

PEPA FAAOPOOPO E:

PUBLIC BODIES PERFORMANCE REPORT

October-December 2020 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. Only PAL that excluded from this report since their Oct-Dec report is yet to submit to MPE for review.

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 December 2020 for information of the public.

SUMMARY OF ANALYSIS OF PUBLIC TRADING BODIES PERFORMANCES FOR OCTOBER – DECEMBER 2020 (YTD)

1. Development Bank of Samoa (DBS)

- A total of 110 applications valued at \$1.36 million were approved by the end of the quarter under review, a shortage by 23% when compared to budget of \$1.77 million.
- Total collection received at quarter end was recorded at \$3.34million, an excess of 20% when compared to budget of \$2.2million. 70% of loan collection is received from micro, small and medium scale (MSMEs) while 30% is from large loans.
- The total loan portfolio recorded as at 31st December 2020 amounts to \$141million, which is lower than budget by 2.8%
- DBS recorded a net loss after tax of \$668,268 at the end of the second quarter leading to YTD net loss of \$1.2million.

2. Electric Power Corporation (EPC)

- Taelafaga Hydro 3rd 2MW generator
 - Construction of revetment wall and security fence has completed this quarter.
- Smart Metering Project
 - The field tests to resolve network anomalies noticed by users during the roll out has been resolved and completed in October 2020. The OOTR has granted a new RF Fixed Service Links license that solidifies EPC to move to a new frequency range within the ISM band (916 to 921.6 MHz).
 - The Corporation is now implementing the mass new firmware roll out to existing smart meter users starting from Apia to Faleata West. This will allow meter to improve signal strength and more efficient data routing and network links.
- Tiapapata 750KW new hydro
 - Three bids were received this quarter following the closure of bids on the 16th November 2020. Evaluation Committee is currently reviewing documents and provides report to Tenders Board.
- Alaoa Multi-Purpose Dam Project
 - Tender documents are with the Office of AG for clearance and will forward to ADB when clearance is received from the OAG. JICA has pulled out from funding hydro only as they require doing their own procurement and contracting.
- The Corporation recorded a NPAT of \$812,644 resulting in YTD NPAT of \$1.6m recorded for the first 6 months of FY2021.

3. Public Trust Office (PTO)

- During the quarter, ten (10) new wills were written and registered with the Office.
- A total of eight (8) new estates files were opened whilst six (6) estates were closed during the quarter under review.
- PTO incurred a net loss after tax of \$124,802 at the end of the second quarter leading to YTD net loss of \$260,425 and result to negative ROE of 5.3%.

4. Samoa Airport Authority (SAA)

- World bank Project (SAIP)
 - The Samoa Aviation Investment Project has completed by the end of the quarter and the project team is finalizing the Implementation Completion Report (ICR)
- Tiavea Airport
 - Project engineer was engaged on 7th September 2020 to finalize tender documents for construction and sealing works for Tiavea airport's pavement.
 - A certificate of practical completion (CoPC) was issued on 21st November to close off the contractor's work on the site.
- SAA operated under a loss of \$2.4m in the reporting quarter leading to a YTD net loss of \$5.4m. This is a direct result of the continuous closure of international borders which impacts the financial performance of the Authority.

5. Samoa Housing Corporation (SHC)

- There were 203 new loans approved during the quarter valued at \$5,572,200.
- Loan collection has decreased by 3% as well as disbursements by 25% as compared to the previous quarter
- The Corporation recorded a Net Profit of \$872,558 in the current quarter and it is above budgeted by 92%. YTD NPAT recorded for the FY2021

6. Samoa International Finance Authority (SIFA)

- A total of 303 new companies were incorporated during the quarter.
- 25,839 companies renewed their registration in this quarter, leading to 28,228 registered companies who have renewed their registration at the end of the second quarter of this financial year.
- SIFA recorded a Net Profit of \$19.1m mainly due to the increase in Incorporation and Annual renewal fees.

7. Samoa Land Corporation (SLC)

- SLC has continued to provide relief support for all its investments relating to commercial lease tenants at the Faleata Golf Course and Malifa Accommodation.
- A dividend of \$1,000,000 relating to FY2020 has paid in by the Corporation to the Government within the quarter.
- The Corporation recorded a NPAT of \$351,859 during the quarter leading to YTD NPAT of \$1,215,963. Both ROE and ROA are positive to this effect.

