

PEPA FAAOPOOPO E:

PUBLIC BODIES PERFORMANCE REPORT

January – March 2021 YTD

Ministry for Public Enterprises

August 2021

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 31st March 2021 for information of the public.

SUMMARY OF ANALYSIS OF PUBLIC TRADING BODIES PERFORMANCES FOR JANUARY – MARCH 2021 (YTD)

1. Development Bank of Samoa (DBS)

- A total of 70 applications valued at \$928,000 were approved by the end of the quarter under review, a shortage by 48% when compared to budget of \$1.77 million.
- Total collection received at quarter end was recorded at \$3million, an excess of 4% when compared to budget of \$2.88million. 73% of loan collection is received from MSMEs while 27% is from large loans.
- The total loan portfolio recorded as at 31st March 2021 accounts to \$140million, which is lower than budget by 2%.
- DBS recorded a net loss after tax of \$591,981 at the end of the third quarter mainly due to the reduction in interest income as a result of relief assistance to reduce interest and loan repayment.

2. Electric Power Corporation (EPC)

- From the entire electricity power source, a total of 126,868,868kwh has been produced from July 2020 to March 2021. Diesel continued to be the major contributor producing 54% following Hydro plants and IPP solar producing 33% and 11% respectively.
- The Corporation recorded a Net loss of \$2.7m this quarter, leading to YTD Net loss of \$1.02m.

3. Public Trust Office (PTO)

- The Corporation registered and written eleven (11) new wills during the quarter.
- A total of eight (8) new estates files were opened whilst twelve (12) estates were closed during the quarter.
- PTO recorded a net loss after tax of \$74,172 at the end of the third quarter for FY2020/2021 leading to YTD net loss of \$334,566 and negative ROE of 7%.

4. Samoa Airport Authority (SAA)

- The Request for tender (Rft) for the construction of Tiavea airport runway and apron was closed on 1st February 2021. Following evaluation by the committee which included representation from the Office of the Attorney General, MOF, MWTI and SAA, a report was submitted for approval by the Tenders Board.
- Following the continuous impacts of Covid19 restrictions orders on international borders, the Authority is continued to incur net loss. The YTD net loss amounts to \$7.7m as at 31st March 2021.

5. Samoa Housing Corporation (SHC)

- There were 89 loans approved during this quarter valued \$2,300,500.
- The Corporation achieved a Net Profit of \$1,014,231 for the reporting quarter, following the revenue and expenditure trend.

6. Samoa International Finance Authority (SIFA)

- A total of 389 new companies were incorporated during the quarter.
- 380 companies renewed their registration in this quarter, leading to 28,608 registered companies who have renewed their registration at the end of the third quarter of this financial year.
- SIFA recorded a Net Loss of \$7,328,156 after expensing the payment of \$7.3million interim dividend to government derived from YTD net profit as at 31 December 2020.

7. Samoa Land Corporation (SLC)

- The Corporation achieved Net Profit After Tax (NPAT) of \$1,140,890 for the reporting quarter, leading to YTD NPAT of \$2,616,096, reflecting YTD ROE of 8%.
- SLC recorded a current ratio of 14:1 in the third quarter. It has increased from 9:1 in the previous quarter, following current assets exceeded current liabilities.

8. Samoa Post Limited (SPL)

- Achieved a current ratio of 4.6:1 during the quarter that is above the acceptable range of 2:1 as a result of the \$3.4m investment at UTOS that hold 79% of total current assets.
- The Company recorded a Net Profit After Tax (NPAT) of \$27,389 for the reporting quarter, leading to a YTD NPAT of \$239,020.

9. Samoa Shipping Corporation (SSC)

- The ageing MV Samoa Express has completed its maintenance and is required to be sold to the market within 1 year. The replacement vessel for MV Samoa Express namely MV Samoa Express 11 (Formerly Endurance 111) bought for SAT\$10.23m was arrived in late February and will be servicing the domestic route via transport of heavy-duty tow trucks and providing charter services for cargo and passengers to neighboring islands for profit.
- SSC recorded a NPAT of \$44,110 this quarter leading to YTD NPAT of \$118,781.

10. Samoa Shipping Services (SSS)

- The continuous impact of Covid19 on SSS is reflected on suspension of seafarers' embarkation and lack of business for overseas partners leading to decrease in number of local seafarers.
- Cash flow increased by 74% compared to previous quarter as a result of increase in cash and cash equivalents by 45%.
- SSS continue to record a Net loss of \$31,249 in the current quarter compared to Oct-Dec Net loss of \$237,331.

