BIBLIOGRAPHY


*Solomon Islands Water Authority Act 1992.*


Solomon Islands Water Authority Board Meeting, May. (1996a).

Solomon Islands Water Authority Board Meeting, June. (1996b).


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**OTHER REFERENCES**


APPENDIX 1

The Solomon Islands Water Authority Act 1992
THE SOLOMON ISLANDS WATER AUTHORITY ACT 1992
(No. 16 of 1992)

Passed by the National Parliament this sixteenth day of December 1992.
This printed impression has been carefully compared by me with the Bill passed by Parliament and found by me to be a true and correct copy of the said Bill.

J.M. Tuhaika
Clerk to National Parliament.

Assent to in Her Majesty's name and on Her Majesty's behalf this eighteenth day of December 1992.

G.G.D. Legging
Governor-General

Date of commencement: see section 1.

AN ACT to make provision for the establishment of a Water Authority for Solomon Islands, to provide for the proper management and development of urban water resources and services and sewerage services in Solomon Islands and for other matters connected therewith or incidental thereto.

ENACTED by the National Parliament of Solomon Islands.
THE SOLOMON ISLANDS WATER AUTHORITY ACT 1992

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PART 1
PRELIMINARY
1. This Act may be cited as the Solomon Islands Water
   Authority Act, 1992, and shall come into operation on
   such date as the Minister may appoint, by notice published
   in the Gazette.

2. The provisions of this Act shall apply to the whole
   of Solomon Islands, or to such areas or parts of Solomon
   Islands as the Minister may, from time to time prescribe by
   Order.

3. (1) In this Act unless the context otherwise
的要求：
   "additional works agreement" means an agreement
   entered into under section 20;
   "approval" in relation to Part III, means an
   approval to develop land given by an appropriate
   body;
   "area", in relation to the Authority, means the area
   of operations of the Authority;
   "authorised person" means an employee or other
   person acting on behalf of the Authority;
   "Board" means the Board of the Authority
   established under section 6;
   "catchment area" means an area of land declared
   by an order in force under section 18 to be a
   catchment area;
   "charging period", in relation to the Authority,
   means a period declared by an order in force under
   section 22 to be a charging period for the
   Authority;
   "compliance certificate" means a certificate referred
   to in section 21;
   "Council" means a Provincial Government of a
   province or the Honiara Town Council, as the case
   may be and includes an area council;
   "developer" means a person to whom an approval
   to which Part III of this Act applies has been
   given;
   "development", in relation to land, means
   (a) the erection of a building on the land;
(b) the carrying out of work in, on, over or under the land;
(c) the use of the land or of a building or work on the land; or
(d) the subdivision of the land;
"land" includes an easement or right over, through or above any land;
"member" means a director of the Board of the Authority;
"meter" includes any measuring device;
"Minister" means the Minister who for the time being is charged with responsibility of administering urban water supply;
"owner" shall have the meaning ascribed to it in the Land and Titles Act, Cap. 91;
"public road" means a road the public are entitled to use, whether or not it is declared as a public road under the Roads Act or any Provincial Ordinance;
"service charge" means -
(a) a water service charge;
(b) a sewerage service charge;
(c) a loan service charge;
(d) a development works service charge; or
(e) a special industry service charge, that may be levied under Part IV;
"special industry" means an industry declared by an order in force under section 22 to be a special industry;
"work or works", include -
(a) water mains and water headworks;
(b) sewer mains and sewage treatment works; and
(c) any works ancillary to the works referred to in paragraph (a) or (b).
(2) A reference in this Act to -
(a) the erection of a building includes a reference to the rebuilding of, the making of structural alterations to, or the enlargement or extension of, a building on land; and
(b) the carrying out of a work includes a reference to the rebuilding of, the making of alterations to, or the enlargement or extension of, a work; and
(c) a work includes a reference to any physical activity in relation to land that is specified by a regulation to be a work for the purpose of this Act; and
(d) the subdivision of land is a reference to -
(i) (without limiting the following provisions of this paragraph) the subdivision of land within the meaning of the provisions of the Land and Titles Act; or
(ii) any other division of land into two or more parts which, after the division, would be obviously adapted for separate occupation, use or disposition; or
(iii) the subdivision of land, by such a subdivision or by any other division, into different parts which, after the subdivision, would be obviously adapted for separate occupation, use or disposition; or
(c) the carrying out of development includes a reference to the erection of a building, the carrying out of work, the use of land or of a building or work, or the subdivision of land, as the case may require.

4. (1) The objects of the Authority shall be -
(a) to ensure that water resources allocated for urban water supply are properly managed, distributed, allocated and used in ways which are consistent with proper water management practices;
(b) to provide water and related services to meet the needs for users in a commercial manner consistent with the overall policies of the Government;
(2) In exercising its functions, the Authority may have regard to such matters as it considers would be appropriate for the attainment of its objects including, but without limiting the generality of the foregoing -
(a) promotion of efficient use of urban water resources;
(b) the necessity for integrated catchment management and planning of land use and the use of urban water resources;
(c) public interest and community needs;
(d) conservation of urban water resources;
(e) pollution control and prevention; and
(f) efficient use of human, material and financial resources.
PART II
ESTABLISHMENT OF THE AUTHORITY, MANAGEMENT,
FUNCTIONS AND POWERS

5. (1) There shall be established for the purpose
of this Act, a body to be known as Solomon Islands Water
Authority (hereinafter referred to as the Authority) which
shall be a body corporate to which the provisions of Part
VII of the Interpretation and General Provisions Act shall
apply.

(2) The provisions for the First Schedule shall
have effect as to the constitution of the Authority and otherwise
in relation thereto.

6. (1) There shall be established for the purpose
of this Act, a Board of Directors of the Authority which
shall, subject to the provisions of this Act, be responsible
for the policy and general administration of the affairs of the
Authority.

(2) The provisions of the Second Schedule
shall have effect as to the constitution of the Board and otherwise
in relation thereto.

The functions of the Authority shall be:
(a) to control, regulate, develop, manage, conserve and
utilise urban water resources in the best interests,
of Solomon Islands;
(b) to formulate national policies relating to the control
and use of urban water resources;
(c) to ensure that the water supplied for consumption
meets the prescribed water quality standards;
(d) to provide, construct, operate, manage and
maintain, buildings, works, systems and services for
impounding, conserving and supplying water for
domestic, industrial, commercial and other
purposes;
(e) to provide, construct, operate, manage and maintain
buildings, works, systems and services for the
conveyance, treatment and disposal of sewage,
disposal of trade and industrial waste and other
connected purposes; and
(f) any other like function.

8. The Minister may after consultation with the
Chairman, give to the Authority such directions of a general
character as to the policy to be followed by the Authority in
the performance of its functions as appear to the Minister to
be necessary, and the Board shall give effect thereto.

9. (1) The Minister may by Order published in
the Gazette declare the whole of Solomon Islands or any part
thereof to be an area of operation for the purposes of this Act.

(2) Where the Minister declares, an area of
operation pursuant to the provisions of subsection (1), the
Order may specify the functions which the Authority may
exercise in respect of the area of operation.

10. (1) Subject to the provisions of subsections (2) and
(3), the Authority shall have powers to do anything which is
calculated to facilitate the discharge of its functions, or is
incidental or conducive to their discharge.

(2) In particular, and without prejudice to the
generality of the provisions of subsection (1), the Authority may:
(a) acquire, hold and dispose of movable and
immovable property;
(b) act as agent for other persons or appoint agents on
its behalf;
(c) enter into agreements or arrangements with any
person or institution, whether, national or
international, providing participation, assistance or
cooperation with its activities;
(d) establish and maintain funds to meet contingencies
and for such other purposes as it may think fit; and
(e) generate revenue by levying and recovering charges,
fees, rates and capital contributions.

(3) Subject to the provisions of this Act and to the
approval of the Minister, the Authority may:
(a) form subsidiary companies, enter into partnership
or joint ventures to carry on any activities which the
Authority has power under this Act to carry on;
(b) enter into any commercial operations in respect of
its activities, services or products; and
(c) effect and maintain or contribute to insurance
schemes.
The Authority may, by its employees and authorised persons,
(a) enter and occupy land and there exercise any of its functions, including the carrying out of any work on, below or above the surface of the land;
(b) divert water from, or alter the course of a stream, river or waterway; and
(c) impound or take water on, in or under the surface of any land.

(2) The power conferred by this section is sufficient authority for such employees or authorised person to enter or occupy land or any part of a building (except an enclosed part occupied as a separate dwelling) in the exercise of the Authority's functions during daylight for the purpose of -
(a) reading a meter; or
(b) ascertaining whether trade waste is present or is being (or has recently been) discharged to a work of the Authority,
unless the employee or authorised person is refused access by the lawful occupier of the land.

(3) The Authority may, in accordance with the regulations, attach a ventilating shaft, pipe or tube for a sewer to the wall of a building.

(4) The Authority may remove or use any thing dug up or obtained in the exercise of its powers under this section.

(5) The Authority shall
(a) do as little damage as practicable in exercising its powers under this section; and
(b) compensate all persons who suffer damage by the exercise of the powers, in relation to the land entered.

Subject to the provisions of this Part, every person whose land has been used in laying down pipes, carrying out any works or for any other purposes of this Act shall be entitled to reasonable compensation for any damage sustained by him by reason of such use of his land, such compensation shall be ascertained and awarded in the following manner -
(a) by way of reinstatement, repair, construction of works; or
(b) by way of payment of money;

Provided, however, that where the Authority provides a sewer, compensation shall be payable only if such construction of a sewer causes damage to or interference with an existing building or structure.

(2) In all instances in which compensation is claimed it shall be lawful for the Authority, to agree with the claimant for the payment of such sums of money by way of compensation as the Authority may think reasonable.

(3) A claim for compensation under this section shall not be effective unless such claim is made in writing not later than six months after the damage was suffered.

Subject to the provisions of subsections (2) and (3), the Authority may by its employees or authorised persons enter -
(a) at any time any land or building other than a dwelling house;
(b) a dwelling-house at a reasonable time during daylight.

(2) The Authority shall not exercise the powers conferred by subsection (1) except for the purpose of ascertaining -
(a) the character and condition of the land or building;
(b) the condition or location of any pipe, sewer, drain, channel, fitting or other work used in connection with the land or building;
(c) whether any use, consumption, waste, misuse or undue consumption of water supplied by the Authority is occurring; or
(d) whether any offence against this Act has been or is being committed.

(3) The Authority shall not exercise the powers conferred by subsection (1) unless reasonable written notice of its intention to do so has first been given to the owner or occupier of the land, building or dwelling house.

(4) The Authority may, by notice in writing given to the owner or occupier of the land or building, require all defective or improper work discovered on an inspection to be repaired, altered or removed within 24 hours or such longer period as is stated in the notice.

(5) If a notice under subsection (4) is not complied with, the Authority may, by its employees or authorised persons, enter the land, building or dwelling house and repair, alter or remove the defective or improper work.
(6) The costs and expenses incurred by the Authority pursuant to the exercise of its powers under subsections (4) or (5), as the case may be, shall be recoverable from the owner or occupier as a service charge.

