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OMBUDSMAN'S FINAL REPORT

The Own Motion Investigation into the Water Billing and Disconnection Practices of the Tonga Water Board

CASE NO. OMB 17/169

3rd April 2018

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EXECUTIVE SUMMARY

- 1 On the 12 of September 2017 I met with Sione Tutulu Finau the Acting Chief Executive Officer (“ACEO”) of the Tonga Water Board (“TWB”) to discuss our intention of this own motion investigation and it was well received and welcomed. The basis for our investigation was due to the number of billing and disconnection complaints this office had received over the years. We viewed the investigation as necessary to take a holistic approach to these processes.
- 2 The TWB is a large organisation consisting of 94 staff (nationwide) with a \$6m annual budget. Their revenue in the 2016/2017 was approximately \$8m with a net profit of \$1.2m. TWB paid Government a dividend of \$1.03m (83% of net profit) in the beginning of November 2017.
- 3 The TWB service area covers the main urban areas of Tongatapu, Vava’u, Ha’apai and ‘Eua. This investigation focused on the service provision in Nuku’alofa being the area that generated the most complaints to this Office.
- 4 This report will look at the billing and disconnection process that is currently practiced, identify the main issues and provide recommendations for a way forward.
- 5 I am recommending six (6) things in this Report pursuant to section 18(3) of the Ombudsman Act 2001-
 1. That TWB consider ways of delivery that ensures each customer receives his or her water bill invoice. This includes ensuring that the last column of the metre readers form (Figure 2) is accurately filled out to ensure proper service has been effected.
 2. That TWB take measures to document its water metre reading, water bill invoice delivery and water metre disconnection processes so that employees have a common understanding of the requirements. This document can also be made into a public document, which could serve as the TWB service standard and commitment to the public so that customers are aware of the processes and their role in ensuring uninterrupted water services including proper access to the water metres.
 3. That TWB discuss the consumption tax monthly domestic water exemption with the Ministry of Revenue & Customs.
 4. That TWB is commended for reacting positively to complaints by introducing new methods of debt management including the phone calls to customers in arrears and allowing disconnection staff to take a receipt book and collect arrears if the customers wants to pay on the spot which should continue including the TWB radio awareness programs.
 5. That the TWB review its water bill invoice and its disconnection practices to ensure compliance with section 57 of the TWB Act specifically as it relates to when disconnections can take place.
 6. That the TWB report back to me within **two months** of the date this report is finalized to provide a follow up report on the recommendations.

BACKGROUND

- 6 I assigned the investigation to my Investigation Team who undertook the investigation.
- 7 The team requested, received documents from TWB including meetings with TWB management, the finance team, the meter reading team and the disconnection team. A meeting was also held with the management team of the Ministry of Revenue & Customs regarding a consumption tax issue.

THE OMBUDSMAN'S ROLE

- 8 Under section 11 of the *Ombudsman Act 2001*, the Ombudsman has the authority to investigate the administrative acts, decision, omissions and recommendations of an officer of an organization subject to this Act, in his capacity as an officer of that organization. This applies to the TWB which is an organization under the Act. (Section 18(1) and (2) of the *Ombudsman Act 2001*).
- 9 My role in an own motion investigation is to improve public administration in areas that requires administrative attention for the benefit of the general public.

TWB AT A GLANCE

- 10 The TWB service area covers Patangata to Sopus and all the areas of Nuku'alofa up to the Royal Residences of Tufumahina and the Vila. The TWB service area is divided into 19 Blocks. Block No. 9 is the commercial block of approximately 300 customers. The rest of the Blocks are residential customers. The number of homes per Block varies from 100 to over 500 homes totaling to approximately 6,000 homes within the TWB service area.
- 11 The TWB billing and disconnection services are part of the core service functions of the TWB and which generate the bulk of its revenue.
- 12 There are currently 8 metre readers headed by a supervisor, Maka Tamo'ua. These 8 metre readers cover all the 19 blocks and go out individually twice a month to read metres. The metre readers are contracted workers and are paid \$70 per day. Two staff members of TWB are responsible for the commercial customers (Block 9) although the metres are read by the metre readers.
- 13 The TWB disconnection team consist of Teusila Leki the supervisor and 4 full time TWB male employees.
- 14 In 2010, TWB changed its billing processes and billed its residential customers twice a month. The commercial properties are still read once a month as are the metres in the TWB areas of service in 'Eua, Ha'apai and Vava'u.
- 15 There are two water tariff rates (2), one for residential properties and one for commercial properties.

- 16 Consumption tax ("CT") of 15% is imposed on the cost of the use of water as provided under the Consumption Tax Act. Also provided in that Act is an exemption from CT for residential users for the first 20,000 liters of water used per month.
- 17 The TWB are currently working on installing a new smart metre. The smart metre will be read once a month automatically via the internet but it is not certain when this will be rolled out to the customers.

