DECISION OF THE STRATA APPEALS TRIBUNAL
NOTICE OF APPEAL NO. SAT/7-24/2755

IN THE MATTER OF THE REGISTRATION (STRATA TITLES) ACT

AND

IN THE MATTER OF AN APPEAL BY RUDOLPH ROSSI STRATA APPEALS TRIBUNAL

BETWEEN RUDOLPH ROSSI	**APPELLANT**
THE COMMISSION OF STRATA CORPORATIONS	**RESPONDENT**

Tribunal: Mr. Justice Ferdinand Algernon Smith (Retired) – Chairman
Mrs. Sonia McFarlane – Member
Ms. Gail English – Member

Parties: The Appellant, In person

Mr. Jared Johnson for the Respondent

Heard: 4 April 2025,26 June 2025,2 October 2025,23 October 2025, 6 November 2025.

1. The Appellant is the proprietor of Apartment 301 of Proprietors Strata Plan (PSP) 2755 (PSP2755 also known as 20South).

2. The Respondent is a body corporate established under section 3A of the Registration (Strata Titles) Act (RSTA). Its functions include facilitating the resolution of disputes between a PSP and a proprietor.

Background to appeal – taken from affidavit of Ms. Mercede Scott, the Senior Inspector of the Respondent

3. On 22nd August 2022, the Respondent/Commission received an application for Dispute Resolution and Order from the Appellant (Mr. Rudolph Rossi) against The Proprietors of Strata Plan No. 2755 (hereinafter referred to as the "**PSP2755**").

4. In this application Mr. Rossi contended that he had been *"double billed for water and sewage" by* the PSP2755, *"once through maintenance fees that pays* [sic] *NWC and again by separate bill that goes* to [the PSP 2755]".

5. At the hearing of the Application, Mr Rossi, argued that "because the maintenance fees the Strata collected paid the NWC's monthly water and sewage charges for PSP2755, the Strata could not again send him a separate individual water and sewage bill in addition to collecting maintenance fees"

6. In reply PSP2755 submitted that its "maintenance budget for each year is based on its estimate of expenditure on certain line items, including its estimated expenses for water charges for common area. This estimate is, generally, guided by the actual common area water usage for previous year ... The maintenance charges payable by each unit holder is determined by an apportionment of the total maintenance budget based on unit entitlement ... therefore the unit holder's share of the common area water entitlement is also determined by unit entitlement."

7. The Respondent accepted the submissions of PSP 2755.

8. This appeal is against that decision of the Respondent.

THE APPEAL

9. The bone of the Appellant's contention is that the monthly bill sent to the Strata by the NWC was for the entire building and did not distinguish between individual and common area usage. At the same time, there are, he said, separate individual bills payable to the Strata and not to NWC. He argued that as the maintenance fees paid by him as a proprietor to PSP2755 accounted for the monthly water and sewage charges due to NWC, the additional bill charging him for water and sewage constituted an unlawful and double billing.

10. Further, he complained that the individual water and sewage charges billed to homeowners were not based on unit entitlements but on the alleged formula utilised by the NWC for the various charges. In this regard the Appellant stressed his contention that the Respondent failed to consider and determine whether the individual charges for sewage was a double billing as the sewage was a common area expense.

11. The Appellant also argued that the Respondent failed to address the issue as to whether the Strata's use of the NWC formula contravenes s. 5(2) of the Act.

12. On the other hand , Mr Johnson for the Respondent submitted that the Respondent did not err in accepting "as plausible PSP 2755's explanation for how it calculated and delineated these separate charges" as outlined in its 7th March 2023 submissions under the heading "Methods for "Determining Actual Water Consumption"

13. Counsel for the Respondent, in response to the Appellant's submission, referred to exhibit MS23 attached to affidavit of Respondent, para 4 of which reads:

"The Commission has accepted that the Respondent's levying of water charges on the Complainant's lot does not constitute "double billing" **and where same has not been charged according to individual usage, such as in the case of water provided in connection with the common property, that same has been levied in accordance with the proprietor's unit entitlements".**

It is Counsel's submission that the Respondent's acceptance of PSP 2755's contention that there was no double billing was not contrary to the law and the body of evidence and was reasonable and correct.