11. Samoa Water Authority (SWA)

- Installation of new ecological purification system (EPS) for treatment for Tiavi raw water supply scheme was completed during the quarter.
- Completed works for new net works for Salani-Uta of 2km of 63mm HDPE pipeline.
- The transfer from Independent Water Scheme (IWSA) to SWA water supply system including Satoalepai new 4km PE pipeline network installation was completed.
- Network upgrades were completed for the following areas.
 - 400m Papaloloa (Salelologa) PE 63mm submain was replaced and relocated outside private properties.
 - 1.2km of PE 63mm Auala submain replaced and buried.
 - 3.6km of 110mm HDPE & 63mm HDPE for upgrade of works for the Matavai network was completed. The remaining 3km installation works are in progress.
 - The installation of 13.30km of 90mm and 63mm HDPE pipe is now complete for Logoipulotu water supply system.
 - PE 1.5km pipeline replacement and relocation (both sides of the road) along with new footpaths and asphalt roads (LTA) are completed for Vaea Street.
 - Submain 0.6km of HDPE 63mm upgrade for Nofaalii and transferred supply onto the Fuluasou water treatment plant supply system as well as the decommission of the old Nofaalii borehole.
 - Upgrade works for Utumoa, Faleula of feeding point 2km.
- Aleipata Inland Main package 3 (Bluebird Construction Contractor) has continued to progress well with 95% completion. The installation of 5,805m of distribution main to feed Amaile and

Samusu is now complete. The connection to Samusu tank has also been completed with design pressures performing well enough to feed the 100m³ storage tank.

- The design for Afiamalu Malololelei system has completed in January 2021.
- SWA recorded a net loss of \$272,050 at the quarter ending and below the budgeted NPAT of \$328,494 following the revenue and expenditure trend.

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

- Three (3) new investments to SOEs were approved by the board pending Government guarantees before disbursement.
- UTOS has made dividend payments to Government amounting to \$175,670.20. Of this amount, \$78,634.45 is the final dividend for FY 2020 that was made in January 2021 and Interim dividend of \$97,035.75 for FY 2021 that was paid in March 2021.
- NPAT recorded during the quarter is \$160,206 which is above budget by 10% following revenue and expenditure trends.

SUMMARY OF ANALYSIS OF MUTUAL BODIES PERFORMANCES FOR JANUARY – MARCH 2021 (YTD)

1. Samoa Life Assurance Corporation (SLAC)

- There has been a notable decrease in the number of new policies by the Corporation as a result of financial circumstances from restrictions for the COVID-19 Pandemic. This is also mirrored by an increase in the number of surrendered policies compared to previous quarters.
- Total Premium Collection continues to increase exceedingly above both quarterly budget and Total Policy Claims.
- YTD NPAT exceeds budget by 63.9% despite substantial decrease in quarterly NPAT for this quarter.

2. Samoa National Provident Fund (SNPF)

- Member's contribution increased by 17% in the reporting quarter.
- Registered employees and active members decreased by 2% and 2% respectively.
- Withdrawals also increased by 21% mainly due to increase in retirement.
- SNPF commenced on the 22nd March 2021 the final dividend payout of 1.5% at the value of \$11million for all members as part of the 9.1% dividend declared in June 2020.
- The completion of the SNPF building at Salelologa Savaii has been delayed due to restrictions for COVID19. Border restrictions have impacted the shipment of material from overseas specifically for elevator and alucobond. This has also affected travel arrangements for specialized personnel from overseas to install these materials.
- The Fund recorded an Operating Profit of \$13.3million above budget by 4%. This has contributed to the YTD profit of \$38.9million above budget by 12%.

SUMMARY OF ANALYSIS OF PUBLIC BENEFICIAL BODIES PERFORMANCES FOR JANUARY – MARCH 2021(YTD)

1. Accident Compensation Corporation (ACC)

- The Corporation conducted 9 safety promotions and scheme awareness and resolved 19 enquiries related to safety and the scheme via telephone, emails, written letters or visitations.
- All categories of accidents increased this quarter hence the large increase of patients within ACC's rehabilitation programme. However, the Corporation is faced with patients' lack of commitment/adherence as evident by the recovery rate reported: 3 in Jan-Mar21 compared to 18 in the previous quarter.
- There are currently 59 accidents in the work-related category to date, with the private sector dominating (69%) the total accidents reported.
- There were no fatalities for workers (coverage) in three consecutive quarters (Q121 –Q321).
- Repair works at the Fugalei (gutters) is now 100% completed.

2. Gambling Control Authority (GCA)

- Total dividend of \$528,287 was presented to Government; initial payment of \$300,000 followed by two installments of \$114,143.27 as per Dividend Policy of Government
- GCA as part of their sports development campaign sponsored 26 students at National University of Samoa valued at \$43,555 for their Semester 1 school fees.
- The Authority's performance is prominently affected by seasonality as shown by decreasing revenue compared to budget (4%) and the previous quarter (17%). Similar performance is exhibited in the same quarter of FY20: quarterly trends show varying performance at specific periods, indicating the unpredictable nature of gambling.