THE BILLING PROCESS

- 18 The water metre readers are mandated with reading each and every metre in their allocated block(s) within 1-4 days at the beginning of each month and at the middle of each month for residential properties. This entails the supervisor drawing up a daily work plan (Figure 1) for each water metre reader and giving it to them the day before so they can plan their routes. Each metre reader goes out with a form (Figure 2) which sets out the account number, the route, the name of the customer, the reading, the metre identification number and lastly the signature. The column for the reading is filled out by the metre reader from each metre and the signature column is filled out when the metre reader goes back with the water invoice and delivers it to the home although as set out in Figure 2 this is not strictly adhered to resulting in inaccuracies and inability to confirm delivery when a customer disputes receiving a water bill invoice.

POLCKALAMA LAUMITA TISEMA 2017

FAKAMANATU ATU PE KE LAU MAI VAI TILIVA

LAU KONGA 'ULUAKI TISEMA 2017

HINGOA	FRIDAY	SATURDAY	MONDAY	TUESDAY	WEDNESD	THURSDAY	FRIDAY	SATURDAY	MONDAY	TUESDAY
B	1-Dec	2-Dec	4-Dec	5-Dec	6-Dec	7-Dec	8-Dec	9-Dec	11-Dec	12-Dec
VAIOLA TAHAAFE	LAU 14	LAU 6.1	LAU 6.2	LAU 6.3	LAU 6.4	LAU 6.5	TUFA14,6.1	TUFA6.1,6.2	TUF6.3,6.4	TUF 6.5,VAHE
SALETILU FIFITA	LAU 13	LAU 12	LAU 12	LAU 01	LAU 01	LAU 01	TUFA 13	TUFA 12	TUFA 01	TUF 01,VAHE
TEVITA LAUHINGOA	LAU 13	LAU 12	LAU 12	MALOLO	MALOLO	LAU 18.3	TUFA 13	TUFA 12	MALOLO	TUF18.3/VAHE
LANGI	LAU 17	LAU 17	LAU 18.1	LAU 18.1	LAU 18.2	LAU 18.3	TUFA 17	TUFA 18.1	TUFA 18.2	TUF18.3/VAHE
SEFANIAIA MOSA'ATI	LAU 10	MALOLO	LAU 04	LAU 04	LAU 11	TUFA 10	TUFA 04	MALOLO	TUFA 11	FKTAHA/VAHE
TONI VEA	LAU 10	MALOLO	LAU 04	LAU 04	LAU 11	TUFA 10	TUFA 04	MALOLO	TUFA 11	FKTAHA/VAHE
HAVEA FALEAFA	LAU 15	LAU 19	LAU 03	LAU 02	LAU 02	TUFA 15	TUFA 19	TUFA 03	TUFA 02	FKTAHA/VAHE
KAVA LATU	LAU 05	LAU 05	LAU 07	LAU 07	LAU 16	LAU 16	TUFA 05	TUFA 08	TUFA 07	TUF16/VAHE

LAU KONGA UA TISEMA 2017

HINGOA	FRIDAY	SATURDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	TUESDAY	WEDNESDAY
	15-Dec	16-Dec	18-Dec	19-Dec	20-Dec	21-Dec	22-Dec	23-Dec	26-Dec	27-Dec
VAIOLA TAHAAFE	LAU 14	LAU 6.1	LAU 6.2	LAU 6.3	LAU 6.4	LAU 6.5	TUF14,6.1	TUF6.1,6.2	TUF6.3,6.4	TUF6.5/VAHE
SALETILU FIFITA	LAU 13	LAU 12	LAU 12	LAU 01	LAU 01	LAU 01	TUFA 13	TUFA 12	TUFA 01	TUF 01/VAHE
TEVITA LAUHINGOA	LAU 13	LAU 12	LAU 12	MALOLO	MALOLO	LAU 18.3	TUFA 13	TUFA 12	MALOLO	TUF18.3/VAHE
LANGI	LAU 17	LAU 17	LAU 18.1	LAU 18.1	LAU 18.2	LAU 18.3	TUFA 17	TUFA 18.1	TUFA 18.2	TUF18.3/VAHE
SEFANIAIA MOSA'ATI	LAU 10	MALOLO	LAU 04	LAU 04	LAU 11	TUFA 10	TUFA 04	TUFA 11	MALOLO	FKTAHA/VAHE
TONI VEA	LAU 10	MALOLO	LAU 04	LAU 04	LAU 11	TUFA 10	TUFA 04	TUFA 11	MALOLO	FKTAHA/VAHE
HAVEA FALEAFA	LAU 15	LAU 19	LAU 03	LAU 02	LAU 02	TUFA 15	TUFA 19	TUFA 03	TUFA 02	FKTAHA/VAHE
KAVA LATU	LAU 05	LAU 05	LAU 07	LAU 07	LAU 16	LAU 16	TUFA 05	TUFA 08	TUFA 07	TUF16/VAHE

Prepared by Billing *[Signature]* 27/11/17 Checked by F.M. *[Signature]*
 Approved by C.E.O. *[Signature]* Cc: All Meter Reader

Figure 1 - Water Metre Readers Work Plan

FIRST HALF NOVEMBER 2017

METRE READER : SIONE FAKAU AHO LAU.....

