

PEPA FAAOPOOPO E:

PUBLIC BODIES PERFORMANCE REPORT

April-June 2022 YTD

Ministry for Public Enterprises

November 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 June 2022 for information of the public.

SUMMARY OF ANALYSIS OF PUBLIC TRADING BODIES PERFORMANCES FOR
April-June 2022 (YTD)

1. Development Bank of Samoa (DBS)

- A total of 99 applications valued at \$1.4m were approved by the end of the quarter under review which is above budget of \$1.3million by 7.7%.
- Total collection received at quarter end was recorded at \$3.3m, which aligned to budget of \$3.2million. 74% of loan collection is received from MSMEs while 26% is from large loans.
- The total loan portfolio recorded as at 30th June 2022 amounts to \$134.5m which is lower than budget by 4%.
- DBS recorded a net loss after tax of \$950,108 at the end of the final quarter, leading to a YTD Net Loss after Tax of \$2,643,376.

2. Electric Power Corporation (EPC)

- Completed its Corporate Plan 2021-2024 Mid-Term Review.
- Two in house trainings were completed this quarter for linesman electrician. 18 staff completed the Fault Service training conducted in June and 25 staff completed the Basic Lineman Training commenced in May 2022. Both trainings were funded by the Samoa Qualification Authority under the PSET Support Fund Mechanism FY2021/2022.
- EPC has incurred a net loss of (\$14.5m) this quarter and attributed to the YTD net loss of (\$26.6m).

3. Public Trust Office (PTO)

- There were two (2) new wills written and registered with the Office whilst three (3) were amended during the quarter.
- A total of two (2) new estates files were opened whilst one (1) estate was closed during the quarter.
- PTO recorded a Net Profit After Tax (NPAT) of \$425,717 at the end of the final quarter of Financial Year 2021/2022, Despite positive quarterly results, YTD results recorded a net loss of \$45,550 and negative ROE of 0.85% mainly due to decreased administration fees earned as a result of reduction in new wills written and registered with the Office at the end of FY2022.
- Liquidity position as represented by current ratio of 16:1 is stable as supported by its significant cash flow balance of \$11.46m as at 30th June 2022. 71% of this amount is invested in UTOS, of which 43% represents estates funds on investment.

4. Samoa Airport Authority (SAA)

- **World Bank Project (SAIP)**
 - Remaining asset procured under the project is scheduled to arrive on the 8th November 2022.
- SAA recorded a Net loss of \$10,322,623 following 12 months ended 30th June 2022 as a result of border restrictions during the quarter under review. However, profitable result is anticipated for the following quarters of FY 2023 given the opening of borders in August 2022

5. Samoa Housing Corporation (SHC)

- Despite net loss during the quarter the Corporation achieved YTD Net Profit of \$2,618,278.
- New loans approved during the quarter are 309 at a value of \$9,642,772.

6. Samoa International Finance Authority (SIFA)

- A total of 706 new companies were incorporated during the quarter.
- 1,404 companies renewed their registration in this quarter, leading to 27,637 registered companies who have renewed their registration at the end of the final quarter of this financial year 2022.
- SIFA recorded a net loss after tax of \$522,751 at the end of the final quarter. However, YTD Net Profit remains high at \$17,771,973 at the end of the final quarter of the current financial year 2022

7. Samoa Land Corporation (SLC)

- The Corporation has offered a discount to its commercial tenants for the period which amounts to \$76,000.
- The Corporation bought 10 new golf carts worth more than \$200,000 for the Golf Course.
- Despite the covid-19 impacts on the economy of Samoa as well as the lockdown affecting local businesses, SLC achieved a quarterly Net Profit After Tax of \$449,598 leading to YTD NPAT of \$3,201,789.
- The Corporation has spent \$371,000 on road repairs and maintenance.

8. Samoa Post Limited (SPL)

- Two new Cargo delivery mail van received during the quarter with installed GPS, registered at LTA with signage done by Sign Studio all fully funded by UPU.
- The Company recorded a Net Profit after Tax (NPAT) of \$637,376 during the quarter, leading to a YTD NPAT of \$1,027,825 for the 12 months ended 30th June 2022.

9. Samoa Ports Authority (SPA)

- The ADB funded Samoa Ports Development Project continued to be the main focus of the Authority during the review quarter going forward. The construction on the port civil works has commenced from the Customs area plus other two areas concurrently.
- Mobilisation of the main contractor; CHEC equipment and personnel is ongoing and CHEC have yet to finalise CEMP part 2 including the quarry and temporary works for the breakwater reconstruction.
- The tug boat construction has progressed well with the testing and sea trials successfully carried out in June with delivery voyage targeted to commence from China at the end of June 2022.
- With the opening of national borders confirmed for 1st August 2022, many of the consultants and ADB officials have commenced plans to visit the project around August / September 2022.

