

PEPA FAAOPOOPO E:

PUBLIC BODIES PERFORMANCE REPORT

July-September 2021 YTD

Ministry for Public Enterprises

February 2022

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 2021 for information of the public.

SUMMARY OF ANALYSIS OF PUBLIC TRADING BODIES PERFORMANCES FOR JULY-SEPTEMBER 2021 (YTD)

1. Development Bank of Samoa (DBS)

- A total of 99 applicants valued at \$1.3m were approved by the end of the quarter under review, exceeding budget of \$1.2million by 7%.
- Total collection received at quarter end was recorded at \$3.9million, which is 22% more when compared to budget of \$3.2million. 52% of loan collection is received from MSMEs while 48% is from large loans.
- The total loan portfolio recorded as at 30th September 2021 amounts to \$138.8million, which is lower than budget by 2%.
- DBS recorded a Net Loss after Tax of \$962,760 at the end of the quarter.

2. Electric Power Corporation (EPC)

- Fiaga Lightning Project System has been completed in August 2021.
- Dam Enforcement work has also completed in August 2021 and completion report has been submitted to ADB for information.
- Following the increase in fuel cost as major expenditure and the decrease in revenue compared to budget, the Corporation incurred a net loss of \$310,224 for the first three months of the FY2022.

3. Polynesian Airlines Limited

- No commercial flights for Jet this quarter due to aircraft pending in Australia awaiting Government approval.
- Small operation continued to operate charter flights for Samoa and American Samoa. A total of 40 charter flights were recorded this quarter.
- Despite the positive NPAT of \$38,526 recorded from the small operation this quarter, the net loss of \$1.7m from the Jet deteriorates overall performance resulted to an overall net loss of \$1.6m recorded for the first 3 months of FY2022.

4. Public Trust Office (PTO)

- During the quarter, eleven (11) new wills were written and registered with the Office whilst five (5) were amended.
- A total of five (5) new estates files were opened whilst six (6) estates were closed during the quarter under review.
- PTO achieved a Net Loss After Tax (NLAT) of \$258,535 at the end of the first quarter of Financial Year 2021/2022.

5. Samoa Airport Authority (SAA)

- Following the continued impacts of Covid19 lockdown, SAA incurred net losses of \$2.5m for the quarter ending 30th September 2021. ROE and continued to deteriorate to this effect.
- Current ratio of 1.5:1 is below the acceptable range of 2:1 as a result of the 65% reduction in current assets particularly trade debtors and other debtors & prepayment and cash balance by 32%, 56% and 55% respectively compared to last quarter.

6. Samoa Housing Corporation (SHC)

- There were 258 new loans approved during the quarter valued at \$5,592,000.
- The Corporation recorded a net profit after tax of \$1,123,731 at the end of the quarter.

7. Samoa International Finance Authority (SIFA)

- A total of 324 new companies were incorporated during the quarter.
- There were 2,389 companies renewed their registration in this quarter, exceeding the renewals (1,886) of the same period of the previous financial year by 26%.

- SIFA earned a Net Profit After Tax of \$282,568 in the reporting quarter.

8. Samoa Land Corporation (SLC)

- The Corporation achieved a Net Profit After Tax (NPAT) of \$944,480 at the end of the quarter.
- The liquidity position as represented by its current ratio of 13:1 is high and sufficient to cover short term obligation when fall due.

9. Samoa Port Authority (SPA)

- The Authority continues to focus on the ADB funded Enhancing Safety, Security and Sustainability of the Apia Port project. And during the quarter, the main contractor-China Harbor Engineering Company (CHEC) completed their work on the construction site.
- Following the increased revenue and control spending during the quarter, SPA recorded NPAT of \$2.3m that is 9% higher than budget.

10. Samoa Post Limited (SPL)

- Commencement of Partnership with Western Union and Samoa Commercial Bank at district post offices in September 2021 achieving the Company's strategic drive towards Service and financial inclusion.
- The Company generated a NPAT of \$285,092 which is above budget by 198% due to the high revenue recorded for the reporting quarter.