ANALYSIS

14. Allegations of Double Billing and Overcharging against PSP 2755

1. Purpose, scope, and limitations

This analysis addresses concerns raised by the appellant:

1.1 Double billing – whether the same water consumption is charged to a unit holder both directly (through water allocation) and indirectly (through maintenance charges)

1.2 Overcharging – (Although this is not specifically raised, we think it might be helpful) whether the total water and sewage charges recovered from proprietors exceed amounts reasonably attributable to actual consumption and applicable tariffs.

These issues are analyzed separately, as they arise from different mechanisms and require different forms of evidence.
This assessment is based on the appellant's contention and on the representations contained in the correspondence from counsel for PSP 2755 No independent verification of meters, bills, budgets, or reconciliations has been performed.

2. Summary of the charging framework as represented in letter dated March 7, 2023, attached to affidavit of Respondent and marked (M.S.12)

Based on the information provided:

2.1 NWC Metering Arrangement

PSP 2755 receives water and sewerage services from the National Water Commission ("NWC") through a single master meter, which records total consumption for the strata property. The NWC does not provide separate metering or any mechanism to distinguish between individual unit consumption and common area consumption.

2.2 Internal Measurement System

To address this limitation, PSP 2755 has installed individual water consumption readers for each unit, as well as readers for common areas. These readers are used to determine water consumption for each unit and for the common areas over a specified period.

2.3 Timing of Readings and Limitations

Meter readings by PSP 2755 are taken as close as practicable to the NWC's meter reading cycle, which occurs approximately every 30 days. Exact alignment is not possible. Further, the NWC may issue bills based on estimated rather than actual meter readings. These limitations are inherent and unavoidable.

2.4 Apportionment Methodology

PSP 2755 applies a formula, based on the NWC's billing methodology, to apportion total monthly water and sewerage charges between:

(a) individual unit consumption; and

(b) common area consumption.

Charges attributable to individual unit consumption are allocated directly to unit holders. Charges attributable to common area consumption are recovered through maintenance charges.

2.5 Preparation and Approval of Maintenance Budget

The Executive Committee prepares an annual maintenance budget for PSP 2755, including estimated water and sewerage costs for common areas, guided by historical usage. The budget is presented to and approved by proprietors at the Annual General Meeting.

2.6 Basis of Maintenance Charges

Maintenance charges payable by each unit holder are determined by apportionment of the approved maintenance budget based on unit entitlement. Each unit holder's share of common area water and sewerage costs is determined on the same basis.

2.7 2022 Budget – Expense Treatment

The approved maintenance budget for January to December 2022 reflects the projected total NWC water and sewerage charges as an expense.

2.8 2022 Budget – Income Treatment

The recovery of the projected NWC expense is budgeted through two income streams:

(a) **Maintenance Income**, which includes the portion attributable to common area water and sewerage costs; and

(b) **Water Allocation Income**, representing amounts recoverable from unit holders in respect of their individual unit consumption.

2.9 Resulting Budget Structure

The budgeted Water Allocation Income is less than the total projected NWC expense, with the balance recovered through maintenance charges in accordance with unit entitlement.

3. Issue 1 – Double billing

3.1 Technical definition of double billing

In this context, double billing would occur only if the **same volume of water** were:

- Charged directly to a unit holder as individual consumption, **and**
- Also included in the pool of costs recovered through maintenance charges for common-area water.

This is a **volumetric issue**, not a budgetary or rate issue.

3.2 Structural separation of consumption streams

The charging framework described establishes a clear conceptual separation between:

Consumption Type	Measurement Method	Recovery Mechanism
Unit consumption	Sub-meters at unit level	Direct charge to unit holder
Common-area consumption	Difference between the Master Meter reading and the Sub-meter readings	Maintenance charges

3.3 Role of unit entitlement in double billing

Unit entitlement determines **how common-area costs are apportioned among proprietors**, not whether unit-level consumption is included in the common-area pool.

Accordingly:

- Even if unit entitlements were inaccurate or disputed, this would result in **mis apportionment**, not double billing.
- Unit entitlement is therefore **not determinative** of whether double billing exists.

3.4 Budget presentation and perceived duplication

It is acknowledged that the proximity between:

- Water allocation income, and
- Total water and sewage expenses may give rise to a perception that unit holders are funding the same cost twice. However, proximity of income and expense figures does not demonstrate duplication of consumption. Budget presentation may create

appearance risk, but double billing requires evidence of **overlapping volumes**, not merely aligned totals.

3.5 Conclusion on double billing

Based on the framework described, and restricting the analysis strictly to the issue of double billing:

There is no indication that individual unit consumption is being charged twice.