(7) If, on an inspection under this section:
(a) no defective or improper work is discovered;
(b) no waste, misuse or undue consumption of water supplied by the Authority is occurring; or
(c) there is no breach of any provisions of this Act, the Authority shall make good any damage or disturbance caused by it for the purposes of the inspection.

(8) In exercising its powers under this section, the Authority shall do as little damage as practicable.

14. (1) For the purposes of performing its functions, the Authority may, on giving reasonable notice to the appropriate government Ministry or other body exercising control or management over any public road, street or public reserve, open or break up:
(a) such road, street, public reserve or pavements; or
(b) any sewer, drain, tunnel or pipe under such road, street, public reserve or pavements.

(2) On completion of any works conducted by the Authority pursuant to the exercise of its powers under subsection (1), the Authority shall as soon as practicable restore the surface of such road, street, public reserve or pavement to the condition or order as it was previously.

15. (1) If:
(a) the Authority, in order to exercise its functions, needs an alteration to be made in the position of a conduit owned by another person; and
(b) the alteration would not permanently damage the conduit or adversely affect its operation, the Authority may serve on the person a written notice that complies with subsection (2).

(2) A notice referred to in subsection (1) shall:
(a) specify the alteration needed;
(b) require the alteration be made within a reasonable time stated in the notice; and
(c) include an undertaking by the Authority to pay reasonable cost of the alteration.

(3) If the alteration is not made in accordance with the notice, the Authority may make the alteration in such a manner as not to damage the conduit permanently or adversely affect its operation on completion of the alteration.

(4) In this section, "conduit" means anything that is in or under a public road or street and is used for the conveyance of a substance, energy or signals.

16. If a person places a structure or other object in or near any work of the Authority in such a manner as to interfere with the work, the Authority may demolish or remove the structure or other object, repair and restore the work and recover the cost of doing so as debt owing to the Authority by the person who placed the structure or other object there.

17. (1) Where the water being supplied by the Authority is suspected as being interfered with so as to cause pollution, the Authority may for the purpose of carrying out an investigation, after due notice to persons likely to be affected, open, break or dig any public or private road or street or any ground.

(2) Where on completion of the investigation it is found that the person to whom notice was given under subsection (1) was not responsible for the interference or pollution of the water, the Authority shall restore the surface dug or damaged to the condition or order as it was previously and repair any other damage caused by its operations.

(3) Where on completion of the investigation it is found that the person to whom notice was given under subsection (1) was responsible for the interference or pollution of the water, the Authority may recover from such person the costs incurred in such investigation.

18. (1) Where the Minister on the recommendation of the Authority considers that it is appropriate with a view to preventing, controlling, prohibiting or restricting the carrying out in a particular area from which urban water supply may be extracted, such activities which are considered likely to result in pollution of, or interference with the proper use, flow or control of water, he may make an Order declaring such area as a catchment area and specify in such Order activities which are prohibited or restricted.

(2) Where an order under subsection (1) declaring a specified area as a catchment area has been made no person
20. (1) The Authority may enter into an agreement with the owner of any land providing for the construction of such works as may be specified in the agreement.

(b) Such an agreement may provide for:

(a) the payment to the Authority by the owner of the land

(i) of the whole of the cost of the construction of the works referred to in the agreement; or
(ii) of such part of that cost as, in the opinion of the Authority, is reasonable, having regard to the benefit of the works to that land and any other land that may in the opinion of the Authority, be capable of being served by those works; and

(b) such other matters as may be prescribed or agreed upon between the Authority and the owner of the land.

(2) Any works constructed under such an agreement shall be the property of the Authority.

(3) On application being made to the Minister in the prescribed manner the Minister may either refuse the request or permit such activities subject to such restrictions as he may deem appropriate.

(4) Where an Order made under section 18, affects any land owner, person or group of persons, interests in land, the Authority may enter into negotiations with a view to paying compensation for any loss that such landowners or person or group of persons may suffer as a result of the restrictions or prohibitions specified in the Order.

PART III
CONSTRUCTION OF WORKS

(5) The Authority may by regulations prescribe:

(a) the procedure for the application by a developer for the issue of a Certificate of Compliance; and
(b) the requirements to be satisfied in respect of that Certificate of Compliance; and
(c) the form and contents of the Certificate of Compliance.

(6) Where the Authority is satisfied that the requirements prescribed by regulations made under this section have been complied with it may enter into any agreement with such developer and issue to him a Certificate of Compliance.

(22) The Minister may, by Order published in the Gazette for the purposes of service charges declare

(a) any land described in the Order to be a development area;
(b) any industry specified in the Order to be a special industry; or
(c) successive periods (whether or not of the same duration) to be charging periods.

(31) The Minister may by regulations prescribe the requirements and the procedure for the providing of water mains and sewer mains to any land or premises.

(2) The Authority may by notice declare water mains and sewer mains available for connection.
PART IV
SERVICE CHARGES

24. (1) The prices to be charged by the Authority for the supply of services specified in subsection (1) shall be in accordance with such tariffs as may, from time to time, be fixed by the Minister on the recommendation of the Authority.

(2) In making its recommendation to the Minister as required in subsection (1), the Authority shall take into consideration the matters specified in this Part.

(3) The charges referred to in subsection (1) shall be in respect of—
(a) water service;
(b) sewerage service;
(c) loan service;
(d) developmental works service; and
special industry service,
on land within its area.

(4) The Authority may, in accordance with the regulations, impose fees and charges for any service or thing supplied or provided by it in the exercise of its functions under this Act.

25. (1) The Authority may only levy water service charges on land—
(a) to which water is supplied; or
(b) to which, in the opinion of the Authority, it is reasonably practicable for water to be supplied, from one of the Authority’s water mains.

(2) The Authority may only levy sewerage service charges on land—
(a) from which sewage may be discharged; or
(b) from which, in the opinion of the Authority, it is reasonably practicable for sewage to be discharged, into one of the Authority’s sewer mains.

(3) The Authority may only levy developmental works service charges on land within a development area.

(4) The Authority may only levy special industry service charges on land on which a special industry is conducted.

(5) The Authority may not levy service charges in respect of any land exempted by the Minister by Order made and published in the Gazette.

26. (1) The Authority shall specify by regulations the factors or factors according to which the Authority may classify lands for the purpose of levying service charges.

(2) Without limiting the generality of subsection (1), the regulations may specify that the Authority may classify land according to any one or more of the following factors—
(a) the purpose for which the land is actually being used;
(b) the intensity with which the land is being used for the purpose;
(c) the purpose for which the land is capable of being used;
(d) the nature and extent of the water and sewerage services connected to the land.

(3) For the purposes of subsection (2)(c), land is not capable of being used for a purpose if the use of the land for that purpose would be in contravention of any Act or law relating to the use of land.

27. (1) The basis or the criteria on which the Authority may levy service charges shall be as prescribed by regulations made by the Minister.

(2) Without limiting the generality of subsection (1), the regulations may specify that the Authority may levy service charges according to any one or more of the following basis—
(a) the nominal size (as determined in accordance with the regulations) of the water service pipe supplying water to the land;
(b) the nominal size (as determined in the regulations) of the sewerage service pipe discharging sewage from the land;
(c) the area of the land.

28. (1) Before the end of each charging period the Authority shall, in accordance with the regulations, determine—
(a) the amount of money that it proposes to raise by way of service charges levied on land within its area;
(b) the factor or factors according to which land within its area is to be classified for the purpose of levying service charges;
(c) the basis or bases according to which service charges are to be levied; and
(d) the rate at which service charges are to be levied on, or the maximum or minimum service charges that
are applicable to land within its area of operation, for the next succeeding charging period.

(2) In making a determination under this section, the Authority may have regard to

(a) its estimation of the degree of benefit that accrues to land in respect of each service for which the charge is to be levied;
(b) its estimation of the degree to which each service is or may be used in relation to land in respect of which the charge is to be levied;
(c) its estimation of the cost involved in the construction, maintenance and operation of each service for which the charge is to be levied; and
(d) such other matters as it considers relevant to the levying of charges for each such service.

(3) A determination under this section

(a) is required to be approved by the Minister and does not have effect unless it is so approved;
(b) shall be published in the Gazette before the commencement of the charging period to which it relates; and
(c) shall take effect on the commencement of the charging period to which it relates.

(4) A determination does not fail merely because it is not published in the Gazette before the commencement of the charging period to which it relates, but, in that event, no person is liable for payment of the service charges to which the determination relates until the determination is published in the Gazette.

(5) A service charge determined under this section is levied on publication of the determination in the Gazette.

(6) If, for any reason

(a) a determination under this section is not made before the charging period to which it relates; or
(b) there is any irregularity or alleged irregularity in the making of any such determination,
the Minister may extend the time for making the determination (whether or not the time has expired) and may authorise the Authority to do anything necessary to remedy any irregularity and make a valid determination.

29. (1) After making a determination under section 28, the Authority shall, in accordance with the determination

(a) classify each parcel of land within its area in respect of which a service charge is to be levied; and
(b) assess the service charges payable for each such parcel of land.

(2) After it makes an assessment under this section, the Authority shall, in accordance with the regulations, cause a notice to be served on the owner of each parcel of land in respect of which a service charge has been levied.

(a) each notice shall include information as to

(i) the factor or factors according to which the parcel of land has been classified for the purpose of levying of service charges,
(ii) the basis on which service charges have been levied in respect of the parcel of land,
(iii) the rate at which a service charge has been levied in respect of the parcel of land,
(iv) the amount payable by the owner of the parcel of land for the service charge, and
(v) the date on which the notice is to be paid.

(b) on payment of the service charge to the Authority as specified in the notice, the owner of the parcel of land shall become liable for the payment of the service charge specified in the notice.

30. (1) A service charge for payment of which a person liable is a charge on the land to which the service charge relates.

(2) A charge imposed under section 28(1) for a service or thing supplied or provided in connection with the use of land for a charge on the land.

31. The Authority may charge interest over the period of service charges and other charges at a rate not exceeding the rate prescribed and provided for in regulations.

PART V
FINANCIAL

32. The funds and resources of the Authority shall consist of

(a) such sums as may from time to time be provided by Parliament out of the Consolidated Fund;
(b) such sums of money as may be raised from time to time under Part III;
(c) all moneys received from investments under section 33;
(d) such money, borrowed by way of loans or overdrafts under section 4; and
(e) all other sums or property which may in any manner become payable to or vested in the Authority in respect of any matter incidental to its functions under this Act or any other law.

33. Moneys standing to the credit of the Authority may from time to time be invested in securities approved either generally or specially by the Minister.

34. The Authority may borrow by way of loan or overdraft such sums of money it deems fit not exceeding an amount approved by the Minister.

35. (1) The Government may guarantee on such terms and conditions as it may determine, loans raised by the Authority from any international or foreign organisation approved by the Government.
(2) All sums payable by the Government under any guarantee given under subsection (1) are hereby charged on the Consolidated Fund.