VAIOLA AREA

NOS	ACC #	ROUTE SEC	NAME	READINGS	MTR ID	SIGNATURE
	935220	6017700	G.P.S HAVELU		12A602501	
			G.P.S HAVELU		NO WATER	
	935210	6017750	POLICE KENNEL			
01	06113550	0600293	SIONE SAAFI	197561	07A004298	SIONE
02	06112070	0600294	KILISITINA I'IF	Dis	T13A00255	
03	0611206	0600295	SIMOTE MOALA	222675	97A291641	Staina
04	0611205	0600296	HARVARD TUPO	B.M	81205364	lotofale
05	0611207	0600297	'AHOLOKA LOKO	2207531	07A003836	Pete
06	06112011	0600298	ATOLO TU'INUKU	lock	07A004249	lotofale
07	0611203	0600299	YUKYAN YAU	2207531	08A637990	lotofale
			BOB BUSTER		NO WATER	
			TONGA B.CHURC		NO WATER	
			FRISCO WAREHOU		NO WATER	
			TREVOR WEST		NO WATER	
			JIM MATHÉW		NO WATER	
	0935238	0617762	XIAO G. WANG		1*13A74469	
	0935239	0617763	RUTC COMPANY LTD		08A637990	
08.	0612081	0600300	'ALEKISANITATA	Dis	02A153186	
	0935140	06018100	TAVAKE AFEAKI			
09	0611202	0600301	P. BHAGWAN	B.M	641608	lotofale
10	0608582	0600302	WINNIE SANTOS	782617	T13A00525	
11	0608583	0600303	ROBERT BUSTER	270908	T13A00179	Huka He A
			TASA		NO WATER	
			TASA		NO WATER	
12	0611208	0600304	FE'AO FILIKITO	4844825	8917058	PENI
13	0611209	0600305	TEVITA PONGI	Dis	81209241	
14	06112010	0600306	'ILUFELETI PON	2440862	06A210435	Uepi
15	0611210	0600307	FAPIOLA MAFI	1528759	12A602437	lotofale
16	0611211	0600308	SAFI KATO'A	P.L	89017016	
17	0611212	0600309	VILIAMI HELU	291899	T13A00088	
18	0611213	0600310	SATUA PONGI	638463	T13A00089	Mione
19	0611214	0600311	SAIMONE TUPO	lock	08A637927	Huka He A
20	0611218	0600312	SIOSIUA M. VEA	lock	05A126026	Nifua
21	0611217	0600313	VILIAMI TAHITO	2609768	08A637913	lotofale
22	0611219	0600314	'IKANI LATU	Dis	94648929	
23	0611216	0300315	SIONE 'AHOLELE	2272483	84172236	
24	0611215	0600316	MALETA FUNAKI	820058	T15A00098	

Figure 2 - Metre Reading Form

19 If the metre is within the property the metre reader must enter the property if he is able to to read the metre. Discussions with the metre readers on the 1st of December 2017 shared that there were the usual incidences with dogs but generally, the metre is accessible. Set out below is section 38 of the Tonga Water Board Act which authorises entry on to land for reading a water metre and other functions.

38 Power to Enter Land without Giving Notice.

- (1) Subject to section 40, an authorised person may enter land without giving notice to the owner or occupier for the purpose of —
 - (a) installing, reading, replacing, testing, repairing or removing a metre on that land, whether or not at the request of the owner or occupier; or
 - (b) exercising any of the Board's powers under sections 35(5)(a), 36(4), 37(3)(a) or (b), 46(1), 61(6)(a), 62(3)(a); or

- (c) inspecting any works, water connection, private water pipe or connected fittings; or
 - (d) taking any samples of water; or
 - (e) preventing the waste, misuse or pollution of any water; or
 - (f) finding out whether this Act is being complied with; or
 - (g) dealing with an emergency.
- (2) An authorised person shall not enter land under this section that is used primarily for residential purposes, except between 7.30 am and 6.30 pm

If the house is fully fenced with a high fence (Figure 3) or for any other reason the metre cannot be read, the metre reader notes this on his record. Previous practice was to issue a water invoice with an estimation of the water bill. Current practice is to only issuing a water invoice when access to the water meter is possible which could mean a single water invoice for multiple billing periods. In the weekly TWB radio programs, a regular notice is advising the public that access to the water meter is required by law and necessary for timely issuance of water invoices.