11. Samoa Shipping Corporation (SSC)

- The six months maintenance for the Mulifanua Buoyage was successfully carried out this quarter. The work is usually carried out in the open water which includes repairing the anchor, replacing missing lights, installation of new lights, collecting of rubber fenders that had fallen in the sea, repairing and replacing of old rubber fenders chains. Although the task was very risky but it was skillfully carried out by the Corporation surveyors and maritime team.
- The ageing MV Fotu with a gross tonnage of 299tons standing at 23years in operation was servicing the scheduled trips for Pagopago route this quarter while Lady Naomi was undergoing slipping work in American Samoa. Fotu transported cargoes and freights, charter trips requested by Tokelau whilst their vessel was undergoing dry docking in Fiji. Additionally, Fotu was also chartered by the Ministry of Health to transport Oxygen cylinders between the domestic routes and assisted the National Emergerncy Operations Center with pumping diesel from the Police Patrol Boat Nafanua II.
- SSC recorded a NPAT of \$48,697 for the first quarter of the current FY2021 despite being below budget by 17%.

12. Samoa Shipping Services (SSS)

- The number of seafarers currently employed with the Mediterranean Shipping Company (MSC) has increased from 97 in the last quarter to 225 this quarter.
- Ship Agency is above budget by 83% and has contributed to the increase in total revenue of \$727,641 compared to budget of \$199,527.
- SSS recorded a Net loss of \$14,201 compared to budgeted net loss of \$188,067 following the increased spending than the revenue earned during the quarter.

13. Samoa Water Authority (SWA)

- The following new works were completed for both Upolu & Savaii during the quarter;
 - 0.4km Rider main (EPC side) Vaitele
 - Nofoalii-Uta, Saleimoa new extended coverage area of 1.5km
 - Nuufou/Faleula-Uta- submain 90mm NDPE has completed 700m and rider main 63mm HDPE 480m

- Toamua-Uta & Puipaa SLC subdivision- 40mm HDPE, 63mm HDPE, 90mm DHPE, 110HDPE & 150mm mPVC-11.1km
- Sagone 0.411km (PE63mm) main road to the high school and 100m (PE20mm) from road junction to the primary school.
- The network upgrades were also completed for the following areas.
 - 0.7km Vaitele (Vailima Breweries) mainline replacement of 150mm.
 - 0.01km Vaitele (to SWEL) submain in front of SWA compound.
 - 4.129km Asau i.e 3613km (90mm PE) from Falefa to Tialoa & 1.106km (63mm) from Methodist towards the wharf & rider main at Tialoa 0.346km.
- SWA incurred a net loss after tax of \$322,844 for the reporting quarter following the decreased revenue and increased expenditures. Negative ROE and ROA have resulted to this effect.

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

- Marketing activities- Units sold of 7.8m valued at \$13.2m exceeding budgeted units sold of 3.7m valued at \$4.5m during the quarter.
- Information Technology-The IT team has been given a task of upgrading the system to ensure unit holders and staffs are able to access from home during the lockdown. This task is very challenging for the Company given the security risk from cyber-attacks involved with the online service as well as the new upgrade. The total cost of this is yet to finalized from the ZEST IT Company in New Zealand.
- UTOS achieved a NPAT of \$135,555 at the quarter ended 30th September 2021.

SUMMARY OF ANALYSIS OF MUTUAL BODIES PERFORMANCES FOR JULY-SEPTEMBER 2021 (YTD)

1. Samoa Life Assurance Corporation (SLAC)

- SLAC is yet to disclose the official data for Number of Surrendered and New policies for the Jul-Sept 2021 quarter.
- Continuous efforts of the Corporation to minimize Surrendered policies has resulted in a decrease in Claims payout and translated into a NPAT of \$486,498.
- Ongoing unfavorable investment returns is reflective of the continual slack in the developing of an Investment Policy.

