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**26 June 2018**

The Chairman  
Board of Directors  
Pacific Water & Wastewater Association

I have the honour of submitting the Annual Report of the Pacific Water and Wastewater Association, for the financial year 1 January to 31 December 2017.

The Report provides:

- (a) A review of the operations and activities of the Association;
- (b) The Association's annual accounts for the 12 months ended 31 December 2017;  
and
- (c) The Auditor's Report.

I take this opportunity to thank you and the Board of Directors for the support rendered myself and my staff during the year. I would also like, through you, to thank the Council members for their cooperation and support. Last but not least, a special thanks to my staff for their perseverance and dedication to the vision and mission of PWWA.

Yours faithfully

Pitolau T. Lusua Sefo Leau  
**CHIEF EXECUTIVE OFFICER**

**Pacific Water and Wastewater Association Member Utilities**

American Samoa, Cook Islands, Federated State of Micronesia, French Polynesia, Guam, Nauru, New Caledonia, Commonwealth of the Northern Marianas, Niue, Palau, Papua New Guinea, Republic of Fiji, Republic of Kiribati, Republic of the Marshall Islands, Republic of Vanuatu, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Wallis & Futuna

## Board of Directors



**CHAIRMAN**  
Opetaiia Ravai  
Chief Executive Officer  
WAF  
FIJI ISLANDS



**DEPUTY CHAIRMAN**  
Seugamaalii Jammie  
Saena  
Managing Director  
SWA  
SAMOA



**TREASURER**  
Jim Keary  
Managing Director  
Hunter2o  
AUSTRALIA



**SECRETARY**  
Fuimapoao Naea Beth  
Onesemo-Tuilaepa  
Chief Executive Officer  
MWCSO  
SAMOA



**ALTERNATE TREASURER**  
Henry Mokono  
Chief Executive Officer  
EDA RANU  
PAPUA NEW GUINEA



**ALTERNATE SECRETARY**  
Raka Taviri  
Chief Executive Officer  
WATER PNG  
PAPUA NEW GUINEA



Joseph Batol  
Chief Executive Officer  
MWSCo  
MARSHALL ISLANDS



Ian Gooden  
Chief Executive Officer  
SIWA  
SOLOMON ISLANDS



Latu S Kupa  
Managing Director  
KEW CONSULT LTD  
SAMOA



Gary Aitchison  
Export Manager  
HYDROFLOW  
NEW ZEALAND

## About Us

The Pacific Water and Wastewater Association is a not-for-profit membership body established in 1994 to support the Pacific region in meeting all water challenges. It has developed to become a regional Association of organizations operating in the water and wastewater sectors whose mission is the delivery of quality water related services that enhance the well-being of people in the Pacific region.

The membership comprises of various Pacific water stakeholders including 29 Pacific Island water and wastewater utilities across 20 countries (known as members) and international water authorities and associations (known as affiliated members), and private sector equipment and service supply companies, contractors and consultants (known as allied members), and interested individuals.

### The goals of the Association as defined in its Constitution:

1. To serve as the principal water and wastewater voice of and for the Pacific Island nations and utilities; and
2. To develop expertise in the Pacific for the sustainable management of water and wastewater services by shaping a cohesive, proficient and robust water and wastewater sector.

The Association aspires to achieve these objectives through skill development, by the setting and upholding of standards, through advocacy, by the inclusion and advancement of gender equity in the water and wastewater services sector and by collaboration among the members of the Association and with third parties.



## Development Partners



### 1. **The Asian Development Bank**

The PWWA wishes to acknowledge the ongoing support provided by its major development partners – the Asian Development Bank (ADB) and the Australian Water Partnership (AWP). The ADB has consistently over the years provided financial support for the travel of CEOs and Ministers to the Association's annual conference, and capacity building support to its members through various twinning programs and support together with AWP in facilitating the consultations for governance reforms of the Association.



### 2. **The Australian Water Partnership**

Not least has been the assistance of the Australian Water Partnership (AWP). AWP has been instrumental in providing support to the governance of PWWA, helping facilitate and finance consultations for its development reforms amongst others. At the conference in Tonga in 2016, the CEO of the AWP announced its commitment to the capacity building activities of PWWA as well as critically meeting the costs of remuneration for a new CEO for the Association and other support to the Secretariat. The two streams of assistance was pledged at AUD\$1. Million over a three-year period beginning in 2017.

## The Chairman's Statement



2017 was a year of new beginnings, and a purposeful year of action for a more strategic and focused regional organization in the overall water sector of the Pacific. In late November/December 2016, you will all recall we met in Canberra for an extraordinary meeting that put into action the new and modern Constitution of PWWA; a Constitution that called for modern changes in the Association – a Council was established and a new smaller Board of Directors was elected to oversee the work of the Secretariat and policies of the organization.

### **Governance and Institutional Strengthening**

Together with the support of its development partners and a growing network of members from 29 Utilities and over 50 Allied Members, PWWA pledged its strong support to build the capacity of its utility members, its Secretariat and most importantly its young professionals among other activities.

Early in the year, the new Board of Directors met for the first time since establishment in late 2016 to approve the budget for 2017 and to hold a 2-day governance workshop. The workshop financed by AWP refreshed Board members on the prudential governing responsibilities of Directors of a Board, and general expectations of oversight functions of Directors. The meeting also provided the opportunity for discussing potential areas where PWWA needed immediate assistance with. One of those immediate needs was the development of a strategic plan for PWWA for the next five years. The proposal to seek funding for the Strategic Plan was left with the Secretariat to put together and this was successfully done. You will all recall we came together in Brisbane for this exercise in November and brainstormed and developed a five-year strategic plan 2018-2023.

### **Becoming an International Organisation**

We successfully hosted the 10<sup>th</sup> Annual Conference and Expo this year in Apia which brought the most number of participants to an annual conference since establishment of PWWA. The Conference was not just a successful one for that reason. In fact, a special ceremony was held during the opening of this conference that signaled a proud milestone for PWWA – the signing of the Host Agreement with the Government of Samoa. Essentially, this Agreement declared PWWA as an international organization under the Samoa Diplomatic Privileges and Immunities Act; approved the establishment of Samoa as the host country for PWWA Headquarters and the grant of SAT\$100,000 as the Samoa government's annual contribution to PWWA. It was indeed a 'coming of age' of PWWA befitting its 10<sup>th</sup> Anniversary of establishment.

### **Building the Capacity of Our Young Water Professionals**

The financial assistance provided by our development partner – the Australian Water Partnership (AWP) helped launch the Young Water Professionals programme at the 10<sup>th</sup> Annual conference in Apia. The programme provided the opportunity for each of the 29 member utilities to bring to the conference a YWP fully funded by AWP. The programme proved to be successful overall giving our future leaders the opportunity to network not only with their peers from around the Pacific but with their CEOs and other industry leaders in the public and private sectors of the Pacific.



