

PEPA FAAOPOOPO E:

PUBLIC BODIES PERFORMANCE REPORT

JANUARY – MARCH 2018 YTD

**Ministry for Public Enterprises
July 2018**

BACKGROUND

There are 28 Public Bodies providing various services for the benefit of the people of Samoa. These include essential services such as finance, infrastructure, water, electricity, health and education.

The performance of SOEs has a significant contribution to the public and the economy in general through the provision of goods and services. Public Trading Bodies are mandated to be profitable, achieve at least 7% ROE and pay 50% of Net Profit after Tax (NPAT) dividend to Government. For Public Beneficial Bodies, they are mandated to provide quality services to the public while at the same time, manage finances to prevent producing deficits.

The purpose of this report as mandated under the Public Bodies (Performance and Accountability) Act 2001 is to provide an overview of performance of PTBs for the quarter ended 31st March 2018 for information of the public.

PUBLIC TRADING BODIES' PERFORMANCE (YTD³January-March 2018)

PUBLIC TRADING BODIES		Revenues			Expenses			NPAT		
		Actual	Budget	Var	Actual	Budget	Var	Actual	Budget	Var
1	Development Bank of Samoa	6.44	6.19	4%	7.1	7.80	-8.7%	-1.27	-1.96	-35%
2	Electric Power Corporation	92.30	99.69	-7%	88.3	95.61	-8%	4.02	4.08	-1%
3	Gambling Control Authority	0.80	0.00	-	0.3	0.00	-	0.46	0.00	-
4	Land Transport Authority	27.21	27.11	0%	24.3	27.11	-10%	2.94	0.00	-
5	Polynesian Airlines Limited	15.90	17.56	-9%	27.1	24.09	12%	-11.16	-6.53	71%
6	Public Trust Office	0.34	0.69	-51%	0.7	0.97	-26%	0.72	0.97	-26%
7	Samoa Airport Authority	13.22	13.34	-1%	12.4	12.40	0%	0.77	0.95	-19%
8	Samoa Housing Corporation	5.07	5.16	-2%	3.2	4.22	-24%	3.22	4.22	-24%
9	Samoa Land Corporation	5.75	6.21	-7%	4.0	4.06	-2%	3.49	3.56	-2%
10	Samoa Post Limited	1.76	1.74	1%	1.2	1.44	-17%	0.42	0.22	90%
11	Samoa Ports Authority	12.55	11.16	12%	8.1	8.10	0%	8.07	8.10	0%
12	Samoa Shipping Corporation	17.81	20.17	-12%	16.4	19.70	-17%	16.43	19.70	-17%
13	Samoa Shipping Services	2.51	2.06	22%	1.0	1.10	-6%	1.03	1.10	-6%
14	Samoa Trust Estate Corporation	0.00	0.00	0%	-	0.00	0%	0.00	0.00	0%
15	Samoa Water Authority	19.67	16.89	16%	6.9	6.08	14%	0.48	-2.00	-124%
16	Unit Trust of Samoa (Management) Ltd	1.17	1.19	-1%	0.9	1.02	-13%	0.89	1.02	-13%
	Total	222.51	229.17	-3%	202.0	213.7	-5.5%	30.49	33.43	-9%

Key:

¹NPAT – Net Profit after tax

Calculated on Revenue less Expenses less any tax and dividend paid.

²Var = Variance – This represents the percentage change of actual compared to budget.

³YTD – Year to Date.

SUMMARY OF ANALYSIS OF PUBLIC TRADING BODIES PERFORMANCES FOR JANUARY-MARCH 2018 (YTD)

1. Development Bank of Samoa (DBS)

- A total of 461 loan applications valued at \$2.1 million were approved during the quarter. Of this amount, 35% represents Industry, 18% to Agriculture, 46% to Inclusive Development and 3% to Fishing. The significant decrease in approval from \$2.5 million in the previous quarter is mainly due to the decrease in the Agriculture sector loan approvals.
- The total loan portfolio recorded as at 31st December amounts to \$155million and remain constant compared to budget.

2. Electric Power Corporation (EPC)

- The installation and testing of Fiaga Power Station and Faleolo Airport as well as the Micro Grid Controller has completed in the reviewed period.
- The Corporation continued its rural electrification construction works under the Community Service Obligation (CSO). There were 132 applications approved under CSO for Low Voltage line extensions with new streetlights in Upolu and Savaii during the quarter.

3. Gambling Control Authority (GCA)

- The Gambling Inspectors division was renamed to Licensing Regulation and Compliance division as per the new Gaming Control Act 2017 effective on 1st May 2018 together with gambling responsibilities as mandated under the Casino Control Act 2010 and Amendment 2018.
- The GCA's new office in Savaii was opened to the public on Monday 9th April and is located on the 2nd floor of the Samoa Land Corporation's market at Salelologa to process gaming license applications from Savaii.

4. Land Transport Authority (LTA)

- Completion of strategic workshop by Stantec with certain stakeholders on 14th March 2018. The initiative is to share knowledge and skills of professional consulting services in planning, project management and engineering for infrastructure and facilitates projects to enhance transportation development within Samoa.

5. Polynesian Airlines (PAL)

- Ground handling operation contributed 62% ahead of operation due to more flights handled in the reporting period compared to budget.
- Fagalii Airport operation is 12% above budget mainly driven by the increase in rental, airport advertising and facility charges compared to budget.

6. Public Trust Office (PTO)

- During the quarter, ten (10) new wills were written and registered with the office.
- The Office commissioned fifteen (15) new estates files during the quarter.
- Liquidity ratio has increased compared to last quarter due to the increase in investment by 3%.

