be able to forecast the budget implications to Council if rebates were afforded to land owners which could have implications on Council's financial sustainability strategy.

Additionally, as Council is endeavouring to become more water resilient through the water strategies described above and through educating consumers on the value of potable water, introducing a water leaks policy and providing rebates will erode the importance of water security.

PROPOSAL

Considering the above information, it is recommended that Council adopts a policy direction that the responsibility of water leaks remain the responsibility of the land owner and no rebates are provided.

FINANCIAL/RESOURCE IMPLICATIONS

Due to the high compliance standards required by Council in supplying potable water and the extensive water reticulation network, there are considerable costs associated with the production of water for consumption. To establish a rebate policy for water leaks will add an additional financial burden to Council and ultimately the ratepayers who account for approximately 80% of Council revenue.

RISK MANAGEMENT IMPLICATIONS

In determining the policy direction, Council has to consider its ability to mitigate risk with leaks on private property. Council does not have any jurisdiction to control the maintenance, or lack thereof, of water infrastructure within private property as the responsibility for internal plumbing rests solely with the land owner. Therefore the party and/or entity that owns the property is best placed to deal with maintenance issues and respond to leaks as they arise, mitigating their risk to financial loss through property damage or higher than normal water consumption accounts.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2014-2019 Initiatives:

Theme 5 - Governance

5.2.1 - Provide Councillors and community with accurate, unbiased and factual reporting to enable accountable and transparent decision-making.

Operational Plan 2015-2016 Actions:

2.4.2 - Investigate a water leak policy.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Fully-Responsible Funding the full cost of a program or activity

Regulator Meeting the responsibilities associated with regulating activities through legislation or local law.

CONSULTATION

Internal: This matter has been considered by the Executive Leadership Team and has been the subject of a Councillor Workshop.

External: Existing policies from other Queensland Councils pertaining to water leaks on private property have been reviewed.

ATTACHMENTS

Nil