## Looking Ahead

In 2017, we had 18 new members join our Association comprising 12 allied members and 6 individuals, bringing total membership to 105 comprising 29 utility members, 70 allied members and 6 individuals. To enable our Association become financially sustainable in the long term, we are completely reliant on building our membership. You will recall that during our strategic planning workshop there were a number of challenges presented to our realization of this goal but there were also actions identified that we all could do individually in our respective countries and sectors to push those numbers up. Together with the work outlined for our Secretariat in this area, we could actively support the promotion of membership of PWWA from our respective countries.

Next year marks the completion of the first phase of the AWP/PWWA Capacity building program; we have been fortunate to have had this assistance from AWP and we hope that a phase 2 of funding will continue to be provided especially in the continued development of our young water professionals. A training needs survey identified to be carried out next year will assist in targeting future training assistance for utilities and provide a framework for types, and mode of delivery of, capacity development and training programmes for utilities.

In late 2017, the Secretariat also discussed with the Asian Development Bank assistance towards funding of targeted training workshops for PUMs and approval was granted for funding of about \$150,000 per annum for training. The ADB has been a long-standing reliable partner for PWWA who has consistently stepped in to finance the participation of utility members to the annual conference. This year has been an exceptional year in that respect with assistance provided to finance not only the CEOs but the Ministers' attending the Ministerial Water Forum.

We face numerous water and wastewater challenges both individually in our respective countries but regionally as well with the growing challenges of climate change and its overall impact to our resources and our capacity to respond effectively and strategically. Those challenges and the operational day-to-day challenges we face are areas we hope to share with each other and learn from each others' experiences. That is the essence of what it means to be part of an Association.

## Farewell Opetaiia Ravai

December 2017 saw the unexpected resignation of Mr Opetaiia Ravai from WAF where he had been CEO for the past decade, and subsequent vacating of the Chairmanship position he has held with PWWA for 11 years. I pay tribute to him in this Annual Report for the dedication, commitment and hard work he had put in to the Pacific Water and Wastewater Association over the years. He has been a driving force of the reform agenda for PWWA and has been in the forefront of all the major changes the Association has gone through over the years. Opetaiia leaves behind a leadership legacy that will be sorely missed.

We wish him well in his endeavours and no doubt will cross paths with him in this sector if not in the international arena.

### Special Acknowledgement of Political Leadership

I take this opportunity to thank first and foremost, our political leaders, our **Ministers** and senior government representatives in each of our member countries for the active support and guidance provided not only to PWWA as an organisation for water and wastewater but for championing the cause for improvement of water utilities performance in our respective countries. Their attendance, participation and declarations for action in support of the water agenda in the region each year at the Annual Conference encourages us all to strive for a better Pacific in terms of secure and safe water and sanitation for all.

Secondly a special thank you to our generous **partners, the AWP, and ADB**, for championing PWWA in their respective organisations and partners, and especially for the financial assistance for PWWA's programs and conference. We look forward to your continued support and collaboration.

As your Acting Chairperson in 2017, I take this opportunity to thank my colleagues on both the Board of Directors and Council for the support rendered to our Chairman Mr Ravai during the year, and also for your cooperation and support of the work of our Association over this eventful year.

Last but not least, I wish to acknowledge and thank the CEO and staff of our Secretariat for their hard work during the year and for ensuring the Association's mission and strategic goals are coordinated and accomplished each year.

Yours sincerely

Seugama'alii Jammie Saena  
**CHAIRMAN**



## The Year in Review

### 1. Governance & Institutional Strengthening of PWWA

Last year we reported on the various activities and steps that PWWA took to becoming a modernised Association with a new Constitution passed and for the first time a Council established and a new Board elected at an extraordinary meeting held in late 2016.

In 2017, the following milestones were achieved in respect of PWWA's Governance and institutional strengthening.

- (i) Following the recruitment of the CEO in late 2016, the recruitment and selection of a core staff which included the Finance and Corporate Administrator (FCA), the Development Officer, and an Executive Assistant. The Development Officer and Executive Assistant were transferred from the temporary positions prior to establishment of the Secretariat and the FCA was recruited in February.
- (ii) The Secretariat sought from the ADB financial assistance to bear the costs of travel and accommodation for the member CEOs and Ministers to the Annual Conference and this was approved by the ADB. The assistance which was double what had been received the previous year was a much welcome assistance to enable the participation of member country leaders at the Annual Conference and Ministers' Forum.
- (iii) The approval by the Government of Samoa of a Headquarters Agreement between the Government of Samoa and PWWA. The Agreement declares PWWA an international organisation under Samoa's Diplomatic Privileges and Immunities Act, approved the establishment of the Headquarters of PWWA in Samoa; and the provision of SAT \$100,000 for funding of the office space and Secretariat administrative expenses as the contribution of the Government of Samoa.
- (iv) Approval of the 2017 Annual Plan and Budget in April. The delay in approval of an Annual Plan and Budget for 2017 as members will understand is due to the fact the CEO was recruited and came on board late November/December.
- (v) Full reconciliation and transitioning of accounts and funds from KEW Consult and full audit by April/May.



## 2. The 10th Annual Pacific Water and Wastewater Conference (PWWC'17)



The 10<sup>th</sup> Pacific Water and Wastewater Conference & Expo and 3<sup>rd</sup> Ministerial Meeting was conducted in Apia, Samoa from August 7-11, 2017.

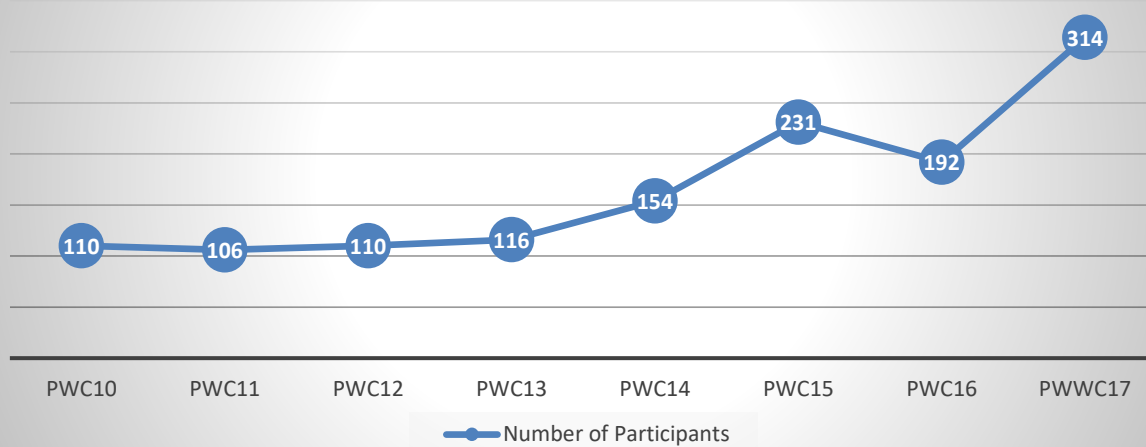
- A total of 314 participants from 31 countries and territories participated in the event *(38% increase from PWC16 in Tonga)*
- For the first time, we had representatives from Singapore and Japan.
- 21 Utilities out of 29 participated with representation mostly by its Chief Executive Officers and senior staff members (Guam, 3 Utilities from Yap States and Kosrae with no representatives at all, but Saipan, Kajur and Tahiti had Young Water Professionals participating and are not included here in the 21 Utilities)

