

PEPA FAAOPOOPO E:

PUBLIC BODIES PERFORMANCE REPORT

April-June 2020 YTD

Ministry for Public Enterprises

October 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 June 2020 for information of the public.

SUMMARY OF ANALYSIS OF PUBLIC TRADING BODIES PERFORMANCES FOR APRIL-JUNE 2020 (YTD)

1. Development Bank of Samoa (DBS)

- Total loan portfolio recorded as at 30th June 2020 amounts to \$141million.
- A total of 36 applications valued at \$853,000 were approved by the end of the quarter under review, a shortage by 48% when compared to budget of \$1.67million.
- Total collection received at quarter end was recorded at \$3.9million, a shortage by 9% when compared to budget of \$4.3million. The reduction in collection is due to the Covid19 which slow business activity experienced by most clients and priorities.
- DBS recorded a YTD Net Loss after tax of \$398,772 for the review quarter following the decreased revenue and increased expenses.

2. Electric Power Corporation (EPC)

- Project for Taelafaga Hydro 3rd 2MW generator has been completed but maintenance work for oil leaking from the non-driving bearing and high oil temperature are still ongoing.
- A YTD NPAT of \$4.8m is recorded for the Corporation.

3. Land Transport Authority (LTA)

- Completed construction for Laloanea Access/Emergency together with Satuiatua Access road.
- Construction of West Coast Road Project from Afega to Saiga has been completed and temporary lines have been installed for this quarter for safety measures.
- Opening ceremony for Maliolio Bridge was held in May 2020.
- Following increased spending over revenue collection, the Authority incurred a YTD Net Loss of \$2,103,634.

4. Polynesian Airlines Limited (PAL)

- The occurrence of Covid-19 poses a huge impact to the Airline including;
 - o No schedule flights for Small operation this quarter due to restrictions of the pandemic. No commercial flights for Jet Operation (Boeing) due to on-going closure of borders and ban of international flights
 - o Staff on redundancy including 82% on LWOP, 3% resigned and 15% are paid half (50%) of normal salary.
- Despite the impacts of the pandemic, the Airline is now operating domestic flights in American Samoa which is providing work for twin otters and more importantly it will continue for the lockdown period. This arrangement includes;
 - o Flight to one Airport from Pagopago (PPG) to Fitiuta (FTI) Airport and return or Pagopago to Ofu airport and return is charge at \$3,000USD. Charge increases to \$5,000USD if stops at more than one port (PPG/FTI/OFU/PPG).
 - o In addition, the grounding of the aircraft is charged at \$2,000USD per week for the month of April and June 2020. Discount of \$1,500USD for grounding was offered in May following Am Samoa's request.
- PAL recorded a YTD Net Loss of \$17,837,852 mainly due to the Jet Operations recording a Net Loss of \$753,920 this quarter and \$25,175,745YTD.

5. Public Trust Office (PTO)

- Four (4) new wills were written and registered with the Office with no old will amended.
- Four (4) new estates files were opened whilst three (3) estates were closed during the quarter under review.
- Following revenue and expenditure trend, the Office recorded a net profit after tax of \$534,439 leading to YTD net profit of \$436,380.

6. Samoa Airport Authority (SAA)

- Clearing and leveling of the additional 700 meter extension land have been completed for Tiavea Airport.
- Installation of new aerodrome ground aids and upgrade of power for Faleolo airport has been completed within the quarter.
- Despite Net Loss incurred in the reporting quarter, the Authority generated YTD NPAT of \$97,998 following profitable results from the previous three quarters.

7. Samoa Housing Corporation (SHC)

- There were 87 total loans approved during the quarter valued \$2,502,000.
- Rental portfolio collection has decreased by 19% compared to previous quarter.
- The Corporation achieved a YTD NPAT of \$1,928,272 which is above budget by 2%.

8. Samoa Land Corporation (SLC)

- The main source of income for SLC is from real estate earning which contributed 88% of the YTD revenue.
- The Corporation recorded a NPAT of \$832,850 for the current quarter leading to YTD NPAT of \$4,007,965 for the year ended 30th June 2020.

9. Samoa Post Limited (SPL)

- SPL has overpaid dividend of \$31,378.00 to the government due to difference amounts provided for Interim and Final Dividend calculations. This overpaid dividend will net off any future dividend obligation for the Company.
- Cash and other financial assets recorded during the quarter amounts to \$5,641,478. Of this amount, \$5,286,921 is represented by UTOS investment and \$354,557 is cash at bank for the 12months ending 30th June 2020.
- The company recorded a Net Loss of \$70,153 for the quarter, leading to YTD NPAT of \$16,576 at year ended 30th June 2020.

