

PEPA FAAOPOPO E:

PUBLIC BODIES PERFORMANCE REPORT

APRIL - JUNE 2017 YTD

**Ministry for Public Enterprises
October 2017**

BACKGROUND

There are 28 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 50% 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.

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 2017 for information of the public.

PUBLIC TRADING BODIES' PERFORMANCE (YTD³ April-June 2017)

	PUBLIC TRADING BODIES	Revenues			Expenses			NPAT		
		Actual	Budget	Var	Actual	Budget	Var	Actual	Budget	Var
		1	Development Bank of Samoa	11.70	11.49	2%	11.9	11.92	0.0%	0.07
2	Electric Power Corporation	118.4	110.6	7%	131.5	122.3	7%	-13.00	-11.72	11%
3	Gambling Control Authority	1.04	0.56	85%	0.3	0.30	17%	0.69	0.27	159%
4	Land Transport Authority	34.06	31.93	7%	34.1	31.93	7%	-0.02	0.00	-
5	Polynesian Airlines Limited	21.61	21.86	-1%	18.2	18.87	-4%	3.41	2.99	14%
6	Public Trust Office	0.97	0.73	33%	1.2	1.35	-9%	-0.25	-0.62	-59%
7	Samoa Airport Authority	15.63	14.67	7%	15.4	19.69	-22%	0.18	-0.02	-
8	Samoa Housing Corporation	6.48	6.64	-2%	4.0	4.62	-14%	2.49	2.02	24%
9	Samoa International Finance Authority	27.75	30.18	-8%	9.7	11.02	-12%	18.03	19.16	-6%
10	Samoa Land Corporation	7.62	7.59	0%	5.5	5.46	0%	1.58	1.55	2%
11	Samoa Post Limited	2.53	2.19	15%	1.6	1.77	-7%	0.64	0.31	110%
12	Samoa Ports Authority	17.00	16.30	4%	13.1	11.94	9%	3.94	4.37	-10%
13	Samoa Shipping Corporation	25.47	27.59	-8%	21.4	23.77	-10%	4.03	2.79	45%
14	Samoa Shipping Services	2.72	2.40	14%	2.5	2.61	-5%	0.24	-0.21	-213%
15	Samoa Trust Estate Corporation	0.38	0.16	0%	1.1	0.54	0%	-0.69	-0.38	0%
16	Samoa Water Authority	25.87	24.89	4%	23.3	27.83	-16%	2.57	-2.94	-187%
17	Unit Trust of Samoa (Management) Ltd	1.47	1.27	16%	1.1	1.02	4%	0.41	0.25	65%
	Total	320.7	311.0	3%	295.9	297.0	-0.4%	24.33	17.49	39%

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.

**SUMMARY OF ANALYSIS OF PUBLIC TRADING BODIES PERFORMANCES FOR
APRIL - JUNE 2017 (YTD)**

1. Development Bank of Samoa (DBS)

- A total of 400 loan applications valued at \$3.1 million were approved during the quarter. Of this amount, 45% represents Industry, 34% to Agriculture, 20% to Inclusive Development and 1% to Fishing. The slight decrease in approval from \$3.6 million in the previous quarter is mainly due to the decrease in the Agriculture sector loan approvals by 33%.
- The total loan portfolio recorded as at 30th June amounts to \$155million, a reduction from \$156 million in the previous quarter, and is also below budgeted amount of \$158.5 million. The reduction is due to settlement of some major accounts during the quarter.
- YTD NPAT of \$71,318 exceeded budgeted loss by 123% mainly due to interest income, interest on fixed deposits, gain on translation and other income which exceeded budget by 0.7%, 105%, 100% and 49% respectively.

2. Electric Power Corporation (EPC)

- The Corporation has completed the rehabilitation of Alaoa Hydro Plant which is in operation with full capacity.
- The Corporation has also completed the installation of Fiaga water pumping system for pumping of water into Fiaga plant water tanks.
- Although YTD NPAT is positive, it is below budget by 61% as a result of the net loss recorded for the fourth quarter.
- YTD adjusted net loss of \$13m was calculated for the quarter after accounting for related debt servicing and capital expenditure as per FK(10)33.

3. Gambling Control Authority (GCA)

- The Authority recorded a NPAT of \$70,916 in the fourth quarter leading to a YTD NPAT of \$689,101.
- The Authority conducted public consultation with various Stakeholders and Government Ministries on their "Gaming Control Bill 2017". This Bill is expected to be tabled in Parliament before the end of this year.