2. Samoa National Provident Fund (SNPF)

- 8% interest declared for financial year 2021 of which 4% was paid to members in July to August of the amount of \$29million. The remaining 4% was credited to member's contribution accounts.
- The Fund paid its 1st tranche of 5 tranches to Amalgamate Telecom Holding Limited (ATV IV) of the amount of SAT6.5million for this new offshore investment.
- The number of registered employers decreased by 8% (166 employers) compared to the previous quarter, and this is mirrored by the decrease in active members by 1% (404 members). Despite that, member contributions increased by 7%. This is mainly due to the increase of the mandated member's contribution from 9% to 10%.

SUMMARY OF ANALYSIS OF PUBLIC BENEFICIAL BODIES PERFORMANCES FOR JULY-SEPTEMBER 2021(YTD)

1. Accident Compensation Corporation (ACC)

- A total of 90 PPT presentations, 60 pamphlets, 60 brochures and 25 posters were distributed at its awareness presentations.
- Capital commitments: made the initial payment of 10% of the CT Scan for the Ministry of Health.
- The Corporation' awareness programs have been steadily increasing over the quarters on different radio/television stations available.
- Claims increased by 40% compared to the previous quarter, with a 100% payout rate. Claims for all categories increased with Specified Conveyances and Work-Related making the bulk of the variance with 23% and 43% respectively.

2. Gambling Control Authority (GCA)

- Paid \$187,010 to its first Jackpot winner for the financial year in July.
- Educational grant disbursements was awarded to University students valued at \$22,099
- Sponsorships of \$50,000 was made to the Samoa Rugby Union
- UTOS dividend (\$129,284.32) was reinvested.
- Revenue from licenses decreased by 21% compared to the previous quarter due to a decrease of its Casino annual license by 47% (\$28,942).

3. Land Transport Authority (LTA)

- LTA was able to sustain its normal operations for the first quarter of the Financial Year 2022 from measures put in place to await the passing of budget by Parliament in late September.
- The approved budget for the Authority for Financial Year 2022 is \$46.7million mainly for construction of capital works and maintenance of road and drainage network.
- There were no new road constructions performed for the reviewed quarter but the Authority continued its maintenance work for road, lawn mowing and drainage for both Savaii and Upolu.

4. National Kidney Foundation of Samoa (NKFS)

- Three community outreach programmes for the quarter in addition to two corporate programmes.
- The Foundation also performed 18 education programs via TV, Radio and presentations.
- Still no medical specialists and teams to visit due to COVID restrictions.
- Total screenings increased by 225% compared to the previous quarter, with 10 individuals referred for follow ups.

5. National University of Samoa (NUS)

- On behalf of the Government and people of Samoa, Prime Minister Fiame Naomi Mata'afa officially accepted the Centre for Excellence for Information Technology (C.E.I.T.) which was officially transferred from the Indian to the Samoan Government in a ceremony on 17th August 2021.
- The 'Project for the Construction of the Faculty of Health Science and Learning Resource Centre is funded by the Japan International Cooperation Agency (JICA), where NUS is the executing agency.
- SQA approved the accreditation of five (5) higher education course programmes incl. the Bachelor of Medicine and Bachelor of Surgery (M.B.B.S) of the School of Medicine and four from the Faculty of Education - Master of Education; Post Graduate Diploma in Education; Graduate Diploma in Education; and Bachelor of Education - Early Childhood Education.
- 14 students enrolled in the Chinese Language Community Courses and have successfully completed the programme and were awarded certificates during this quarter.

- Deputy Vice Chancellor and his team namely Director GPP, Manager Planning, Dean FOE and Manager Oloamanu travelled to Savaii in July to conduct external consultations for the NUS Strategy 2030.