8. Samoa Post Limited (SPL)

- SPL's liquidity position has improved from 2.6:1 in the previous quarter to 5.4:1 in the quarter under review due to payments made to suppliers; leading to decrease in current liabilities particularly trade and other creditors by 74%.
- Despite continuous challenges faced by SPL with boarder restrictions which limits postal services, the company was able to generated a YTD Net Profit after Tax (NPAT) of \$1.06m ; leading to a positive and above projected ROE.

9. Samoa Ports Authority (SPA)

- The ADB funded Samoa Ports Development Project is the main focus of the Authority works during the review quarter.
 - Port Civil Works including the rehabilitation of breakwater. Evaluation Report has been endorsed by the Tenders Board with Cabinet approval

to come before contract negotiation. Total cost of component is \$107 million and the contract was awarded to China Harbour Engineering Company Limited.

- Tug boat evaluation report has been approved by ADB with No Objection Letter submitted. The contract has been awarded to Cheoy Lee Shipyard in Hong Kong at the contract price of USD\$5,150,000.00.
 - Xray scanner bids evaluation has been completed with BER submitted to obtain NOL from ADB.
 - Green Port consultancy contract signing has been completed with the consultant Haskoning of Vietnam.
 - Contract has been finalised and signed for the construction supervision consultants, BECA of NZ
- SPA's current ratio of 4.3:1 is positive and above the acceptable range of 2:1 indicating SPA's strong liquidity position as supported by its cash flow and other financial assets of \$20.3m.
 - SPA recorded another profitable result during the quarter as reflected by its NPAT of \$2.1m leading to YTD NPAT of \$4.6m.

10. Samoa Shipping Corporation (SSC)

- The online booking system project is near completion with operational issues to be addressed before it is fully implemented
- The ageing MV Samoa Express vessel is berthed at Salelologa wharf to await a full overhaul. SSC is capturing the Tokelau charter market to utilize this vessel.
- Current ratio stands at 7:1, reflecting the Corporation's ability to settle its short term obligations when fall due.
- SSC achieved a NPAT of \$27,015 for the quarter leading to a YTD NPAT of \$74,671 for the 6 months ended 31st December 2020.

11. Samoa Shipping Services (SSS)

- Total remittances from seafarer wages is \$2.8m compared to \$2.4m in the previous quarter.
- SSS recorded a Net Loss of \$237,331 leading to YTD net loss of \$444,424.

12. Samoa Trust Estate Corporation (STEC)

- Official launched ceremony for BIOMASS Gasification Project at Afolau was held in November 2020 with the Biomass project.
- Chainsaws and other safety materials for harvesting have already being procured under EUGIZ Project which costs up to \$20,000SAT.
- STEC recorded a Year to date Net Loss of \$1,327,468 following the decreased revenue and increased expenditures.
- Current ratio of 0.04:1 is unfavorable and way below the acceptable benchmark of 2:1 due to the increase in current liabilities in particular bank overdraft at SCB by 117% compared to first quarter.

13. Samoa Water Authority (SWA)

- New Projects
 - Installation of a new submain for Falefa with a pipeline extension of 3.8km was completed in October.
 - Installation completed of 600 meters of pipeline network extension at Matailili Fasitoo-uta.
 - Installatiion completed of 900 meters of pipeline network extension towards the new airport at Tiavea-tai.

- A new pump station was installed for the new Office of the Electoral Commission at Mulinuu.
- The new Satoalepai network was 30% complete in November. The village has transferred from the Independent Water Scheme to have their water supplied by the Authority.
- Network Upgrades
 - A 2km pipeline upgrade for Faleula (Utumoa) was completed. This was for the existing pipeline affected by the ongoing road extensions.
 - Installation of 600 meters of pipeline network upgrade at Tiavea-tai.
 - The Authority has managed to install 82% of SCADA system for its tanks, reservoirs and treatment plants ensuring consistent monitoring of tank levels for all water supply systems.
- Capital Projects
 - Vaea relocation works commenced on 18th November 2019 with a 90% completion rate as of December 2020.
 - Kramer Ausenco have finished the detailed design of the Vaitele Headquarters. The detailed design consists of civil/earthworks, architectural, structural, electrical and building services design.
 - Construction of Nofolii Water Supply System was completed on 22nd October 2020. At the same time, the construction of package 1 and 2 were also completed for Aleipata inland main supply.
 - Constructions of both Nofolii and Satapuala tanks including the erection of steel wall panel sheets, roof bracing, foundation works as well as water tightness testing were completed on 21st October and 4th August 2020.
- Liquidity position as represented by current ratio of 12.7:1 is above the acceptable ratio of 2:1 as a result of increased current assets by 12% compared to previous quarter.
- The Authority achieved a Net Profit After Tax of \$149,236 for the reporting quarter leading to YTD NPAT of \$281,826.

