

POLICY – SECTION ONE

POLICY NO: **1.36**
(Previously 3.5)

POLICY TITLE: **EX GRATIA ALLOWANCES FOR WATER LOST THROUGH HIDDEN LEAKS AND BURSTS**

STRATEGIC ALIGNMENT:

Key Result Area	Customer Service
Commitment	Excellence
Objective	Achieve excellence in the provision of service to customers

POLICY: A special ex-gratia allowance may be granted to customers who have experienced an increase in water consumption which is subsequently found to have resulted from a hidden leak or burst.

Allowances shall not be granted if any of the following apply:

- Visible leaks
- The same owner on the same property has received a claim in the last 5 years
- Claims of less than \$250.00
- Claims lodged more than 3 months after read highlighting excess water used

Refer to guidelines for more information

GUIDELINES: **1) General**

These guidelines set out the conditions under which an ex-gratia allowance may be given where water is lost in circumstances beyond the customer’s reasonable care and control. Each case must be treated on its merits and staff are required to exercise discretion and judgement according to the individual case.

This policy does not in any way alter the existing position that the customer is totally responsible for the condition and maintenance of all plumbing and reticulation.

Where it is clear that the internal reticulation is sub-standard the customer should bear the full costs involved.

However, if the loss has been incurred in circumstances beyond the customer's reasonable care and control then it is appropriate for Aqwest to acknowledge that situation and offer some form of relief.

It is the intention of this policy that customers be given the benefit of any reasonable doubt.

Aqwest will take into consideration any special needs of a customer that may impede their ability to detect leaks.

2) Claims for Allowances

- a) In order for a customer to be considered for an ex-gratia allowance, a loss of water must have occurred which has been attended to by a licensed plumber who has completed an Aqwest Ex Gratia claim form.
- b) Where the water loss is not visible and is supported by the ex-gratia claim form, an ex-gratia allowance should normally be given without the need for further investigation.

In all cases where it can be shown that the loss was visible or clearly should have been detected, or where the internal service was patently sub-standard, a lesser or nil allowance will be appropriate.

- c) The claim form be provided to Aqwest within three (3) months of the initial read highlighting the excess water used.

3) Amount of Allowance

An ex-gratia will only be assessed on values greater than \$250.00 per claim. Claims of a lesser value will not be considered.

An ex-gratia allowance of up to 50% of the estimated water loss may be granted and will apply only once to the current owner for any one property, every five years.

4) Calculation of Allowance

- a) The amount of the allowance which may be granted shall be determined by reference to:
 - i) the amount of water estimated to have been lost based on information supplied by the licensed plumber where the flow rate and period can be determined, or
 - ii) the increase in consumption over the consumption for the corresponding period of the previous 3 years or average consumption for a lesser period (where a change of ownership has occurred) whichever is greater.
 - iii) Where the leak has occurred over more than one meter reading period the calculated allowance shall be completed on the most current read that includes the repair.
 - iv) The expected value is greater than \$250.00
- b) If a suitable period cannot be determined due to a change of ownership or tenancy arrangement or because of a change in watering habits of the occupier, consumption may be determined from the current water usage pattern using a subsequent base period.
- c) Water consumption charges are to be recalculated on the net consumption following deduction of the ex-gratia allowance.
- d) Aqwest will reset the tariff rate the customer is on post-leak to the pricing tier the customer would have been on (*considering average consumption for the period*) and the customer will proceed through the tariff rates as consumption occurs.

5) Customer Advice and Education

When a customer is advised that an ex-gratia allowance has been granted for a claim, they are also to be advised that no further claims for the same property will be considered for the next 5 years. Customers who have

experienced leaks or bursts are also to be encouraged to frequently read their water meter and record the usage so as to quickly identify future leaks or bursts at an early time.

6) Loss from Taps at Unattended Premises

An ex-gratia allowance, calculated in accordance with this policy may be considered where there has been a water loss from running taps at unattended premises. A plumber's report is not applicable in these instances, but the circumstances of the loss must be clearly beyond the customer's control.

