



ANNUAL REPORT 2018

Solomon Islands Water Authority

Our Vision

Safe water for a healthy nation

Our Mission

“To provide reliable and safe water supply and sewerage systems within our area of operations in Solomon Islands, while working in partnership with the community to plan, deliver and operate infrastructure in a manner that seeks to minimize the social and environmental impacts of our activities.”

Our Values

<i>Purposeful</i>	<i>Everything we do is aimed at delivering a better service.</i>
<i>Challenging</i>	<i>We strive for continuous improvements.</i>
<i>Customer Focused</i>	<i>We aim to exceed the expectations of our customers.</i>
<i>One Team</i>	<i>We strive to work together as one team to achieve our corporate objectives</i>
<i>Ethical</i>	<i>We are open and honest about performance and meet our commitments in a reasonable manner.</i>

Chairman's Foreword

It gives me great pleasure to present the 2018 Annual report for the Solomon Islands Water Authority (SIWA), trading as Solomon Water.

I am honoured, and grateful to my predecessor Phil Bradford, for his tireless work in taking Solomon Water to the position it is in today, for me to be inheriting the Chair of an organisation with a clear strategic direction, strong management and sound financial profile.

Solomon Islands Water Authority, trading as Solomon Water, should be deservedly proud of its achievements in 2018. The USD 110 million funding package with our donor partners including the Solomon Islands Government was significantly progressed. This package will facilitate notable benefits to the community through expanded networks, improved water quality and reliable supply. A sanitation and hygiene awareness program, currently in progress, complements these engineering initiatives. Better sewage management will not only bring environmental benefits but will result in better health outcomes for the community.

The Australian Government funded construction of a new transmission main from Tasahe to East Kola and the 4 ML storage tank at East Kola were completed in April 2018. These major projects increase storage capacity and supply of water to the eastern parts of Honiara City.

Solomon Water was profitable in 2018, providing increased capacity for reinvestment in its ambitious capital works program. Likewise, the CSO approved by Government and tariff increase collectively contribute not only to Solomon Water's strategic initiatives but to a more robust organization capable of delivering on these initiatives.

After a substantial period of vacancies on the Board, I am pleased to report a full complement of directors. I also note the substantial achievements in 2018 by the CEO and his executive team. With the strong partnership in place between the Board and Executive, Solomon Water is well positioned to continue to deliver on its vision of safe water for a healthy nation.

I thank my fellow Board members, Accountable Ministers, Executive Management and staff for their efforts in supporting Solomon Water through 2018, and look forward to ongoing support in the years to come.



Carson Korowa
Chairman of the Board

Chief Executive's Overview

2018 has been a productive year for Solomon Islands Water Authority, trading as Solomon Water.

We worked closely with development partners ADB, World Bank and EU as well as the Solomon Islands Government on a funding package for implementing the 5 Year Action Plan under the 30 Year Strategic Plan. The package covers investment projects for expanding the water and sewerage network and significantly improving reliability and efficiency of our systems. The total value of funding over the next 7 years is about US\$110 m (SBD 880 m), however we remain well short of the total required.

In 2018 feasibility studies for some Action Plan projects were carried out by consultants. These include improvement in wastewater management by construction of new sewers, pump stations and sea outfalls, projects to improve water supply in Honiara with additional storage and installation of trunk mains, upgrade of water supply systems in Noro, Tulagi and Auki and new water supplies for Gizo and Munda.

Our Non-Revenue Water (NRW) reduction strategy is being redeveloped following a detailed study by external consultants. The strategy will be implemented across all of Solomon Water to deliver tangible and sustainable reductions in commercial and physical water losses, with a target to reduce current NRW of 65% to 30% by 2027.

Following Board endorsement of 'Cash Water' as a strategy to improving payment rates on accounts, we installed over 1,500 pre-paid water meters in 2018 with full domestic customer coverage expected by the end of 2020. Besides having a positive impact on arrears collection, customers are benefitting from greater control over the use and conservation of water.

