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PUBLIC BODIES PERFORMANCE REPORT

JULY - SEPTEMBER 2019 YTD

**Ministry for Public Enterprises
February 2020**

BACKGROUND

There are 27 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 35% 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 30th September 2019 for information of the public.

SUMMARY OF ANALYSIS OF PUBLIC TRADING BODIES PERFORMANCES FOR JULY-SEPTEMBER 2019 (YTD)

1. Development Bank of Samoa (DBS)

- A total of 184 applications valued at \$4.5million were approved by the end of the first quarter compared to budget of \$1.65million.
- The total loan portfolio recorded as at 30th September 2019 amounts to \$147million, which exceeded budget by 5%.

2. Electric Power Corporation (EPC)

- Completed trenching of underground cables from Klaus to Government Building at Eleefou for the 2nd feeder and transformer for Government Building.
- Completed installation of Taelefaga generator No.3, 350 meters for all consumers as well as refurbishment of Tanugamanono switchgear room.

3. Land Transport Authority (LTA)

- Cash flow balance as at 30th September 2019 stands at \$16m which is adequate to meet the Authority's obligations when fall due.

4. Polynesian Airlines (PAL)

- Total revenue collected exceeds budget by 2% reflecting the increase in revenue generated from airline operation by 3%.

5. Public Trust Office (PTO)

- During the quarter, 15 new wills were written and registered with the office.
- A total of 10 new estates files were opened while a total of 9 were closed during the quarter under review.
- Liquidity position represented by its current ratio of 9:1 is stable as supported by its cash flow position of \$8.1million as at 30th September 2019.

6. Samoa Airport Authority (SAA)

- The Terminal Project is now officially completed whilst the SAIP and the Aleipata Airport Projects are continuing and are scheduled to be completed by March and June 2020 respectively.
- Passenger arrivals in this quarter is 30.7% higher compared to previous quarter during the Pacific Games season.

7. Samoa Housing Corporation (SHC)

- The Corporation generated NPAT of \$1,057,755 which is higher than budget of \$471,196.
- Rental portfolio collected \$171,000 this quarter compared to previous quarter.
- Collections from lending operations increased by 47% compared to last quarter.

8. Samoa Land Corporation (SLC)

- The Corporation recorded a Net Profit of \$1,360,093 for the quarter leading to positive ROE and ROA.
- Liquidity position represented by its current ratio of 9:1 is high due to the exceeding cash position of \$9.5m as at 30th September 2019.

9. Samoa Ports Authority (SPA)

- SPA generated a NPAT of \$2.5m at quarter ending 30th September 2019 reflecting positive ROE and ROA.
- The Authority has fully paid its outstanding dividend for FY2017/2018 amounting to \$1,985,172.35

10. Samoa Post Limited (SPL)

- The company recorded a NPAT of \$48,263 at the end of the quarter leading to positive ROE and ROA.
- SPL conducted a Tariff review exercise resulting in a price increase for Express Mail Services and came into effect on the 1st August 2019.

11. Samoa Shipping Corporation (SSC)

- SSC generated a Net Profit after Tax of \$66,455 for the reporting quarter.
- Cash and financial assets stand at \$19m with 49% representing UTOS investments as at 30th September 2019.
- MWTI carried out its annual inspection on MV SSC 40 to ensure safety as well as compliance with national and international maritime requirements.

12. Samoa Shipping Services (SSS)

- The Company achieved a NPAT of \$68,947 for the current quarter.
- Cash position has also improved given budgeted overdraft.

13. Samoa Water Authority (SWA)

- Pump test for the Satapuala borehole has been completed.
- Water quality for this quarter according to Slow sand Water Treatment Plants was 100% consistent in compliance with National Drinking Water standards.

14. Samoa Trust Estates Corporation (STEC)

- The Corporation owned about 8177 acres of land at Mulifanua of which 500 acres are cultivated with crops development projects.
- 3 members from Japan visited STEC to initiate information exchange and party commitments to a vanilla project already been submitted to JICA for funding and assistance.

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

- The Company's net profit of \$137,147 for the quarter is well above estimated profits by 131%.
- The Management fully paid its interim dividend of \$74,802 during the quarter.
- UTOS in partnership with Bluesky promotion is to increase the number of unitholders and to promote the use of M-tālā to purchase units.