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

- Current ratio is further supported by its cash flow position of \$2.6m; of this amount, 56% is represented by term deposits.
- The Ministers of Finance from Fiji and Samoa signed a Bilateral MOU between the two Governments on 25th November 2020 to promote cooperation between two countries relating to financial investments. The MOU will ensure both countries can invest or co-invest within Fiji, Samoa and other Pacific nations.
- Liquidity position is stable as reflected by its current ratio of 3.3:1 which is also above the acceptable benchmark.
- The company recorded a NPAT of \$146,408 during the quarter; which has increased compared to previous quarter by 12% and 13%. This led to a YTD NPAT of \$277,245.

SUMMARY OF ANALYSIS OF MUTUAL BODIES PERFORMANCES FOR OCTOBER – DECEMBER 2020 (YTD)

1. Samoa Life Assurance Corporation (SLAC)

- NPAT of \$1.01million, which substantially exceeded budget, reflects notable increase in Investment income as the Corporation realized Dividend incomes for the first time in a second quarter this quarter. This increase in NPAT aggregates to a YTD NPAT of \$1.5million for current FY thus far.

- SLAC still generates unfavorable levels of returns on investments despite peak in Quarterly investment income.
- Death and Maturity payouts were controlled within budget limits except for Surrender claims expense which increased by 22% and contributed to YTD Claims expense of \$3.39million.

2. Samoa National Provident Fund (SNPF)

- The fund posted an Operating Profit of \$18.06million above budget by 41% this quarter. This has contributed to the YTD profit of \$31.2million above budget by 22%.
- As shown below, the number of active members of the Fund decreased compared to the previous quarter as a result of the continued SOE restrictions for the COVID19 pandemic.

	Jul-Sept 2020	Oct-Dec2020
Number of Active Members	32,642	31,906
Movement in the number of Active members	(540)	(736)

- 1.5% dividend was paid out to all members at a total amount of \$11million. The partial payment is part of the 9.1% dividend declared in June 2020.
- The Board approved a new offshore investment in ATH IV in conjunction with UTOS. The Funds outlay for this investment is to be capped at SAT25million. This will be paid in 5 tranches of SAT5million with an 18 month period at the discretion of Management.

SUMMARY OF ANALYSIS OF PUBLIC BENEFICIAL BODIES PERFORMANCES FOR OCTOBER-DECEMBER 2020 (YTD)

1. Accident Compensation Corporation (ACC)

- 18 clients of ACC's rehabilitation program have fully recovered in the quarter; 13 were short term clients and 5 were from the long term category.
- Fugalei market gutters project is 95% completed, delay is due to the adverse weather as painting is the last stage of the project.
- All categories of accidents covered reported decreasing levels of accidents in the quarter under review.
- Returns from the Corporation's investment portfolio have improved. Fugalei market recorded its first profit since the Apr-Jun 2020 period.
- ACC closed off this quarter with a NPAT of \$3.85million which is below budget by 3%.

2. Gambling Control Authority (GCA)

- The Authority paid out a cheque of \$416,745: Jackpot prize for its draw 581.
- Donation of \$50,000 was made to Samoa Rugby Union for the Invest Samoa Lakapi Championships. A further \$1,500 was donated to Boxing Amateur for the development of the sport.
- The 2% increase in investment compared to last quarter is due to the declared dividend in 2020 being reinvested. There were no new deposits reflected in the report for the reviewed quarter.

3. Land Transport Authority (LTA)

- Heavy rain falls have impacted our infrastructure mainly the roads, bridges, fords and blocked drainages and culverts. This has resulted in the widespread flooding of Apia CBD area as well as other flood prone low lying areas of Samoa. Valuable assets such as vehicles have also been damaged as a result.
- The 'LTA Code of Conduct and Conflict of Interest Policy' has been approved by the Board.
- Nine new roads have been officially opened by Government for the following villanges:
 - Faleseela, Apolima, Nonoa Saleimoa, Leauvaa, Vailele, Sauniatu, Faleapuna and Samusu.
- The Vaisigano Bridge was officially opened in August 2020.

4. National Kidney Foundation of Samoa (NKFS)

- The Foundation conducted one outreach programmes each for the community and corporate during the quarter.
- Education programs via TV, Radio and presentations amped up from 5 in the previous quarter to 13.
- NKF hosted 145 permanent patients, an increase of 3 people from last quarter. 8 pre-dialysis patients have been set to start on dialysis whilst 6 patients passed during the quarter.
- Medical screenings amounted to 204, a significant decrease of 75% compared to Jul-Sept period. From the screenings, 4 were referred for follow-up.