10. Samoa Shipping Corporation (SSC)

- MV Lad Naomi replacement that will service the Apia-Pagopago destination will be delivered to Apia in August 2022 as highlighted under corporate plan 2021-2024 major projects
- The liferaft service of the Corporation successfully carried out repair works to 2 rescue boats as requested by the Samoa Airport Authority which included patching up leakages.

12. Samoa Shipping Services (SSS)

- Current ratio remains satisfactory at 4:1
- ROE is 11% which is above the 7% Government policy.
- The company recorded a NPAT of \$53,288 during the quarter compared to budgeted Net loss of \$188,067.

11. Samoa Trust Estates Corporation (STEC)

- Office cameras were installed for both Offices in Vaitele and Mulifanua as well as GPS (Global Positioning System) for office vehicles to improve monitoring systems and most importantly to efficiently manage related expenses.
- A website was developed for the Corporation to upload annual reports and other relevant documentations for the public info and scrutiny. This will also help boost marketing strategies of STEC corps exported in NZ.
- The Corporation is currently in the process of tendering out the operation of the Biomass Gasification Plant.

12. **Samoa Water Authority (SWA)**

- **New Works**
 - 4.2km pipeline Tafaigata 110mm-0.9km (from main road to new Falelauniu/Tafaigata areas); 3.1km (63mm PE); 0.2km (40mm PE)
 - Talimatau 63mm PE = 0.3km pipeline on the access road beside Methodist church.
 - Talimatau 1 – 0.1km
 - Talimatau 2 – 0.3km
 - Tulaele – 0.2km
 - Moamoa Fou – 0.3km
- **Network Upgrades**
 - Avele submain (relocation from existing) – 0.86km
 - Total network upgrade works was 1.91km
- **Drilling Works completed**
 - Drilling works completed for Vailoa Palauli. Final bore depth is 126m completed casing installation. Bore now sealed and on-standby.
- **Chlorination Facilities**
 - Salaeaula Borehole is now chlorinated, and system was commissioned 18th of May 2022

13. **Unit Trust Of Samoa (Management) Ltd (UTOS)**

- The UTOS Management continues to conduct various promotional activities which include, radio and TV talk shows, TV advertisement and sponsorship deals as well as presentations to seasonal workers to encourage investments in the Trust.
- The Company achieved a NPAT of \$38,007 during the quarter; a 72% decrease compared previous quarter leading to YTD NPAT of \$441,355.

SUMMARY OF ANALYSIS OF MUTUAL BODIES PERFORMANCES FOR APRIL-JUNE 2022 (YTD)

1. **Samoa Life Assurance Corporation (SLAC)**

- SLAC has yet to disclose the Number of Policies (Surrendered, Newly Registered and Total Policies) recorded in the Apr-Jun 2022 quarter.
- Premium revenues remain ahead of Claims payout despite substantial increase in Policy Claims paid out compared to both budget and the previous quarter.
- NPAT of \$610,379 far exceeds anticipated deficits and thus amounts to YTD profit of \$3.36million at this quarter end.
- There were no major projects anticipated for the quarter.

2. **Samoa National Provident Fund (SNPF)**

- SNPF closed off this quarter with a Net Profit of \$47.7million which far exceeded budget and contributed greatly to YTD Net Profit of \$93.4million.

- The Fund has reached a milestone of surpassing one billion tala net-assets for the first time in its history. This is mainly due to the increase in member's contributions and investment portfolio both local and overseas.
- The SNPF Building at Salelologa, Savaii was fully completed in the reviewed quarter.
- Contributing members can now apply for a small loan top up online. This is an additional function available via the Members Portal (<https://members.npf.ws>) as part of the Funds business continuity efforts and complying with Alert Level 2 & 3 Lockdown.
- The Fund paid the last tranche to IFC BSP shares for additional investment at the value of USD2.5million. The additional investment enhances the investment portfolio diversification and to generate favorable returns to its members.