36. (1) The income and revenue of the Authority shall not be subject to taxation under any law.
(2) All instruments executed by or on behalf of the Authority shall be exempt from stamp duty.

37. No customs or other duty shall be payable upon any machinery or equipment imported into Solomon Islands or taken out of bond in Solomon Islands, by the Authority and shown to the satisfaction of the Comptroller of Customs to be required solely for the purpose of performing the functions of the Authority under this Act.

38. Any machinery or equipment imported into Solomon Islands or taken out of bond in Solomon Islands, free of customs duty or in other similar duty pursuant to the provisions of section 37 shall not without the prior approval in writing of the Comptroller of Customs, be sold or given away at any time within the period prescribed by the Comptroller of Customs, unless at the time when that machinery or equipment is sold or given away the Comptroller of Customs has paid such sums which would have been payable in respect of customs, and other similar duties in respect of the importation or the taking out of bond in Solomon Islands of that machinery or equipment if it had not been for this section.

39. The Authority shall, before the expiration of six months after the end of the financial year, submit to the Minister a report of its activities during the preceding financial year, and the Minister shall lay before Parliament a copy of the annual report.

40. (1) The Authority shall keep proper accounts and other records in respect of its operations, and shall cause to be prepared an annual statement of account in respect of each financial year.
(2) The accounts of the Authority shall be audited annually by an auditor appointed by the Authority and approved by the Auditor General.
(3) After the end of each financial year, and on the accounts of the Authority have been audited, the Authority shall cause a copy of the statement of accounts to be transmitted to the Minister, together with a copy of any report made to the auditor on that statement or on the accounts of the Authority and such explanation of any matter referred to in the auditor's report as may be necessary.
(4) The Minister shall cause a copy of the annual statement of accounts together with the Auditor's report to be laid before Parliament.

41. (1) Any charge, fee or money due to the Authority under this Act may be recovered in any court of competent jurisdiction as if it were a debt due to the Government.
(2) An unsatisfied judgment or order of any court for the recovery of any charge or fee from any person shall not be a bar to the recovery of the charge or fee from any other person who is liable under this Act for the payment of the charge or fee.
42. (1) The Authority shall, upon written application being made to it and on payment of the fee determined by the Authority, issue to the applicant a certificate containing particulars of any amounts payable to the Authority in respect of a parcel of separately assessed land, or to the effect that no moneys are due to the Authority.

(2) An application for a certificate shall specify the name and address of the applicant; and identify the land to which the application relates.

(3) Such a certificate is conclusive proof, in favour of a purchaser in good faith and for value of the land to which the certificate relates, that, at the date of its issue, no amounts were payable to the Authority in respect of that land other than such amounts as are specified in the certificate.

43. A Council shall permit an authorised person, at any reasonable time and without charge, to inspect valuation reports or rate or assessment records kept by that Council and make or obtain a copy of, or extract from, the records.

44. Any amount that was due but unpaid to the Ministry of Transport, Works and Utilities immediately before the commencement of this Act, including any amount that was charged on the land to which the charge relates shall continue to be due and payable and, where applicable, remains a charge on the land until the amount is paid.

PART VI
OFFENCES

45. (1) A person shall not wrongfully take, use or divert any water from which the Authority draws its supply or that is available for supply by the Authority.

(2) Any person who contravenes the provisions of subsection (1) shall on conviction be liable to a fine not exceeding ten thousand dollars or to a term of imprisonment not exceeding five years or to both such fine and imprisonment.

(3) It shall be presumed, unless the contrary is proved, that any wrongful taking or diversion of water to, or any wrongful use of water on, any land was at the direction, or with the connivance, of the owner or occupier of the land.

46. (1) A person shall not wrongfully alter the index of a meter or prevent a meter from duly registering the quantity of water supplied.

(2) If, in connection with the pipes or other apparatus of the Authority used to supply water to any land, there exists any artificial means for-

(a) taking, using or diverting the water, or

(b) altering the index of a meter or preventing it from duly registering the quantity of water supplied, it shall be presumed, unless the contrary is proved, that the taking, use, diversion, alteration or prevention was wrongfully effected or caused by the occupier of the land.

(3) Any person who contravenes the provisions of subsection (1) shall on conviction be liable to a fine not exceeding five hundred dollars or to a term of imprisonment not exceeding six months or to both such fine and imprisonment.

47. (1) A person shall not wilfully or negligently interfere with, destroy or damage a work or structure that belongs to, or is under the control and management of, the Authority.

(2) Any person who contravenes the provisions of subsection (1) shall on conviction be liable to a fine not exceeding ten thousand dollars or to a term of imprisonment not exceeding five years or to both such fine and imprisonment.

48. (1) A person shall not-

(a) wilfully delay or obstruct the Authority or an authorised person exercising a function under this Act;

(b) threaten or abuse a person exercising functions under this Act; or

(c) wilfully remove any poles or stakes driven into the ground, or wilfully deface or destroy any mark made, by the Authority in connection with its work.

(2) Any person who contravenes any provisions of subsection (1), shall on conviction be liable to a fine not exceeding two thousand dollars or to imprisonment for one year or to both such fine and imprisonment.

49. (1) A person shall not place a structure in or near any work of the Authority in such a manner as to interfere with the operation of the work.
(2) Any person who contravenes any provisions of subsection (1), shall on conviction be liable to a fine of not exceeding one thousand dollars or a term of imprisonment not exceeding one year or to both such fine and imprisonment.

50. (1) A person shall not, by opening any ground, expose any pipe or other work of the Authority -
(a) without lawful excuse; or
(b) without having given the Authority at least 2 days' written notice of the intention to open the ground.

(2) Any person who contravenes the provisions of subsection (1) shall on conviction be liable to a fine not exceeding five thousand dollars or a term of imprisonment not exceeding two years or to both such fine or imprisonment.

51. (1) A person shall not undertake or do any work which would have the effect directly or indirectly connecting any water supply from the mains or disposing of sewage to the sewers, maintained by the Authority, unless such person
(a) holds a licence issued by the Authority; or
(b) does the work under the immediate supervision of the holder of such licence.

(2) Any person who contravenes the provisions of subsection (1) shall on conviction be liable to a fine not exceeding two thousand dollars or to a term of imprisonment not exceeding one year or to both such fine and imprisonment.

PART VII
MISCELLANEOUS

52. The provisions of section 32 of the Interpretation and General Provisions Act shall mutatis mutandis apply to any delegation of functions made by the Authority or the General Manager, and accordingly for the purposes of this Act, the words "public authority" appearing therein shall be deemed to include "the Authority" and "the General Manager" as the case may require.

53. (1) Where any land is required for the purposes of the Authority, the Authority shall enter into negotiations with the land owner or any person or group of persons having an interest in the land and make arrangements for the payment of compensation.

(7) Where there is no dispute and an agreement is reached pursuant to subsection (1), such agreement shall be reduced to writing and a copy of such agreement shall be transmitted to the Provincial Secretary or other responsible officer of the Council.

54. (1) Where there is no prospect of the negotiations provided for in section 53 being concluded on a basis acceptable to the parties, or where the delay in arriving at a satisfactory settlement is not in the public interest the Minister charged with responsibility for the Land and Titles Act, may require the Commissioner of Lands to exercise the powers conferred by Division 2 of Part V of the Land and Titles Act and any other power vested in that behalf.

(2) Where any land is compulsorily acquired pursuant to subsection (1), such purpose shall in relation to the exercise of any such powers be deemed to be in the public interest.

55. (1) Any land vested in the Authority is exempt from any rates that a Council may levy.

(2) A tunnel, water or sewer main of the Authority is exempt from any rental charge that a Council may levy.

56. Land that is vested in the Authority is exempt from any land tax that may be levied.

57. (1) The Minister may make regulations, not inconsistent with this Act, for or with respect to any matter that by this Act is required or permitted to be prescribed or that is necessary or convenient for carrying out or giving effect to this Act.

(7) Without limiting the generality of subsection (1), the regulations may make provision for or with respect to
(a) fees, service charges and other charges for the abstraction or use of water;
(b) the manner in which service charges and other charges shall be levied, administered and regulated, including the procedure for appeal against such charges;
(c) development of land;
(d) the control and protection of waters and watercourses and the maintenance of their purity; and of the environment generally of subsection (7); and shall give effect to the contamination or pollution of water, whether...
or not while the water is being supplied or used;
(c) catchment areas, including the regulation or prohibition of abstracting, using, polluting or contaminating waters within catchment areas;
(d) classifying quality of water according to criteria specified in keeping with proper water management practices elsewhere;
(e) water and sewerage systems;
(f) trade wastes;
(g) the opening of the surface of roads;
(h) public recreation; and
(i) the financial operations of the Authority.

58. The Price Control Act 1982 shall not apply to charges imposed under Part IV of this Act.

59. (1) The Water Supply Act (hereinafter referred to as the “repealed Act”) is hereby repealed.
(2) Notwithstanding such repeal from and after the coming into operation of this Act:
(a) all property moveable and immovable, owned by the Water Unit and used for the purposes of that Unit immediately prior to that date shall be transferred to and vest in the Authority without further assurance, and the Authority shall have all the powers necessary to take possession of, recover sale and deal with such property;
(b) all debts, powers, privileges and interests arising out of such property shall vest in the Authority and liabilities subsisting on that date shall be deemed to be liabilities of the Authority;
(c) all contracts and agreements entered into for the purposes of the Water Unit and subsisting on that date shall be deemed to be contracts and agreements entered into by the Authority;
(d) all actions and proceedings instituted by or against the Water Unit and pending on that date shall be deemed to be actions and proceedings instituted by or against the Authority;
(e) Any officer of the Water Unit on that date who is not offered employment with the Authority or is not posted to any other division in the public service shall be deemed to have been terminated from service and the provisions of Part IX of the Public Service Regulations 1979 shall mutatis mutandis apply.
(3) The Provincial Government Act is hereby amended in the following respects -
(a) by inserting at the end of paragraph 10 of Schedule 4 the words “(other than urban water supply in areas, prescribed by the Minister under the Solomon Islands Water Authority Act, 1992)”;
(b) by deleting from Schedule 5 the reference to “The Water Supply Act” and the corresponding provisions in relation thereto.
FIRST SCHEDULE
THE SOLOMON ISLANDS WATER AUTHORITY
(Sec. 5)

1. (1) The seal of the Corporation shall be authenticated by the signature of the Chairman or a member of the Board authorised to act in that behalf and an officer of the Authority so authorised.

(2) All documents other than those required by law to be under seal, made by, and all decisions of the Authority may be signed under the hand of the Chairman or any member of the Board authorised to act in that behalf or an officer of the Authority so authorised.

2. The Authority may appoint and employ at such remuneration and on such terms and conditions as it thinks fit:

(a) a General Manager of the Authority; and

(b) such other officers, agents and employees as it thinks necessary for the proper carrying out of its functions.

3. The expenses of the Authority (including remuneration of the staff thereof, the Chairman, and directors) shall be defrayed out of the income of the Authority.