29 Companies mainly from Australia and New Zealand exhibited at the EXPO which booked out all 45 booths (Australia-12, NZ-9, New Caledonia-1, Samoa-3, Singapore-1, USA-1, Fiji-2)

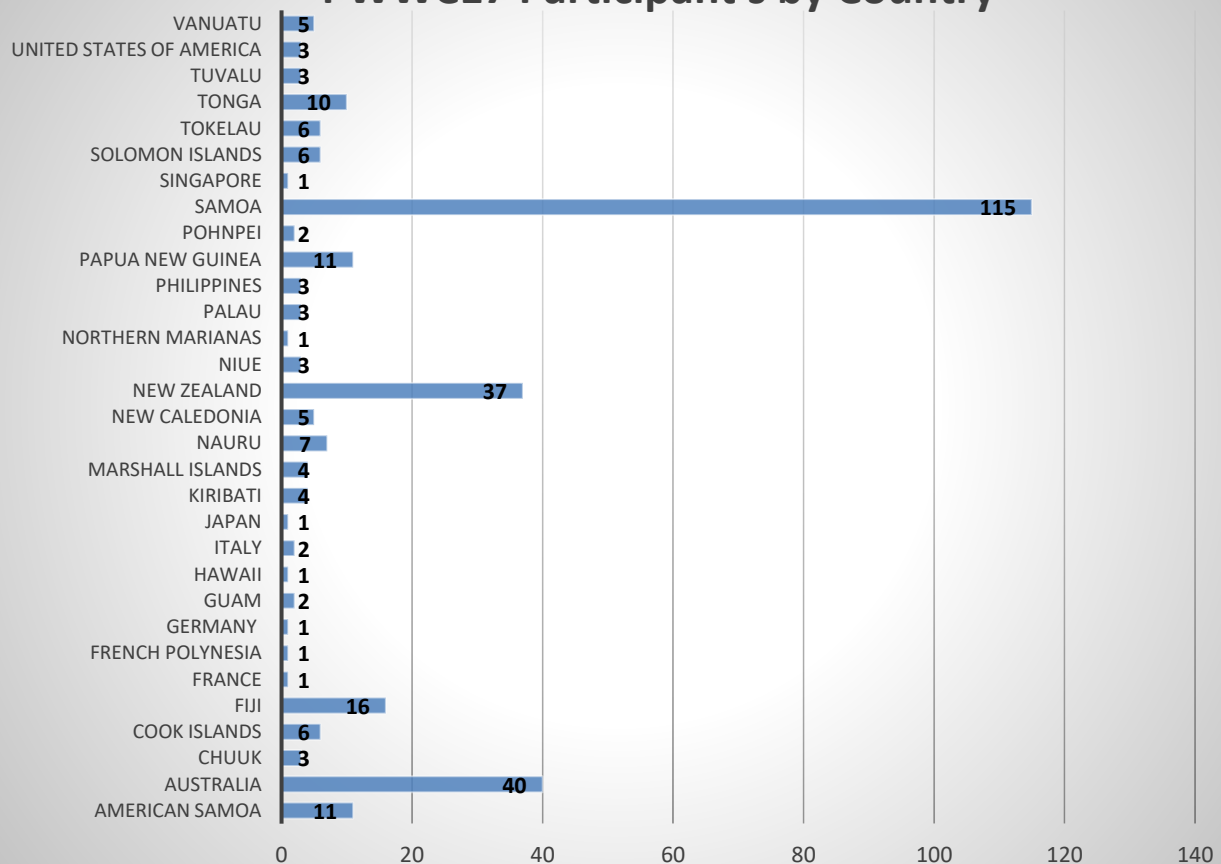


CEO of Samoa Water Authority, Seugamaali'i Jammie Saena, and some of her staff at the Official Welcome