The charging structure is designed to prevent double billing by separating unit-level consumption from common-area consumption and recovering each through distinct mechanisms.

4. Issue 2 – Overcharging

4.1 Nature of the overcharging concern

Overcharging is conceptually distinct from double billing and may arise even where no duplication of consumption exists.

The proprietor's concern regarding overcharging appears to arise from a combination of factors, including:

- Reliance on estimates in budgeting for common-area water consumption;
- The relationship between budgeted water expense and water allocation income;
- Possibly recovery of deficits through maintenance charges; and
- Limited visibility over reconciliations between billed consumption and recovered amounts.

4.2 NWC billing and estimation

The use of estimated billing by NWC does not, in itself, imply overcharging. Importantly, the representation that NWC's estimates are corrected through subsequent actual readings materially reduces the risk of long-term systemic overstatement of total consumption at the master-meter level. As mandated by guaranteed standards of the Office of Utilities Regulation (OUR), no more than two estimated bills are to be issued consecutively *if the NWC has meter access.*

However, the effectiveness of this self-correcting mechanism depends on:

- Timely recognition of NWC adjustments in the Strata's records; and
- Transparent reconciliation of estimated versus actual charges over time.

Absent clear documentation of such reconciliations, proprietors may reasonably question whether temporary estimation variances have been fully resolved.

4.3 Budgeting for common-area water consumption

Common-area water costs are recovered through maintenance charges derived from an annual budget. The budget is described as being informed by estimates guided by prior periods.

From a technical and governance perspective, reliance on **estimate-to-estimate budgeting**, without explicit reference to prior-year actual consumption and cost data, introduces a risk of cumulative estimation bias. Over time, this may result in budgeted recoveries that drift away from actual economic consumption, even in the absence of intent to overcharge.

This risk is heightened where:

- Budget-to-actual variance analyses are not clearly documented; and
- Budget adjustments are not demonstrably anchored to historical actuals.

4.4 Relationship between water allocation income and water expense

The near equality of budgeted water allocation income and total water expense reasonably attracts scrutiny from a proprietor's perspective.

While this alignment may be coincidental or driven by estimation assumptions, it can create the impression that:

- Unit holders are effectively funding the entire NWC bill through direct charges; or
- Common-area consumption is understated or absorbed elsewhere.

This concern does not establish overcharging, but it underscores the importance of **clear explanatory reconciliation** between:

- Total NWC charges,
- Amounts recovered directly from unit holders, and
- Amounts recovered through maintenance charges.

4.5 Deficits and subsequent recovery

The executive committee has indicated that actual NWC charges exceeded budgeted common-area recoveries over the period 2019 to 2022, resulting in a deficit recoverable from proprietors.

While this outcome is plausible, the information provided does not clearly demonstrate:

- Whether the comparison is based on actual NWC charges rather than estimates;
- How subsequent NWC adjustments were treated; or
- Whether the deficit relates solely to common-area consumption as opposed to estimation or timing differences.

Without documented reconciliations, the existence and magnitude of any over- or under-recovery cannot be independently confirmed.

5. Overall conclusions

5.1 Double billing

Based on the charging framework described and the information reviewed:

There is no evidence that the same water consumption is being billed twice.

The methodology separates unit-level and common-area consumption and recovers them through distinct mechanisms.

Accordingly, the appellant's contention of double billing has not been proved on a balance of probabilities.

5.2 Overcharging

With respect to overcharging, we proffer the following:

While the methodology is reasonable in concept and consistent with common strata practice, the concerns raised by the proprietor are not unreasonable.

They arise primarily from issues of estimation, budgeting methodology, and transparency of reconciliation rather than from clear evidence of improper charging.

Greater clarity and disclosure, particularly around budget-to-actual comparisons, treatment of NWC estimates, and reconciliation of recoveries would materially assist in addressing these concerns.

It is important to distinguish between:

- **Structural correctness** of a charging framework, and
- **Evidentiary sufficiency** to demonstrate fairness and accuracy.

  In this instance, the framework appears structurally sound; however, additional documentation and reconciliation would be required to conclusively resolve the proprietor's concerns regarding overcharging.

15. Conclusion

(i) Appeal Dismissed

(ii) Costs to the respondent to be taxed, if not agreed.

STRATA APPEALS TRIBUNAL

Chairman
Mr. Justice Ferdinand Algernon Smith (Ret'd)

Member
Ms. Gail English

SM Farlane

Member
Mrs. Sonia McFarlene