10. Samoa Ports Authority (SPA)

- The tender for three components of Apia Port Project has been completed with the evaluation reports submitted to ADB for their No Objection letter before submission to the Tenders Board and Cabinet for endorsement.
- 133 vessels were entered Apia Port during the quarter leading to YTD vessels of 581.
- Despite challenges imposed by Covid19 on the Authority's operation, SPA still achieve a YTD NPAT of \$7,663,979.00.

11. Samoa Shipping Corporation (SSC)

- Notwithstanding Net Loss of \$743,478 incurred during the current quarter, SSC however recorded a YTD of \$332,692 following profitable results from 3 previous quarters.
- Total number of passengers has decreased by 57% in the current quarter compared to budget due to the reduction of trips to both domestic and international. The number of vehicles recorded is also below budget due to this effect.

12. Samoa Shipping Services (SSS)

- Total seafarers employed with the Mediterranean Shipping Company as of 30th June 2020 stands at 322.
- Current ratio of 8.8:1 is above the acceptable benchmark of 2:1 following the increased cash and cash equivalent which stands at \$1,324,061.
- SSS recorded a Net Loss of \$88,207 for the current quarter leading to YTD NPAT of \$126,291 which is below budget by 44%.

13. Samoa Water Authority (SWA)

- Constructions of new lines were completed for Palisi and Moamoa Fou areas while the replacements and upgrading were done for Leauva'a-uta and Fasitoo-Tai.
- Installation of tank for Aleisa East has been completed following successful water tightness testing and final site inspection on April 2020.
- Magiagi Treated Water Supply has completed at the end of fourth quarter.
- Following the increase in quarterly expenses, the Authority incurred a Net Loss of \$396,696 for the quarter but SWA however recorded a YTD NPAT of \$159,772 due to profitable results from second and third quarters of FY2020.

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

- UTOS paid out its first \$2.9m interim dividend since establishment on the 4th May 2020, to all unit holders to assist families during Covid19 lockdown.
- The company now opened its second backup Server and full copy of backup running offsite from the Samoa National Broadband Highway (SNBH) located at Motootua.
- YTD NPAT of \$478,240 is significantly exceeded budget by 101%.

SUMMARY OF ANALYSIS OF MUTUAL BODIES PERFORMANCES FOR APRIL – JUNE 2020 (YTD)

1. Accident Compensation Corporation (ACC)

- The rehabilitation team conducted two scheduled visits with ongoing regular visitations to clients who have severe injuries. Five clients have recovered and incorporated back into employment.
- Recorded a decrease in the number of fatalities for the quarter. Accidents-wise however, there was an increase in statistics given; particularly specified conveyance and work-related.
- Workplace and community awareness activities have been cancelled due to the State of Emergency lockdown until August.
- SLAC closed off this final quarter with NPAT of \$3.8million which is 7% less than budget and 8% below that of the previous quarter.

2. Samoa Life Assurance Corporation (SLAC)

- SLAC's continuous efforts to boost premium sales resulted to a more than 100% increase in New Policies registered in a single quarter during the Apr-Jun 2020 quarter. This was complemented by a decrease in Surrender payout compared with two quarter prior and budget.
- YTD Income and NPAT respectively exceeded budget by 0.4% and 9.5% whereas Quarterly Expenditure was 1.6% controlled within budget limit.

3. Samoa National Provident Fund (SNPF)

- 9.1% Annual Dividend declared for financial year 2020 at the value of \$64million. The annual Dividend was split into 4 parts:
 - o Special Dividend 1.1% payout in December 2019
 - o Annual Dividend 3% credited to members accounts and Special Dividend 2% cash payout in June 2020
 - o Special Dividend 1.5% cash payout in November 2020
 - o Special Dividend 1.5% cash payout in March 2021
- A new function was introduced in the SNPF Financial System (FMS) to cater for the split of the Annual Dividend. The system was designed to process only one special dividend within a specified timeframe.
- 47% increase in Revenue and 24% decrease in Expenditure compared with budget resulted in Operating Profit of \$1.8million recorded above budget by 63% contributing to YTD profit above budget by 30%

**SUMMARY OF ANALYSIS OF PUBLIC BENEFICIAL BODIES
PERFORMANCES FOR APRIL – JUNE 2020 (YTD)**

1. National Kidney Foundation of Samoa (NKFS)

- The Foundation performed one (1) and four (4) community and corporate outreaches respectively.
- There were no specialists or team visits during the quarter indicating no vascular surgeries, management consultations, as is the usual in the past quarters due to COVID19 restrictions. No holiday patients as well, lowering patient treatment fees.
- Whilst NKF is awaiting their relocation plans to complete, more funds are being allocated to repairs of their current building to ensure a workable space for their operations. This indicates any further delays to their relocation will incur further unnecessary costs to be absorbed by their budget.