6. Samoa Fire and Emergency Services Authority (SFESA)

- SFESA attended to a total of 132 fire incidents this quarter in an average time of 6-10 mins per incident. This was a significant increase from the previous quarter.
- 35% increase in Emergency responses from last quarter accounts for increases in all emergency services, incl. the 32% increase in False Alarm cases, except the Rescue category.
- Ambulance response has increased by 6% compared to last quarter, reflective of the increase in average call outs from 9 in the last to 10 incidents per day during reporting quarter.
- Fire Safety & Prevention Departments continue with usual Inspections and Awareness & Prevention programs this quarter.
- Ongoing involvement in COVID19 operation was extended onto the Mass Vaccination roll out conducted on 23rd and 24th Sept 2021.

7. Samoa Qualifications Authority (SQA)

- Annual Registration Renewal monitoring visits were conducted in September and October to check compliance with quality standards and addressing of requirements and recommendations of the Programme Accreditations Reports.
- Consultations for the development of the Education Learning Pathways were held in September – hosted via a Zoom session with TAs Josh Williams and Angie Hughes.
- The Authority recognised one formal learning activity from the Ministry of Police, Prisons and Corrections, in addition to programmes accredited in the quarter listed in the Output Indicators.

8. Scientific Research Organization of Samoa (SROS)

- SROS continued to assist the Ministry of Health and the Ministry of Agriculture & Fisheries for the testing of COVID-19 and ASF.
 - Commencement of the commercial operation for the breadfruit and banana flour.
 - Procurement of the required machines and equipment for the commercial unit.
- The SROS team has also secured new projects under the postharvest team; this includes the ACIAR HORT 2018/165 for sweet potato, and the PHAMA Plus for Hot Water Treatment research.

9. Samoa Sports Facilities Authority (SSFA)

- Maintenance cost is largely below budget by 70% and has represented 7% of Government grant and 4% of Depreciation, indicating minimal output risk for the Authority this quarter.
- Some of the spaces in Gym 2 and the Multipurpose Gym have now been occupied and leased out to a few organizations/companies. This was the main contributing factor to the significant increase in Leases this quarter compared to that of the same quarter last year.
- The highlights of the events SSFA catered for this quarter are as follows:
 - Multipurpose Gym – Netball League by Netball Samoa (Aug-Sept)
 - Prince Edward Savaii – Rugby 7s tournament by SRU (Jul)
 - Apia Park Stadium – Samoa School Athletics (Jul & Aug)
 - Gym 1 – A domestic league by Samoa Badminton (Aug & Sept)
 - Gym 2 – Club competition & Master League by Samoa Basketball Association
 - Gym 2 – National League by Samoa Volleyball Association

10. Samoa Tourism Authority (STA)

- Borders continued to be closed as part of restrictions for the extended State of Emergency for the COVID-19 pandemic. Only repatriation flights are allowed with approval from Cabinet.

- The new seasons of the “Tafaoga” and the “Kuka” short films were released through Facebook, Instagram and YouTube.
- The “Travel Contact Tracer App” as part of the Samoa Travel Tool Kit was successfully launched by the Hon. Prime Minister. It is an important tool for Samoa’s current COVID-19 readiness programme.
- Product development efforts to ensure we continue to provide quality services to the local market are ongoing with free tourism trainings provided by APTC, NUS and Business Hub for all affected employees.

PUBLIC TRADING BODIES' PERFORMANCE (YTD³ July-Sept 2021)