Figure 3 - Home with no access to the water metre

- 21 There are no written procedures for water metre readers but they are shown what to do by the supervisor including Block boundaries. There is no map of the TWB coverage area in Nuku'alofa showing the Block boundaries but we were told by TWB Management that this could be easily done.
- 22 The metre readers understand that the metre reading must be done within 4 working days and the data relayed back to the TWB accounts section within that time. Each metre reader returns with his metre reading form to the supervisor who then passes these forms on to the accounts section of the TWB. The account section inputs this data into the TWB billing system. This section is headed by TWB employee Ana Faleafa.
- 23 The billing system that the TWB uses is called the MagiQ Water Billing System. It is a debtors system which generates water bills arising from the differences in the metre readings and credits payments made by customers. The system prepares the water bill invoice after the water metre readings are inputted and also shows the arrears. It has an extensive manual that was provided to us. The manual covers areas such as Water Billing Input and Water Account Printing.
- 24 The accounts section inputs the metre readings and the MagiQ Water Billing System system generates the invoice per block, which is given back to the metre reader who took the readings to distribute.

The metre reader is also given back his metre reading form so that he can fill out the last column “signature” with the name of the person at the home that he gave the water invoice to and if no one is at home, how and where he left the invoice. The whole process from the metre being read to the water invoice getting to the customer should take no more than 7 working days and this is strictly monitored especially given the twice-monthly billing. Given the water metre forms we were given¹, it was noted that sometimes the metre readers neglect to fill out the last column “signature” when they deliver the water invoice so there is no proof that the water invoice was delivered.

- 25 Despite there being no written instructions for the delivery of the water invoice, it is understood, the water metre reader must make sure that the invoice is given to someone in the home or if this is not possible, to leave it in a secure but visible place for the occupants. Even so, the metre reader does note forms of delivery for example “huka he ‘a” or “lotofale”. The metre readers explained that this is often because the gate is closed or there are obvious signs that someone is at home but has failed to appear despite calls. The other common explanation is also that people at the home sometimes think the metre readers asking for their name is a joke or for other reasons and do often lie. It was emphasized by the supervisor that it is essential that the column confirming delivery is filled out so that when the customer calls irate at not having received a water invoice, he has often gone back to the water metre reading forms and been able to placate the customer by telling him/her the name of the person who had accepted the water invoice.
- 26 The water invoice (Figure 4) includes the following features – the name/address, the invoice date date, the period of supply, contact numbers for the TWB and a table showing the last 6 water metre readings. There is the past due amount with the due date and the current amount due with the due date, the volume of water used and the tariff. The past due amount states that if the arrears are not paid by a specific due date (30 days after the water invoice was issued) the water will be disconnected without notice.

¹ Sample “FIRST HALF NOVEMBER 2017 METRE READER; VAIOLA TAHAAFE BLOCK 06-PART 4”



TONGA WATER BOARD

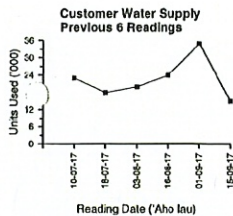
2nd HALF

PO Box 92, Nuku'alofa, TONGA

Consumption Tax Invoice / Statement

SAMUELA TATAFU
POPUA 2

Customer Account: 1800150
Invoice Date: 19 Sep 17
 For Water Supplied From / Ki he vai na'e tufaki mei he 1/09/17 to / ki he 15/09/17
Account Enquiries / Faka'eko'eke mo'ua: 23299
Fax: 23518
Office: 23095
Emergencies (After Hours): 24438
TIN: 257118



(1) Opening Balance	\$95.07
Payment Received	\$0.00
Balance Before Current Charges / Palanisi kimu'a he Mo'ua lolotonga	\$95.07
(2) Jobs / Ngaue na'e Fakahoko	
Reconnection Fees / Totongi Hoko	
Current month Water Charges (please see (1) below for details) / Mo'ua vai ki he mahina ni (vakai ki hono fakaliki i he (1) i lalo)	\$39.41
Consumption Tax 15%	
Total Current Month / Mou'a Vai ki he Mahina	\$39.41
Total Amount Due / Fakakatoa Mo'ua ke totongi	\$134.48

Historical Water Supply Information (Hisi'lotia 'oe Val na'e Tufaki atu)