We are thankful to Government for granting Solomon Water a tariff increase for 2019 and 2020. Although less than our request, Government has also committed to annual CSO payments to supplement the tariff. These funding sources will augment current levels of revenue and donor funding to help cover the substantial planned capital projects.

We continue to have issues associated with land management and again request Government support in seeking permanent and unrestricted access to all our infrastructure.

We had a noteworthy change in our Board with the retirement of Chairman Phil Bradford and appointment of Carson Korowa as Chairman. We thank Phil for his leadership in steering Solomon Water to the strong entity it is today and look forward to supporting Carson in continuing to build on our success. We also welcomed new members Cynthia Wickham, John Belande and Donald Marahare to the Board.

Solomon Water posted a net profit of \$5.4 m for the year which is well above budget expectations. The 2018 audit result was unqualified.

I am very pleased to note that our efforts over 2018 and previous years in terms of improving efficiency were recognized at the 2018 conference of the Pacific Water and Wastewater Association (PWWA), where Solomon Water won the "Most Improved Utility" and "Best Utility" awards among the Pacific 21 utilities.

We could not have achieved the above without the strong support of the Board and dedication of my executive team and staff. My thanks to all.



Ian Gooden
Chief Executive Officer

About Solomon Islands Water Authority

Who we are

Solomon Islands Water Authority is a water and sewerage business supplying potable water and collecting municipal effluent in the urban centres of Honiara. It also provides potable water services to Auki, Noro and Tulagi.

Solomon Islands Water Authority is an enterprise wholly owned by the Solomon Islands Government and uses the approved brand name Solomon Water for marketing and operational purposes.

What we want to achieve

Our Vision is:

Safe water for a healthy nation

How we will get there

We aim to provide reliable and safe water supply and municipal effluent collection services, to be profitable and sustainable, and to develop our business for the long-term benefit of Solomon Islands. We will do this by:

- Working closely with customers and stakeholders
- Delivering our services at reasonable cost
- Developing our people
- Investing in the right resources to provide a better service
- Educating and informing the public
- Continually improving how we do things
- Being a good employer

Statutory Functions of Solomon Water

The statutory functions of Solomon Water are defined in Section 7 of the Solomon Islands Water Authority Act, 1993 as follows:

- 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;
- f) and any other like function

Corporate Governance

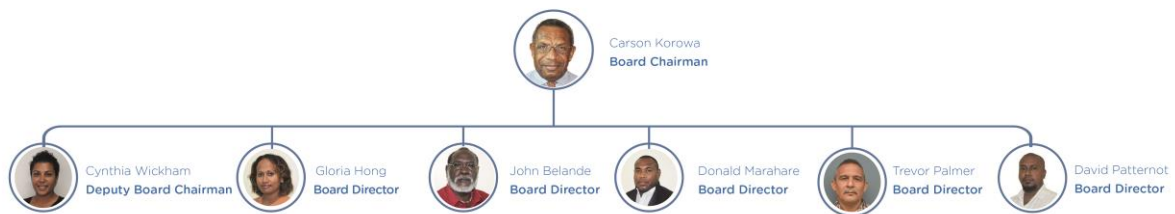
The Solomon Islands Water Authority was established under the Solomon Islands Water Authority Act 1993 and is governed under the State Owned Enterprise Act 2007.

Role of the Board

The Board is responsible for policy formulation, oversight of the operations and general administration of the affairs of Solomon Water as stipulated under SOE Act 2007, Section 6(4). The Board reports to the two Accountable Ministers responsible for Solomon Water - the Minister of Finance and Treasury, and the Minister of Mines, Energy and Rural Electrification.