PUBLIC TRADING BODIES		Revenues			Expenses			NPAT			ROE	
		Actual	Budget	Var	Actual	Budget	Var	Actual	Budget	Var	Actual	Budget
1	Development Bank of Samoa	1.57	2.02	-22%	2.53	2.57	-1%	- 0.96	- 0.96	0%	-0.17%	-0.81%
2	Electric Power Corporation	31.98	32.03	0%	32.29	32.35	0%	- 0.31	- 0.32	-2%	-0.09%	-0.10%
4	Polynesian Airlines Limited	1.24	1.37	-9%	4.67	7.46	-37%	- 3.43	- 6.09	-44%	15.12%	-61.54%
5	Public Trust Office	0.02	0.34	-94%	0.24	0.35	-32%	- 0.22	- 0.01	2394%	-4.26%	-0.16%
6	Samoa Airport Authority	2.46	2.15	14%	5.04	4.84	4%	- 2.58	- 2.69	-4%	-5.53%	-6.69%
	Samoa International Finance Authority	2.05	2.40	-15%	1.77	2.58	-31%	0.28	- 0.17	-263%	0.29%	-0.18%
7	Samoa Housing Corporation	2.36	2.06	14%	1.24	1.60	-23%	1.12	0.46	142%	2.99%	1.26%
9	Samoa Land Corporation	3.16	2.88	10%	1.87	2.27	-18%	0.94	0.44	114%	2.78%	1.41%
10	Samoa Post Limited	1.25	1.11	13%	0.86	0.98	-12%	0.29	0.10	199%	9.40%	3.18%
11	Samoa Ports Authority	5.51	5.46	1%	3.15	3.29	-4%	2.36	2.16	9%	1.77%	1.48%
12	Samoa Shipping Corporation	5.67	5.21	9%	5.60	5.13	9%	0.05	0.06	-17%	0.16%	0.19%
13	Samoa Shipping Services	0.73	0.20	265%	0.74	0.39	91%	- 0.01	- 0.19	-92%	-3.13%	-24.39%
14	Samoa Trust Estate Corporation	-	-	#DIV/0!	-	-	0%	-	-	0%	#DIV/0!	#DIV/0!
15	Samoa Water Authority	6.96	7.51	-7%	7.28	8.66	-16%	- 0.32	- 1.15	-72%	-0.49%	-1.77%
16	Unit Trust of Samoa (Management) Ltd	0.56	0.54	3%	0.42	0.48	-13%	0.14	0.06	124%	4.30%	2.00%
	Total	65.53	65.28	0%	67.71	72.94	-7%	- 2.65	- 8.29	-68%	0%	-1%

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 July-Sept 2021)

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	2.97	2.32	28.2%	2.42	2.96	-18%	0.49	-0.73	-167%
2	Samoa National Provident Fund	16.27	16.54	-2%	2.18	3.06	-29%	14.09	13.48	4%
	TOTAL	19.25	18.86	2%	4.60	6.01	-24%	14.58	12.76	14%
	<u>PUBLIC BENEFICIAL BODIES</u>									
1	National Kidney Foundation of Samoa	2.03	2.24	-9%	2.02	2.23	-9%	0.01	0.01	-38%
2	National University of Samoa	8.74	7.17	22%	7.64	8.22	-7%	1.10	-1.05	-205%
3	Samoa Fire and Emergency Service Authority	2.45	2.42	1%	1.92	2.78	-31%	0.53	-0.36	-246%
4	Samoa Qualifications Authority	0.97	1.11	-13%	1.02	1.11	-8%	-0.05	0.00	0%
5	Scientific Research Organization of Samoa	1.07	1.06	1%	1.10	0.68	62%	-0.04	0.38	-109%
6	Samoa Sports Facilities Authority	1.31	1.05	25%	1.24	1.22	1%	0.08	-0.17	-145%
7	Samoa Tourism Authority	1.85	4.97	-63%	1.99	4.96	-60%	-0.14	0.00	-4206%
8	Gambling Control Authority	2.54	2.35	8%	2.22	2.23	0%	0.32	0.12	159%
9	Land Transport Authority	11.48	11.44	0%	14.34	11.71	23%	-2.86	-0.27	977%
10	Accident Compensation Corporation	5.18	5.52	-6%	1.92	1.53	26%	3.25	3.99	-18%
	TOTAL	37.62	39.33	-4%	35.42	36.67	-3%	2.20	2.66	-17%

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