5. National University of Samoa (NUS)

- NUS accepted a total of 10 submissions, subject to Peer Review & Editing prior to publication on the Journal of Samoa Studies for the quarter under review.
- The steering committee of the Pacific Attitudes Survey, under the umbrella of the FOS, in collaboration with Australian National University (ANU) have been hosting monthly zoom meetings to organize and prepare for implementation of the survey from Nov 23 to Dec 10, 2020.
- Below are official collaboration agreements/partnerships activated between Oct-Dec 2020:
 - i. Events Marketing Distribution (EMD) 5th Oct 2020
 - ii. DIGICEL / NUS Services Agreement 8th Oct 2020
 - iii. APTC / NUS / STA 23rd Oct 2020
 - iv. SRWMA 29th Oct 2020

6. Samoa Fire and Emergency Services Authority (SFESA)

- A 7% decrease was noted in the work of the Operations Department from 812 incidents in previous quarter to 756 in the current.
- Fire Safety and Prevention Department on the other hand recorded a slight increase in activities from 189 to 190.
- SFESA remained greatly involved in the COVID19 operations during this quarter. Apart from Emergency Medical Response (EMR) service, volunteers provided required support in logistical and transportation tasks set by NEOC Office.

7. Samoa Qualifications Authority (SQA)

- SQA recognized two (2) non-formal learning activities: Samoa Public Driver's License Training and Learning how to learn online.
- Three (3) assessment reports for Foreign Qualifications Recognition Services were approved this quarter.

- Although there were no qualifications registered during the quarter, the Authority has approved seven MoA with seven Providers and seventeen collaboration and impact statements.
- The Authority recorded its first quarterly deficit since Jan-Mar 2016 period. The abnormal increase in personnel costs (\$173,704) as opposed to the previous quarter is accountable for the loss.

8. Scientific Research Organization of Samoa (SROS)

- SROS has secured a new research partnership with the University of the Sunshine Coast (ACIAR HORT 2019/165) to improve citrus availability for better nutrition, through improved production, postharvest handling methods and value adding for natural products.
- The Organization has also received funding for the Regional Food Loss project in the Pacific, including Tonga, Fiji and Solomon Islands.
- Border restrictions continue to put on hold overseas specialized trainings for the Organization's employees.

9. Samoa Sports Facilities Authority (SSFA)

- SSFA, through its efforts to secure and lease-out facilities, was able to sign 4 lease agreements and increase revenue collection specifically from Venue Hire and Lease Agreements compared to the previous quarter.
- SSFA hosted the following events during the Oct-Dec 2020 quarter:
 - Multipurpose Gym – Netball Samoa hosted a Netball League
 - Prince Edward Park Savaii – Samoa Rugby Union hosted a Rugby 7s tournament
 - Apia Park Stadium – Samoa Rugby Union hosted a Rugby 7s tournament
 - Gym 1 – Samoa Badminton hosted a domestic league
 - Gym 2 – Samoa Basketball Association hosted a Club competition & Master League in Oct & Nov 2020
 - Gym 2 – Samoa Volleyball Association hosted a National League in Nov & Dec
- Notable increase in maintenance cost from last quarter is mainly due to repairing works for some old plant and equipment as well as for the aquatic.

10. Samoa Tourism Authority (STA)

- Borders continue to remain closed with no visitor arrivals and tourist earnings for the reviewed quarter. However, Domestic tourism continues to play a major role in sustaining the industry through employment, earnings as well as the daily livelihoods.
- Urban hotels continue to be utilized by the Government as isolation centres for returning residence from repatriation flights.
- The Authority successfully launched the 'Festival of Lights' in December as an annual event to continue to support the industry during the holidays.
- Short and long term capacity building and refresher courses have been offered for more than 300 industry personnel confirmed under the category of *laid off* and on *reduced working hours* as part of the Government's Stimulus Package. Not only that they have gained access to formal accredited qualifications but also weekly allowances to cover expenses.