SUMMARY OF ANALYSIS OF MUTUAL BODIES PERFORMANCES FOR JULY-SEPTEMBER 2019 (YTD)

1. Accident Compensation Corporation (ACC)

- The Corporation generated NPAT of \$4,322,310, exceeding budget by 15%.
- There were significant reductions in fatalities arising from accidents during the reviewed quarter compared to Q419 - 50% reduction in motor vehicles, 100% reduction in work related and 50% in after hours.

2. Samoa Life Assurance Corporation (SLAC)

- SLAC achieved NPAT of \$547,574 for the first Quarter of the Current FY
- Number of Surrender claims increased yet again from last quarter with new policies registered 25% below budget.

3. Samoa National Provident Fund (SNPF)

- SNPF closed off this first quarter with NPAT of \$12,493,466 which is higher than budget of \$12,027,593.
- The Fund continues to diversify its investments in equity shareholdings and estates during the quarter.

SUMMARY OF ANALYSIS OF PUBLIC BENEFICIAL BODIES PERFORMANCES FOR JULY-SEPTEMBER 2019 (YTD)

1. National Kidney Foundation of Samoa (NKFS)

- There is a steady income in the number of patients registered in the Renal Clinic for consistent monitoring.
- Consultations are ongoing both at clinic and at community outreach programs.
- The operation is heavily subsidized by Government as part of its national objectives to improve health in the community.

2. National University of Samoa (NUS)

- The International Accreditation Council awarded the Masters for Development Studies international accreditation for Global Development Studies and Research in Geneva, Switzerland; a milestone for NUS.
- The final report and Action plan for the 'Samoa Skills Workshop 2019', a first Sector coordinated initiative in partnership with APTC, is currently being compiled and will be circulated to the related TVET Stakeholders.

3. Samoa International Finance Authority (SIFA)

- SIFA attended the Organization for Economic Cooperation and Development (OECD) conference to lift its standard of compliance.
- The Authority recorded NPAT of \$1,009,280 which largely exceeded budget of \$228,687.

4. Samoa Fire and Emergency Services Authority (SFESA)

- SFESA's Volunteer Emergency Response Team Samoa (VERTS) was reactivated with 50 members as a result of providing venue inspections and security during Pacific Games 2019 period.
- Despite operating at a Deficit of \$210,742 this quarter, the Authority's Cash and Liquidity positions improved given budget.

5. Samoa Qualifications Authority (SQA)

- SQA launched and published the PSET Tracer study for PSET graduates of 2015/16/17, and the Statistical Bulletin 2018.
- Current ratio of 10:1 represents stable liquidity position which was further supported by cash flow balance of \$3.8million as at quarter end.

6. Scientific Research Organization of Samoa (SROS)

- The Organization, as part of their research mandate, was able to develop herbal tea sourced from locally available medicinal plants and prepare ginger and turmeric powder for hot drinks as part of its core operations.
- The Samoa Biodiversity Centre partially funded by the Government of Samoa and SROS was officially launched in September.

7. Samoa Sports Facilities Authority (SSFA)

- Hosting the Pacific Games 2019 provided SSFA with the opportunity to further upgrade and promote its sports facilities to an international level.
- There is high risk on the Authority's future operations given Cabinet directive to merge with the Sports Division of MESC after operating at a Deficit yet again.

8. Samoa Tourism Authority (STA)

- STA completed the new Accommodation Standards Review and Star Rating Manual in reporting quarter.
- In support of the Authority's development, the Event Space in front of the Government Building funded by the NZ Government was launched in July 2019.
- Net Loss of \$62,115 is recorded as a result of quarterly expenses above budget limits.