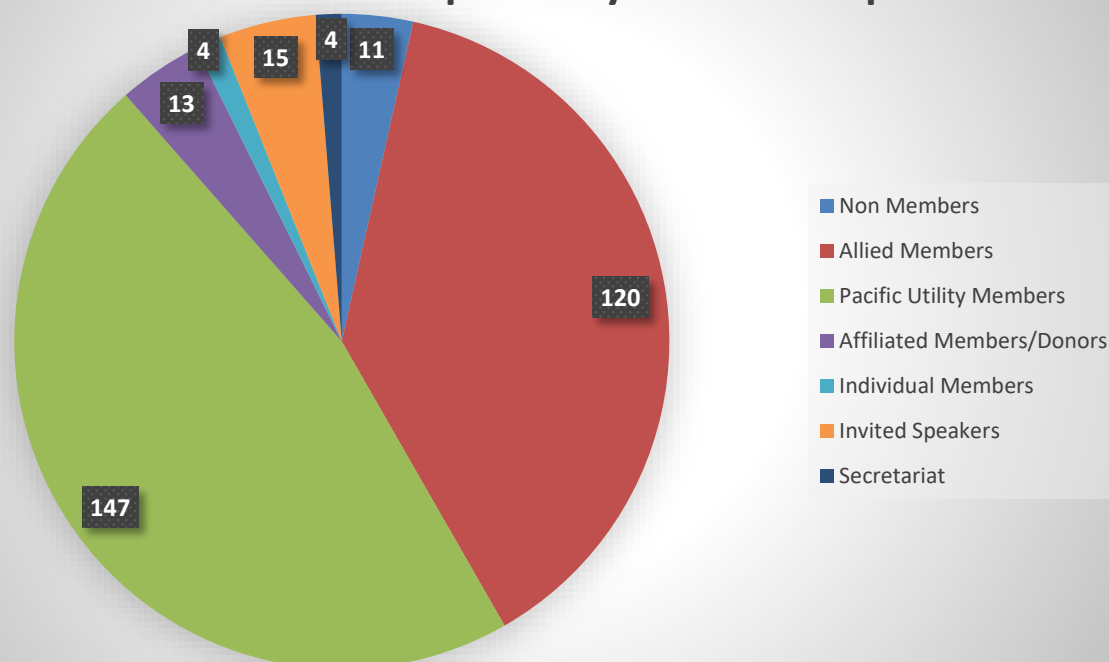
### Participants Numbers 2010 - 2017



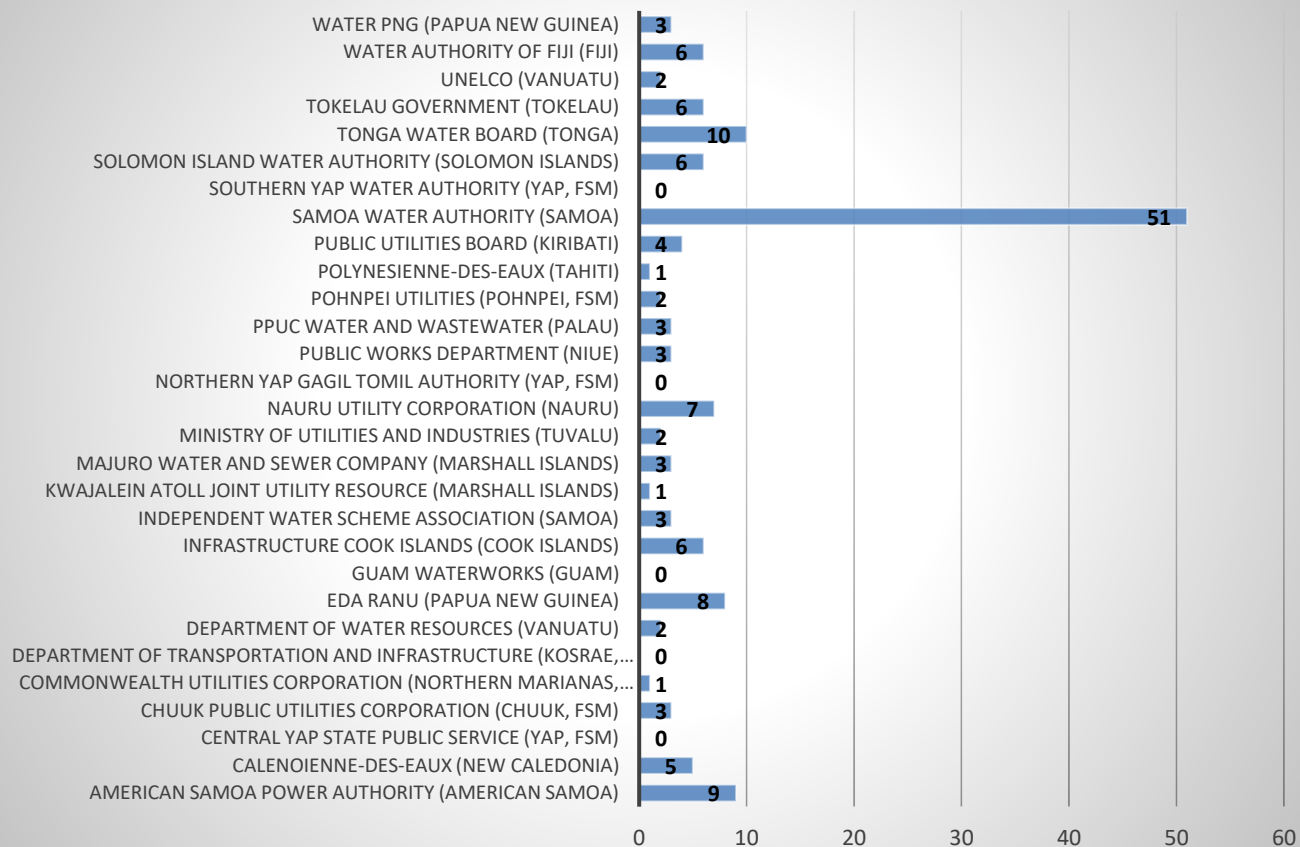
### PWWC17 Participant's by Country



### PWWC17 Participant's by Memberships



### PWWC17 Pacific Utility Members Delegations







Hon. Fiame Naomi Mataafa and New Caledonia Delegation



Mr. Didier Gaujous, CEO  
Caledonienne des Eaux

### The 3<sup>rd</sup> Pacific Water Ministers Forum



- 13 Ministers and representatives attended the 3<sup>rd</sup> Ministerial Forum (including 2 Ministers from Samoa)

	2015	2016	2017
<b>American Samoa</b>	x	x	x
<b>Cook Islands</b>	x	x	x
<b>Fiji</b>	x	x	
<b>Kiribati</b>	x		
<b>Marshall Islands</b>	x		
<b>New Caledonia</b>		x	x
<b>Niue</b>	x		x
Palau			x
Papua New Guinea	x	x	
Samoa	x	x	x
Tokelau			x
Tonga	x	x	x
Tuvalu	x	x	x
Vanuatu	x	x	x

- 8 Ministers signed the Samoa 2017 Water Ministers Declaration, reaffirming its commitments to water and sanitation agenda in the Pacific
- 6 out of 20 Countries have been consistent in their participation in the last three years (highlighted in blue in table above)

### The Young Water Professionals

For the first time, a Young Water Professionals Workshop was run in parallel with the PWWC'17 to encourage participation and build capacity of young water engineers in the Pacific Region. This initiative was kindly supported by AWP under its funding agreement with PWWA. The criteria were professionals aged less than 35 years old and currently working for a PWWA member utility.

- 29 Young Water Professionals attended the YWP Workshop (15 Females and 14 Males)
- 27 represented 21 Utilities including 1 from AWP and 1 from Hunter H2O

- 3 other Utilities were represented at the PWWC17 but did not send any YWP (Independent Water Scheme-Samoa, Kiribati and Pohnpei)
- 5 Utilities did not have representatives for both YWP Workshop and PWWC'17 (Guam, 3 Utilities from Yap States and Kosrae)

The program culminated in the YWPs presenting and pledging the following declaration: *“We, the founding members of the Pacific Young Water Professionals, are dedicated to bringing new energy into the water and wastewater industry and sector.*

*The Pacific YWPs are a well-connected group, driven by shared values, working to shifting the dialogue towards:*

- *Realizing sustainability in the water and wastewater sector;*
- *Building regional knowledge sharing and collaboration through peer-to-peer connection and networking;*
- *Recognizing cultural and traditional knowledge as a source of expertise;*
- *Making capacity building, leadership development, and improved communication core management functions;*
- *Supporting Young Water Professionals and aspiring water professionals to make a difference;*
- *Advocating for the principles of Gender Equity and Social Inclusion (GESI) throughout the sector;*
- *Fostering an environment that promotes innovation; and*
- *Transforming management trends to reflect these values”*

