
Retail Water Bad Debt Write-off

Responsible Officer: Group Manager Organisational Services (Helen McNeil)

Recommendation

That Council approve the write-off of \$7,922.94 in water charges from Oats' account (10625-10000-2).

Background

As per Council resolution [50/22], charges greater than \$5,000 (incl. GST) may be written off only by resolution of Council and in accordance with sections 131 or 213 of the *Local Government (General) Regulation 2021*.

Due to suspected damage to the water meter and private service line by a third party, staff are seeking to reduce water usage charges for the property 10625-10000-2, owned by R & C F Oates to the average usage and write-off the remaining amount.

Circumstances giving rise to the water charges

- During Rous' quarterly meter reading, the meter reader noticed that water was running down the hill from this customer's water connection on 20 February 2024. The customer was not home, so Rous staff turned the tap off at the meter. The customer contacted Rous on 16 March 2024 after receiving a very high water bill (\$8,008.48) for usage of 2,617kL, with an average daily usage of 27.2604kL compared to the usual usage pattern around 0.00 to 0.59kL per day.
- The Operations Enquiry Group investigated the situation and discovered that during the latter half of 2023 Rous engaged a contractor to install swale rock into the head of Weigel Creek. This was required to slow the velocity of stormwater and reduce erosion of the access track and creek banks at this location. It appears that the contractor may have inadvertently damaged the poly pipe which may have contributed to the undetected discharge of water through the water meter.
- Rous' Infrastructure Program Manager confirmed that whilst it appeared that the damage may have been caused by the works undertaken by Rous' contractor, it was difficult to confirm that was the sole cause for the damage. The work was undertaken prior to December 2023. In addition, the frame that was used for the meter supplied by Rous displayed signs of poor workmanship and would likely have contributed to this issue. As such, Rous bears some responsibility for the damage as the meter and associated infrastructure has been installed in a non-standard way.
- The customer has been advised that once a Smart Meter is installed, they will be responsible for the service line behind the meter. They have also been advised that the current installation of their plumbing should be checked by a licensed plumber for adequacy and compliance with relevant standards.
- Staff recommend writing-off the excess water usage as a result of the work performed by Rous and the inability to identify the cause of the leak with absolute certainty.

Calculation of the proposed credit adjustment

Estimated Usage for 16/11/2023 to 20/02/2024 using same quarter last year average daily usage (ADU)

| | |
|-----------------------------------|--------------------------|
| Estimated ADU | 0.1122 |
| Number of days | 96 |
| Estimated usage | 10.7712 |
| Estimated charge | \$32.74 |
| Actual billed amount | \$7,955.68 |
| Less estimated charge | <u>\$32.74</u> |
| Proposed credit adjustment | <u>\$7,922.94</u> |

Governance

- **Legal**

The proposal has been assessed against the write-off criteria under clause 131 and 213 of the *Local Government (General) Regulation 2021* and it satisfies the requirements of that provision, being a charge not lawfully recoverable.

- **Finance**

Rous does not encounter many instances where debt write-off is required through active debtor management or through water meter malfunction. This write-off is immaterial to Council's Long Term Financial Plan.

Conclusion

It is recommended that Council approve the write-off of \$7,922.94 as per the recommendation.