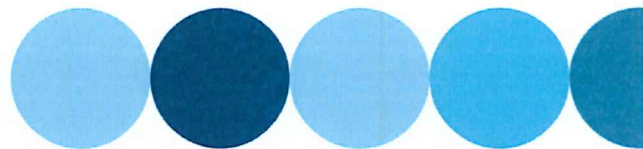


Fixed Standpipes



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 – 60 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 can be used by the LGA or for wider community use. All publicly accessible 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 dedicated 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?

¹ The new pricing structure is outlined in Appendix 1.

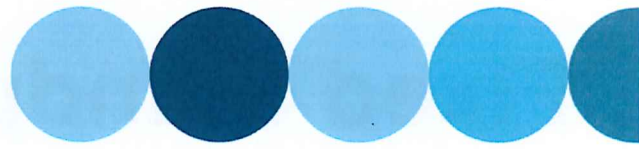
Why are these changes being made?

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 Western Australia.



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. \$8.8.562/kL for non-residential customers (2019\20 charges) 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 contractors working on Local Government projects access a Local Authority standpipe if required as part of the project?

Contractors working on Shire projects are permitted to use locked LA standpipes, thereby minimising the volumetric costs incurred by Local Government. Contractors are not entitled to use an LA standpipe for other commercial purposes.

Can Local Government still obtain a concessional rate for any water taken from a Commercial standpipe for Shire purposes?

Yes, but there will now be a requirement to provide evidence of the volume taken. Local Government will need to submit a Claim form via the Water Corporation website to obtain the concessional rate from a Commercial standpipe. The claim must be actioned within 12 months from the date the water was drawn.

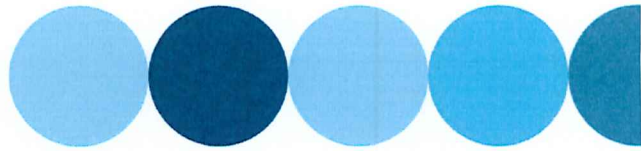
How do the changes affect the fixed standpipe service charges where local governments have previously been able to access a 100% discount on the service charge?

The Water Services (Water Corporations Charges) Regulations 2014 sets out provisions for local government standpipes. The Regulations define a local government standpipe as a standpipe to which access is controlled by a local government.

Under Schedule 3, Division 1, Service charges cl. 20: For each local government standpipe, the service charge is \$272.05 and under cl. 37, the charge for each kilolitre of water supplied through a local government standpipe is \$2.597 (2019\2020 charges). The standpipes are charged a service charge equivalent to the 20mm service – which implies they shouldn't be sized bigger.

Therefore since many standpipes are larger than 20mm, and are publicly available, appropriate meter based service charges and town based commercial rates will apply ensuring all users of high flow rates across the state contribute equally towards the cost of the service provided.

Regional fixed standpipes service charges apply based on the end use, not the owner of the service. When the end use is for LGA purposes only, no service charges are applicable (100% discount applies). Where the standpipe is owned by an LGA but the end user is the public, normal meter based service charges are applied.



Can Shires continue to on-sell water?

Yes, Shires are able to set the price for on-selling at their discretion. The charges outlined in this document are what Water Corporation will bill the Shire, so the price must not be anything less than these current regulated prices.

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. Guidance surrounding this is outlined by the Australian Tax Office via their website – www.ato.gov.au.

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.

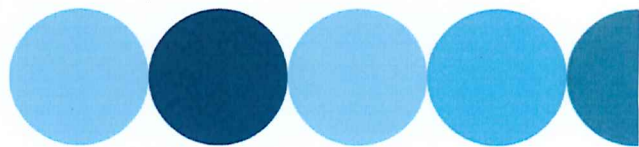
This requirement is for all new standpipes only, however if an existing standpipe has been identified as constantly being a problem, the Water Corporation will discuss an upgrade to a gate valve option with the cost being borne by the standpipe owner. Having a gate valve installed will help reduce breakages 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?

There is no cost to the Shire if this is requested prior to the 30 June 2019. From 1 July 2019 onwards, normal decommission costs will apply.



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/regional-fixed-standpipes.

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
- Locks in place with key access for registered Users
- 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.