3. Land Transport Authority (LTA)

- 3 new road constructions and 24 road rehabilitations have been reported by LTA for the reviewed quarter.
- 11 roads have been officially opened for the following villages:
 - o Tafua Tai, Satuiatua, Vaisala, Salimu, Sapiigi, Luua, Magiagi, Fasitoo Uta, Faleatiu, Malie, Satapuala.
- Upgrade of roads and drainage along Vaea Streets works scope has been completed worth SAT3.4million.
- Drainage upgrade works continues for Output 3 under the Green Climate Fund (GCF) within the Apia CBD. This includes:
 - o Stantec/KEW currently carrying out supervision works for Site 2, 3 and 9 implemented by King Construction and Sites 4, 8 and 10 implemented by Ott Constructions.
 - o Remaining works include finalizing the designs for the 10 additional sites and completion of the abovementioned supervision services.
- Cabinet has approved 18 Annual Road Routine Maintenance Contracts (10 in Upolu and 8 in Savaii) and 8 Annual Routine Drainage Maintenance for award. The approval of 24 Annual Lawn Mowing Routine Maintenance contracts is still pending.

4. National Kidney Foundation of Samoa (NKFS)

- The volume of patients hosted by the Foundation continues to increase.
- 3 screenings for community and 7 for corporate outreaches were conducted this quarter. Weekly education programs via TV (health talks) were also performed in the quarter.

5. National University of Samoa (NUS)

- The University has recorded the highest enrolment number of 3,643 in history as a result of progressive marketing, increase in scholarships and the effectiveness of online enrolment.
- The Pro Chancellor and VC effectuate their employment with the University during the reporting quarter.
- NUS and the Vodafone Company launched the M-Tala service as an option for the students to pay their fees online. The initiative is part of the second phase of the NUS Online project which started first with online enrolment and admission in 2019.
- An official ceremony was held at the School of Maritime Mulinu'u Campus to launch the NUS TV broadcast and the NUS Lifelong Learning Initiative.
- Two Ethics and Research Funding Proposals were approved by the University Research and Ethics Committee (UREC) this quarter.

6. Samoa Fire and Emergency Services Authority (SFESA)

- Majority of Response services decreased from last quarter, reflecting the effectiveness of awareness programs in place.
- The Authority is still actively involved in the COVID19 operation through its Volunteer members and staff who assist as drivers to transport hospital staff and passengers from repatriation flights to quarantine sites.
- SFESA implemented 61 Petroleum Task Force (PTF) inspections and meetings, 20 OSH inspections, and no STA inspection due to COVID restrictions affecting tourism.
- An MOU was signed with the Embassy of Japan to formalize Japan's assistance in procuring second hand emergency vehicles and two new rescue boats.

7. Samoa Qualifications Authority (SQA)

- All PSET annual registrations have been renewed during the quarter.
- Two non-formal learning activities were recognized: Samoa Police Basic Investigations Training and Ear Health Care Training.
- SQA conducted its Career Advisory School visits for both Upolu and Savaii and launched their PSET Strategic Plan 2020-2024 in March.

- The Authority held its 5th PSET Annual Conference which ended with signing of SQA and APTC Partnership Framework and Contribution Agreement.
- The Self Review report was approved by the Board: one of the initial steps in the International Strategy for Recognition of Samoa Qualifications.

8. Scientific Research Organization of Samoa (SROS)

- SROS laboratories encountered problem of inconsistency to participate in Global Proficiency Programme or Inter-Laboratory Competencies Programme (ILCP). The cost of ILCP samples have already been paid but samples were whether received late or not received at all mainly due to international border restrictions for COVID19.
- Projects from MAF and SPC, Plant & Food Research (NZ) under value chain development program were secured this quarter, and research activities under the Better Border Biosecurity project were completed.
- The molecular diagnostic analysis, a new testing service by the Organization, was introduced in this quarter.
- Completion of small research activities on the verification of a hot water treatment for the elimination of *Phytophthora colocasia* from fresh taro corms.

9. Samoa Sports Facilities Authority (SSFA)

- Maintenance cost was contained within budget limit and took up only 8% of Government grant this quarter.
- Venue hire by SSFA increased by 24% compared to budget. Despite that, only 4 out of 20 sports facilities have generated revenue during the quarter and this is equivalent to occupancy rate of 20%.
- The highlight of event hosted by the Authority during Jan-Mar 2020 quarter is as follows:
 - o Multipurpose Gym – Netball League by Netball Samoa
 - o Apia Park Stadium – Rugby 7s Tournament by Marist Sports Club
 - o Gym 1 – A domestic league by Samoa Badminton
 - o Gym 2 – Club competition & Master League by Samoa Basketball Association
 - o Gym 2 – National League by Samoa Volleyball Association
- Swimming fees and lease agreement were also recorded below budget by 42% and 89%.