Any allowance granted will depend on the circumstances of the incident which resulted in the water loss.

7) Leaks in irrigation system.

An ex-gratia allowance, calculated in accordance with this policy may be considered where there has been a water loss from a leak in the irrigation system.

An allowance would be considered only after a plumbers report showing the irrigation system has been brought up to irrigation industry standards (including a manual isolation valve and master solenoid) and with all leaks repaired.

8) Fault Within Aqwest Infrastructure

Where a fault exists within assets controlled by Aqwest and any resultant loss has been meter registered, then full reimbursement will apply for the calculated loss of water. Regardless of the amount of water loss no Board approval is required in such instances.

9) Approval

All ex-gratia allowances for water loss in excess of 4,000 kilolitres value (per metered property) are to be approved by the Board.

Allowances up to 2,000 kilolitres value may be granted by the Manager Corporate Services.

Allowances between 2,000 kilolitres and 4,000 kilolitres may be granted by the Chief Executive Officer.

NOTE: An ex-gratia allowance of up to 50% only can be granted.

DEFINITIONS:

Kilolitre: a unit of volume, equal to 1000 litres; a cubic meter.

BACKGROUND:

Water Services Code of Conduct (Customer Service Standards) 2013 – Part 3 (16) - Leaks

DOCUMENT MANAGEMENT

AUTHORITY FOR CHANGES

Owner: Board of Directors
 Responsible Manager; Manager Corporate Services

PUBLICATION REQUIREMENTS

Security Level - Available to all staff

Distribution - Available on Intranet

Change Advice - Email advice to all staff

Rev.	Resolution Date	Resolution No.	Revision Due	Reviewer	Source
Original	27/02/1989	4	June 1990	Engineer Water Supply	Engineer Water Supply
1	20/11/1989	3(i)(iii)	June 1990	Engineer Water Supply	Engineer Water Supply
2	15/07/1991	3(a)	June 1992	Engineer Water Supply	Engineer Water Supply
3	21/09/1992	11(b)	June 1993	Engineer Water Supply	Engineer Water Supply
4	13/05/1998	17	June 1999	Engineer Water Supply	Engineer Water Supply
5	14/06/2000	19(c)	June 2001	Engineer Water Supply	Engineer Water Supply
6	11/07/2001	9	June 2002	Engineer Water Supply	Engineer Water Supply
7	10/10/2001	6	June 2002	Engineer Water Supply	Engineer Water Supply
8	14/04/2003	11(b)	June 2004	Engineer Water Supply	Engineer Water Supply
9	10/10/2005	13(d)	June 2006	Engineer Water Supply	Engineer Water Supply
10	12/06/2006	13(c)	June 2007	Engineer Water Supply	Engineer Water Supply
11	08/08/2007	8	June 2008	Manager Finance & Admin.	Manager Water Services
12	13/08/2008	11	June 2009	Manager Finance & Admin.	Manager Water Services
13	12/08/2009	14	June 2010	Manager Finance & Admin.	Manager Water Services
14	11/08/2010	11	June 2011	Manager Finance & Admin.	Manager Water Services
15	10/08/2011	18	June 2012	Manager Finance & Admin.	Manager Water Services
16	08/08/2012	11	June 2013	Manager Finance & Admin.	Manager Finance & Admin.
17	18/09/2013	19	June 2014	Manager Finance & Admin.	Manager Finance & Admin.
18	13/08/2014	13	June 2015	Manager Finance & Admin.	Manager Finance & Admin.
19	15/08/2015	14	June 2016	Manager Finance & Admin.	Manager Finance & Admin.
20	09/03/2016	17	June 2016	Manager Finance & Admin.	Manager Finance & Admin.
21	08/06/2016	6	June 2017	Manager Finance & Admin.	Manager Finance & Admin.
22	12/07/2017	9	June 2018	Manager Corporate Services	Manager Corporate Services