Previous 6 Reading Dates Average Water Supplied - 22513 litres
 'Avalsi 'oe Val na'e Tufaki atu he fo'i 'aho Iau 'e 6 ki mu'a - 22513 lita
 Current Water Supplied - 15455 litres
 Vai na'e Tufaki atu he mahina ni - 15455 lita
 Average Water Supplied - 1,103 litres
 f 'avalsi 'oe Val na'e Tufaki atu 'he 'aho - 1,103 lita

- Notes:**
- (1) If any part of the Past Due Amount remains unpaid after: 4 OCT 17 your water supply will be disconnected without further notice. Kapau 'oku 'i ai ha loenga mo'ua 'oku to'oki totongi mai 'i he 'aho 4 OCT 17 'e tu'usi alu leva ho'o ma'u'anga vai 'ikai toe fananongongo alu.
 - (2) The Current Water Bill Amount is due for payment within 30 days of bill date (oe mo'ua lolotonga ke totongi 'i koto he 'aho 'e 30 mei he 'aho 'oe mo'ua ni.
 - (3) Please check your historical water usage information and also check your internal water supply for any unnecessary increase in water bill and usage. Katakaki 'o fakapapu'i 'ae lahi ho'o ngaue'aki vai mei ha hisi'lotia ho'o ngaue'aki vai pea mo e totongi vai pea mo vakai'i ho'o ma'u'anga vai i loto 'epi 'oku malu kapau 'oku ngali lahi 'a ho'o mo'ua mo e ngaue'aki vai

(1) Current Month Water Charges Usage Details / Ko e fakaliki 'eni 'o e mo'ua vai ki he mahina ni

Item/Fakaliki	Previous Reading / Lau Faka'osi	Present Reading / Mo'ua ko eni	Units Supplied / Tuniki na'e Tufaki atu	Rate / Totongi	Amount / Fakakatoa
Water Supplied	8602873	6618328	15455	\$0.00255	\$39.41

Total for Water this month / Mo'ua 'Val Ki he Mahina ni \$39.41

Consumption Tax
 Domestic Consumers: <20,001 litres - 15% Consumption Tax on Meter Charge only
 Domestic Consumers: >20,001 litres - 15% Consumption Tax
 Commercial Consumers: 15% Consumption Tax applies to all charges

Figure 4 - Water Bill Invoice

27 Since November 2017, TWB have put in place a new process whereby the TWB Debt Collection team led by Mele Fiu make phone calls to customers with past due arrears. These customers are called twice. First just before the due date for the past arrears as a reminder and then against after the due date as a final warning. This was done for the first time in November for the past due amounts from October and the results as shared with us by 'Elisiva Tapueluelu on the 1st of December 2017 – for Block 16 there were 124 outstanding accounts but only 31 were actually disconnected as a result of adding the reminder phone calls to their billing process.

THE BILLING ISSUES

28 Complaints received were that there was often a spike in water invoices from one month to the other resulting in minimum water charges for one month then excessive water charges for the next month. Reasons for this could be water leakage but also that the water metre was not read.

29 That water bill invoices were not received by the customer resulting in instances where the water was disconnected without knowledge of the amount due and the due date.

- 30** The dates for disconnection in the water invoices did not reflect the TWB Act in that the notice for the past due amounts state that after the due date the water supply may be disconnected without notice, the Act states in section 57 that the date when disconnections can occur is not after the due date on the invoice but an additional 30 days after that due date –

57 Recovery of Outstanding Amounts.

(1) Any tariff, charge, fee, interest or penalty payable under section 55 may be recovered by the Board as a debt due by the consumer.

(2) Without prejudice to any other remedy available to the Board, where any tariff, charge or fee or any interest or penalty payable to the Board is outstanding for a period of 30 days from the day on which it became due, the Board may —

(a) restrict or disconnect the supply of water to the land in question;

(b) demand the outstanding amount from either or both of the owner and occupier and if the amount demanded is not paid in full within seven days from the date of that demand, may recover any part of the amount which has not been paid as a debt due to the Board.

- 31** The consumption tax exemption of 20 cubic metres of water per domestic customer per month was allowed by the TWB each time it issued a water bill invoice meaning that the exemption was allowed twice a month, contrary to the Consumption Tax Act. This has been the case since 2010 when the TWB billing system for the domestic users in Tongatapu was changed from monthly readings and billing to twice monthly.

THE BILLING RECOMMENDATIONS

- 32** That TWB consider ways of delivery that ensures each customer receives his or her water bill invoice. This includes ensuring that the last column of the metre readers form (Figure 2) is accurately filled out to ensure proper service has been effected.
- 33** That TWB take measures to document its water metre reading and water bill invoice delivery processes so that employees have a common understanding of the requirements. This document can also be made into a public document, which could serve as the TWB service standard and commitment to the public so that customers are aware of the processes and their role in ensuring uninterrupted water services including proper access to the water metres.
- 34** That TWB is commended for reacting positively to complaints by introducing new methods of debt management including the phone calls to customers in arrears which should continue and to continue with its awareness programs.
- 35** That TWB discuss the consumption tax issue with the Ministry of Revenue & Customs.