7. Samoa Airport Authority (SAA)

- Approximately 99% of the new Terminal Building has completed by the end of the reporting period.
- The survey for the airport boundaries has been completed. The Ministry of Natural Resources and Environment has commenced work on the evaluation of land and crops.

8. Samoa Housing Corporation (SHC)

- SHC generated a YTD NPAT of \$1,857,777 which is significantly above overall budget by 99% as a result of the increase in revenue collected during the quarter.
- Loan approvals recorded a total of 163 by number and \$2,667,237 by during the quarter.

9. Samoa Land Corporation (SLC)

- YTD NPAT recorded is \$1,297,098. Current ratio stands at 4:1 with land debtors holding 40% of total current assets. Cash balance stands at \$4.2m exceeding budgeted cash flow by 400%.
- Driving range and FSB now under new lease owners and leasing of the Vaitele Market top floor is still under negotiation. Their investments are anticipated to bring in additional income for the Corporation in the near future.

10. Samoa Post Limited (SPL)

- The company continued to promote its awareness programs and promotional campaigns through television and radio talk for the public's information on SPL's additional services such as:
 - i. Assisting people in filling quota application forms with a minimum fee of \$6.00 including postage
 - ii. Provision of secretarial services such as laminating and file binding service
 - iii. Reduction of the pension fee from \$2.00 to \$1.00 to assist senior citizens
 - iv. To highlight postal operations concerns and issues raised by the public on postal services

11. Samoa Ports Authority (SPA)

- Despite ongoing works for port rehabilitation, the Authority maintained its focus on core port operations particularly the enhancement of safety for the Apia port project which is targeted to be completed in June 2018.
- Maintenance works for navigational lights have been completed to enhance safety of vessel operations on the sea. Main office building also completed its reroofing works to make certain employees in office are safe.

12. Samoa Shipping Corporation (SSC)

- The Corporation has paid its dividend to Government of \$2,272,214.00 for financial year ended 30th June 2016.
- MV Lady Samoa III completed its annual maintenance at Suva, Fiji by Fiji Ships and Heavy Industries Ltd which ensures safety for its operations.
- Upgrading works and renovations of Mulifanua port are in progress. These works include the extension of terminal building, securing the car park areas as well as facilities for people with disabilities.

13. Samoa Shipping Services (SSS)

- The Company continues to seek other avenues to reap more revenue by increasing the number of seafarers to be recruited by Mediterranean Shipping Company and increasing the lifting of cargo from the Oceania region via its shipping partners.
- The number of seafarers currently employed with the Mediterranean Shipping Company (MSC) has increased from 314 in the last quarter to 320 in the current quarter.

14. Samoa Water Authority (SWA)

- The entire SWA employees including Administration and Support services were deployed to assist operations with recovery works straight after cyclone Gita. All schemes and services were restored within a few days after the severe weather conditions.
- Drilling works at Gataivai to construct a new borehole supply scheme to improve water supply for the Gataivai area have completed.

15. Unit Trust Of Samoa (Management) Ltd (UTOS)

- The Management Company has achieved an annualized ROE of 9% for the quarter which is above the required ROE benchmark of 7%, though it has decreased by 12% compared to 21% achieved in the last quarter.
- An increase in the numbers of new unit holders from New Zealand was noticed since the Customer Relationship Manager came on-board in January 2018. Promotional programmes include radio talks every two (2) weeks to Radio Samoa NZ as well as Radio 2AP.

ANNEX 1: MUTUAL AND BENEFICIAL BODIES PERFORMANCE (YTD³ January-March 2018)

Mutual and Beneficial Bodies		REVENUES			EXPENSES			NPAT		
		Actual	Budget	Var	Actual	Budget	Var	Actual	Budget	Var
	<u>Mutual Societies</u>									
1	Accident Compensation Corporation	15.29	14.06	9%	5.04	5.10	-1%	10.26	8.96	14%
2	Samoa Life Assurance Corporation	6.06	5.45	11.3%	4.90	4.42	11%	1.16	1.03	12%
3	Samoa National Provident Fund	26.72	25.31	6%	3.12	4.79	-35%	23.60	20.53	15%
	TOTAL	48.07	44.82	7%	13.06	14.30	-9%	35.02	30.52	15%
	<u>PUBLIC BENEFICIAL BODIES</u>									
1	National Health Services of Samoa	0.00	0.00	0%	0.00	0.00	0%	0.00	0.00	0%
2	National Kidney Foundation of Samoa	5.43	5.46	-1%	5.18	5.46	-5%	0.24	0.00	-
3	National University of Samoa	20.43	20.21	1%	18.64	19.03	-2%	1.79	1.19	50%
4	Samoa Fire and Emergency Service Authority	4.56	4.56	0%	3.96	4.47	-11%	0.60	0.08	616%
5	Samoa International Finance Authority	29.47	29.13	1%	9.67	10.33	-6%	19.80	18.80	5%
6	Samoa Qualifications Authority	4.18	3.10	35%	3.95	3.28	20%	0.24	-0.17	-236%
7	Scientific Research Organisation of Samoa	3.09	0.95	226%	2.95	0.95	211%	0.14	0.00	-
8	Samoa Sports Facilities Authority	3.36	3.10	8%	4.16	3.71	12%	-0.81	-0.61	31%
	Samoa Tourism Authority	9.34	0.98	857%	7.61	8.31	-9%	1.73	-7.34	-124%
	TOTAL	79.85	67.49	18%	56.12	55.54	1%	23.73	11.96	99%

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