SUMMARY OF ANALYSIS OF PUBLIC BENEFICIAL BODIES PERFORMANCES FOR APRIL-JUNE 2022 (YTD)

1. Accident Compensation Corporation (ACC)

- ACC signed an MOU with MCIL on sharing work accident reports.
- The Corporation received an Appreciation Award from ILO for recognition of ACC's affiliation to the elimination of child labour campaign.
- Joint Community Safety Awareness Programmes coordinated by MCIL, SFESA and MWCSO to business organisations, village communities and district councils.
- LTA, MOF and ACC campaign for installation of speed cameras is still underway.
- Consultations with MWTI and World Bank on the development of a National Crash (accident) Database were carried out during the quarter under review.
- Compensations increased by 23%, as payments increased for victims within its workers (223%), conveyances (130%) and death benefits (33%). Thus although claims decreased, the severity of injuries is significantly worse than Q3. At quarter end, only 16% of member's total levy was used for compensations within FY2022.

2. Gambling Control Authority (GCA)

- GCA reported its fourth jackpot winner for this FY, a winning amount of \$178,377.
- Casino revenue for the reviewed quarter has decreased by 55% compared to the previous. It has also decreased by 74% compared to the Apr-Jun 2021 quarter. YTD casino revenue of \$83,346 has also decreased by 61% compared to 2021. The bans on gambling games for the COVID19 pandemic as well as the closure of our borders for international gamblers have contributed to the trend.
- There were no donations reported by the Authority as part of its commitment to the society for the second consecutive quarter.
- Revenue from licenses is below last quarter by 7% and is recorded as the lowest licenses revenue in FY22.
- Ticket sales increased by 40% as there were increases in all its components: game (41%), bonus (39%), pull tabs (281%) and commissions by 43%. This result ended a decreasing trend which followed an all-time high shown in Apr-Jun 2021 to date.
- Payout is relatively similar to ticket sales above, reporting an increase of 20% compared to Jan-Mar 2022 quarter. It is however 38% lower compared to its equivalent in 2021. The increase in Jan-Mar is due to new expenses on its software in use and payment for coupons.

3. Land Transport Authority (LTA)

- The design and supervision services for the upgrading of drainage within the Apia CBD have been completed.

- The construction of drainage upgrades and roadworks site 16 (Falealii Stree) have also been completed.
- The Authority welcomed a new member of its Board of Directors, Ms Palanitina Toelupe during the reviewed quarter.
- There were no new road constructions recorded for the quarter. Most of the continuous works are mainly for maintenance of road and drainage network.
- The number of lawn mowing contractors continues to remain at 24.
- The Authority recorded a Surplus of \$69,428 compared to a budget deficit and amounted to YTD surplus of \$1.5million.

4. National Kidney Foundation of Samoa (NKFS)

- The Foundation has reported 183 dialysis patients for the reviewed quarter. This is an increase from 178 patients in Jan-Mar 2022. It is also reported that 17 new patients have started dialysis while 10 have passed away. The number of dialysis patients is increasing continuously compared to past year which will call for more resources for the Foundation to ensure it can cater for all dialysis patients.
- No community outreaches performed during the quarter mainly due to the SOE restrictions for the COVID10 pandemic. There were also no visiting medical specialists since the enforcement of the SOE.
- Total screenings decreased by 74% compared to last quarter due to the lockdown. 2 people were referred for follow ups.
- Secondary treatments also decreased by 25%, between the new cases (registrations with Renal Clinic) and Clinical consultations, the latter dominated the decrease (24%).

5. National University of Samoa (NUS)

- Remote Teaching & Learning using Moodle, Zoom, NUSTV and social media continued during this quarter. As a result, more than 100 courses were converted from examinable courses to 100% coursework.
- NUS continues to seek scholarship opportunities for students as most parents' ability to pay tuition fees has been critically affected by recent nationwide lockdowns.
- The construction of the NUSSA building and the testing & commissioning of the newly installed generator for the CSS building and Fale Samoa projects were delayed/on hold due to the lockdowns and the availability of workers.
- The University opened a Health Clinic on-campus with a full-time nurse and rostered doctor for students and staff on weekdays. This was a much needed initiative considering the impact of COVID19 on health and academic status of NUS staff & students.
- NUS Vice Chancellor and the USP Vice Chancellor established a partnership to discuss the universities' collaboration on agricultural programmes with the aim to build the local workforce capacity and wealth in the agricultural sector.
- A total of 9 Research Proposals were submitted by NUS staff requesting UREC Funding (8 approved and 1 on-hold) and only 2 submissions were made by Non-UREC or External institutions. There were 2 UREC-approved projects (1 local, 1 international), and the international collaborations by Faculty were: 6 projects by FOA, 5 by FOHS, 6 by FOS and 9 by CSS.
- In terms of publications for this reporting quarter: 4 were recorded by FOA, 1 by FOBE, 1 by FOS and 1 by CSS.