4. The Authority shall keep proper accounts and other records in relation to its business and prepare annual statements of account and reports as set out in Part V of this Act.

5. The Authority shall furnish the Minister with such returns, accounts and other information as he requires with respect to its activities, and shall afford to him the facilities for verifying such information in such manner and at such times as he may reasonably require.

6. At the end of each financial year, the Minister shall review the operations of the Authority with a view to determining:

(a) whether the Authority has operated in accordance with the annual estimates and any approved operating plan; and

(b) whether the assets of the Authority are sufficient to meet the liabilities of the Authority having regard to any claims or liabilities which may arise during the next ensuing year.

SECOND SCHEDULE
THE BOARD OF DIRECTORS OF THE AUTHORITY
(Sec. 6)

1. (1) The Board shall consist of the following members, namely:

(a) a Chairman appointed by the Minister;

(b) the Permanent Secretary of the Ministry charged with responsibility for the administration of urban water supply; and

(c) five members appointed by the Minister of whom two shall be public officers.

(2) The General Manager of the Authority shall be an ex officio member of the Board.

2. In the case of the absence or inability to act of the Chairman, the Minister may appoint any other person to perform the functions of the Chairman.

3. (1) The appointment of every member (other than an ex officio member) shall be evidenced by instrument in writing, and such instrument shall state the period of office of the member, which shall not exceed two years.

(2) Every member of the Board shall be eligible for re-appointment.

(1) The Minister may at any time revoke the appointment of any member of the Board appointed by him.

4. (1) Any member of the Board other than the Chairman, may at any time resign his office by instrument in writing addressed to the Minister and transmitted through the Chairman, and from the date of the receipt by the Minister of such instrument such member, shall cease to be a member of the Board.

(2) The Chairman may at any time resign his office by instrument in writing addressed to the Minister and such resignation shall take effect as from the date of receipt of such instrument.

5. The names of all members of the Board as first constituted and every change in the membership thereof shall be published in the Gazette.
6. Any member of the Board who
   (i) is declared a bankrupt; or
   (ii) is sentenced to imprisonment for three months or
       more for a criminal offence; or
   (iii) without reasonable excuse fails to attend three
       consecutive meetings of the Board,
       shall be immediately removed from the Board by the Minister.

7. (1) The Board shall meet at such times as may be
       necessary or expedient for the transaction of its business, so
       however, that it shall not be less than four meetings in any
       calendar year.

       (2) The Chairman may at any time call a special meeting
           of the Board and shall call a special meeting to be held within
           seven days of a written request for that purpose addressed to
           him by two or more members of the Board.

       (3) The Chairman shall preside at all meetings of the
           Board and in the case of absence of the Chairman from any
           meeting, subject to paragraph 2, the members present and
           forming a quorum shall elect one of their number to preside
           at the meeting.

       (4) The decision of the Board shall be by a majority of
           votes, and in addition to an original vote, the Chairman or
           any other person presiding at a meeting shall have a casting
           vote in any case in which the vote is equal.

       (5) The General Manager, and such other officers as the
           Chairman decides, shall attend meetings.

       (6) Minutes of each meeting of the Board shall be kept
           in a proper form.

       (7) The Board shall determine its quorum for any
           particular meeting.

       (8) The validity of any proceedings of the Board shall
           not be affected by any vacancy amongst the members thereof
           or by any defect in the appointment of a member thereof.

8. There shall be paid to the Chairman and other
   members of the Board, such remuneration (whether by way
   of honorarium, salary or fees) and such allowances as the
   Minister may determine.

9. No action, suit or prosecution or other proceedings shall
   be brought against any member of the Board in respect of any
   act done "bona fide" in pursuance or execution or intended
   execution of the provisions of this Act.

10. The office of the Chairman or other members of the
    Board shall not be public offices for the purposes of Chapter
    XIII of the Constitution of Solomon Islands.
APPENDIX 2

SIWA’s Corporate Plan
SIWA’s Corporate Plan

SIWA Mission

SIWA’s mission is to provide safe, sustainable and reliable water and wastewater services to Solomon Islands urban centres.

(where: 
safe means that it meets SIWA Standards, based on World Health Organisation Standards;
sustainable means that it will be ongoing to meet the needs of customers, current and future; and,
reliable means that it will be available on customer demand.)

SIWA Objectives ... and Strategies

Engineering

Objective 1. To improve the availability of water and wastewater services

Strategy 1.1 Develop a water and wastewater master plan

1.1.1 Develop a statement and definition of assumptions underlaying the master plan

1.1.2 Obtain a full Geographic Information System (GIS) print of all existing Solomon Islands water and wastewater systems

1.1.3 Establish a database for the collection of demographic data including domestic and commercial building and connections growth data

1.1.4 Estimate systems supply and delivery capacity requirements annually for the next 20 years

1.1.5 Obtain urban planning data for all SIWA supply and service areas within the Solomon Islands
1.1.6 Develop a draft GIS print of all systems in 20 years time based on data collection which considers current asset replacement requirements and different water and wastewater systems, including water supply sources

1.1.7 Establish a system that ensures integrity of transfer of data from the master plan to the capital works plan, operations and systems maintenance plan, the revenue projection model and Management Information System (MIS) reporting

1.1.8 Develop and implement master plan review policy, guidelines and procedures

**Strategy 1.2 Develop and implement a capital works program**

**Activities**

1.2.1 In accordance with the master plan, identify, prioritise and provide a timeframe for an asset’s replacement program based on sound operational and economic grounds

1.2.2 In accordance with master plan projections prioritise and plan the schedule of works, including the timeframe, for investigation, design, development and commissioning of new water supply sources

1.2.3 In accordance with the master plan, identify assets requiring amplification in order for the system to operate efficiently and effectively
1.2.4 In accordance with the master plan, identify and schedule works that reflect future water quality standards and the need for future water treatment works

1.2.5 In accordance with the master plan, identify and schedule works that reflect future environmental standards and the need for wastewater treatment works

1.2.6 Identify any assets free of charge arising from Developers, JICA and other Aid projects

1.2.7 Develop a capital works plan, consistent with achieving future needs as envisaged under the master plan and which reflects realistic considerations of revenue projections, operational and overhead resourcing costs and availability

<table>
<thead>
<tr>
<th>Strategy</th>
<th>1.3</th>
<th>Develop and improve water conservation activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activities</td>
<td>1.3.1</td>
<td>Review current practice</td>
</tr>
<tr>
<td>Activities</td>
<td>1.3.2</td>
<td>Identify any additional activities which could improve water conservation</td>
</tr>
<tr>
<td>Activities</td>
<td>1.3.3</td>
<td>Make amendments to current practice and implement accordingly</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategy</th>
<th>1.4</th>
<th>Develop and implement a systems maintenance program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activities</td>
<td>1.4.1</td>
<td>Define maintenance activities into categories of reactive and preventative maintenance</td>
</tr>
<tr>
<td>Activities</td>
<td>1.4.2</td>
<td>For reactive maintenance:</td>
</tr>
</tbody>
</table>
- list activities and identify frequency of performing the work activities;
- review resources required to undertake the reactive maintenance, eg. plant, human resources, equipment, parts, materials, etc.;
- document work procedures from job initiation to job completion.

1.4.3 For preventative maintenance:
- list assets which require regular preventative maintenance, eg. strategic valves, mainsflushing, reservoir cleaning, sewer rodding, etc.;
- review resources required to undertake the preventative maintenance, eg. plant, human resources, equipment, parts, materials, etc.;
- document the preventative maintenance required and the work procedures needed to undertake the preventative maintenance activity;

1.4.4 Develop a five year systems operations and maintenance plan that is responsive to the impact of future capital works and financial and non-financial resources

**Objective 2.** To ensure that water supplied is of good quality

**Strategy 2.1** Implement a water quality improvement and testing program

**Activities 2.1.1** Review existing chlorination and water quality testing program
2.1.2 Review existing laboratory testing and reporting of results

2.1.3 Review the need for SIWA to have its own testing laboratory

2.1.4 Identify additional chlorination and testing procedures

2.1.5 Review the need for water treatment facilities

2.1.6 Develop and implement water improvement and testing procedures, guidelines and annual plan

**Strategy 2.2 Implement catchment protection initiatives**

**Activities**

2.2.1 Identify and map, on the GIS system, all catchments which require protection

2.2.2 Obtain Government protection for catchment areas which will restrict development within the catchments

2.2.3 Review existing catchment protection initiatives

2.2.4 Place additional signs within catchment areas

2.2.5 Make use of the Community Education and Consultation Officer (CECO) radio program and other community based education initiatives to better educate the community in regards to the water catchments

**Objective 3. To minimise the adverse environmental impacts of water and wastewater services**

**Strategy 3.1 Implement an environmental impact assessments program for all SIWA projects**

**Activities**

3.1.1 Identify the extent of the environmental assessment required for different sized projects
3.1.2 Develop guidelines for undertaking environmental impacts for different project sizes

**Strategy 3.2 Promote good environmental practices in national and sectoral plans**

**Activities 3.2.1** Liaise with other authorities and obtain their inputs to environmental impact assessments

**Financial**

**Objective 4. To be commercially viable**

**Strategies 4.1 Implement a “true cost” charging policy**

**Activities 4.1.1** Define “true cost”

Includes: - Systems maintenance and operation costs
- Contribution to future works
- Technical and Corporate Support

4.1.2 Define “user pays” principle - system x system Vs. national system

4.1.3 Develop a revenue projection model which includes:

- Master plan - future demands
- future needs
- future works
- future maintenance
- future fixed overheads
future revenue streams

**Strategy 4.2**  Actively recover debts

**Activities**

4.2.1 Develop a billing system that reflects “true costs” - GIS?

4.2.2 Develop a “collection” policy

4.2.3 Develop a reporting system that reports collections against actual billing’s and also reports collections (30, 60, 90 days)

**Strategy 4.3**  Implement expenditure recovery practices and procedures

**Activities**

4.3.1 Develop a Financial management Information System (FMIS) that reports actual expenditure against budget by month, year to date and year. Reports provided at project level, at area level (Works and Corporate) and total for SIWA.