Board Composition

Appointment of Board Directors is as stipulated under State Owned Enterprises Regulations 2010. Current Solomon Water Board is made up of the following persons:

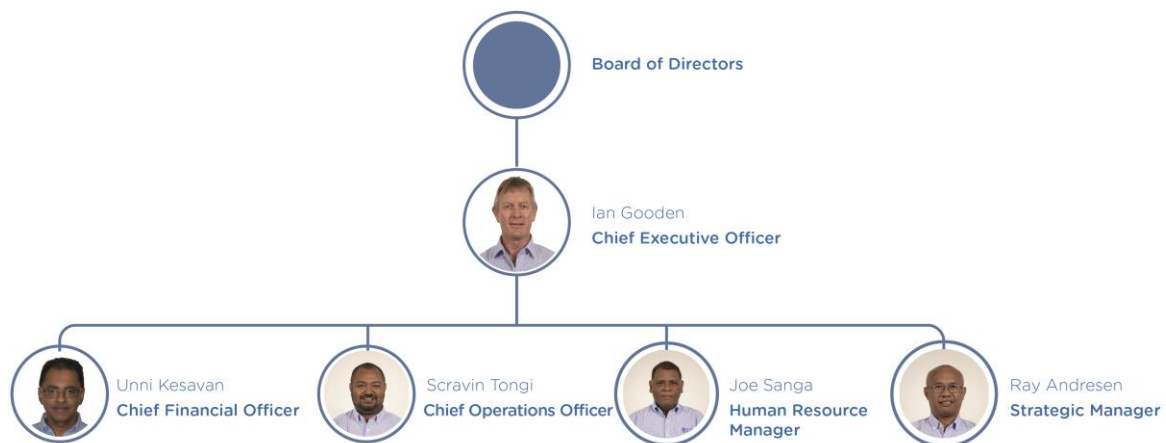


Through 2018, Chairman Phil Bradford retired and was replaced by Deputy Chairman, Carson Korowa. 5 new Board members were appointed, and the remaining 2 Board members, Carson Korowa and Trevor Palmer, whose terms have expired, should be replaced during 2019.

An audit sub-committee chaired by Donald Marahare supports good governance and reviews reports and audits carried out by our Internal Auditor.

Organisational Structure

Solomon Water has 145 staff in four departments operating under the direction of the Chief Executive as shown in the diagram below.



Report on the Operations of Solomon Islands Water Authority

The Statement of Corporate Objectives (SCO) 2018 – 2020 identified 15 key strategic issues and challenges for Solomon Water through to 2019 and beyond, and these are listed below with comments on progress to date:

Strategic Issue identified	Annual Report Comments
Governance	
<p>Board member vacancies: Recently Solomon Water advertised, evaluated and submitted a shortlist of candidates for the 3 vacant positions in the Board. Hopefully the 2 Accountable Ministers will make the appointments before the end of this year. The other remaining 4 positions will be advertised and filled in 2018, including that of the Chairman.</p>	<p>5 new Board members were appointed through 2018. The chairman, Phil Bradford retired at the end of September 2018 and Deputy Chairman Carson Korowa was appointed Chairman in October 2018.</p> <p>With the remaining 2 board members with expired terms to be replaced in 2019, there is risk that much knowledge and governance continuity will be lost.</p>
External funding	
<p>Both DFAT and JICA funded donor programs ceased as of June 2017, however a further grant was received from DFAT to take us through to June 2018.</p> <p>Negotiations with various donor agencies namely ADB, World Bank, EU and Taiwan (associated with Pacific Games infrastructure) have commenced but are yet to be finalised. It is not expected that any of this funding will be available until mid 2019.</p> <p>ADB has allocated up to USD\$1m for 2018 to go towards the “Project Preparation Assistance Consultancy” under the “SOL: Urban Water Supply and Sanitation Sector Project”. This work is currently out on tender. The selected Consultant should be appointed as early as February 2018. Besides this ADB is also looking at providing further US\$15m grant and USD\$15m concessional loan funding for projects identified under the Strategic Plan.</p> <p>At the same time the European Union is considering allocating €16m under the 11th EDF, RWASH programme. Negotiations with the World Bank for a possible concessional loan are at an early stage with an amount yet to be determined.</p> <p>Solomon Water is also working with the Ministry of Environment for possible Green Climate Fund (GCF) assistance which will most probably be available around 2020.</p>	<p>All work on the DFAT funded projects were completed during the year.</p> <p>Negotiations with ADB / EU and World Bank have continued and committed funding remains at USD 65m. Funding negotiations and approval is expected Q3 2019.</p> <p>A significant funding gap remains and Government is requested to assist Solomon Water identify and secure further funding.</p> <p>It is most unfortunate that Government chose to allocate USD 15m of World Bank grant money earmarked for SW to another beneficiary, leaving SW with loan funding only.</p> <p>The Project Preparatory Assistance consultancy work was almost completed with a few reports remaining to be finalised in early 2019.</p> <p>Progress on the GCF application continues with further reports completed.</p>

