



STANDPIPE CHARGES

Fact Sheet

WHAT IS THE PURPOSE OF THE STANDPIPES?

The standpipes were installed to provide an alternative access to water in time of need for household domestic use, when those people who rely on tank water have limited supply. The standpipes allow people the opportunity to transport their own water as needed, without the requirement to pay a private water carter if they wish.

HOW DOES A WATER SCHEME WORK AND WHAT IS AN ALLOCATION?

Each town with potable and non-potable water supply is identified as a scheme. The schemes boundary is determined by the extent of connections, and the number of connections is designed on the amount of people and commercial properties the water supply can normally support.

Due to limited water allocations and reliability of supply, Council is limited in its options to extend water schemes. Those people on a water scheme have a connected service and pay a fixed access charge regardless of use in addition to their consumption charge.

HOW DO STANDPIPES AFFECT THE WATER ALLOCATIONS?

The standpipes access water from Council's high priority or bore allocations. Water taken through the standpipes places limitations on the approved water schemes as it takes allocations, essentially extending the number of people who access an approved scheme beyond its capability and reliability. This is why standpipes are designed to support rural landowners in times of need only for domestic use.

HOW ARE WATER ALLOCATIONS MANAGED?

In urban areas water allocation consumption is managed in two ways; water restrictions and price.

1. Water restrictions set the purpose and reasons water is to be utilised.
2. Price is set on a Tiered System to minimise medium and high water usage.

For Further Information

Please contact Council's Water & Wastewater team on (07) 4189 9100.

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As water allocations and reliability are reduced, water restrictions are increased to maintain reliability and limit consumption.

HOW IS STANDPIPE CONSUMPTION MANAGED?

Currently there are no restrictions placed on how much water can be taken from a standpipe, and landowners using standpipe water are not subject to water restrictions. Standpipe consumption is primarily managed through pricing to encourage responsible use, similar to the purpose of a tiered system pricing on a water scheme.

WHY DID COUNCIL REVIEW THE PRICE OF THE STANDPIPES?

Council undertook a review of its standpipe charges as a result of water restriction reviews and enquiries made by people across the region in comparison of scheme charges, and as a result of having uncontrolled consumption of water from standpipes particularly when supply restrictions are in place.

HOW MUCH DO THE WATER SCHEMES COST?

All water schemes are a take or no take pay scheme, meaning Council must fund the scheme in full each year regardless if the allocation is used or not, but only customers that access water pay for the operation and maintenance of these assets, which currently cost \$10.8 million annually.

The majority of this money is recouped through access charges, which in addition provides a subsidy to the consumption and treatment of water. Annually, Council pays \$1.2 million to purchase raw water that is then treated and distributed in the water network.

WHY DID THE COST OF STANDPIPE WATER INCREASE TO \$6 PER KILOLITRE (\$5 Hivesville)?

In regards to rural or residential properties not connected to the water system, their water supply is not intended to primarily come from town water supply and they should be supplied by alternatives such as rainwater tanks, bores etc.

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However, when tanks supply becomes critical people need water to survive, which triggers essential domestic use only. The same way in which critical restrictions would be enacted on a water supply.

People requiring water for their tanks will either buy a load of water for their tank from a water carter or they can buy it from a Council standpipe.

Rural residential landowners only usually buy what they need from the water carter because it comes at a price point that reasonably encourages minimal domestic use, encouraging self restriction.

If you buy water from a Council standpipe, you buy it much cheaper and without any restrictions. That water comes from a restricted town supply or allocated raw water supply.

The justification pricing for standpipes considers the following factors:

1. Ensuring that standpipes are provided to support the rural community in being able to access water in times of need for domestic use only.
2. Ensuring that the water scheme and allocation is not used to essentially provide continual and substantive supply of normal water usage for rural households or non-domestic use. This places additional stress on the water allocations and reduces water security and reliability for town water supplies. Uncontrolled use of water creates significant risk for Council.
3. Create a price point that encourages self restriction e.g. people only take what they need to live. We would expect that people on critical water supply would be using less than 100 litres per day, and should reasonably minimise their usage somewhere in the vicinity of 80 litres per day.
4. Create a fair price point that achieves all of the above.

SUMMARY OF RATING WATER DATA

The below South Burnett Regional Council rating data details the evaluation methodology.

One of the requirements was the determination of true water costs of connected customers.

Connected customers pay for water infrastructure regardless of consumption. Each customer pays the access charge which is currently \$611.00 per year. This charge covers the cost of maintaining the infrastructure used to treat and deliver water to our customers. Because of the fixed access charge the less water a customer consumes the higher cost per kilolitre. Customers that are not connected to the network do not contribute to the maintenance of the water infrastructure. The current standpipe water charge of \$4.10 per kilolitre appears to be well below what most connected customers pay.

As the summary table shows 8,533 customers or 84% of all connections pay \$4.10 or more per kilolitre. 4,003

customers or 39.5% pay \$10.00 or more per kilolitre. 2,839 customers or 27.9% pay \$15.00 or more per kilolitre.

If it is assumed that standpipe customers access 1 kilolitre per week @ 52 kilolitres per year or 1.5 kilolitres per week @ 78 kilolitres per year, when compared to the summary table the price fall in the range of \$10 - \$15 per kilolitre.

It is reasonable to assume a person not connected to the network will only access water when they need it, and therefore, it is very unlikely that they would access standpipe water 365 days a year their overall cost increase would be reasonably even less, when compared to an average premise connected in those categories.

The new charge for the standpipes will be \$6 per kilolitre (\$5 Hivesville), which will remain in place until Council completes a review of charges due by 31 December 2020.

Rates yearly access	consumption	Price kl	sub total consumption	total access & consumption	overall price kl	Cumulative total of connections	Number of customers in each band	Number of customers in %
						0		
\$611.00	25	\$1.52	\$ 38.00	\$ 649.00	\$ 25.96	2040	2040	20.1084278
\$611.00	33	\$1.52	\$ 50.16	\$ 661.16	\$ 20.04	2333	293	22.99655002
\$611.00	45	\$1.52	\$ 68.40	\$ 679.40	\$ 15.10	2839	506	27.98422868
\$611.00	72	\$1.52	\$ 109.44	\$ 720.44	\$ 10.01	4003	1164	39.45786102
\$611.00	100	\$1.52	\$ 152.00	\$ 763.00	\$ 7.63	5152	1149	50.78363726
\$611.00	125	\$1.52	\$ 190.00	\$ 801.00	\$ 6.41	6075	923	59.88171513
\$611.00	150	\$1.52	\$ 228.00	\$ 839.00	\$ 5.59	6889	814	67.9053721
\$611.00	175	\$1.52	\$ 266.00	\$ 877.00	\$ 5.01	7475	586	73.68161656
\$611.00	200	\$1.52	\$ 304.00	\$ 915.00	\$ 4.58	7993	518	78.78758009
\$611.00	225	\$1.52	\$ 342.00	\$ 953.00	\$ 4.24	8366	373	82.46426811
\$611.00	237	\$1.52	\$ 360.24	\$ 971.24	\$ 4.10	8533	167	84.11039921

8,533 (or 84%) of connections pay \$4.10 or more per kilolitre. With Council increasing standpipe charges to \$6 per kilolitre there are still 39.5% of connections paying more. If Council was to increase standpipe charges to \$15 per kilolitre there would still be 27.9% of connections paying more.

For Further Information

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