10. Samoa Tourism Authority (STA)

- The Authority has completed its 2020 Tourism Employment Survey in which results mirrored the current sentiment within the industry with up to 69% of its workforce being affected.
- Quarantine arrangement for returning residents has offered financial reprieve to some operators mainly in the urban areas while operators in the rural areas and Savaii continue to rely on domestic markets.
- The APTC, NUS and Business Hub continue to provide trainings for all affected employees with priority skills that will be required and essential once international borders re-open

PUBLIC TRADING BODIES' PERFORMANCE (YTD³ Jan – Mar 2021)

PUBLIC TRADING BODIES		Revenues			Expenses			NPAT			ROE	
		Actual	Budget	Var	Actual	Budget	Var	Actual	Budget	Var	Actual	Budget
1	Development Bank of Samoa	1.51	2.27	-33%	2.32	2.62	-11.3%	-0.59	-0.26	131%	-1.29%	-0.55%
2	Electric Power Corporation	24.50	31.67	-23%	27.22	32.28	-16%	-2.72	-0.61	343%	-0.82%	-0.19%
3	Public Trust Office	0.16	0.36	-55%	0.24	0.35	-31%	-0.07	0.01	-723%	-1.53%	0.24%
4	Samoa Airport Authority	2.60	2.12	23%	4.92	5.32	-8%	-2.31	-3.20	-28%	-4.67%	-6.51%
5	Samoa International Finance Authority	1.78	1.31	36%	9.11	7.13	28%	-7.33	-5.81	26%	-6.65%	-6.07%
6	Samoa Housing Corporation	2.24	2.07	8%	1.23	1.61	-24%	1.01	0.45	123%	2.76%	1.23%
7	Samoa Land Corporation	3.47	3.13	11%	1.56	1.90	-18%	1.39	0.90	55%	4.22%	2.61%
8	Samoa Post Limited	0.50	0.49	2%	0.47	0.41	12%	0.03	0.06	-52%	0.97%	2.03%
9	Samoa Shipping Corporation	4.78	4.99	-4%	4.74	4.74	0%	0.04	0.25	-82%	0.14%	0.80%
10	Samoa Shipping Services	0.58	0.20	189%	0.61	0.48	28%	-0.03	-0.28	-89%	-1.62%	-10.88%
11	Samoa Water Authority	7.23	8.05	-10%	7.50	7.72	-3%	-0.27	0.33	-183%	-0.41%	0.50%
12	Unit Trust of Samoa (Management) Ltd	0.54	0.53	3%	0.41	0.42	-1%	0.13	0.11	17%	4.39%	4.41%
	Total	55.86	63.85	-13%	65.9	71.7	-8.2%	-10.31	-8.15	27%	-1.08%	-0.88%

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 Jan – Mar 2021)

MUTUAL and BENEFICIAL BODIES		REVENUES			EXPENSES			NPAT¹		
		Actual	Budget	Var²	Actual	Budget	Var	Actual	Budget	Var
	<u>Mutual Societies</u>									
1	Samoa Life Assurance Corporation	3.05	3.24	-5.9%	3.04	2.87	6%	-0.05	0.30	-117%
2	Samoa National Provident Fund	15.69	15.66	0%	2.39	2.87	-17%	13.31	12.79	4%
	TOTAL	18.74	18.90	-1%	5.43	5.74	-6%	13.25	13.09	1%
	<u>Public Beneficial Bodies</u>									
1	Accident Compensation Corporation	5.56	5.82	-4%	1.90	1.86	2%	3.67	3.96	-8%
2	Gambling Control Authority	2.41	2.51	-4%	2.37	2.45	-3%	0.03	0.06	-42%
3	Land Transport Authority	11.23	11.50	-2%	11.86	12.25	-3%	-0.64	-0.75	-15%
4	National Kidney Foundation of Samoa	2.05	2.05	0%	1.61	2.05	-21%	0.44	0.00	29764%
5	National University of Samoa	9.94	8.34	19%	7.11	6.52	9%	2.83	1.83	55%
6	Samoa Fire and Emergency Service Authority	2.46	2.33	6%	2.14	2.43	-12%	0.33	-0.10	-443%
7	Samoa Qualifications Authority	1.37	1.11	23%	1.29	1.11	16%	0.07	0.00	-
8	Scientific Research Organization of Samoa	1.84	0.00	-	1.58	0.00	-	0.26	0.00	-
9	Samoa Sports Facilities Authority	1.12	1.04	7%	1.40	1.22	15%	-0.28	-0.18	59%
10	Samoa Tourism Authority	3.35	3.28	2%	1.62	3.74	-57%	1.73	-0.46	-475%
	TOTAL	41.33	37.99	9%	32.88	33.62	-2%	8.44	4.37	93%

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