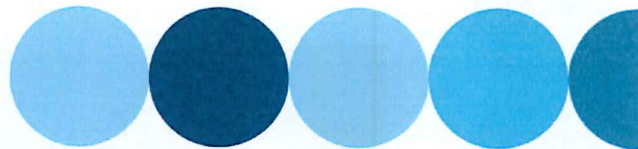
Accessing large volumes of water from a fixed standpipe can also cause water supply issues to other users on the scheme and any large users need to be directed to the Water Corporation to be set up on a major consumer agreement.

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.

Will a fixed standpipe ever be closed?

Yes, fixed regional standpipes can sometimes become unavailable for a number of reasons including scheduled or ad hoc maintenance, drought or scheme operational issues. If this occurs, Water Corporation will work with the standpipe owner to temporarily restrict public access to protect the town drinking water supply.

Water Corporation's supply to farmland areas cannot always be guaranteed and standpipes are subject to restriction or removal from time to time in order to protect the integrity of the scheme, and allow for prioritisation of supply to groups of water users as Water Corporation deems necessary.

When standpipes are closed, the Water Corporation endeavours to keep the closure minimal to ensure no long term inconvenience to the public.

In some regions, an SMS Alert process is available, but you will need to check with your local government to confirm availability of this service. If it is available, you can register to get closure alerts.

If standpipes are unavailable, the public can approach the Department of Water and Environmental Regulation (DWER) to source alternative water sources.

What are the responsibilities for users of regional fixed standpipes?

When using a public standpipe, you have the following responsibilities:

- Seek advice from local government authority on how standpipe water can be used
- Treat carted potable water before drinking, showering, food preparation and other potable uses
- Seek treatment advice for carted potable water from Department of Health
- Report any fault or damage to a public fixed standpipe to the local Shire
- seek advice on how to safely access the fixed standpipe before operating it
- report any misuse of a fire-fighting standpipe to the Water Corporation

From time to time, Water Corporation may advise a public fixed standpipe is not be used for operational reasons. You must comply with this directive to ensure protection of the drinking water supply.

How do I get more information?

Contact your local Shire or Water Corporation. Further information is also available on the Water Corporation website - www.watercorporation.com.au.

Fixed Standpipes FAQ

Appendix 1- New Standpipe Charges

Type of standpipe: (Water Corporation code)	Rates 2019\20 New Description
Local Authority Standpipe (Shire Use only)	<p>Use: For use by Shire only – must be locked or within a depot and not available for public access.</p> <p>Meter: Can be any size service as long as it is for direct Shire use.</p> <p>Contractor access is for Shire projects only.</p> <p>Service Charge: No Service Charge.</p> <p>Non-residential step 1 tariff: \$2.597 per kilolitre (KL).</p>
Community Use Standpipe (Publicly available)	<p>Use: Available to assist local farmers for topping up their water tanks, households not connected to schemes etc.</p> <p>Limited use by Shire for their own purposes.</p> <p>Meter: 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>Service Charge: 20mm Service Charge only.</p> <p>Farmlands tariff (equivalent to Non-residential step 1): \$2.5974 per kilolitre (KL).</p>
Commercial Standpipe (Publicly available)	<p>Use: For use by commercial customers; may include major road building, water carting for large projects, and farming.</p> <p>Meter: Any meter above 25mm.</p> <p>Service Charge: Meter-based service charges (according to the size of the meter).</p> <p>Town based charges: ranging from \$2.597 cents to \$8.562 per kilolitre.</p> <p>Check what your Town based charge is on the Water Corporation website.</p>
Fire Standpipe (No public access)	<p>Remains as is – no changes to current concessions. However, if a fire standpipe remains unlocked, Commercial charges will apply</p> <p>Service Charge: No Fee. 100% discount.</p> <p>Water Use Charge: No Fee.</p> <p>Note: Currently some Shire standpipes have signs advising they are for fire-fighting only and 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>
Water Corporation standpipe	<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 will be reviewed and recommendations made as to continuation or decommissioning of service.</p> <p>Charge to handover: No charge.</p>
Private, Recycled and non-potable standpipes	<p>Remains as is – no changes.</p>