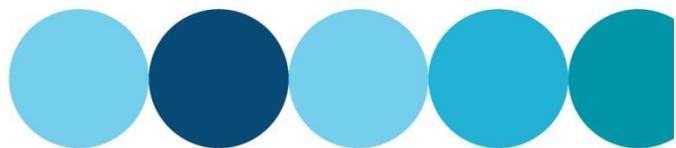


# Fixed Standpipes



## Frequently Asked Questions

Pricing for Local Government owned Fixed Standpipes in country regions is changing. This factsheet is provided to address frequently asked questions. This pricing structure relates to potable water only.

### **What is changing?**

Local Government Authorities (LGAs) are entitled to access concessional pricing for water used for their own purposes. This will not change; however high flow rate LGA owned fixed standpipes that are publicly accessible will no longer be charged concessional rates and commercial rates will instead apply.

### **Who does this pricing change affect?**

This change will affect users of high flow LGA owned fixed standpipes in country areas. Although the price is charged to the LGA directly, the costs may be passed on to businesses, farmers and properties not connected to the scheme.

### **How will rates and charges be applied to fixed standpipes?**

The new pricing structure is linked to the size of the standpipe meter, as this determines the flow rate. Small standpipes (20mm and 25mm) generally deliver between 20 – 40 litres per minute. Large standpipes (any pipe larger than 25mm) generally deliver from 80 litres per minute and above.

All LGA standpipes with a meter size of 20mm or 25mm will receive concessional rates and are to be used by the LGA or for community purposes only (such as drought assistance for farmers or households not connected to scheme water when a drought condition is announced by the Government). All standpipes with a meter size above 25mm will be charged at a commercial rate, but an exemption to consumption charges will apply for water used for fire-fighting purposes.

Standpipes with a meter above 25mm that are located in a shire depot or locked for Shire use only will be able to access the concessional rate by providing evidence of the ability to control user access.

There will be no change to Fire Standpipes or fixed standpipes installed on privately owned property.

### **Why is 25mm the cut off for a concessional service?**

The lower flow rate is less likely to be able to deliver more than 49 kilolitres per day, which would qualify for a Major Consumer Agreement. Anything above 25mm is viewed as being used for a commercial purpose.

### **What are the new prices for Standpipe use?**

<sup>1</sup> The new pricing structure is outlined in Appendix 1.

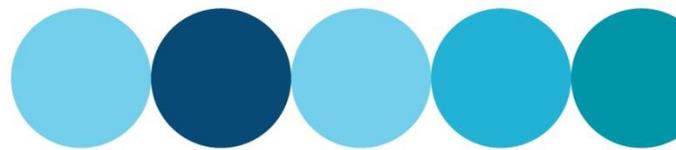
### **Why are these changes being made?**

Some commercial customers have in the past accessed LGA owned standpipes with concessional rates which are below the regulated Town Class rate for the location as set by Government. Water is a precious resource and is regulated like any other valuable natural resource and correct pricing must be enforced.

When the incorrect water rates are used, it creates inequity and results in the community and State Government subsidising the activities of private enterprises on an unequal basis.

Fixed standpipes provide an essential source of water for customers who are remote from reticulated water schemes, amenities to communities by enabling local governments to maintain street trees and undertake minor building activities, and enable economic growth by supplying businesses that rely on carted water as an input to production

These changes will ensure the rate commercial customers pay is consistent across the state.



### **When do the changes come in to effect?**

The changes will be effective from the 1 July 2019.

### **Why are water use charges higher for customers in regional areas?**

Prices for water use in most regional towns are higher than in the metropolitan area because the cost of supplying water is higher, usually due to their remote location and smaller population size (where costs are spread over fewer customers).

The maximum charge per kilolitre i.e. \$8.353/kL for non-residential customers (in 2018-19) protects customers from very high water bills, even when the cost of providing water services may be substantially higher than this.

### **How can Shires better manage and control the use of standpipes?**

Many standpipe infrastructure suppliers offer control systems for standpipes. Some Shires already have these installed for better management of their own standpipes.

Water Corporation can provide contact information for these suppliers, or information on which Shires have them installed, so you can speak to them directly on costs involved in making the change and understand the benefits of such a system.

### **Can Shires continue to on-sell water?**

Yes, Shires are able to set the price for on-selling at their discretion.

### **My Shire has been charging GST on water from a local government owned standpipe to third parties, can this continue?**

No, charging GST on water is not allowed. The ruling surrounding this is outlined by the Australian Tax Office via their website – [www.ato.gov.au](http://www.ato.gov.au).