Strategic Issue identified	Annual Report Comments
Strategic	
<p>The single most pressing matter facing Solomon Water is the rapid and ongoing growth in Honiara. The population is forecast to be over 190 000 people by 2030 and we need to understand and begin planning and funding for this urgently. Integration with Honiara City Council and Ministry of Infrastructure and Development is essential. Solomon Water has completed its 30-year Strategic Plan and Tariff review. Communication of the final plan with key stakeholders has commenced with Government launch anticipated in February 2018.</p> <p>A key component of the plan is the urgent need for a major new water source for Honiara to accommodate the growing population, which has been identified as the Lungga River. Given the need to acquire land for this project, Solomon Water has just recruited a Lands Officer who will assist with investigating and securing land for the proposed project, besides other noted projects in Noro and Auki. She will be working closely with the Ministry of Lands.</p> <p>Western Province government has approached Solomon Water regarding possible support for management of the water supply in Gizo. The Board have agreed in principle to taking over this activity, subject to CSO from Government and donor assistance for major upgrading works. It is anticipated that Solomon Water will take over operation of the Gizo water supply in 2019 assuming these requirements are met.</p>	<p>Implementation of the 30 Year Strategic Plan 5 year Action Plan projects has commenced, with the first major construction project to be tendered in early 2019.</p> <p>Ongoing socialisation of the Plan and associated projects with ministries, donors and key stakeholders has continued throughout 2018.</p> <p>A feasibility study on the Lungga plant was completed by the PPA consultants, and landowner discussions commenced. There remains insufficient funding for this vital project at this stage</p> <p>Feasibility study work on Gizo was completed. Western province Government has also requested SW to consider providing watersupply to Munda and this has been agreed subject to funding and CSO support from Government.</p> <p>Detailed design for Gizo and Munda is underway with construction due to start early 2020.</p>
Operational and Technical	
<p>Connectivity and capacity of the water transmission system: Although the performance of the network has greatly improved with the completion and hand-over of the JICA Grant Aid project (Project for the Improvement of Water Supply Systems for Honiara and Auki), there remain some significant weaknesses that prevent Solomon Water from utilising its increased water resources in the most advantageous manner. A further approximately 6.5 km of 250/300mm transmission mains are required to provide flexibility in operation and facilitate the efficient transmission of water to the eastern parts of Honiara from sources in the west. This particular construction work is 85% complete and now scheduled to complete by January 2018.</p>	<p>The Transmission mains project was completed in March 2018, and has assisted with increased water availability in east Honiara.</p> <p>The East Kola reservoir was completed in April 2018. Work on smaller diameter mains to service selected areas is ongoing.</p> <p>Further transmission mains projects have been identified through the PPA feasibility work, and some of these are now under detailed design, with</p>