THE DISCONNECTION PROCESS

- 36 Following on from the delivery of the water bill invoices to the customers, when the arrears (any amount due after 30 days) are unpaid, the TWB generates a daily disconnection list. This is provided to the TWB Disconnection Team headed by Teusila Leki and consists of four (4) TWB employees. Their job is to action the disconnections for each day, which can be as many as 60 per day. The team goes out to implement the disconnections (removing the metre or locking the metre) in accordance with the generated list (Figure 5).

11251828

TONGA WATER BOARD

LIST 1
DATE: 16 MARCH 2017

DISCONNECTION - [BLK: 11,12,14,15,17]

Account	Name	Arrears Bal	Current Bal	Total Bal	Plumber Records	Meter ID
1 1100701	TAVAKE KAILAHI	40.79	34.53	75.32		04A058520
2 1101400	SIONE VALITA	39.27	53.67	92.94		T15A00226
3 1104100	SAANE 'UNGA	40.51	27.02	67.53		93A641518
4 1105052	METUI TAUFU	39.80	27.02	66.82		00A0099068
5 1105400	TAU'AIKA LAVULO	63.46	73.01	136.47		13A674113
6 1105700	TEVITA NAULANGI	71.53	77.02	148.55	1700 1/25/17	NC
7 1106600	MAKAIFI FAINGA	32.03	27.02	59.05		04A126506
8 1106601	TEVITA FINE HEIMULI	38.38	45.72	84.10		09A601974
9 1107350	OFA HALAIFONUA	37.55	27.02	64.57		477721
10 1108852	KITIONE LIUONO	39.84	27.02	66.86		01A173828
11 1110602	MINE FAOLUA	47.60	11.47	59.07		T13A00162
12 1111800	UATE TAUKOLO	45.15	101.88	147.03		AE252920
13 1200200	NAILASIKAU LAVAKI	60.09	27.02	87.11		79115062
14 1200253	VILIAMI SIKI	75.43	76.87	152.30		11A602406
15 1200600	LUPE FAKATULOLO	45.79	36.05	81.84	1700 50	04A203275
16 1200954	AHOKAVA SINISA 1	40.18	58.30	98.48		08A638027
17 1201300	TEVITA H HINGANO	40.49	27.02	67.51		94A647636
18 1202751	MAMANA LEHA'ULI	39.68	27.02	66.70		93A244621
19 1204850	MESAKE FOLIAKI	502.65	493.78	996.43		T16A00445
20 1205500	TOLOHA MALAFU	51.62	158.48	210.10		05A125907
21 1206600	DONOVAN AHOKAVA	76.05	77.02	153.07		98A304751
22 1207050	M.A FALEAPUNA	37.23	124.50	161.73		08A633686
23 1207253	SIONE SIKETI	40.10	37.02	67.12		04A058570
24 1207550	TU'IPULOTU MAHE	82.99	108.19	191.18		07A003849
25 12083503	KALOLAINE TAKITAKI	392.31	77.02	469.33	1700 100	91544714
26 1209601	VILIAMI VAIPUNA	38.16	20.41	58.57		T13A00486
27 1209653	LOKUVALU LEHA	39.84	41.71	81.55		910604
28 1209762	ALIKI PELE	37.17	27.02	64.19		80084152
29 1209763	KOLI KAUVAKA	40.28	31.03	71.31		13A620721
30 1209780	KEIO THOMSON	96.01	99.42	195.43		T13A674226
31 1209788	PAPANI LASITANI	30.64	48.26	78.90		78005437

Figure 5 - Disconnection List 16 March 2017

- 37 During our interviews with the water metre readers and the water disconnection team, it was clear that the disconnection list that was daily generated and acted upon was not cross checked to the the metre reader's form (Figure 2). As such, there was no link to confirm if the water bill invoice had been delivered properly proving whether the customer had knowledge of his water bill.
- 38 As with the water metre readers there are no written guidelines or work procedures for the disconnecting staff. Disconnections are done from Monday to Friday and they are also available for reconnections (including overtime) once the water debt is paid. Customers who are not at home when the metre is disconnected can call the TWB phone number and speak to the security officer who will connect the customer with the relevant officers. TWB makes it a priority to ensure customers have access to water and once advised that the water debt has been paid, it is a priority that the water is connected. There are also times when the water is connected without the debt being paid at that time but can be settled the next working day.

- 39 Since July 2017, the TWB have put in place a new process whereby the disconnection officers go out with a receipt book and can accept payment in lieu of actual disconnection. Included in this payment must be the \$25 reconnection fee (imposed pursuant to section 57 of the TWB Act).