6. Samoa Fire and Emergency Services Authority (SFESA)

- SFESA's Operations Department recorded a decrease in its overall response services for all categories (incl. Fire, Ambulance, Emergency) where the Emergency Medical Response (EMR) category continues to show the highest number of incidents.

- Scheduled tasks by the Fire Safety & Prevention Department increased by 56% compared to last quarter as a result of increase in number of awareness programs rolled out to the vulnerable communities.
- A total of 178 staff was reported at this quarter end; an increase from 176 in the previous which explains the 60% increase in Salary expense during the COVID special operations.
- The Board of Directors held 3 scheduled meetings and 2 special meetings during the quarter.

7. Samoa Qualifications Authority (SQA)

- SQA Board and Management conducted a courtesy visit to all formal PSET providers.
- Approval of its PSET Statistical bulletin and self-review report approved by the Asia Pacific Quality Register council and is now registered as an internationally recognized quality assurance agency.
- Draft reports have been prepared following a virtual site visits to the NUS to accredit 6 apprenticeship programmes on Workplace Assessment Components, all classified as Samoa Certificates: Automotive, Welding, Electrical engineering, Refrigeration & Air conditioning, Fitting and machining and Carpentry.
- The Authority conducted a stakeholder validation consultation on the Draft Samoa Qualifications and National Competency Standards for Plumbing (Samoa Certificated level I and II).
- There was another stakeholder consultation on Situational Analysis to inform the review of the Samoa Qualifications and National Competency Standards in Trade Areas.
- A sector research for the nine TVET Trainers was conducted as part of a situational analysis of the challenges and benefits of the participation/achievement of TVET student in skill trades.
- Partnership renewal with the APTC and NUS, whilst also conducting a training of Administrators and Screening session of its Online Portal.
- There were COVID assistance with APTC to refurbish 5 PSETs and providing new computer sets with online meetings equipments.

8. Scientific Research Organization of Samoa (SROS)

- SROS' Commercial Division and the Nafanua Pure Products Company Limited have been working together with our local farmers to ensure a reliable supply of our local produce.
- The Agriculture Research Division has been actively responding to emerging pest and disease threat to horticulture. Surveillance continued on both Savaii and Upolu for the citrus greening disease.
- SROS continued to provide ongoing research with the primary aim of adding value to our local resources and services as well as developing functional prototypes of products and processes.
- The Organisation also continued its Bottled Water Company monitoring program for MOH as well as the analysis of the narcotics or controlled drugs to assist the Ministry of Police, the Attorney General's Office and the Ministry of Justice.
- A project proposal was submitted to the ACIAR Alumni Research Support Facility Round 3 to continue research in taro postharvest, to address issues identified and highlighted in the recently completed PHAMA Plus taro project.

9. Samoa Sports Facilities Authority (SSFA)

- Even with the increased utilization of sports facilities this quarter compared to the previous, SSFA was able to control Maintenance costs within 72% of budget and 30% of that of the last quarter. As a result, only 4% of Government grant and 4% of Depreciation represent maintenance this quarter, indicating lower levels of output risks.
- The Sports facilities were utilized for the following events:
 - Netball club trainings by Netball Samoa and Indoor trainings for Badminton both held in the Multipurpose Gym

- Rugby 7s Tournament by the Marist Sports Club at the Apia Park Stadium
 - Domestic League for the Samoa Table Tennis in Gym 1
 - Club Competition & Master League by the Samoa Basketball Association and a National League by the Samoa Volleyball Association both held in Gym 2.
- It is worthy of remark that Quarterly Revenue has peaked exceedingly above budget by 55% this quarter mainly due to respective increases in Government grant and Sundry incomes by 88% and 100%. This has aggregated YTD Revenue of \$5.9million.

10. Samoa Tourism Authority (STA)

- Targeted promotions, albeit scaled, in selected international markets were implemented during the quarter. These were mostly in digital format as well as public relations to generate earned media opportunities highlighting the destination.
- The Authority during the quarter provided sponsorship to the SASNOC in support of the Samoa team competing at the Commonwealth Games Birmingham 2022 in efforts to further create awareness of the interest in Samoa.
- The Employment Survey fieldwork conducted by the Research and Statistics Division was completed during the quarter, and the team is now working on the final Report.
- STA in partnership with SHHA has been providing a central market place for the Tourism and Hospitality businesses for revenue generation. Market day has been happening every month of the quarter with the biggest and most popular market being the 60th Independence Anniversary market and Fuifatu.