**Strategy 4.4**  Develop policies and practices on financing and loans

**Objective 5.**  To ensure that SIWA has a financial system that is accountable and transparent

**Strategy 5.1**  Implement accounting systems and practices

**Activities**

5.1.1 Develop and revise duty statements of employees

5.1.2 Develop and implement a basic flow chart of each individual post’s work schedule/requirement’s

5.1.3 Develop a flow chart of the overall accounting process (flow of information) in SIWA
5.1.4 Develop and implement the best (well-proven) practice guidelines in performing effectively and efficiently

**Strategy 5.2 Publish Financial Reports**

**Activities**

5.2.1 Develop standard reporting formats

- external reporting
- internal reporting
- financial
- management

5.2.2 Develop and implement reporting flow chart and guidelines

5.2.3 Develop and implement professional reporting standards

**Personnel**

**Objective 6.** To ensure that SIWA has the best people for all its activities at all times

**Strategies 6.1 Implement appropriate employment procedures and practices**

**Activities**

6.1.1 Develop and implement best practice terms and conditions of employment

6.1.2 Develop and implement a staff performance appraisal system

6.1.3 Develop and implement an Equal Employment Opportunity (EEO) policy

6.1.4 Develop and implement Occupational Health and Safety policy, procedures and guidelines

**Strategy 6.2 Improve and develop staff**
Activities

6.2.1 Undertake a human resources needs analysis for SIWA for the next 5 years

6.2.2 Undertake and regularly review a skills audit of SIWA staff

6.2.3 Resulting from the needs analysis and the skills audit develop:

- A SIWA succession plan
- Individual training plans
- Identify in-house training needs
- Identify and develop training programs for SIWA staff Trainer’s

Strategy 6.3 Implement a professional personnel facility and function

Organisational

Objective 7. To ensure that SIWA has reliable and appropriate information systems

Strategies 7.1 Implement appropriate data systems

Activities

7.1.1 Review the Financial Management Information System (FMIS)

7.1.2 Review internal and external financial reporting systems

7.1.3 Review the Human Resources management System (HRMS)

7.1.4 Review the GIS data base and associated billing and assets management systems
7.1.5 Review the systems maintenance and operating monitoring system

7.1.6 Review the capital works monitoring and planning system

7.1.7 Identify any additional data systems and develop and implement those systems

**Strategy 7.2** Implement a community education and consultation program with special attention to gender issues and needs

**Activities**

7.2.1 Develop school based and broader community based educational programs

7.2.2 Identify gender issues appropriate to the SIWA client base

7.2.3 Ensure equitable representation of gender issues in all SIWA activities

7.2.4 Ensure regular consultation with identified gender groups

7.2.5 Develop and implement internal SIWA systems to ensure regular exchanges of data in respect of community education and consultation issues

7.2.5 Develop and implement educational session for SIWA staff

7.2.6 Monitor community and organisational social needs

7.2.7 Promote SIWA's image in the community at large

**Strategy 7.3** Develop and implement internal communications programs

**Activities**

7.3.1 Prepare a regular staff newsletter

7.3.2 Be available for consultation for staff social issues
7.3.3 Promote staff joint activities within SIWA and with other organisations

7.3.4 Develop and nurture SIWA’s corporate culture

8. To ensure that SIWA operates to appropriate standards

Objective 8.1 Develop and implement standards and policies for all areas of work

Activities 8.1.1 Consolidate the policies developed under each objective and ensure that they are consistent across SIWA

8.1.2 Ensure the development and understanding of a Corporate code of ethics and conduct

8.1.2 Develop and implement Engineering standards and practices

8.1.3 Develop and implement Accounting standards and practices

8.1.4 Develop and implement Administrative standards and practices

8.1.5 Develop and implement Human Resources management standards and practices

9. To ensure that the organisation’s objectives are met

Strategy 9.1 Implement a workplace safety program

Activities 9.1.1 Develop workplace safety programs that are consistent with the Occupational Health and Safety (OH&S) policy and guidelines
9.1.2 CECO in conjunction with the Personnel Officer (PO), to develop and run internal safety awareness courses for staff.

Strategy 9.2 Implement a program of organisational development and review

Activities 9.2.1 Review the organisational structure taking full consideration of the Need’s Analysis.

9.2.2 Ensure that the Staff Training Plan is consistent with organisational needs.

9.2.3 Ensure consistency with succession planning, training and organisational planning

9.2.4 Ensure consideration of Corporate Culture development

Strategy 9.3 Promote SIWA’s image and profile

Activities 9.3.1 Develop and implement a targeted media program promoting SIWA and its activities

9.3.2 Develop and implement School and Community Group focussed programs promoting SIWA and its activities.

9.3.3 Actively develop and nurture the internal Corporate Culture of SIWA

Strategy 9.4 Develop a cooperative approach in national planning and development

Activities 9.4.1 Actively seek membership of Government planning groups and committees.
9.4.2 Actively participate in the Utilities management group to
stimulate closer and mutually beneficial relationships.

9.4.3 Ensure, through regular contact, a close working
relationship with Provincial Leaders and Town Clerks.

9.4.4 Actively seek to become a productive member of the
Pacific Islands Water Association to ensure the advances of
the Solomon Islands people are promoted and the gains of
other Pacific Island countries are known to the Solomon
Islands.

Objective 10. To facilitate the extension of SIWA services to Provincial urban
areas with Provincial government

Strategy 10.1 Take over the management of all water and wastewater
services in the Provincial centres

Activities

10.1.1 Identify all Provincial urban areas which could be
potentially managed by SIWA

10.1.2 Review current status of all Memorandums of
Understanding and determine outstanding matters

10.1.3 Identify all assets to be handed over for each provincial
urban area

10.1.4 Undertake an operational audit of existing assets to
determine their current operating and maintenance status

10.1.5 Review Master Plan and capital works program for the
Provincial urban areas
10.1.6 Identify and document SIWA’s position on all points of potential conflict between the Provinces and SIWA, eg. rates and capital expenditure, cross subsidy issues.

10.1.7 Determine desirable handover timeframe with the Provinces and develop a schedule such that this timeframe can be achieved.
APPENDIX 3

SIWA Board Minutes June 1996
BOARD PAPER
(SIWA BP: 1396)

MINUTES OF BOARD MEETING - 05 - 06/06/96

Submitted to the Board on: ......./....../......

Actioned by the Board on: ......./....../......

(A)proved As Presented
(A)proved With Ammendments
(A)proved For Resubmission
(Re)jected

Signed: .............................................. (Chairman)
thus, apart from the current three (3) options being recommended, the Board made an additional recommendation as being the first and foremost course of action in that:

- a delegation to negotiate with the government to recover or to pay up the outstanding up to 31st May 1996

With the above, the Board approved the recommended courses of action to be taken:

**Moved**: Lilo  **Seconded**: Tomu

---

**Item No.2 continued...**

With reference to matters (land issues, consumption charge, etc) having some legal implications on SIWA, the Board requested that Management, via the Planning and Finance Committee to take such issues for clarification with SIWA's Legal Advisor and advice course of action to be taken. It was finally recommended and agreed that the Planning and Finance Committee to follow-up and deal with the above matters.

**Moved**: Lilo  **Seconded**: Teava

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10. **Any Other Business**

- The Board (Tereina) brought to the attention of Management the public's complaint and concern of the Auki office being located in a residential house.

- The Board (Teava) also recommended that Management to send a delegation to other provincial centres to assess the land accommodation issues encountered by SIWA.
BOARD PAPER
(SIWA BP: 11/96)

APPLICATION OF UNIFORM WATER RATES

Submitted to the Board on: ...../...../.....

Actioned by the Board on: ...../...../.....

(Approved As Presented)
(Approved With Amendments)
(Approved For Resubmission)
(Rejected)

Signed: ...................................................

(Chairman)
Application of Uniform Water Rates

Purpose:
The purpose of this paper is to have the Board consider the application of uniform water rates throughout Solomon Islands in all SIWA area of operations.

Background:
During its meeting of 14/02/96 (Re: SIWA BP: 3/96), the Board adopted the new rates ($/KL) for four provincial centres as summarised below:

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<th>0 - 35kL</th>
<th>&gt; 35kL</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auki &amp; Tulagi</td>
<td>$0.90</td>
<td>$1.80</td>
<td></td>
</tr>
<tr>
<td>Gizo</td>
<td>$0.65</td>
<td>$1.30</td>
<td></td>
</tr>
<tr>
<td>Noro</td>
<td>$0.45</td>
<td>$0.90</td>
<td>(As per Honiara)</td>
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</tbody>
</table>

Although these rates were ratified by MITWU, SIWA was informed that the Ministry is quite concerned about the level of water rates and called for SIWA to improve its service in terms of availability and quality - to at least reflect the increase in rates. For some provincial centres the introduction of water rates will be a first. These concerns prompted Management to take a serious look at the water rates in the context of the principle adopted for their application, in particular the use of a differential rating system. A number of papers in the past on water rates/tariffs have caused some concern to the Board, eg. SIWA BP: 18/94 (02/03/94), SIWA BP: 52/94 (12/10/94); SIWA BP: 6/95 (03/05/95) including the recent one for the provinces SIWA BP: 3/96 (14/02/96).

Although these were all endorsed by the Board, the numerous suggestions and/or criticisms voiced during the deliberations of the Board, implied that there are indeed some reservations which may not be totally or satisfactorily addressed, thus the recurrence of these concerns in subsequent papers on the issue.

Basis of Charging:
Generally, the basis of past increases is to fund the deficit in the budget and the “formula” is simply equating the consumption (as billed) with the recurrent expenditure. On this basis, as the budget increases (a normal occurrence when everything undergoes an annual review), the water rates may also increase particularly if there are no corresponding increase in consumption which normally happens in the provinces.

The following scenarios are normal:

- For less populated areas where the cost of providing services is high, high water rates are unavoidable.
- Centres with old systems requiring major improvement or replacements are definitely candidates for high water rates while at the same time, centres with new systems will pay lower water rates as no major work is required.
- Where any major improvement or operations is met by others, SIWA and its consumers are spared the cost of meeting the initial capital outlay thus, may only be required to fund ongoing maintenance etc.
User-Pay:
The rationale of "user-pay" is that the user should pay for what he/she uses. This principle was further expanded to mean that no cross-subsidisation should be allowed between different systems, which further implies that consumers should only pay for what it costs to run or operate their own systems. This is the notion which will give root to why Noro consumers for example should pay for their own system and Lata consumers for theirs, thereby eliminating any cross-subsidisation.
On closer examination however, the application of user-pay may be "over-applied" in this context. The basic tenet of "paying for what is used" is being clouded in the process by the notion of "paying for how much it costs" - the latter taking precedent or given priority.
It is becoming more evident that "pay for use" is not necessarily determined by the cost of the service but rather by the quantity used. The cost aspect is dependant on the actual quantity used and is therefore a consequence of use or usage.

Differential Charging System:
Because of the emphasis placed on the cost aspect of the service, a differential charging mechanism was adopted, resulting in other centres like Auki and Tulagi (to be joined by Gizo) to have rates that are higher than Honiara's.
The basis for this, is the cost of running the different water supply systems which differ from each other. The cost of improvement incurred by SIWA on a particular system, would increase the rates for that system accordingly.

Uniform Charging:
From the foregoing argument, pump systems are therefore expected to cost more to run than gravity systems. Taking this principle further, Honiara has five different systems, all of which have different operating costs. For example, the Rove System supplying the CBD would be the cheapest as the only cost is for chlorination. Unfortunately, for consumers in the Rove System, they have to pay a higher rate because they are lumped together with other power-dependent systems like Dodo Creek, Panatina, Tuvanhu and White River. The higher running costs for these systems is on the electricity to run the pumps. Despite these varying costs, all these different systems are taken collectively and considered as the "Honiara System" - implying one system which is not the case.
By applying one rate for Honiara, despite the difference in cost to run them separately, simply means that a uniform system is already in place in Honiara.
Taking the Honiara scenario further and considering that SIWA is a national authority, the arguments to have a national thus, uniform rate for all centres is more appealing and appears justified. In other words, SIWA will now consider all the systems in its area of operations as "one system" and the cost of running the whole organisation should be shared equally throughout the whole organisation.