Strategic Issue identified	Annual Report Comments
<p>A new reservoir in East Kola, which will be connected to the new transmission main and service areas in the east of Honiara such as Vura, Naha, Kombito and Ranadi is in the process of being constructed. Progress is around 35% and scheduled to complete by January 2018.</p>	<p>proposed construction start in early 2020.</p>
<p>Condition and capacity of the small diameter distribution network: It is estimated that 40 km of distribution pipes are in urgent need of replacement due to their condition or limited hydraulic capacity. A further 50km of the network may require significant improvement. Until these problems are investigated and solved, Solomon Water will not be able to guarantee 100% water supply coverage in its areas of operation.</p> <p>However, a targeted program of mains replacement and improvement is progressing slowly and will continue on a prioritised basis during 2018 and beyond as funding permits.</p>	<p>10 km of new pipeline laid in Honiara and the provincial centres. Programme ongoing.</p>
<p>Non-Revenue Water Losses – Non-revenue water is estimated to represent about 60% of the volume of water produced. The main losses are the result of physical leakage, direct unmetered connections and illegal connections. A detailed strategy and plan for NRW reduction has been formulated with assistance from JICA and implemented and will continue during 2018 and beyond.</p>	<p>An external audit uncovered some issues associated with NRW management, and this activity has consequently been significantly reviewed and restructured. NRW at end 2018 was about 62%, and significant efforts to manage this downwards will be ongoing.</p>
<p>Municipal waste collection and disposal – The standard and extent of Solomon Water’s municipal sewerage system is limited and under-capacity. The environmental impact of the discharge of raw effluent to the sea and rivers is serious. Limited remedial work has commenced but more detailed analysis of the issue will be carried out under the “SOL: Urban Water Supply and Sanitation Sector Project, Project Preparation Assistance Consultancy”, funded by ADB, currently out for tender. Actual work should commence around February 2018. As funding targeting the other investment projects in the Strategic Plan becomes available, these issues will be systematically addressed.</p> <p>The urgency of this issue cannot be underestimated as it has serious implications for tourism, community health, and hygiene, especially as uncontrolled informal settlements around Honiara increase and frequently use the rivers and sea for washing, bathing and drinking.</p>	<p>Feasibility study reports have identified various solutions to our sewage management and discharges, and these are now in detailed design.</p> <p>Temporary improvements to several outfalls were planned in 2018 for early construction in 2019.</p> <p>Major sewer pump stations and outfall construction projects to remove raw sewage from the Mataniko River and parts of Honiara foreshore will be tendered for construction in late 2019.</p>

Strategic Issue identified	Annual Report Comments
Financial	
<p>Financial status – Solomon Water’s financial position continued to improve and stabilise in 2017, but remains volatile and will require a few more years of sustained performance before it can be relied upon to consider Solomon Water financially self-sufficient. SW now funds 2 key expatriate executive roles and a Programme Manager previously funded by DFAT.</p>	<p>Our financial situation continues to improve with 2018 profit well above budget.</p> <p>Further SW funded roles are required to enable us to manage the major works programme arising from the Strategic Plan.</p>
<p>Water and Waste Tariff – Agreement on an economic tariff level and structure that provides certainty in Solomon Water’s financial status is essential to the sustainability of a healthy water supply operator able to meet the increasing demands of the future. A new tariff model is being prepared as part of the Strategic Plan and consultation with the AM’s will occur in 2017. The Board anticipates that an increased tariff may be required to enable Solomon Water to begin to fund key staff and major capital works.</p>	<p>A request for an increase in our tariff and standing charges was made in September 2018, and Government agreed to a 5% increase, below what requested, effective 1 January 2019.</p> <p>Unfortunately standing charges were not increased and we continue to encourage Government to increase these charges too.</p>
<p>Collection of Debt – The legal system in Solomon Islands to support the collection of debt is weak and does not provide the necessary level of support to assist Solomon Water in improving its debt situation. Significant progress has been made on the recovery of debt and policies have been put in place to better manage this into the future. A “cash water” system is currently being trialled, and if successful it is expected to extend to full implementation, particularly amongst domestic customers.</p>	<p>Review by Government of the legislation surrounding debt collection would be appreciated.</p> <p>Ongoing improvement in debt collection and reduction in day’s receivable.</p> <p>CashWater has been approved by the Board for full roll out to all domestic customers, and about 1500 units have been installed, with full implementation by end 2020.</p> <p>CashWater has Improved cash collection and is also resulting in people better managing their water use, representing cost savings to our customers.</p>
<p>Government debt – The level of debt owed by SIG for services provided to government has deteriorated through 2017 and is at a critical stage, comprising more than 6% of our total annual turnover in outstanding debt. There remains a recurrent challenge in persuading government departments to pay their accounts on time. The Board’s policy on disconnection for unpaid accounts remains the</p>	<p>Through concerted staff collection efforts government debt at end 2018 was approximately \$3.5 m (4% of turnover), the lowest in recent history.</p> <p>Government however still owes Solomon Water over \$370K in interest payments relating to late payment of</p>