57 Recovery of Outstanding Amounts.

(1) Any tariff, charge, fee, interest or penalty payable under section 55 may be recovered by the Board as a debt due by the consumer.

(2) Without prejudice to any other remedy available to the Board, where any tariff, charge or fee or any interest or penalty payable to the Board is outstanding for a period of 30 days from the day on which it became due, the Board may —

- (a) restrict or disconnect the supply of water to the land in question;
- (b) demand the outstanding amount from either or both of the owner and occupier and if the amount demanded is not paid in full within seven days from the date of that demand, may recover any part of the amount which has not been paid as a debt due to the Board.

THE DISCONNECTION ISSUES

- 40 If the water bill invoice is never received, the customer is not aware of the due date and hence never receives the notice that the water may be disconnected.
- 41 That there is no connection between the TWB team that generates the disconnection list and the metre readers to confirm whether the water bill invoice had been properly delivered to the customer.
- 42 TWB has not been in compliance with section 57 of the TWB Act which states that disconnections to occur 30 days from the day on which any charge is due, meaning that disconnections take place 30 days after the due date and not directly after the due date itself as is the practice.

THE DISCONNECTION RECOMMENDATIONS

- 43 That TWB is commended for reacting positively to complaints by introducing new methods of debt management including the phone calls to customers in arrears which should continue and to continue with its awareness programs.
- 44 That TWB take measures to document its water metre disconnection processes so that employees have a common understanding of the requirements. This document can also be made into a public document which could serve as the TWB service standard and commitment to the public so that customers are aware of the processes and their role in ensuring uninterrupted water services including facilitating access for invoice delivery.
- 45 That the TWB is commended for implementing new processes for a customer friendly service which includes allowing the disconnecting staff to take a receipt book and collect arrears if the customer wants to pay on the spot.
- 46 That the TWB review its water bill invoice and its disconnection practices to ensure compliance with the TWB Act specifically as it relates to when disconnections can take place.

OPINIONS

- 47 Water is a human need related to hygiene as such its provision should be guarded and not easily disrupted.
- 48 That the TWB have been in contravention of the CT exemption in the CT Act since it changed to twice monthly metre readings and billing.
- 49 That the TWB's disconnection policy and practices have been in contravention of the TWB Act in relation to the time allowed by statute for disconnection, that is water shall not be disconnected unless the bills has not been paid 30 days after the due date.

RECOMMENDATIONS (collated)

- 50 I am recommending six (6) things in this Report pursuant to section 18(3) of the Ombudsman Act 2001-
1. That TWB consider ways of delivery that ensures each customer receives his or her water bill invoice. This includes ensuring that the last column of the metre readers form (Figure 2) is accurately filled out to ensure proper service has been effected.
 2. That TWB take measures to document its water metre reading, water bill invoice delivery and water metre disconnection processes so that employees have a common understanding of the requirements. This document can also be made into a public document, which could serve as the TWB service standard and commitment to the public so that customers are aware of the processes and their role in ensuring uninterrupted water services including proper access to the water metres.
 3. That TWB discuss the consumption tax monthly domestic water exemption with the Ministry of Revenue & Customs.
 4. That TWB is commended for reacting positively to complaints by introducing new methods of debt management including the phone calls to customers in arrears and allowing disconnection staff to take a receipt book and collect arrears if the customers wants to pay on the spot which should continue including the TWB radio awareness programs.
 5. That the TWB review its water bill invoice and its disconnection practices to ensure compliance with section 57 of the TWB Act specifically as it relates to when disconnections can take place.
 6. That the TWB report back to me within **two months** of the date this report is finalized to provide a follow up report on the recommendations.

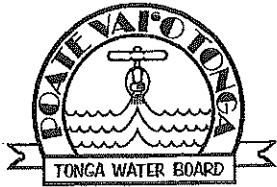
TWB'S RESPONSE MARCH 2018

- 51 On 16 January 2018, I delivered my Provisional Report to TWB setting out my findings, opinions and recommendations. On 20 March 2018², I received a letter from TWB accepting the recommendations of this Report and providing proposed actions for implementation. As required under section 18(5) of the Ombudsman Act 2001, a copy of this letter is attached to this Report as Annex 1.



'Aisea H. Taumoepeau, SC
Ombudsman

² Letter from Sione Tutulu Finau, the TWB Chief Executive Officer dated 20 March 2018



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20/03/18

CEO
20/3/18

Doc,
FM
21/03/18
21/3

20 March 2018

Mr 'Aisea H Taumoepeau
Ombudsman
Cnr of Lelue Road & Mateialona Road
2nd Floor Retirement Fund Building
Nuku'alofa

Dear Sir,

I respectfully wish to submit the Tonga Water Board response to the provisional report received from your good office, on 16th January 2018, regarding TWB Billing and Disconnection Practices Investigation.