Fair Distribution of Aid Funds:
One other factor supporting a uniform rating system is that of the utilisation and fair distribution of aid funds. Honiara, by virtue of its national importance, is or has the potential to attract a lot of attention from aid donors (eg. JICA). Similarly, Noro has had
its share of attention from the EU. When a major improvement to water supply or wastewater infrastructure is being funded by aid donors, the immediate beneficiaries are the consumers who are spared the trouble of having to find the money for the project. On this premise, the current water rates for Honiara and Noro are lower than for Auki and Tulagi.

Management is aware that the assistance of aid donors is normally made on a country to town (eg. EU and Noro) or country to authority (Australia and SIWA) level but rather on a government to government level. The assistance as far as the donor is concerned goes to the country. Therefore, if Honiara and Noro have benefitted from past assistance, the benefits should be shared or spread throughout the country so that everyone benefits and not just residents of the two centres. This way, even if Lata may not attract funding from any aid donor, it should be allowed to enjoy the benefits given to Noro for example being part of the country to which the assistance is given. The application of a uniform rating system is therefore useful in this regard.

**Recommendation:**
For purposes of adopting a uniform rating system, it is recommended that the Honiara rates are used as the rate for the whole country and to be applied in all SIWA area of operations. The reasons are:
- Honiara has the largest number of consumers who are already used to paying the rate thus, the perception by others that it is the “normal” rate.
- The fact that it is already between the Noro (lowest) and Auki/Tulagi (highest) rates, it would be the most appropriate to adopt at this stage without going through more tedious calculations.
- Having much bigger systems with a high population, the Honiara system will have more influence on the derivation of water rates.

The consequence of this proposal is the following:

<table>
<thead>
<tr>
<th>Provincial Centre</th>
<th>0 - 35kL</th>
<th>&gt; 35kL</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auki &amp; Tulagi</td>
<td>$0.65</td>
<td>$1.30</td>
<td>Decrease by $0.25</td>
</tr>
<tr>
<td>Honiara</td>
<td>$0.65</td>
<td>$1.30</td>
<td>Remain Unchanged</td>
</tr>
<tr>
<td>Noro</td>
<td>$0.65</td>
<td>$1.30</td>
<td>Increased by $0.20</td>
</tr>
</tbody>
</table>

The Board is asked to:

A  **NOTE**  The basis and arguments presented here for the adoption of a uniform rating system.

B  **APPROVE**  The adoption of the Honiara rates as the uniform rate for all SIWA area of operations to be effective as soon as the ongoing awareness programmes are making ample and adequate coverage and as soon as the various centres are declared SIWA area of operations.
APPENDIX 4

Analysis of ASC 1993/94 Annual Report in Terms of the CAC Bill
The Commonwealth Authorities and Company (CAC) Bill and associated Finance Ministers Order’s (FMOs) have been identified as a possible external reporting mechanism for the Corporate Plan. In order to assess the applicability of the CAC/FMO requirements it is necessary to assess their appropriateness both generally and the terms of SIWA. More explicitly, to determine whether or not the combined effect of these two administrative instruments does provide a reporting mechanism that is consistent with the ‘Display’ level included in the “Tentative Building Blocks of a Conceptual Framework for General Purpose Financial Reporting” (ASRB 1994: 6000.11). These instruments apply to statutory authorities and in these terms could apply to SIWA, it also being a statutory authority. The Display Level consists of four building blocks:

**Financial Position**

- Wealth
- Financial structure
- Capacity to adapt
- Solvency liquidity

**Performance**

- Change in wealth, consumption of resources
- Variability
Change in financial position

- Financing activities
- Investing activities

Compliance

- Meeting of requirements re. Financial position, Performance and Changes in financial position

Of this level it has been writted (ASRB 1994: 6000.12)

*This level of the framework explores in detail the nature of the information to be disclosed in general purpose financial reports. ... this will involve identifying the information categories (financial position, performance, etc.) and analysing the components of those categories. This should provide a logical basis for disclosures required by each Approved Accounting Standard.*

To this end Section 9(1)(a) of the CAC Bill states that the directors of a Commonwealth authority must *prepare an annual report in accordance with Schedule 1...*. Further, section 46(1) of the Bill states that *The Finance Minister may make Orders on any matter on which the Act requires or permits Finance Minister’s Orders to be made.* This section gains more significance when viewed in the context of Schedule 1. Schedule 1 specifically deals with, and is titled, *Annual Report For Commonwealth Authority.*

Schedule 1 summarises the contents of the annual report as:

1. *The annual report must include:*
   
   (a) *a report of operations, prepared by the directors in accordance with the Finance Minister’s Orders;*
(b) financial statements, prepared by the directors under clause 2 of this Schedule;
(c) the Auditor-General’s report on those financial statements, prepared under Division 2 of this Schedule ...

*Financial statements*

2. (1) The financial statements must be prepared in accordance with the Finance Minister’s Orders and must give a true and fair view of the matters that those Orders require to be included in the statements.

The annual report is made up of three components, a report of operations, financial statements and the audit opinion. The report of operations and the financial statements are to be prepared in accordance with the FMOs. Section 3 of the Schedule directs that the audit opinion, in respect of the financial statements, be made giving full regard to the requirements of the FMOs. The FMOs are the fundamental basis upon which the annual report is prepared and audited. This relationship is reinforced in clause 2 of the FMOs where it is stated that:

2. The purpose of these Orders is to specify the principles, standards and the content of the ‘report of operations’ required by paragraph 1(a) of Schedule 1 to the Commonwealth Authorities and Companies Act 1995 to be prepared by directors of a Commonwealth authority and included in its annual report.

Part II of the FMOs provides a more detailed explanation of the content requirements of the Report of Operations. This area of the Orders provides the detail of the information sought that will allow for any comparison of activity and non-financial data with the information contained in the financial statements. In summary, the report design requires the following:
General Presentation

5. (1) The report of operations must be constructed having regard to the interests of users. Information included in the report must be relevant and reliable and should:

(a) focus on outcomes;
(b) provide clear links between objectives, strategies and outcomes; and
(c) be concise, readily understandable and balanced. ...

(4) The report must include:

(a) a table of contents;
(b) a glossary of acronyms, technical terms and abbreviations used;
(c) sufficient details of reports and publications referred to or quoted to enable them to be obtained by users; and
(d) a calendar of events of clients and other stakeholders.

(5) The report may be accompanied by other reports (eg. a chief executive’s report), not inconsistent with the report of operations, which meet the standards required by this clause. ...

About the reporting entity

7. The report of operations must include a concise overview of the reporting entity at the beginning of the report, ...

Structure of the reporting entity

8. (1) Diagrammatic representation of the reporting entity must be given ...

Responsible Minister

9. Particulars must be given ...

Executive officers

10. (1) - (5) ... particulars must be given ...

People
11. Particulars of staff employed and human resources management must be given, including:

(a) the number and distribution ...;

(b) a summary of staff turnover ...;

(c) the trend in unplanned absenteeism ...;

(i) total employee days lost ...;

(d) an outline of human resource management strategies, and their effectiveness, having regard to some or all of the following themes (or any other relevant themes):

(i) fostering productivity ...;

(ii) improving organisational effectiveness ...;

(iii) fostering and maintaining good working relationships ...;

(iv) forecasting and planning future people requirements;

(v) ensuring fair and effective procedures and processes for the selection and deployment of people to meet organisational needs; and

(vi) ensuring the attraction and retention of people, and the enhancement of their performance ... .

Division 3 - Management discussion and analysis

General standards for management discussion and analysis

12. (1) The directors must prepare a management discussion and analysis:

(a) for the reporting entity as a whole; and

(b) for each responsibility segment.

(2) The management discussion and analysis must focus on:

(a) how the reporting entity is performing;

(b) the prospects of the reporting entity;
(c) The dynamics of the reporting entity, and its responses to them, including:

(i) the environment or industry in which it operates;

(ii) the regulatory framework; and

(iii) the risks and opportunities that it faces.

(3) It is not sufficient for the management discussion and analysis to provide only a catalogue of activities, statistics and achievements.

(4) Performance information of a qualitative and quantitative nature should be presented and assessed. Where practicable, performance indicators included in the report should:

(a) reflect the nature of the business;

(b) use a variety of methods;

(c) if quantitative, be expressed as a percentage, rate or other ratio; and

(d) show comparisons with such factors as:

(i) a standard;

(ii) performance before and after a change;

(iii) performance over time; and

(iv) performance of another entity.

(5) Assessments of performance must be candid and balanced, taking into account both accomplishments and shortcomings.

Core requirements for management discussion and analysis

13. (1) The management discussion and analysis must deal with, but is not limited to:

(a) the business environment in which the reporting entity and each responsibility segment operates, including the:

(i) nature of the industry;
(ii) major products and services provided;

(iii) locations of major facilities;

(iv) economic, social, demographic, technological, policy and regulatory trends that affect the industry;

(v) economic structure of the industry; and

(vi) economic outlook for the industry;

(b) the strategic directions of the reporting entity and each responsibility segment, including:

(i) the strategies and policies adopted to achieve its objectives;

(ii) changes to those strategies and policies during the reporting period; and

(iii) reasons for those changes;

(c) the operations and financial results of the reporting entity and each responsibility segment during the reporting period, compared with previous reporting periods, including:

(i) tables or charts showing key financial and non-financial performance indicators ... ;

(ii) an assessment of the efficiency and effectiveness of performance, including comparisons of outputs and outcomes against objectives and targets;

(iii) major investing and financing activities;

(iv) any events or trends that significantly affected the achievements of objectives and targets, including management responses;

(v) how changes in strategies and policies impacted on the reporting entity (or its clients and customers) and how those changes were managed;
(d) developments since the end of the reporting period, giving particulars of any matter or circumstance that has arisen and has significantly affected or may significantly affect the:

(i) operations of the reporting entity and each responsibility segment; and

(ii) outcomes of those operations;

(e) likely future developments that may significantly affect the:

(i) operations of the reporting entity and each responsibility segment; and

(ii) outcomes of those operations.

(2) In this clause ‘financial results’ means the results shown in the financial statements required by paragraph 1(i) of Schedule 1 to the Commonwealth Authorities and Companies Act 1995:

Matters to consider in assessing efficiency and effectiveness

14. The assessment of efficiency and effectiveness in the management discussion and analysis should refer to the targets and performance indicators in the tables required to be included and examine such matters as:

(a) in relation to efficiency:

(i) the costs of major classes of outputs, the composition and changes in these costs;

(ii) efforts, accomplishments and their relationship with costs; and

(iii) how assets and liabilities have been managed;

(b) in relation to effectiveness:

(i) client satisfaction;

(ii) patterns in the use of services provided;

(iii) compliance by clients with legislation administered by the reporting entity;
(iv) the impact on clients of policies and research undertaken by the reporting entity; and

(v) achievement of service quality objectives.