Strategic Issue identified	Annual Report Comments
only effective method of having long standing accounts cleared.	some 2017 and 2018 contract payments for the Kukum Highway project.
Tax exemption – Through 2017 Solomon Water has struggled to secure tax exemption for various import that should rightly enjoy tax exemption status, with almost \$1 m paid in tax that should have been exempt. Solomon Water urges SIG to honour its undertakings regarding tax exemption.	Solomon Water has received over \$4 million of exemptions in taxes and duties. We look forward to continuing support from the Government.
Community Service Obligation - In 2017, Solomon Islands Government did not provide any Community Service Obligation (CSO). The CSO funding is specific to supporting unsustainable provincial operations of Noro, Tulagi and Auki. It should be noted that Solomon Water supplies water to areas of Guadalcanal province surrounding Honiara as well as informal settlements within Honiara for which CSO is not provided. Solomon Water remains vulnerable to financial issues and requires ongoing CSO for the foreseeable future.	<p>Solomon Water is appreciative of the modest \$3m CSO received in 2018, and encourages Government to increase this, and continue to support unsustainable provincial activities.</p> <p>Increased CSO will be necessary in future years as Gizo and Munda are managed by SW, as well as larger areas of Guadalcanal province.</p>
Water supply to disadvantaged communities – The burgeoning increase in the population residing in informal settlements and the continued and uncontrolled development of these settlements imposes an increasing burden on Solomon Water, often through water theft. We foresee a demand for provision of water services to these communities despite the fact that Solomon Water cannot legally service properties that do not possess formal leases. The ability of these communities to pay for water services is also doubtful. A policy must be agreed with government on how the provision of a basic, lifeline water supply can be provided with government financial support through a new community service obligation contract.	<p>No progress to date regarding any agreement with Government on lifeline water supply.</p> <p>CSO from Government remains inadequate to properly support provincial or settler communities.</p> <p>CashWater is assisting low income families to better manage water use.</p> <p>An Urban WASH programme is anticipated in 2020 utilising EU funds which may assist with education and provision of some facilities.</p>
Land access	
Land disputes and resource utilisation on Customary Land – The security of water resources and water supply continues to be threatened on a regular basis by landowners (customary or otherwise) claiming compensation for the abstraction of water or access to water infrastructure. A landmark court case in 2015 has clarified the issue and no compensation for flowing water is payable, however the landowners concerned in that case remain defiant and have caused considerable disruption to services and legal intervention. Government has paid some monies despite the court	<p>Ongoing problems with little progress by Government to assist. To our knowledge Kongulai issues remain unresolved.</p> <p>Significant problems occur with settlers inside water catchment areas and we are taking steps to manage this.</p> <p>A number of issues have occurred during 2018 relating to logging in or near water catchments and this poses</p>