### **There are no 'small' standpipes in our Shire, how will we access the concessional rates?**

Upon request, Water Corporation will provide the installation of one 20mm or 25mm connection, as nominated by the LGA, free of installation and administration fees (but not Standard Infrastructure Contributions) as part of the implementation of the new charging regime..

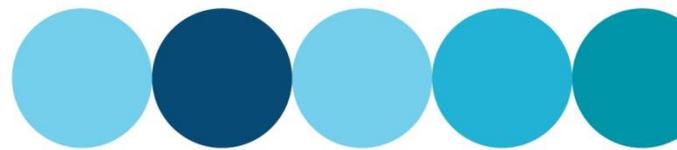
To take up this offer, the Water Corporation must be advised as soon as possible. The free connection offer will not be available after the 1 July 2019.

### **Can Shires request a free commercial size LA standpipe as part of the planned change?**

No, Water Corporation is only providing free infrastructure for a 20-25mm service.

### **Is there an 'amnesty' period?**

No. All affected users are being provided with more than six months' notice to ensure a smooth understanding and transition prior to the change on the 1 July 2019.



### **Do standpipes require backflow prevention?**

Yes. It is the owner of the standpipes responsibility to ensure suitable high rated backflow prevention is installed. These devices also require annual testing. Your licensed plumbing contractor certified in backflow prevention, will be able to assist you in meeting these backflow requirements.

### **Does backflow prevention impact on water pressure?**

Yes. Some forms of backflow prevention will reduce water pressure and flow rate downstream of the device. If water pressure and flow rate is critical for the activities on your property, you need to consult with a licensed plumbing contractor or hydraulics consultant before choosing and installing a backflow prevention device.

### **Are the design standards for new standpipes changing?**

Yes, all new standpipes will require the installation of a gate valve to ensure adequate control over water flow when standpipes are turned on and off to prevent water hammering in the pipes.

This requirement is for all new standpipes only, however if an existing standpipe has been identified as constantly being a problem, the Water Corporation will discuss an upgrade to a gate valve option with the cost being borne by the standpipe owner. Having a gate valve installed will help reduce breakages in the water pipes, which customers are currently being billed for if evidence shows the standpipe is being impacted through water hammering occurring from the standpipe.

### **Will any costs relating to installing a storage tank at the standpipe for access to higher flow rates be covered or subsidised by the Water Corporation?**

No, this will be the responsibility of the standpipe owner. The owner would make an assessment as to the need for this service for their customers.

### **If a Shire no longer requires a fixed standpipe, what is the charge for it to be decommissioned?**

The cost to decommission a fixed standpipe is \$769.57 (based on pricing for 2018\2019). This cost applies across all meter sizes and the Water Corporation will provide this for free.

### **How do Shires notify their users of the change?**

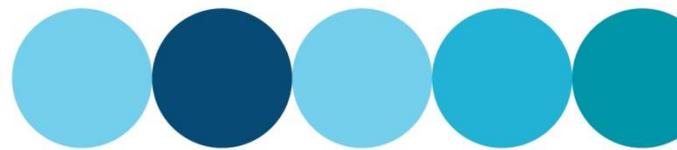
All affected shires will be notified in person or in writing and supporting documentation such as brochures will be available to assist with communicating to users. More information will be available at [www.watercorporation.com.au/home/business/starting-up/fixing-standpipes](http://www.watercorporation.com.au/home/business/starting-up/fixing-standpipes) (available from April 2019).

Water Corporation can also be contacted by current users for further information if required.

### **What are the options for charging the costs associated with accessing water from a standpipe?**

- Coin operated
- Swipe card (prepay or post pay options available)
- Credit card
- Honesty system – part of this project will be to encourage these systems to cease or be better controlled.

Ideally, a more controlled standpipe is the best option for everyone. The Water Corporation can assist in providing information on WA suppliers who offer controlled systems if required or direct owners to Shires who currently have these automated control systems in place to offer further advice.



### **How do I know if commercial users are accessing water from our Shire use meter, we work on an honesty system?**

Shires are responsible for knowing who is using their standpipes and if it is being used inappropriately. Introducing a control system may support this, e.g. Swipe card or managed within LGA depot to identify major users.