PUBLIC TRADING BODIES' PERFORMANCE (YTD³ April-June 2022)

PUBLIC TRADING BODIES		Revenues			Expenses			NPAT ¹			ROE	
		Actual	Budget	Var ²	Actual	Budget	Var	Actual	Budget	Var	Actual	Budget
1	Development Bank of Samoa	5.61	4.76	18%	8.11	9.53	-15%	-2.64	-4.77	-45%	-4.07%	-7.98%
2	Electric Power Corporation	119.26	135.99	-12%	145.91	135.78	7%	-26.66	0.21	-12552%	-8.66%	0.07%
3	Polynesian Airlines Limited											
4	Public Trust Office	1.06	1.38	-23%	1.10	1.41	-22%	-0.05	-0.04	29%	-0.85%	-0.64%
5	Samoa Airport Authority	9.60	8.60	12%	19.93	19.35	3%	-10.32	-10.75	-4%	-29.44%	0.00%
6	Samoa International Finance Authority	26.76	25.27	6%	8.99	10.92	-18%	17.77	14.35	24%	19.34%	16.99%
7	Samoa Housing Corporation	9.31	8.24	13%	6.70	6.38	5%	2.62	1.86	41%	6.78%	5.03%
8	Samoa Land Corporation	11.88	11.51	3%	7.50	9.08	-17%	3.20	1.77	80%	6.37%	4.13%
9	Samoa Post Limited	4.50	4.42	2%	3.09	4.03	-23%	1.03	0.28	262%	22.04%	6.83%
10	Samoa Ports Authority	6.61	5.98	10%	3.14	3.18	-1%	3.46	2.79	24%	2.1%	1.6%
11	Samoa Shipping Corporation	20.94	21.35	-2%	22.11	20.83	6%	-0.84	0.38	-322%	-2.00%	0.88%
12	Samoa Shipping Services	2.32	0.80	191%	2.22	1.55	43%	0.10	-0.75	-114%	20.38%	-97.57%
13	Samoa Trust Estate Corporation	0.00	0.00	0%	0.00	0.00		0.00	0.00	0%	0.00%	0.00%
14	Samoa Water Authority	29.30	30.17	-3%	30.50	32.06	-5%	-1.21	-1.89	-36%	-1.85%	-2.96%
15	Unit Trust of Samoa (Management) Ltd	2.34	2.26	3%	1.90	1.96	-3%	0.44	0.31	44%	12.95%	9.75%
	Total	242.88	254.75	-5%	258.06	252.88	2%	-16.55	0.96	1816.88%	-2.33%	0.14%

Key:

 Outstanding April-June2022

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 April - June 2022)

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	14.30	9.28	54%	10.64	11.82	-10%	3.36	-2.90	216%
2	Samoa National Provident Fund	102.84	66.17	55%	9.43	12.24	-23%	93.41	53.93	73%
	TOTAL	117.14	75.45	55%	20.07	24.06	-17%	96.77	51.03	90%
	<u>PUBLIC BENEFICIAL BODIES</u>									
1	National Kidney Foundation of Samoa	8.87	8.95	-1%	9.25	8.91	4%	-0.39	0.04	-1052%
2	National University of Samoa	34.89	33.14	5%	31.07	32.22	-4%	3.82	0.92	315%
3	Samoa Fire and Emergency Service Authority	11.70	11.33	3%	9.77	11.14	-12%	1.93	0.19	937%
4	Samoa Qualifications Authority	5.46	3.31	65%	5.44	3.31	64%	0.02	0.00	615%
5	Scientific Research Organization of Samoa	6.72	2.70	149%	5.95	2.42	146%	0.77	0.28	176%
6	Samoa Sports Facilities Authority	5.86	4.19	40%	5.35	4.90	9%	0.51	-0.71	171%
7	Samoa Tourism Authority	13.18	16.10	-18%	7.72	16.33	-53%	5.46	-0.23	2526%
8	Gambling Control Authority	8.04	8.17	-2%	8.34	8.43	-1%	-0.21	0.00	-
9	Land Transport Authority	47.27	47.05	0%	45.72	47.78	-4%	1.55	-0.73	313%
10	Accident Compensation Corporation	21.56	22.00	-2%	7.36	6.12	20%	14.20	15.88	-11%
	TOTAL	163.54	156.94	4%	135.97	141.56	-4%	27.67	15.65	77%

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