### **Speakers/Presenters**

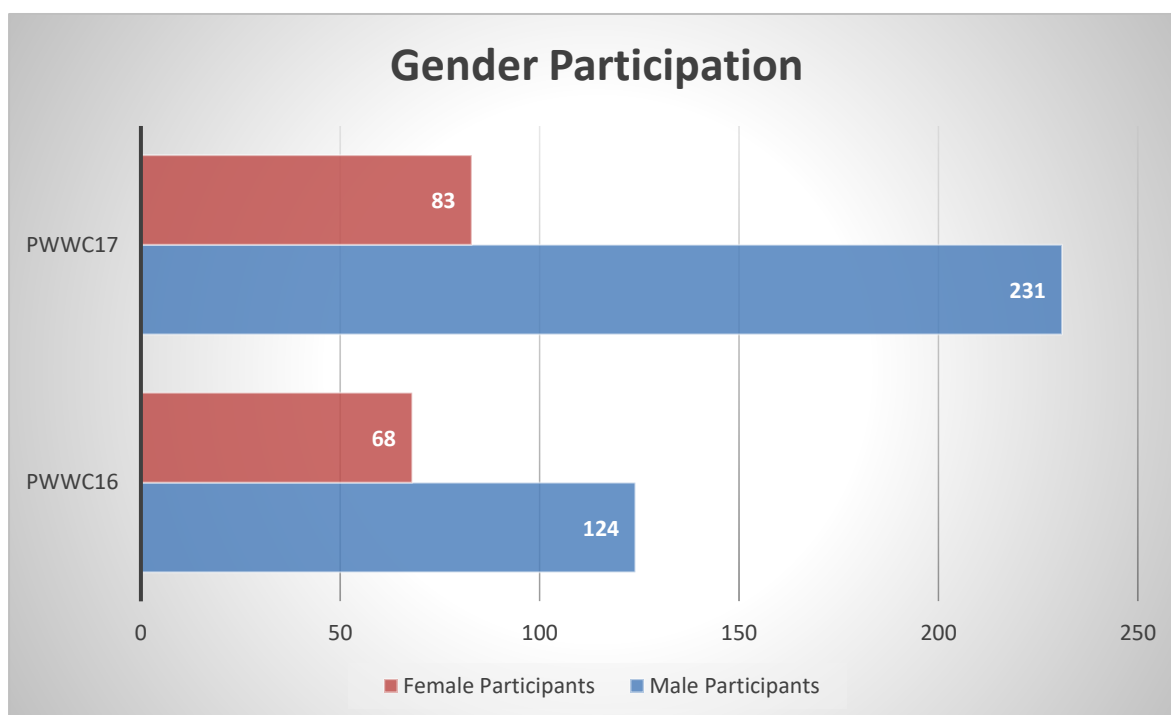
- 33 Speakers altogether for YWP and PWWC'17.
- 14 of the Presenters were identified through Call for Papers
- 4 were Donor Speakers (AWP, EU, SPC, JICA)
- And 15 were Invited Speakers (some spoke for the YWP Workshop only and some for both YWP and PWWC'17) – two were funded through ADB from Sydney Water and New York

### **Gender Balance**

- In 2017, there was a 26% participation of females compared to 35% in 2016. This is mainly due to the large increase in the overall participation for this year's conference which was increased by 38%.
- Although low in percentage but it was an increase in numbers if compared to last year's female participation.



The graph below shows an increase in female participation in absolute terms at this annual event.



### Benchmarking Participation

A new grouping was established for the purposes of the benchmarking process. Only 18 of the 29 utilities participated in 2017 reporting (24 in 2016, and 20 in 2015). The Secretariat continues to advocate the importance of reaching out to all PWWA utilities to consider participation in the 2018 effort of the data collection and performance assessment prior to the planning the publication of “PWWA 2018: seven years of performance assessment”.

The PWWA tariff database was developed and presented at the meeting. It has all tariff information from all utilities that have it on their websites. All utilities are encouraged to provide the Secretariat with their tariff schedules to make it part of the PWWA 2018 report.

### Awards Winners

The highlight of the Annual Conference and Expo is the presentation of awards which are based on the results of the benchmarking survey. The following were the winners of the different awards for 2017. Overall, Samoa Water Authority walked away with the Best Overall Utility for 2017!

<b>Award</b>	<b>Winner</b>
Best Coverage with Services Group 1	Polynesienne Des Eaux (French Polynesia)
Best Coverage with Services Group 2	Eda Ranu (Papua New Guinea)
Best Coverage with Services Group 3	Niue Department of Utilities
Sustainable cost recovery for water and wastewater services – Group 1	Caledonienne Des Eaux (New Caledonia)
Sustainable cost recovery for water and wastewater services – Group 2	Water PNG (Papua New Guinea)
Established customer database and payment collection system – Group 3	Nauru, Central Pacific Utility
Best Customer Service - Group 1	American Samoa Power Authority (American Samoa)
Best customer service - Group 2	Chuuk Public Utilities Corporation (FSM)
Best Established water intake systems and piped water distribution – Group 3	Majuro Water and Sewer Company (Marshall Islands)
Best technical performance - Group 1	Caledonienne Des Eaux (New Caledonia)
Best technical performance - Group 2	Water PNG (Papua New Guinea)
Water delivery <u>by trucks</u> is organized and fully functioning with minimum losses - Group 3	Nauru Central Pacific Utility (Nauru)
Best Environmentally friendly utility: Wastewater collection and treatment Group 1	Polynesienne Des Eaux (New Caledonia)
Best Environmentally friendly utility: Wastewater collection and treatment Group 2	Samoa Water Authority (Samoa)
Best Environmentally friendly utility. Wastewater regularly collected from latrines Group 3	Infrastructure Cook Islands (Cook Islands)
Most Improved Utility – Group 1	American Samoa Power Authority (American Samoa)
Most Improved Utility - Group 2	Samoa Water Authority (Samoa)
Most Improved Utility – Group 3	Majuro Water and Sewer Company (Marshall Islands)
Best Utility 2017 – Group 1	Polynesienne Des Eaux (French Polynesia)
Best Utility 2017 – Group 2	Samoa Water Authority (Samoa)
Best Utility 2017 – Group 3	Majuro Water and Sewer Company (Marshall Islands)
Best Utility Overall for 2017	Samoa Water Authority
PWWA Best utility in gender Balance 2017	Central Yap State Public Service (FSM)
Percentage of women Employees - engineers	Caledonienne Des Eaux (New Caledonia)
Female staff salary as a % of male	Water PNG (Papua New Guinea)
PWWA 2017 Water professional of the year	Fuiava Sulumalo Amataga Penaia (Former CEO of MNRE, Samoa)
PWWA Young Water Professional Award 2017	Maryse Wamalo (Caledonienne Des Eaux – New Caledonia)

### 3. Annual General Meeting 2017

The AGM was attended by 77 participants including the secretariat staff. A quorum for the AGM was established in accordance with the Constitution requirements. Apart from the usual AGM business, the AGM also approved a new set of membership fees for the Association.

Member	Category	Current Fee 2017 (USD)	New Fee 2018 (USD)
<b>PUMs</b>	Small	\$500	\$750
	Medium	\$750	\$1,100
	Large	\$1,200	\$1,600
<b>Allied</b>	Small	\$500	)
	Medium	\$750	)
	Large	\$1,200	)
			Basic Allied = \$1,000
			Premium Allied = \$1,750 <sup>1</sup>
<b>Individuals</b>		\$100	\$100
<b>Affiliated Members</b>		FREE	FREE
<b>Students</b>		FREE	FREE

The increase will come into effect 1 January for the new financial year 2018. The new fees were earlier approved by the Board of Directors following its review of what would be affordable but support an incremental review to keep the Association financially sustainable.