### **Why is the cost of water going up for commercial users when we have been accessing water without any issue?**

Water is a valuable resource and regulated charges are set by the State Government based on its use. Pricing of water is based on a 'user pays' principle and in regional Western Australia it has not been implemented according to legislation for fixed standpipes. Having a regulated pricing structure ensures all users are paying the correct rate for water use no matter where they are located across the State.

Current usage patterns on fixed standpipes have shown that commercial suppliers are getting charged at the concessional level by accessing LGA standpipes which is inequitable for other commercial operators that are charged correctly.

Accessing large volumes of water from a fixed standpipe can also cause water supply issues to other users on the scheme and any large users need to be directed to the Water Corporation to be set up on a major consumer agreement.

### **Will high-flow standpipes be accessible for commercial use?**

Yes, but they will now be charged a commercial rate and not have access to concessional rates.

However if more than 49 kilolitres per day is required, the Shire should direct these commercial users (if known) to the Water Corporation so a Major Consumer Agreement can be set up instead.

From time to time, Water Corporation may restrict access if the high usage affects other users on the scheme.

### **What happens in drought conditions for the price of water to farmers?**

A 'Water Deficiency Declaration' is a government response to safeguard the commercial interests of farmers during very dry periods.

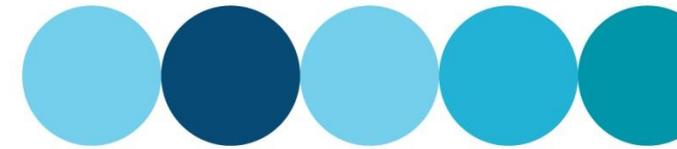
When a state government declared drought zone exists, all large shire-owned fixed standpipes will be made available at concessional rates to the community for drought relief in accordance with the terms of the declaration conditions. If conditions for commercial use relief are not specified then standard rates will apply.

If water carters are hired by farmers to transport water during a drought, this cost is the responsibility of the farmer and water will be available at the concessional rate since the end use is for the farmer.

### **How do I get more information?**

Contact your local Shire or the Water Corporation.

# Fixed Standpipes FAQ



## Appendix 1- New Standpipe Charges

Type of standpipe: (Water Corporation code)	Rates 2018/2019 New Description
<b>Local Authority Standpipe</b>	<p><b>Use:</b> For use by Shire only – must be locked or within a depot and not available for public access.</p> <p><b>Meter:</b> Can be any size service as long as it is for direct Shire use.</p> <p>No contractor access for Shire projects as they need to use the Commercial standpipes and charged the appropriate commercial Town Class rate for the region.</p> <p><b>Service Charge:</b> No Service Charge.</p> <p><b>Commercial Class 1 tariff:</b> \$2.534 per kilolitre (kL).</p>
<b>Community Use Standpipe</b>	<p><b>Use:</b> Available to assist local farmers for topping up their water tanks, households not connected to schemes etc. Limited use by Shire for their own purposes.</p> <p><b>Meter:</b> 20mm and 25mm standpipes that are publicly accessible.</p> <p>Storage tanks can be installed by Shires at these sites to improve accessibility to larger volumes of water in a timely manner if required.</p> <p><b>Service Charge:</b> 20mm Service Charge only.</p> <p><b>Farmlands tariff:</b> \$2.534 per kilolitre (kL).</p>
<b>Commercial Standpipe</b>	<p><b>Use:</b> For use by commercial customers; may include major road building, water carting for large projects, and farming.</p> <p><b>Meter:</b> Any meter above 25mm.</p> <p><b>Service Charge:</b> Meter-based service charges (according to the size of the meter).</p> <p><b>Town based charges:</b> ranging from \$2.534 cents to \$8.353 per kilolitre.</p>
<b>Fire Standpipe</b>	<p>Remains as is – no changes to current concessions. However, if a fire standpipe remains unlocked, Commercial charges will apply</p> <p><b>Service Charge:</b> No Fee. 100% discount.</p> <p><b>Water Use Charge:</b> No Fee.</p> <p><b>Note:</b> Currently some Shire standpipes with signs advising they are for fire-fighting only are unlocked. Shires will need to implement a locked system or commercial rates apply unless evidence provided it was for fire-fighting purposes to obtain a refund.</p>
<b>Water Corporation standpipe</b>	<p>Offer to handover/gift these standpipes to Shires where there is a desire to manage an additional service.</p> <p>If Shires are not interested, service to be disconnected.</p> <p><b>Charge to handover:</b> No charge.</p>
<b>Private, Recycled and non-potable standpipes</b>	<p>Remains as is – no changes.</p>