PUBLIC TRADING BODIES' PERFORMANCE (YTD³ Oct-Dec 2020)

PUBLIC TRADING BODIES		Revenues			Expenses			NPAT			ROE	
		Actual	Budget	Var	Actual	Budget	Var	Actual	Budget	Var	Actual	Budget
1	Development Bank of Samoa	3.18	4.31	-26%	3.56	3.98	-10.6%	-0.67	-0.26	161%	-0.43%	0.48%
2	Electric Power Corporation	60.04	63.75	-6%	56.20	62.10	-9%	3.84	1.65	133%	1.15%	0.19%
4	Polynesian Airlines Limited	0.00	0.00	0%	-	0.00	#DIV/0!	0.00	0.00	#DIV/0!	#DIV/0!	#DIV/0!
5	Public Trust Office	0.28	0.71	-60%	0.54	0.69	-21%	-0.12	0.01	-1148%	-2.54%	0.24%
6	Samoa Airport Authority	4.37	4.23	3%	9.80	10.64	-8%	-5.43	1.95	-378%	-10.47%	3.97%
	Samoa International Finance Authority	24.04	22.83	5%	3.20	5.86	-45%	20.84	16.96	23%	0.00%	0.00%
7	Samoa Housing Corporation	3.77	4.13	-9%	2.71	3.22	-16%	1.06	0.91	17%	2.95%	2.46%
9	Samoa Land Corporation	8.52	9.39	-9%	9.39	5.71	65%	1.22	1.80	-32%	3.76%	5.74%
10	Samoa Post Limited	1.06	0.98	8%	0.85	0.87	-2%	0.21	0.11	87%	7.54%	4.10%
11	Samoa Ports Authority	10.88	11.11	-2%	6.28	7.07	-	4.61	4.04	-	0.00%	0.00%
12	Samoa Shipping Corporation	9.78	10.26	-5%	9.68	10.23	-5%	0.07	0.02	321%	0.24%	0.06%
13	Samoa Shipping Services	0.73	0.40	81%	1.18	0.96	23%	-0.44	-0.55	-20%	-132.84%	-51.36%
14	Samoa Trust Estate Corporation	0.33	0.15		1.66	1.03	0%	-1.33	-0.89	0%	-3.61%	-10.66%
15	Samoa Water Authority	15.49	16.10	-4%	15.20	16.41	-7%	0.28	-0.31	-192%	0.43%	-0.46%
16	Unit Trust of Samoa (Management) Ltd	1.09	1.17	-7%	0.81	0.85	-5%	0.28	0.32	-13%	9.50%	12.52%
	Total	143.58	149.52	-4%	121.1	129.6	-6.6%	24.43	25.77	-5%	2.66%	2.93%

Key:

¹NPAT = Net Profit after tax

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

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

³YTD = Year to Date.

MUTUAL AND BENEFICIAL BODIES PERFORMANCE (YTD³ Oct-Dec 2020)

MUTUAL and BENEFICIAL BODIES		REVENUES			EXPENSES			NPAT ¹		
		Actual	Budget	Var ²	Actual	Budget	Var	Actual	Budget	Var
	<u>Mutual Societies</u>									
1	Samoa Life Assurance Corporation	4.03	3.24	24.3%	2.94	2.87	2%	1.01	0.30	237%
2	Samoa National Provident Fund	20.57	15.66	31%	2.51	2.87	-12%	18.06	12.79	41%
	TOTAL	24.60	18.90	30%	5.45	5.74	-5%	19.07	13.09	46%
	<u>Public Beneficial Bodies</u>									
1	Accident Compensation Corporation	5.68	5.82	-2%	1.83	1.86	-1%	3.85	3.96	-3%
2	Gambling Control Authority	2.91	3.29	-12%	2.15	2.67	-20%	0.73	0.62	17%
3	Land Transport Authority	11.30	11.50	-2%	11.98	12.25	-2%	-0.68	-0.75	-9%
4	National Kidney Foundation of Samoa	2.04	2.05	-1%	1.84	2.05	-10%	0.19	0.00	13048%
5	National University of Samoa	5.83	5.94	-2%	5.99	6.52	-8%	-0.16	-0.58	-73%
6	Samoa Fire and Emergency Service Authority	2.52	2.33	8%	2.23	2.34	-5%	0.29	-0.01	-3233%
7	Samoa Qualifications Authority	1.10	1.11	-1%	1.11	1.11	0%	-0.01	0.00	-
8	Scientific Research Organization of Samoa	1.01	1.01	1%	1.33	1.31	2%	-0.32	-0.30	7%
9	Samoa Sports Facilities Authority	1.15	1.04	10%	1.36	1.22	11%	-0.21	-0.18	21%
10	Samoa Tourism Authority	3.40	3.23	5%	2.44	3.16	-23%	0.96	0.07	1205%
	TOTAL	36.94	37.34	-1%	32.27	34.49	-6%	4.64	2.85	63%

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