### 4. The Australian Water Partnership/Pacific Water & Wastewater Association Capacity Development Program

The first activity held under this programme in 2017 was the governance workshop for the Board in April and confirmed the need for a strategic plan for the organisation.

The young water professionals program during the annual conference was a major part of the program during the year. The program brought in 29 young professionals from the member utilities to Apia during the annual conference, as well as speakers to conduct the program. The program proved to be very successful and the young water professionals signed and made a declaration during the AGM of the Association.

At the strategic governance level, the third most important activity funded under the programme was the workshop to develop a Five Year Strategic Plan for PWWA. This took place during the end of the year and was attended by the Board members and

<sup>1</sup> With regular spots on PWWA website

Council. The workshop was crucial in getting the members to brainstorm and agree on what PWWA's vision would be, its mission and strategic focal areas and activities for the next five years – 2018-2023.

## Other Events

## Communications

PWWA continues to maintain three important media channels as a repository of information and as a means of communications to members and potential members.

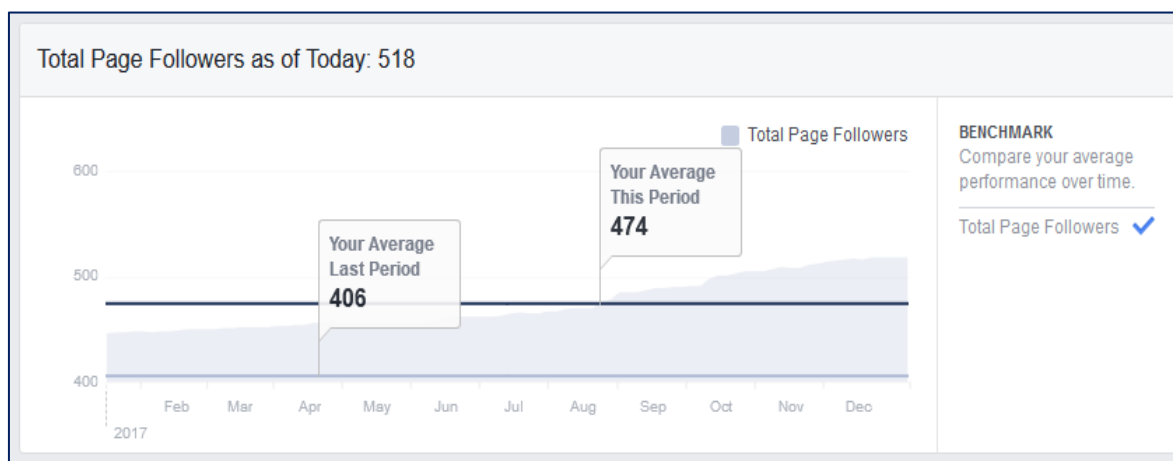
1. Website ([www.pwwa.ws](http://www.pwwa.ws))
2. Facebook page (<https://www.facebook.com/pacificwaterandwastesassociation/>)
3. LinkedIn page (<https://www.linkedin.com/company/pacific-water-and-wastes-association/>)

Updating all channels continues to be a challenge for the Association in the absence of a Communications person. Hence this has been identified as a priority in this respect and especially in its communications with members.

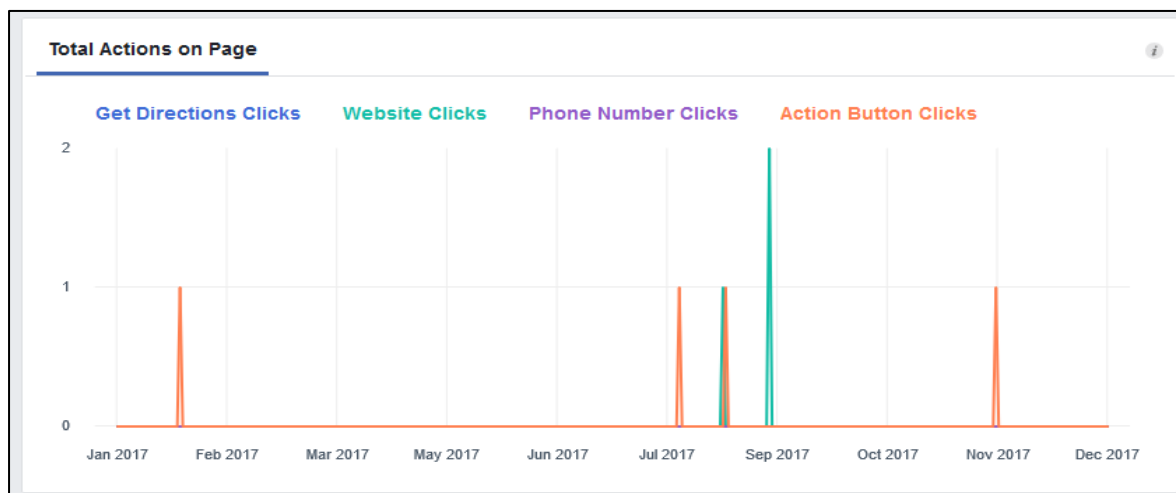
### Social Media

By December 2017, Facebook had a total of 518 "likes" compared to 224 at the end of 2016. This is a 100% increase and it reflects the interest that is now generated for the Association. As mentioned in last year's 2016 Annual Report, having a dedicated communications person to update all media channels will advance PWWA's work and create more awareness on its activities.

The table below reflects the total page followers as of end of Dec 2017.



The table below shows the number of actions users took on FB page within 2017.



## Membership of PWWA

The following table provides the total number by type of member in PWWA.

Type of Member	Total
1. Utility Members	29
2. Allied Members	70
3. Individual Members	6
4. Students	0
<b>Total All Members as at December 2017</b>	<b>105</b>

PWWA's member utilities extend across the following countries and territories in the Pacific region: American Samoa, Cook Islands, the Federated States of Micronesia, French Polynesia, Guam, Nauru, New Caledonia, the Commonwealth of the Northern Marianas, Niue, Palau, Papua New Guinea, Republic of Fiji Islands, Republic of Kiribati, Republic of the Marshall Islands, Republic of Vanuatu, Samoa, Solomon Islands, Tokelau, the Kingdom of Tonga, and Tuvalu. The majority of utilities are defined (in terms of number of water connections) as either small (11 utilities) or medium (10 utilities); and eight (8) utilities are considered large with over 10,000 connections.