2. National University of Samoa (NUS)

- The University activated its official collaboration agreement/partnership with Vodafone Samoa during this quarter.
- NUS hosted a special lecture on how COVID19 impacts on Samoa's Economy, administered by Deputy Governor of the Central Bank of Samoa.
- This quarter saw that 95% of the University's 311 Semester 1 courses are now fully (with some partially) on Moodle, reflecting successful updates in the accessibility and deliverance of online teaching in light of SOE.
- NUS conducted 2 Online Social Distancing/Virtual Graduations in April and June to be in line with recurring State of Emergency (SOE) restrictions.

3. Samoa International Finance Authority (SIFA)

- Cabinet has endorsed reclassification of SIFA as a Public Trading Body in May 2020. Discussions are in progress on the implementation of the Cabinet directives.
- Tuifaasisina Sieni Tualega-Voorwinden commenced her role as the new Chief Executive Officer for the Authority on the 22nd July 2020.
- SIFA conducted its annual staff performance review as part of its ongoing Performance Management System Framework.

4. Samoa Fire and Emergency Services Authority (SFESA)

- The Authority is actively involved with COVID19 Operation; attending to quarantine sites and providing stand-by equipped staff and ambulance vehicle specifically for any COVID19 response.
- A total of 50 staff members were deployed to the rescue of a father and son during a Search & Rescue Operation conducted at a valley in Tiapapata from 1415hours on June 9 to 0500hours on June 10, 2020.
 - o Several firefighters required medical assistance.
 - o One firefighter was diagnosed with Post Stress Traumatic Disorder and continues to be under the care of the Psychiatric Unit of the TTMH at Motootua.
- All Emergency and Ambulance services decreased from last quarter with the exception of False Alarm responses which peaked this quarter:

<u>Output Indicator</u>	<u>Apr-Jun 2020</u>	<u>Jan-Mar 2020</u>
Emergency Responses	546	628
Emergency Responses	57	72
o False Alarms	36	32

- Surplus of \$253,366 was complemented by positive Cash Flow Balance of \$1.9million and Current Ratio of 7.85:1, reflecting adequate capacity of the Authority to fund its obligations when fall due.

5. Samoa Qualifications Authority (SQA)

- The Cabinet has approved a four year level for all Secondary Schools in June. An upgrade to curriculums is expected to fit the learning outcomes to the shift in levels whole TVETs are also expecting an expansion in their courses to accommodate the change.
- SQA Corporate Plan and Statement of Corporate Objectives approved and submitted to Cabinet for endorsement.
- COVID assistance for 20 PSET Provider through the PSET Support Fund Coordinator was approved by the Board for the purpose of Online Learning and ensures the continuation of education and training in future crisis.

6. Scientific Research Organization of Samoa (SROS)

- Cabinet has approved the establishment of the Commercial Arm of SROS in March to commercialize the Organization's value added and prototype products. Discussions are in progress to ensure all the relevant plans (Business Plans, etc.) and documents as well as legal requirements are met for the establishment of the commercial arm.
- The Crops Research section of the Ministry of Agriculture and Fisheries has been transferred to SROS following Cabinet's endorsement in June.
- SROS has launched its new Corporate Plan 2021-2024.

7. Samoa Sports Facilities Authority (SSFA)

- Sporting tournaments, previously facilitated by the Authority were recently hosted at island resorts fields and school (rugby) compounds. This raises concern for the quality of SSFA's facilities and activities and effectiveness of its marketing.
- Closure of sports facilities, except for swimming pools, adheres to the SOE for COVID19 has impacted operational revenue for SSFA.

8. Samoa Tourism Authority (STA)

- Borders continue to be closed to visitors as part of the SOE restrictions for COVID19. This has impacted not only on Samoa but the global tourism industry.
- STA continue its local product development through accommodation and attraction sites upgrade as well as capacity building to ensure our local market is well catered for and in preparations when borders re-open.