Strategic Issue identified	Annual Report Comments
<p>ruling, but renegotiation of the lease, or preferably purchase of the land, remains to be done.</p> <p>The Board has written to the Minister of Lands, Housing and Survey in September 2016 requesting urgent and permanent action to resolve the many landowners issues and awaits a response.</p>	<p>a very significant threat to our ongoing ability to supply clean water to communities.</p> <p>Stronger Government support is essential to manage this issue, and it is proposed that compulsory acquisition of lands be undertaken where appropriate.</p>
<p>Organisational Effectiveness</p>	
<p>Organisational capacity - Weaknesses in the capacity of the organisation to manage efficiently and effectively have been reduced but some remain. The executive leadership of Solomon Water has stabilised and the current focus on rebuilding staff relationships, organisational capacity and culture is well advanced. Ongoing difficulties in securing quality and skilled staff, particularly in engineering, accounting and project management roles remains a concern but there has been some progress made in the recruitment of some of these officers.</p>	<p>Several donor and Solomon Water funded advisors assist to increase staff capacity.</p> <p>Ongoing difficulty in securing experienced and capable local professional staff, especially in engineering and finance.</p>
<p>Accommodation and Operational depot Facilities – Not having a central office for all its business and operational activities, SW continues to face issues posed by this separation. This is further exacerbated by the fact that, it was forced to relinquish its storage facilities on Ministry of Infrastructure land to make way for the new roundabout at Mataniko under the Kukum Highway Project.</p> <p>Not having the basic facilities required by modern water and wastewater operator means SW continues to struggle in its business performance. The existing setup is impairing the ability of SW to implement proposed performance improvements and deliver the expectations of our supporting donors. Lease of alternative premises is also costly and results in inefficiencies. Solomon Water has been working towards building a new office complex at its Matanikau Depot site and in October 2017 awarded a contract to an architectural firm to design the new Office Complex and Workshop Facility. The full design and costing will be available in March 2018 and Government support for loan financing will be essential.</p>	<p>Detailed design of the new depot is complete and the project is ready to tender. There are insufficient funds at present for this project to continue as it has not been included in the core projects within the donor funded works package.</p> <p>Development of temporary accommodation as well as stores warehousing and security for our Tuvaruhu site to enable the operations teams to relocate there is almost complete.</p> <p>It is anticipated that this project will be tendered for construction in mid 2019.</p>

Objectives, Proposed Actions and Performance Targets

The table on the following pages outlines the objectives, proposed actions and performance targets that were established in November 2016. The last column of the table reports on progress throughout 2018.

OUPUT	PROPOSED ACTIONS	TARGET COMPLETION	PERFORMANCE TARGETS / PROGRESS TO DATE
Improved Level of Services	IMPROVING THE CAPACITY OF THE NETWORK		
	Improving the connectivity and reliability of water supply. 1. Installation of approximately 6km of 300/250mm transmission main from Titinge through to East Kola'a	2016	Work completed April 2018.
	2. Drilling of 2 boreholes at Panatina		Pending review of supply requirements.
	3. Replacement of small diameter network – eliminate poor pipework, upgrade pipeline capacity	2015 and ongoing program	Project commenced and progressing. 10 Km of new pipes laid in Honiara and the provincial centres.
	REDUCING NON-REVENUE WATER LOSSES		
	1. Counterpart funding for the JICA Non-Revenue Water Reduction Technical Cooperation Project – provision of pipes, fittings and materials & etc.	Initial pilot project ended October 2015	NRW remains around 60%. Significant review of NRW programme following external audit. Complete.
	2. Creation of Demand Management Areas (DMA's) through the installation of pressure management equipment, flow meters, isolation valves and data loggers/transmitters	Ongoing program	All pressure management and flowmeters installed. Some minor operational issues in DMA's being attended to.
	3. Non-Revenue water reduction counter-measures performed in Leakage Control Zones (LCZ's)		Review of trunk main metering for improved NRW management underway. 30% target set. Maintenance and monitoring ongoing.

OUPUT	PROPOSED ACTIONS	TARGET COMPLETION	PERFORMANCE TARGETS / PROGRESS TO DATE
	IMPROVING OPERATIONAL AND TECHNICAL MANAGEMENT		
	1. Development of network hydraulic model	2014	Funding received late 2015, project completed 2016. Still to calibrate.
	2. System monitoring management and control – pressures and flows, reservoir levels, pump failures. (SCADA)		Installation complete. Ongoing monitoring and a further project planned for 2019.
	3. Installation of stand-by generators at key pumping stations		Completed 2016. 3 extra generators installed 2016 and 2017.
	4. Security at operational sites		10 major sites fenced. Ongoing programme for remainder of sites.
	IMPROVING AND MAINTAINING WATER QUALITY		
	1. Enhancements to disinfection equipment – chlorine residual monitoring	Pilot trials in 2015	Initial SCADA monitoring programme completed and operational. Further sites and improved functionality review underway for implementation in 2019.
	2. Extended water quality monitoring – installation of sampling points throughout the network.	2014	Full system monitoring complete and monitoring now business as usual.
		2015	Complete
	3. Enhanced storage facilities for sodium hypochlorite		Significant delays with Auki catchment due to inaction by CoL.
	4. Catchment area management		Panatina Catchment Area work to secure access completed and ongoing education and management initiatives.