Responsibility segment’s ability to innovate, adapt to change and continuously improve

15. The management discussion and analysis must include an examination of each responsibility segment’s ability to innovate, adapt to change and continuously improve, referring to such factors as:

(a) the organisational structure, business strategy, management philosophy, and employee incentives;

(b) recent process, product or service innovations;

(c) recent changes in the operating environment and the nature and timing of the responsibility segment’s response;

(d) the rate of change in the responsibility segment’s performance; and

(e) opportunities (including export opportunities) and risks managed at the responsibility segment level.

Significant events

16. The management discussion and analysis must include particulars of and comments on instances, during the reporting period, where the reporting entity:

(a) formed a company or participated in the formation of a company;

(b) participated in a significant partnership, trust, unincorporated joint venture or similar arrangement;

(c) acquired or disposed of a significant shareholding in a company;

(d) acquired or disposed of a significant business;

(e) commenced or ceased a significant business activity; and

(f) made a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.
Reviews

17. The management discussion and analysis must include particulars of and comments on:

   (a) judicial decisions and decisions of administrative tribunals ... and;

   (b) reviews conducted on the reporting entity’s operations ...

Effects of general government policies and ministerial directions

18. (1) The management discussion and analysis must include particulars of and comments on significant effects of general government policies and directions, ...

Other statutory information

22. (1) Any matters required to be included in the annual report (other than the financial statements and auditor’s report) by:

   (a) the legislation governing the authority; or

   (b) other statutes or requirements

must be included in the report of operations in addition to the matters required by these Orders.

The issues raised in these Orders refer predominantly to the ‘report of operations’ statement. A statement additional to the financial statements and notes thereto but having a direct interpretational impact on those financial statements. Financial statement requirements are prescribed in the Financial Statements of Commonwealth Authorities Guidelines. Given the requirements of the ‘report of operations’ it will only be coincidental for that report to be the same as the statement of the chairperson and directors that has historically/traditionally been included in an entity’s annual report with the financial statements and audit opinion.
The report of operations focuses on objectives, strategies and outcomes (cl. 5(1)(b)). It is a performance report of the reporting entity as a whole (cl. 12(1)(a)) considered in terms of efficiency and effectiveness (cl. 14). That performance assessment is not restricted to the reporting period performance alone. It also requires an assessment of the responsibility segment’s ability to innovate, adapt to change and continuously improve (cl. 15). The thrust of the Orders is to include in the annual report performance information that supplements that performance information which can be derived from the financial statements. Information which is relevant and reconcilable to the financial statements. Performance information, which in general may be verified by audit.

As discussed earlier, the Display Level of the conceptual framework identifies four building blocks, of which performance is identified as a discrete building block. The four blocks are Financial Position, Performance, Changes in Financial Position and Compliance. These four building blocks are encompassed by the general purpose financial reporting framework, the objective of which is defined in Statement Accounting Concepts (SAC 2) as follows:

... to provide information to users that is useful for making and evaluating decisions about the allocation of scarce resources (ASRB 1994:26).

... However, the rendering of accountability by reporting entities through general purpose financial reporting is encompassed by the broader objective of providing information useful for making and evaluating decisions about the allocation of scarce resources, since users will ultimately require the information for resource allocation decisions. (SAC 2 :27)
SAC 2, as with the FMOs, is seeking decision useful information that is additional to that of the historic dependence on the statutory financial statement reporting requirements. This requirement for additional supporting information is highlighted by SAC 2:

*Types of Information Relevant to Users' Needs*

28 The particular information users require for making and evaluating resource allocation decisions will overlap since all users will be interested, to varying degrees, in assessing whether the reporting entity is achieving its objectives and is operating economically and efficiently in the process, ... General purpose financial reports can provide information useful for these purposes by disclosing information about the performance, financial position, and financing and investing of the reporting entity, including information about compliance. The information useful for these purposes may be both historical and perspective in nature.

Traditionally, the information sought in annual reports has been predominantly of a historical nature. The desire for *prospective* decision useful data has connotations of something additional to historic data. This is confirmed by the FMO's (cl. 15) where an assessment is required of the *responsibilities segment’s ability to innovate, adapt to change and continuously improve*. The inference from SAC 2 and the FMO’s when combined is not only for financial data that is historic and comparative in historic terms but for some form of future financial perspective. Additionally, there is an inference of a need for supplementary non-financial data to strengthen the interpretative value of the financial data. These inferences are a reality given the requirements of the FMO’s which is reinforced by the definition of the four Display Level building blocks provided by SAC2:
Performance

29 Aspects of the performance of a reporting entity can be measured in financial and non-financial terms. ... financial performance ... information is relevant to the users of general purpose financial reports of business entities in predicting both the capacity of the entity to generate cash from its existing resource base and the effectiveness with which it would employ additional resources. In relation to non-business entities, the information is useful in assessing the resources necessary to enable the entity to continue to provide services in the future and the likely cost of those services.

30 Non-financial measures of performance may also be relevant to users ... in relation to non-business entities. The absence of a profit or rate of return objective for these entities means that financial measures of performance are unlikely to be sufficient to assess fully the extent to which those entities have achieved their objectives, which typically include social as well as financial dimensions. ...

Financial position

32 Disclosure of information about the financial position of the reporting entity involves disclosure of information about its control over resources, financial structure, capacity for adaptation and solvency.

33 The disclosure of information about the resources over which the entity has control, that is, disclosure of its assets ...

34 The disclosure of information about the financial structure of the entity, ...

35 The disclosure of information about the capacity of the reporting entity to modify the composition of the resources under its control ...

36 Information about the solvency of the entity, ...

37 In the public sector, the ability of an entity to continue to provide goods and services in the future, ..., be influenced by government policy objectives.

Financing and investing

38 Information about financing and investing, ... indicates the way in which the reporting entity has financed its operations and invested its resources ...

Compliance
Information about compliance is relevant to making and evaluating decisions about the allocation of scarce resources because knowledge of non-compliance with externally-imposed requirements governing the reporting entity’s operations may affect users’ assessments of the reporting entity’s performance, financial position, or financing and investing. ... the following types of externally-imposed requirements may be relevant to users: conditions imposed by borrowing agreements, licensing agreements and grant arrangements; memorandum and articles of association and/or enabling legislation; spending mandates and borrowing limits; equal employment opportunity legislation; occupational health and safety legislation; environmental protection legislation; requirements to provide particular types or levels of service under a government grant programme or specific government directive; and requirements to observe specified tendering procedures for significant expenditures.

... If general purpose financial reports include non-financial information about an entity’s performance, information about non-financial dimensions of compliance would be relevant to users. ...

The above definition of the building blocks contained within the Display Level of the conceptual framework has the potential to extend beyond the limits of what is provided in the financial statements. There exists a requirement for the reporting entity to state the level of achievement of its objectives (para. 28, SAC 2). Within the definition of each building block there is reference to non-financial data. These additional non-financial performance requirements appear to be taken up by the FMO’s. In particular the FMO’s emphases on human resources, both qualitative and quantitative (cl. 11), the prospects of the reporting entity (cl. 12(2)(b)), the risks and opportunities that the entity faces (cl. 12(2)(c)(iii)), qualitative and quantitative performance information (cl. 12(3)), economic, social, demographic, technological, policy and regulatory trends that affect the industry (cl. 13(1)(a)(iv)), the strategic directions of the reporting entity and each responsibility segment (cl. 13(1)(b)), assessment of efficiency and effectiveness of performance
(outputs and outcomes) against objectives and targets (cl. 13(1)(c)(ii)), likely future developments that may significantly affect the operations and outcomes of the reporting entity (cl. 13(1)(c)) and ability to innovate, adapt to change and continuously improve. These sections of the FMO's form part of the requirements for the report on operations, the first part of the three parts to the annual report for Commonwealth authorities.

The proposed content of the report of operations adds to the interpretative value of the financial statements through the provision of activity, objective and strategy achievement as well as providing entity environmental and directional assessment. Superficially, the report of operations would also appear to provide an external reporting nexus between elements of an entities performance audit and financial audit. The performance emphasis of the report of operations, particularly with an objective/target achievement orientation, will require the careful distillation of significant amounts of information if it is to be concise, readily understandable and balanced (FMO's, cl. 5(1)(c)). This is particularly relevant in respect to the number of performance initiatives under taken by entities embarking on programs of continuous improvement. Commonwealth entities have embraced an ongoing reform agenda since 1987 (see Task Force on Management Improvement 1992: 67-381). The report of operations would appear to be another of those reforms but a reform that may have wider implications than in just the public sector.

Set in a performance environment, the report of operations must provide clear links between objectives, strategies and outcomes... (FMO, cl. 5(1)(b)). To construct a logical,
concise and relevant report in an environment of continuing change being effected over a range of activities and at a number of differing levels within an entity in itself is a complex task. That complexity is increased by the need for a clear linkage between any performance initiative, the strategy to which it is related, the objective which the strategy is designed to achieve and the subsequent outcomes. The practicalities of providing a decision useful (relevant and reliable) report of operations hinges around clarity and logic of these linkages. It is therefore critical that a performance framework is developed that provides for the relativities of such linkages.

Whilst the CAC/FMO administrative requires are considered to be in accordance with the Conceptual Framework (CF) for general purpose financial reporting it is necessary to assess that against a case in example. The Australian Securities Commission (ASC) in their 1993/94 annual report has prefaced the financial statements and audit opinion by, predominantly a statement against the Commissions strategic plan. This can be seen in the following comparison:

<table>
<thead>
<tr>
<th>In the Annual Report</th>
<th>In the Strategic Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our Mission and Role of Commission</td>
<td>Our Mission and Role of Commission</td>
</tr>
<tr>
<td></td>
<td>ASC Mission</td>
</tr>
<tr>
<td>Achievements</td>
<td>Message from the Chairman</td>
</tr>
<tr>
<td>Chairman’s Review</td>
<td>Business Facilitation</td>
</tr>
<tr>
<td>Facilitating Business</td>
<td>Market and corporate integrity</td>
</tr>
<tr>
<td>Market and Corporate Integrity</td>
<td></td>
</tr>
</tbody>
</table>
Credible Public Information  Credible public information

The ASC  A highly professional ASC

Superficially, the ASC appears to have made a shift to implementing the FMOs, especially with respect to the Report of Operations and incorporating the framework of the ASC strategic plan as the mechanism for the report prefacing the financial statements and the audit opinion. There would appear to be one critical test required to be made before any conclusions could be drawn about the degree of implementation of the FMOs by the ASC. On the basis of the above direct comparison of headings contained in the annual report and those contained in the strategic plan, the strategic plan appears to be completely addressed in the annual report. However, it is the content under each of those headings and there relationship to the requirements of the FMO’s that will determine the degree of implementation of the Report of Operations. This can be seen in the following comparison of the contents in the Annual Report and the corresponding clauses of the FMOs:

<table>
<thead>
<tr>
<th>The Annual Report</th>
<th>The Finance Minister’s Orders (Clauses)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASC MISSION</td>
<td>7(d), 9(a)(b)(c), 22</td>
</tr>
<tr>
<td>CONTENTS</td>
<td>5(4)(a)</td>
</tr>
<tr>
<td>ACHIEVEMENTS</td>
<td>5(1)(a), 7(f)</td>
</tr>
<tr>
<td>(refer to each objective)</td>
<td></td>
</tr>
<tr>
<td>CHAIRMAN’S REVIEW</td>
<td>5(1)(b), 5(5), 7(a)(b)(c)(e)(g), 12, 13, 15(a), 18</td>
</tr>
<tr>
<td>• Overview of environment</td>
<td></td>
</tr>
<tr>
<td>• Facilitating business</td>
<td></td>
</tr>
<tr>
<td>• Market and corporate integrity</td>
<td></td>
</tr>
<tr>
<td>• Credible public information</td>
<td></td>
</tr>
</tbody>
</table>
- Relations with Parliament
- Relations with other agencies
- Review of the national corporate regulation scheme
- Improving ASC performance
- Membership of the Commission
- Regional Commissioner, South Australia

**OBJECTIVES**

**Facilitating business**

Policy initiatives to meet market needs:
- Derivatives and futures markets
- Master funds
- Stock market provisions
- Short-selling
- Downstream acquisitions
- Investors’ use of prospectus
- Foreign collective investment
- Review of rules governing property trusts
- Time-sharing schemes
- Company title properties
- Film writing and entertainment industry
- Superannuation funds
- Charitable bodies

Australian Stock Exchange (ASX)

Accounting issues
Commercial applications generally
- Processing time improvements
- Occupational licensing and registration
- Faster registration of prospectuses

Changes to the Law

**Achievements**

- New policy initiatives
- Quicker registration of prospectuses
- Faster processing of applications for relief from the Law

**Market and corporate integrity**

Criminal and civil enforcement actions:
- Investigations
Prospectuses
Takeovers
Financial statements
Trustees and funds managers
Securities and futures dealers and advisers
Auditors and liquidators
Misuse of companies
Statutory records
Education to improve compliance
  • Directors’ duties
  • Securities recommendations
  • Accounting issues
  • Expert and valuation reports

Achievements
  • Major criminal prosecutions success rate
  • Civil actions commenced to recover investor funds
  • Surveillance programs

Credible public information
  Delivering information to business
  Processing new documents into the database
  Improving document lodgement services:
    • Electronic lodgement
    • Registered agents
  Ensuring lodgement of public information:
    • Making lodgement easier
    • Enforcement action improves lodgement
- Higher late fees to encourage timeliness
- Enhanced disclosure:
- New services
- Information processing centre
- Corporations Fees

**Achievements**

5(1)(b)

- ASC Information Division achieves international quality certification
- Successful pilot system - electronic lodgement
- Client survey
- Faster company incorporation’s

**The ASC**

5(1)(b)

Market research
7(h)(i), 11(a)(b)(d), 12

Strategic Review

Community liaison

Law reform issues

Administrative review of ASC decisions

Relations with other agencies

International relations

Human resources

Information technology services

Internal Audit

Additional management information

**Achievements**

5(1)(b)

- Comprehensive market research (external perceptions)
- Wide-ranging strategic review

**Appendix 1**

7(f), 12, 13(1)(c)(i)

Australian Business Information

- Company registrations
- Charges registered against companies
- New companies incorporated
- Corporate insolvencies and terminations
- Securities licences and authorisations on issues
- Futures licences on issues
- Takeovers

**Appendix 2**

7(f), 12
ASC Regional Office information
- Business facilitation
- Market and corporate integrity
- Public information

Appendix 3 7(f), 12, 17
Significant criminal and civil enforcement actions

Appendix 4 8(1)(b)(c), 8(2), 10(1)(2)(3)(4), 11(a)(b), 15(a)
Members of the ASC
Regional Commissioners
Senior Executive Service
Senior Consultants
Business Centres
Human resources
- Staffing
- Consultants
- Contractors
- Equal Employment Opportunity, Occupational Health and Safety
- Industrial Democracy
- Workplace Bargaining
- Performance appraisal and performance based pay
- Training
Better management of internal information:
- Activity tracking and document information
- Library services
Policy Statements and Practice Notes
ACS publications 1993-94
Categories of documents held by the ACS
ACS Regional Liaison Committee members
ACS organisational chart

Index 5(4)(b)

The citing of clauses from the FMOs is in respect of the content of the annual report and not the corporate strategic plan. There will always exist differences between a corporate
plan and an annual report. The corporate plan is a longer term planning document whereas the annual report is normally for a period of one year. However, as the FMOs seek information about the future it would be expected, once the CAC Bill is enacted, that the annual report would parallel the corporate plan. The ASC have presented a statement preceding the financial statement which is in terms of the organisation’s corporate strategy/plan. The above analysis is primarily an indicator of what framework could be adopted to meet the reporting requirements of the FMO’s.

In general, the approach taken by the ASC in utilising the framework provided by the corporate plan/strategy to provide discussion of the entity’s activities, performance and direction have conformed with the FMOs requirement for the Report on Operations. The CAC/FMO requirements are therefore considered to provide an external accountability mechanism for reporting management decision information.

Thus such a mechanism can be applied to SIWA as its Corporate Plan (refer to Section 2.4 and Appendix 2) has been constructed in a manner consistent which would easily provide the basis for a Report on Operations.
APPENDIX 5

Revenue Model Simulations
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The table above shows the historical data from 1998 to 2016 for Water usage across different types of locations, including Domestic and Non-domestic. The total water usage for each year is also provided.
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## SWA Planning
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<td>Cost</td>
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</tbody>
</table>

### Notes:
- Revenue: The total revenue generated from the operation.
- Price: The price per unit of the product or service.
- Cost: The total cost incurred in the operation.
- Price: The price per unit of the product or service.
- Cost: The total cost incurred in the operation.
| Tariff (Rate Kt) | 0.65 | 0.7228643 | 0.8094818 | 0.9073231 | 1.0144276 | 1.1279088 | 1.2534004 | 1.3807845 | 1.5322221 | 1.6894899 | 1.8649899 | 2.0348351 | 2.2687781 | 2.4318513 | 2.6440259 | 2.8654789 | 3.0982582 | 3.3404875 | 3.5982723 | 3.8366565 | 4.1492954 |
|----------------|------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Domestic        |      |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Water           | $735.88 | $735.88    | $735.88    | $735.88    | $735.88    | $735.88    | $735.88    | $735.88    | $735.88    | $735.88    | $735.88    | $735.88    | $735.88    | $735.88    | $735.88    | $735.88    | $735.88    | $735.88    | $735.88    | $735.88    | $735.88    |
| Domestic Total  |      |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Non-domestic    |      |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Total Water     |      |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Domestic        |      |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Water           | $3,592.95 | $3,592.95  | $3,592.95  | $3,592.95  | $3,592.95  | $3,592.95  | $3,592.95  | $3,592.95  | $3,592.95  | $3,592.95  | $3,592.95  | $3,592.95  | $3,592.95  | $3,592.95  | $3,592.95  | $3,592.95  | $3,592.95  | $3,592.95  | $3,592.95  | $3,592.95  | $3,592.95  |
| Domestic Total  |      |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Non-domestic    |      |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Total Water     |      |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Domestic        |      |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Domestic Total  |      |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Non-domestic    |      |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Total Water     |      |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Domestic        |      |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Domestic Total  |      |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Non-domestic    |      |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Total Water     |      |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |

**Note:** The table above represents the breakdown of water tariffs with domestic and non-domestic categories for different years from 1996 to 2016. The data is provided in thousands of dollars per thousand cubic feet (Kt). The tariffs are adjusted as per the rate Kt indicated at the top of the table. The table shows the breakdown of water rates for domestic and non-domestic usage within the context of residential, commercial, and industrial categories.
### SIWA PLANNING

**Model Run With Current Tariff Structure**

| Tariff Rate/ROI | 0.65 | 0.7226843 | 0.9064818 | 0.9073231 | 1.0144276 | 1.1279608 | 1.2534004 | 1.3880745 | 1.5322213 | 1.6880865 | 1.8499119 | 2.0348351 | 2.2287781 | 2.4318513 | 2.6440259 | 2.8654789 | 3.0985228 | 3.3494757 | 3.5982702 | 3.8838686 | 4.1492954 |
|----------------|------|-------------|-------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| **Breakdown**  |      |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Domestic Total | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   |
| Non-domestic  | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   |
| Total         | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   | $0   |

**Revenue:**

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</thead>
<tbody>
<tr>
<td>Total</td>
<td>$4,877,949</td>
<td>$4,939,988</td>
<td>$5,025,868</td>
<td>$5,084,473</td>
<td>$5,144,355</td>
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**Notes:**

- **REVENUE KLS:** 18/12/96

---

**Model Data:**

- **Domestic:**
  - Minimum
  - Maximum
- **Non-Domestic:**
  - Minimum
  - Maximum
- **Connections:**
  - Domestic
  - Non-Domestic
- **Reconnections:**
  - Domestic
  - Non-Domestic

**Revenue Breakdown:**

- **Domestic:**
  - Total
  - Minimum
  - Maximum
- **Non-Domestic:**
  - Total
  - Minimum
  - Maximum

**Additional Notes:**

- Revenue figures are approximate and subject to rounding.
- The table reflects the revenue breakdown for each year, with specific emphasis on domestic and non-domestic categories.
### SWA PLANNING Model Run With Full User Pays Tariff Structure

#### Revenue Projections

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<td>$1,814,490</td>
<td>$1,824,660</td>
<td>$1,835,030</td>
<td>$1,845,580</td>
<td>$1,856,310</td>
<td>$1,867,210</td>
<td>$1,878,270</td>
<td>$1,889,520</td>
<td>$1,900,950</td>
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<td>$1,924,340</td>
<td>$1,936,300</td>
<td>$1,948,420</td>
<td>$1,960,700</td>
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<td>Total</td>
<td>$4,143,350</td>
<td>$4,141,790</td>
<td>$4,139,050</td>
<td>$4,139,150</td>
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<td>$4,138,880</td>
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#### Operating and Maintenance Costs

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<td>Operations and Maintenance Costs</td>
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<td>$2,546,240</td>
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<td>$2,576,660</td>
<td>$2,584,580</td>
<td>$2,592,630</td>
<td>$2,590,790</td>
<td>$2,589,060</td>
<td>$2,587,430</td>
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<td>$2,584,490</td>
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#### Total Costs

|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|

#### Capital Works Costs

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#### Annual Revenue (Shortage)

|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|

#### Cumulative Revenue (Shortage)

|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|

#### Average Monthly tbl

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<td>Average Monthly tbl</td>
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<td>$34.97</td>
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<td>$36.76</td>
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### REVENUEALS 10/15/06