PUBLIC TRADING BODIES' PERFORMANCE (YTD³ Apr-Jun 2020)

PUBLIC TRADING BODIES		Revenues			Expenses			NPAT			ROE	
		Actual	Budget	Var	Actual	Budget	Var	Actual	Budget	Var	Actual	Budget
1	Development Bank of Samoa	10.10	8.89	14%	7.86	9.76	-19.4%	-0.40	-1.94	-79%	2.38%	-1.73%
2	Electric Power Corporation	137.87	148.02	-7%	133.69	141.14	-5%	4.18	6.88	-39%	1.25%	2.07%
	Gambling Control Authority	8.77	0.00		7.61	-	-	1.16	0.00	-	26.67%	
3	Land Transport Authority	47.74	45.52	0%	52.77	52.40	1%	-5.03	-6.87	-27%	-97.34%	-55.57%
4	Polynesian Airlines Limited	82.17	83	-92%	100.01	91.43	9%	-17.84	-8.34	114%	-99.00%	-45.30%
5	Public Trust Office	1.45	1.16	24%	1.01	1.43	-29%	0.44	-0.27	-265%	8.43%	-5.72%
6	Samoa Airport Authority	23.36	28.40	-18%	23.26	23.93	-3%	0.10	4.47	-98%	0.17%	8.03%
7	Samoa Housing Corporation	8.16	8.45	-3%	5.83	6.56	-11%	2.33	1.88	24%	6.66%	5.78%
9	Samoa Land Corporation	11.70	12.80	-9%	5.99	7.20	-17%	4.87	4.46	9%	12.60%	13.04%
10	Samoa Post Limited	1.54	2.03	-24%	1.44	1.68	-15%	0.07	0.25	-71%	2.66%	10.68%
11	Samoa Ports Authority	21.11	22.55	-6%	13.45	13.92	-	7.66	8.63	-	0.00%	0.00%
12	Samoa Shipping Corporation	20.58	25.53	-19%	20.55	23.17	-11%	0.10	1.72	-94%	0.06%	
13	Samoa Shipping Services	2.60	3.14	-17%	2.47	2.92	-15%	0.13	0.23	-44%	7.47%	26.04%
14	Samoa Trust Estate Corporation	0.00	0.00		-	-	0%	0.00	0.00	0%		
15	Samoa Water Authority	29.34	30.17	-3%	28.94	30.33	-5%	0.40	-0.16	-348%	0.61%	-0.25%
16	Unit Trust of Samoa (Management) Ltd	1.98	1.81	9%	1.50	1.57	-4%	0.48	0.24	101%	18.12%	9.81%
	Total	408.46	421.56	-3%	406.4	407.4	-0.3%	-1.34	11.19	-112%	0.26%	1.95%

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.

MUTUAL AND BENEFICIAL BODIES PERFORMANCE (YTD Apr-Jun 2020)

Mutual and Beneficial Bodies		REVENUES			EXPENSES			NPAT ¹		
		Actual	Budget	Var ²	Actual	Budget	Var	Actual	Budget	Var
<u>Mutual Societies</u>										
1	Accident Compensation Corporation	23.01	23.58	-2%	6.59	6.91	-5%	16.42	16.67	-2%
2	Samoa Life Assurance Corporation	13.08	13.02	0.4%	10.77	10.92	-1%	2.31	2.10	10%
3	Samoa National Provident Fund	67.01	54.63	23%	9.31	10.32	-10%	57.71	44.31	30%
	TOTAL	103.10	91.22	13%	26.67	28.14	-5%	76.44	63.09	21%
<u>PUBLIC BENEFICIAL BODIES</u>										
1	National Health Services of Samoa	0.00	0.00	-	0.00	0.00	-	0.00	0.00	-
2	National Kidney Foundation of Samoa	7.88	7.90	0%	7.50	7.82	-4%	0.38	0.08	366%
3	National University of Samoa	23.59	24.27	-3%	26.02	26.15	0%	-2.43	-1.88	29%
4	Samoa International Finance Authority	30.82	29.06	6%	7.40	11.52	-36%	23.42	17.53	34%
5	Samoa Fire and Emergency Service Authority	7.86	7.50	5%	7.81	7.81	0%	0.05	-0.32	-115%
6	Samoa Qualifications Authority	4.80	5.26	-9%	4.50	5.20	-13%	0.30	0.06	397%
7	Scientific Research Organization of Samoa	4.19	0.00	#DIV/0!	4.49	0.00	#DIV/0!	-0.30	0.00	#DIV/0!
8	Samoa Sports Facilities Authority	3.65	4.33	-16%	4.69	4.36	8%	-1.04	-0.03	3261%
9	Samoa Tourism Authority	13.74	10.14	35%	9.93	8.30	20%	-0.28	-0.31	-11%
	TOTAL	96.52	88.45	9%	72.34	71.17	2%	20.10	15.14	33%

Key:

¹NPAT = Net Profit after tax - Calculated on Revenue less Expenses less any tax and dividend paid.

²Var = Variance - This represents the percentage change in comparison to budget.

³YTD = Year to Date