OUPUT		PROPOSED ACTIONS	TARGET COMPLETION	PERFORMANCE TARGETS / PROGRESS TO DATE
		5. Drinking Water Safety planning and implementation of plan recommendations	2015(Continuing)	Plan review completed, however work programme to finalise early 2019. Still to finalise.
		PROTECTING THE ENVIRONMENT		
		1. Refurbishment of sewage pumping stations at Point Cruz and King George VI	2015	Point Cruz Pumps commissioned December 2016. KGVI pumps installed but still to refurbish building.
		2. Extension and repair of sewer sea outfalls	2016	Feasibility study completed and detailed design early 2019. Works to be constructed Q4 2019.
Improved customer care and communications		3. Development of a high-level Sewerage Master Plan	2016	Complete
		1. Improving customer care		
		➤ Introduce an ICT-based Customer Relations Management system	2015	Completed but with continuous improvement
		➤ Enhance the ease of water payments	2015	
		2. Improving the image of Solomon Water		
		➤ Communication campaign planning	Continuous activities	2018 Comms plan approved by CEO. Several specific marketing campaigns under development.
		➤ Development of a website for Solomon Water	Continuous activities	Complete. Requires ongoing updating.
		➤ Customer attitude surveys	2016	Some customer surveys completed as part of 2018 CSO reporting plus PPA consultant completed some surveys.
Strengthened management administration	financial and	1. Improving Financial management		
		➤ Introduce a new customer billing system for improved billing efficiency and accuracy and data availability to support technical and operational activities.	2015	System introduced. Ongoing monitoring and support.
		➤ Strengthening of the Debt Collection activity	Ongoing	Continued management of aged debtors through write off. Cash Water to be rolled out.

OUPUT		PROPOSED ACTIONS	TARGET COMPLETION	PERFORMANCE TARGETS / PROGRESS TO DATE
Improved organisational capacity.		<div>➤ Introduction of cost and management accounting</div> <div>➤ Introduction of ICT-based Inventory Management and procurement</div>	Ongoing 2016	Some improvements, but more to be done. MAGIQ installed complete, however teething problems continue.
		1. Strengthening of HR management <div>➤ Development of a HR plan</div> <div>➤ Strengthening the people Management group</div> <div>➤ HR systems and tools</div> <div>➤ Performance management</div> <div>➤ Learning and Development</div> <div>➤ OHS & Welfare</div> 2. Strengthening corporate management 3. Improving organisational effectiveness through IT 4. Assets and Facilities <div>➤ Accommodation in Honiara</div>	Ongoing activities	HR Plan ongoing implementation. Biometric timekeeping in operation. People Management Systems (PMS) implemented.
			2016	Performance management and pay based upon performance well embedded.
			Ongoing activity	Trainings implemented & ongoing.
			2016	OHS Staff recruited from within SW as no adequate external applicants. Full system review complete for early 2019 roll out.
				2016 restructuring of second tier management complete.
			2016	Database implemented. Ongoing improvements.
				Design of new Office & warehouse facility complete with construction anticipated to start around August 2019.
	Improved strategic planning.	<div>➤ Development of a 5 year Water Supply Master Plan</div> <div>➤ Development of a Master Plan for Wastewater Collection and Treatment and options analysis</div>	2016 ongoing	30 Year Strategic plan & 5 Year Action Plan complete. Final copies provided

OUPUT	PROPOSED ACTIONS	TARGET COMPLETION	PERFORMANCE TARGETS / PROGRESS TO DATE
	<ul style="list-style-type: none"> ➤ Water Sector Regulation and Tariff Reform ➤ Private sector participation 		<p>to all key stakeholders. Officially launched in early 2018.</p> <p>5% tariff increase approved by government but lower than requested. Standing fees not considered by government and ongoing SW requests for this to be considered.</p> <p>Ongoing as appropriate.</p>

Solomon Islands Water Authority

Financial Statements

For the year ended

31 December 2018