As a whole, TWB do appreciate all your comments and advices, which have truly shed light into critical issues facing our current operation. As you can see in the attachment below, we have considered all the given six (6) recommendations and have provided our proposed actions for immediate implementation.

We thank you for your continuing support and looking forward to a closer working relationship with your good office in the future.

Malo 'Aupito



Sione Tutulu Finau
Chief Executive Officer, TWB

TWB RESPONSE TO ISSUES AND RECOMMENDATIONS PROVIDED BY OMBUDSMAN

Item No.	Billing Issues	Recommendations (Collated)	Proposed Actions
1. Pg. 9 (#29)	<ul style="list-style-type: none"> • Customers receiving no water bills resulting in disconnection of water without knowledge of the amount due and the due date. • Meter readers often neglect filling out the signature column in the meter reading form resulting in inability to confirm delivery. 	<ol style="list-style-type: none"> 1. TWB to consider ways of delivery that ensures each customer receives his/her water bill invoice. Also to ensure that meter readers accurately fill out the meter readers form. 	<ol style="list-style-type: none"> 1. Ensure the Meter Reader fill out meter reading signature column. 2. Supervisor to confirm (check and sign) the Meter Reading form on return.
2. Pg. 9 (#28)	<ul style="list-style-type: none"> • Inconsistency in monthly water bills due to water leakage or failure to read water meters. Inappropriate methods of debt management. • As with the meter readers, there are no written procedures of guidelines for the disconnection staff to follow. 	<ol style="list-style-type: none"> 2. TWB to document water meter reading & water bill invoice delivery processes so employees have a common understanding of the requirements and to make it a standard public document so everyone is aware of the processes. 	<ol style="list-style-type: none"> 1. Check accuracy of Meter Reading, Meter Registration and the delivery of water bills is consistent. 2. Develop documentation of Water Meter Reading and Water Billing invoice delivering services. 3. Provide monthly Public Radio Awareness Programs to address key issues.
3. Pg. 10 (#30)	<p>Consumption Tax exemption of 20 m3 of water/domestic customer/month was allowed twice a month, contrary to Consumption Tax Act.</p>	<ol style="list-style-type: none"> 3. TWB to discuss the Consumption Tax issue with Ministry of Revenue & Customs. 	<ol style="list-style-type: none"> 1. Formal approval from the Ministry of Inland Revenue & Customs to continue with the current system until further notice.
4. Pg.10 (#34)	<p>Disconnection Issues</p> <ul style="list-style-type: none"> • Disconnection list is not crossed checked to the meter readers' form therefore there is no link to confirm if the water invoice has been delivered. • Customers do not aware of the due date that water may be disconnected 	<ol style="list-style-type: none"> 1. TWB to provide friendly customer service by providing new methods of debt management including phone calls to customer in arrears and allowing disconnection staff to take a receipt book and collect arrears if customers wants to pay on the spot and radio awareness programs. 	<ol style="list-style-type: none"> 1. Continue Customer Friendly Service by informing Customer before disconnection through telephone, text message communication and internet network. 2. Continue Public Radio Awareness Program. 3. Continue to allow disconnection staff to take the receipt book to collect arrears. 4. Continue cross checking Meter Readers form to disconnection list.

5. (#30)	<p>Date of disconnection shown in the water bill invoice contradicts TWB Act section 57: <u><i>That the disconnection can occur not after the due date on the invoice but an additional 30 days after the due date.</i></u></p>	<p><u>Recovery of outstanding amounts.</u> TWB to review its water bill invoice and its disconnection practices to ensure compliance with section 57 of the TWB Act in relation to when disconnection takes place</p>	<p>The TWB Current Water Bill invoice, states that: <i>"The Current Water Bill Amount is due for payment within 30 days of bill date (Ko e mo'ua lototonga ke totongi 'i loto he 'aho 'e 30 mei he 'aho 'o e mo'ua ni)"</i></p> <p>To reflect the TWB Act: Section 57, TWB has amended the statement in the current invoice to read as follows: <i>"The Current Water Bill is now due for payment; otherwise, your water supply will be disconnected after 30 days of bill date (Ko e mo'ua vai lototonga 'oku fiema'u ke totongi mai leva he taimi ni; ka 'ikai, 'e tu'usi atu ho'o ma'u'anga vai 'i he 'osi 'a e 'aho 'e 30 mei he 'aho 'o e tohi mo'ua ni"</i></p>
6.	<p>Compliance with the Provisional Report Recommendations</p>	<p>2. TWB to report back within 2 months of the date this report is finalized to provide a follow up on the recommendations.</p>	<p>1. TWB will report back within 2 months.</p>