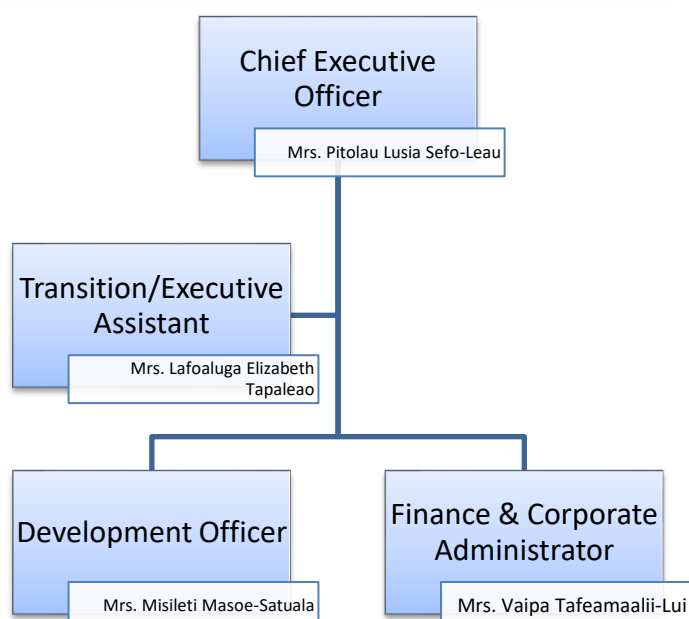
The majority of Allied members are companies and organisations from New Zealand, comprising 50% of total allied members, followed by Australia with 29.6% of the total. Samoa comes in next with a total number of nine (9) or 14% of allied members registered so far from both private and public sector companies and Ministries. The rest come from Fiji with four (4) organisations/companies, and one or two from USA, Italy, Guam, New Caledonia, American Samoa and the United Kingdom.

## PWWA Staff as at 31 December 2017

With the establishment of the permanent Secretariat in late 2016 with the recruitment of the CEO, priority was given to the early recruitment of a Finance/Corporate Administrator and early transitioning of the Development Officer and Executive Assistant to the new structure. The Finance and Corporate Administrator was selected and recruited in February 2017.

The restructuring of the Secretariat to upgrade the terms of reference of the Development Officer and Executive Assistant was proposed and approved in principle by the Board in April 2017 pending availability of funds. Around the same time, the contract of the Communications & PR Consultant was completed and no extension was granted by ADB.

The following staff were employed by the PWWA Secretariat as at 31 December 2017:



## PWWA Financial Performance

Appearing at the end of this Annual Report are the audited accounts of PWWA for the financial year ended 31 December 2017.

At the close of the financial year, total assets and liabilities increased substantially from \$13,232 in 2016 to \$190,880, largely a result of the huge increase in current assets from grants received by the Association from ADB and AWP. There is also a noticeable increase in deferred membership fees received in advance; these represent invoices issued for 2018 that were paid in 2017.

In 2017 the Association accumulated funds of \$177,648 from a net loss position in 2016 of (\$5,663). This was a result of careful controls on spending but also due to an increase in program funds received during the year from development partners. As an incorporated not-for-profit organisation, PWWA is highly dependent for its operations and payment of staff on development partner funding, membership fees, and from money that it earns from the hosting of the annual conference each year through conference fees, exhibition fees and sponsorships. In 2017, membership fees comprised 13.5% of total income, donor funding sought and obtained from ADB which financed directly airfares and accommodation costs comprised 23% whilst the AWP funding for the Secretariat comprised 44% of total income. The balance was realised from the grant received from the Government of Samoa, conference fees, expo fees and sponsorships of the annual conference.

In compliance with the new Constitution of the Association, the accounts following are presented on accrual basis.



## Auditors' Report



**Lesā ma Penn**

*Chartered Accountants*

Lesā ma Penn Compound  
Fugalei Street by the Bridge  
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PO Box 1599  
Apia, Samoa

Telephone: (685) 20321  
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Email: [office@lesamapenn.ws](mailto:office@lesamapenn.ws)

### **Independent Auditor's Report**

#### **TO THE MEMBERS OF PACIFIC WATER AND WASTEWATER ASSOCIATION INCORPORATED**

#### **Report on the Audit of the Financial Statements**

##### ***Opinion***

We have audited the accompanying financial statements of Pacific Water and Wastewater Association Incorporated, which comprise the statement of financial position as at 31 December 2017, and statements of income, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Association as at 31 December 2017, and of its financial performance and its cash flows for the year then ended.

##### ***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the International Ethics Standards Board for Accountant's *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Samoa and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### ***Directors' and Management's Responsibility for the Financial Statements***

Directors and management are responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Reporting Standards and with requirements of the Incorporated Societies Ordinance 1952 and such internal control as the directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Association's financial reporting process.

##### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

Lesā ma Penn



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Incorporated Societies Ordinance 1952,

In our opinion:

- proper books of account have been kept by the Association, so far as it appears from our examination of those books; and
- the financial statements are in agreement with the books of account; and
- to the best of our knowledge and according to explanations given to us the financial statements give the information required by the Societies Ordinance 1952 in the manner so required.

Apia, Samoa

Dated: 7/2/18

Lesā ma Penn  
Chartered Accountants

## Statement of Financial Position



**PACIFIC WATER AND WASTEWATER ASSOCIATION INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	Notes	2017 USD	2016 USD
<b>EQUITY</b>			
Accumulated funds brought forward		13,232	18,895
Excess of income over expenditure		177,648	(5,663)
<b>Total Equity</b>		<u>190,880</u>	<u>13,232</u>
Represented by:			
<b>CURRENT ASSETS</b>			
Cash at Bank	6	217,712	16,495
Accounts Receivable - membership fees		-	12,951
Accounts Receivable - others		-	10,209
<b>Total Current Asset</b>		<u>217,712</u>	<u>39,655</u>
<b>CURRENT LIABILITIES</b>			
Accounts Payable		3,303	9,234
Deferred membership fees received in advance		33,400	18,600
<b>Total Liabilities</b>		<u>36,703</u>	<u>27,834</u>
<b>WORKING CAPITAL</b>		181,009	11,821
<b>NON CURRENT ASSETS</b>			
Fixed assets	5	9,871	1,411
<b>NET ASSETS</b>		<u>190,880</u>	<u>13,232</u>

The relevant notes on page 6 and 7 form part of this statement of Financial Position.

On behalf of the Board:

*J.B. Keary*  
 Director

*Janine*  
 Director



## Statement of Income & Expenditure



**PACIFIC WATER AND WASTEWATER ASSOCIATION INC.**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 USD	2016 USD
<b>Income</b>			
Allied Membership Fee		46,079	20,525
Individual Membership Fee		600	93
Pacific Utility Membership Fee		22,197	18,637
<b>Total membership fees</b>		<b>68,876</b>	<b>39,255</b>
Asian Development Bank Funding		116,989	71,897
Australia Water Partnership		225,010	-
Government of Samoa		12,261	-
Conference Fee		48,850	22,037
Donation		-	1,622
Expo Booth Fee		19,800	11,400
Other Revenue		707	7,429
Sponsorship		16,000	7,870
<b>Total Income</b>		<b>508,493</b>	<b>161,510</b>
<b>Less Operating Expenses</b>			
Accounting software maintenance		509	658
Administration support		-	3,764
Advertising		1,666	2,114
Audit fees		1,330	1,120
Bad debts		22,900	1,413
Bank Fees		1,836	233
Depreciation	5	2,805	1,301
Donations		-	81
Entertainment		-	399
Executive Board Meeting		-	8,429
Foreign Currency Gains and Losses		5,133	939
Freight & Courier		-	137
General Expenses		876	2,665
Light, Power, Heating		-	1,255
Pacific Water Conference 2017		98,961	69,930
Printing & Stationery		4,077	1,144
Rent		7,533	2,560
Repairs and Maintenance		79	234
Telephone & Internet		3,596	2,281
Travel - International		16,339	35,960
Wages and Salaries		163,205	27,186
Workshops		-	3,370
<b>Total Operating Expenses</b>		<b>330,845</b>	<b>167,173</b>
<b>Net profit/(loss)</b>		<b>177,648</b>	<b>(5,663)</b>

The relevant notes on pages 6 and 7 form part of this statement of income and expenditure.