PUBLIC TRADING, MUTUAL AND PUBLIC BENEFICIAL BODIES' PERFORMANCE (YTD³ July-Sept 2019)

<u>PUBLIC TRADING BODIES</u>		Revenues			Expenses			NPAT			ROE	
		Actual	Budget	Var	Actual	Budget	Var	Actual	Budget	Var	Actual	Budget
1	Development Bank of Samoa	2.69	2.22	21%	2.21	2.51	-11.7%	0.09	-0.48	-118%	0.81%	-0.53%
2	Electric Power Corporation	35.04	35.55	-1%	33.68	33.01	2%	2.06	2.54	-19%	0.47%	0.89%
3	Land Transport Authority	11.75	11.04	6%	12.01	11.53	4%	-0.26	-0.49	-48%	-3.67%	-5.89%
4	Polynesian Airlines Limited	29.10	29.09	0%	32.03	31.60	1%	-2.93	-2.51	17%	81.76%	148.83%
5	Public Trust Office	0.18	0.29	-37%	0.20	0.36	-43%	-0.02	-0.07	-70%	-0.41%	-1.43%
6	Samoa Airport Authority	7.39	7.10	4%	5.98	5.98	0%	1.41	1.12	26%	2.45%	2.01%
7	Samoa Housing Corporation	2.20	2.11	4%	1.14	1.64	-30%	1.06	0.47	124%	3.04%	1.45%
9	Samoa Land Corporation	3.55	3.20	11%	1.69	1.80	-6%	1.36	1.02	33%	4.37%	3.26%
10	Samoa Post Limited	0.41	0.56	-26%	0.34	0.45	-23%	0.05	0.08	-40%	1.84%	3.44%
11	Samoa Ports Authority	5.67	5.60	-	3.17	3.12	-	2.50	2.48	-	1.66%	1.65%
12	Samoa Shipping Corporation	6.04	6.24	-3%	5.26	5.46	-4%	0.57	0.57	0%	1.82%	1.84%
13	Samoa Shipping Services	0.79	0.79	0%	0.32	0.38	-16%	0.07	0.06	22%	26.66%	26.39%
14	Samoa Trust Estate Corporation	0.31	0.50	0%	0.48	0.49	0%	-0.17	0.01	0%	-1.67%	0.23%
15	Samoa Water Authority	6.40	7.51	-15%	7.04	8.26	-15%	-0.65	-0.74	-13%	-0.99%	-1.15%
16	Unit Trust of Samoa (Management) Ltd	0.49	0.45	9%	0.36	0.39	-9%	0.14	0.06	131%	5.56%	2.45%
	Total	112.01	112.25	-0%	105.9	107.0	-1%	5.27	4.11	28%	0.69%	0.55%
	<u>MUTUAL SOCIETIES</u>											
1	Accident Compensation Corporation	5.95	5.49	8%	1.63	1.73	-6%	4.32	3.76	15%	-	-
2	Samoa Life Assurance Corporation	2.72	3.26	-16.5%	2.10	2.73	-23%	0.62	0.53	18%	-	-
3	Samoa National Provident Fund	15.04	14.61	3%	2.55	2.58	-1%	12.49	12.03	4%	-	-
	TOTAL	23.71	23.35	2%	6.28	7.03	-11%	17.44	16.31	7%	-	-

<u>PUBLIC BENEFICIAL BODIES</u>												
1	National Health Services of Samoa	0.00	0.00	0.00%	0.00	0.00	0%	0.00	0.00	0%	-	-
2	National Kidney Foundation of Samoa	1.99	1.97	1%	1.62	1.95	-17%	0.37	0.02	1688%	-	-
3	National University of Samoa	6.90	6.97	-1%	6.59	6.64	-1%	0.31	0.34	-9%	-	-
	Samoa International Finance Authority	2.77	1.78	56%	1.76	1.55	14%	1.01	0.23	341%	-	-
4	Samoa Fire and Emergency Service Authority	1.85	1.86	-1%	2.06	1.95	6%	-0.21	-0.09	134%	-	-
5	Samoa Qualifications Authority	0.97	1.32	-26%	0.88	1.30	-32%	0.09	0.01	475%	-	-
6	Scientific Research Organization of Samoa	1.06	1.06	0%	1.14	1.09	4%	-0.08	-0.03	153%	-	-
7	Samoa Sports Facilities Authority	0.97	1.04	-8%	1.26	1.22	3%	-0.29	-0.18	63%	-	-
8	Samoa Tourism Authority	3.52	3.31	6%	3.58	3.44	4%	-0.06	-0.13	-50%	-	-
	TOTAL	20.02	19.32	4%	18.89	19.14	-1%	1.13	0.18	533%	-	-

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.