## Statement of Cash Flows



**PACIFIC WATER AND WASTEWATER ASSOCIATION INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE 12 MONTHS ENDED 31 DECEMBER 2017**

	<b>2017</b>	<b>2016</b>
	<b>USD</b>	<b>USD</b>
<b>Cash flows from/(to) operating activities</b>		
Cash received from membership	92,036	44,904
Cash received from donors and sponsors	370,260	81,389
Other receipts	69,357	40,866
Cash paid for expenses	(320,037)	(169,350)
<b>Net cash from/(to) operating activities</b>	<b>211,615</b>	<b>(2,192)</b>
<b>Cash flows from/(to) investing activities</b>		
Purchase of fixed assets	(10,398)	(1,639)
<b>Net cash from/(to) investing activities</b>	<b>(10,398)</b>	<b>(1,639)</b>
<b>Cash flows from/(to) financing activities</b>		
<b>Net cash from/(to) financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash</b>	<b>201,217</b>	<b>(3,831)</b>
Opening cash balance	16,495	20,326
<b>Cash At the End of the Year</b>	<b>217,712</b>	<b>16,495</b>
<b>Represented by:</b>		
ANZ Bank New Zealand - NZD account	-	8,066
ANZ Bank Samoa - Tala account	125,628	8,261
ANZ Bank Samoa - AUD account	92,084	168
	<b>217,712</b>	<b>16,495</b>

The relevant notes on page 6 and 7 form part of this statement of cash flows.



**PACIFIC WATER AND WASTEWATER ASSOCIATION INC.**  
**NOTES TO ACCOUNTS**  
**FOR YEAR ENDED 31 DECEMBER 2017**

**1 Summary of Significant Accounting Policies**

The principal accounting policies adopted in preparing the accounts are stated to assist in general understanding of the accounts. These policies have been consistently applied except as otherwise stated.

**(a) Basis of preparation of accounts**

The accounts have been prepared on the basis of historical costs and do not take into account changing money values or current valuations of non-current assets.

**(b) Foreign Currency Conversion**

The accounts are in US Currency. Foreign Currency transactions during the year have been converted to Samoan Tala at the exchange rate at the date of the transactions. Samoa Tala transactions during the year have been converted to US Currency using the rate of exchange prevailing at balance date. Any variances arising from movements in exchange rates as between the date of transaction and balance date is treated as a realised gain or loss and has been brought to account in determining the result for the year.

**(c) Membership Fees**

**(i) Income**

Membership fees as reflected in the accounts represent fees received and receivable during the year. In prior years membership fees were accounted for on a cash basis.

**(ii) Deferred income**

Membership fees received in advance have been deferred and is not included in the income for the year. In prior years membership fees paid in advance were accounted for on a cash basis in the year received.

**(iii) Government grant**

Upon signing of the Host Agreement during the Conference in August 2017, the Government of Samoa granted SAT100,000 (July 2017-June 2018) to the Secretariat. This financial support is to assist with establishment costs and rental space currently occupied by PWWA Office at the FMFMII Building. Funding is dispensed directly from MNRE and is accounted for in the accounts when received.

Government grants are recognised at fair value when there is reasonable assurance that the Associate will comply with the conditions attaching to them and the grants will be received. Grants related to expenses are treated as other income in the income statement.

**(iii) Australia Water Partnership grant**

In November 2016, a total grant of AUD600,000 is the assistance from AWP for the establishment of the Secretariat. This funding is for three (3) years and is disbursed in instalments of AUD200,000 per annum. Its main utilization is for remuneration for staff members and other small costs as outline in the agreement.

**2 The objectives of the association are to improve and enhance "the industry" within the Member Countries and develop expertise in the Pacific through networks of water professionals in the Pacific.**

**3 Fixed asset and method depreciation**

Items of property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated to write off the cost of fixed assets on the straight line basis over their expected useful lives to the association, at the following rates per annum:

Office equipment	33%
Computer equipment	33%
Office furniture	33%





**PACIFIC WATER AND WASTEWATER ASSOCIATION INC.  
NOTES TO ACCOUNTS  
FOR YEAR ENDED 31 DECEMBER 2017**

**5 FIXED ASSETS**

Description	Computer equipment	Office equipment	Office furniture	Total
<b>Cost</b>				
Balance at 31 December 2016	4,011	1,025	680	5,716
Additions	2,559	4,226	3,613	10,398
Disposals/Write off	-	-	-	-
Balance at 31 December 2017	<u>6,570</u>	<u>5,251</u>	<u>4,293</u>	<u>16,114</u>
<b>Depreciation</b>				
Balance at 31 December 2016	2,001	1,437	-	3,438
Charge for year	1,097	1,004	704	2,805
Disposals/Write off	-	-	-	-
Balance at 31 December 2017	<u>3,098</u>	<u>2,441</u>	<u>704</u>	<u>6,243</u>
<b>Carrying amount</b>				
At 31 December 2016	<u>623</u>	<u>788</u>	<u>-</u>	<u>1,411</u>
At 31 December 2017	<u>3,472</u>	<u>2,810</u>	<u>3,589</u>	<u>9,871</u>

**6 CASH AT BANK**

	2017 USD	2016 USD
ANZ Bank New Zealand - NZD account	-	8,066
ANZ Bank Samoa - Tala account	125,628	8,261
ANZ Bank Samoa - AUD account	<u>92,084</u>	<u>168</u>
	<u>217,712</u>	<u>16,495</u>

This Association now operates only two local bank accounts. The New Zealand bank account was closed in June 2017 and all funds was transferred to the main Tala account.

**7 CONTINGENT LIABILITIES & CAPITAL COMMITMENTS**

The directors are not aware of any contingent liabilities or capital commitments at year end (2017 Nil)

**GENERAL**

- 8 At the 10<sup>th</sup> Pacific Conference, the signing of the Host Agreement between the Government of Samoa and PWWA promulgates international status to PWWA under Samoan laws, and establishes Samoa as the headquarters of PWWA. PWWA, after 20 years since establishment and attempts to establish itself as a regional body was finally achieved in 2017. The Host Agreement was signed on 8 August 2017.