4. Land Transport Authority (LTA)

- The Authority continued its awareness programs to further inform the public on various road rules and regulations.
- The number of drivers licenses registered during the quarter has reduced by 30%. Number of vehicles registered also decreased by 9% compared to previous quarter.
- Total government contribution received by the Authority as of 30th June 2017 is \$18,307,054. LTA recorded a YTD loss of \$17,992 following adjustments made in previous quarters.

5. Polynesian Airlines (PAL)

- The company recorded a YTD NPAT of \$3.4m which is 14% above YTD budget.
- The number of passengers carried during the quarter has increased by 6% compared to the previous quarter. Number of flights also increased by 2% in comparison with the last quarter.

6. Public Trust Office (PTO)

- The Office commissioned eight (8) new estates files during the quarter.
- Liquidity position is high as the Office have a substantial amount of short term investment at UTOS.

7. Samoa Airport Authority (SAA)

- Passenger movement has increased to 78,812 in this quarter from 76,676 reported in the last quarter due to the increase in arrivals by 14%.
- Approximately 75% of the overall terminal project has been completed and is expected to be completed in February 2018.
- The foundation of the new Mechanical Workshop has been laid and construction is anticipated to be completed within 3 months.

8. Samoa International Finance Authority (SIFA)

- A total of 1,199 new Incorporated Companies were recorded with 173 companies renewed their registration during the quarter.
- SIFA continued to pursue efforts to ensure its targets and strategies in their strategic Plan are achieved taken into account challenges associated with transparency and exchange of information, effective monitoring of risks, money laundering and terrorist financing.

9. Samoa Housing Corporation (SHC)

- New loan approval of 338 valued at \$6.5 million were approved during the quarter. The increase in new loans approvals by 228% from 103 in the last quarter to 338 is mainly due to the time period that the Corporation normally opens their lending to customers in the current financial year, leading to an increased portfolio from \$44.5 million last quarter to \$45.5 million in value as at 30th June 2017.

10. Samoa Land Corporation (SLC)

- The Corporation expected a boost in revenue in upcoming quarters after several new leasing agreements made this quarter, mainly from Amei Samoa Company which is in its final stages of establishment at Vaitele Market with income already earned from rental charges since May 2017. Additional lease arrangement underway, involving the Malifa Lodge and Tuanaimato 3-storey building.
- Quarterly NPAT recorded is \$672,140 leading to YTD NPAT of \$1.6 million, exceeding budget by 2%. Cash flow balance stands at \$1.9 million at the end of June 2017, exceeding budgeted cash flow by 390%.

11. Samoa Post Limited (SPL)

- The significant increase in revenue recorded was driven by 64% increase in postal revenue and 97% growth in other revenues.
- The company recorded a YTD net profit after tax of \$643,357 which is above YTD budget of \$306,161.

12. Samoa Ports Authority (SPA)

- Total number of vessels has increased to 125 in current quarter compared to 116 that was recorded in the previous quarter.

- Major works for piling pipes storage area and removal and installation of fenders were completed on the 21st April and 16th May 2017 respectively.
- The Authority continued to carry out its major works for safety running of their port operations.
- Completion of removal and installation of fenders by PPG Engineering Company Ltd and reconstruction works for road and car park by Ott Constructions.
- Ongoing upgrading facility for transfer of electrical wires to new switch board which aims to be completed in August 2017.

13. Samoa Shipping Corporation (SSC)

- The corporation in ensuring safety of its vessels operations has completed repairs and maintenance of Fotu o Samoa II.
- SSC recorded a net profit after tax of \$964,331 in the last quarter of the financial year resulting in the YTD NPAT of \$4,032,786 for the financial year ending 30th June 2017.

14. Samoa Shipping Services (SSS)

- The company continued its negotiations with Matson, Neptune, SWIRE and Apia Deep Seas Fishing Company Ltd for further employment opportunities for local seafarers.
- The total number of seafarers working on foreign vessels has increased from 237 in the last quarter to 246 in the current quarter.

15. Samoa Trust Estates Corporation (STEC)

- The Corporation has achieved its target of one twenty foot (1 x 20') dry container export of dehusk coconuts a fortnight, earning 79% of total sales during the quarter.
- STEC continued to face financial instability with current operation financed by overdraft.

16. Samoa Water Authority (SWA)

- The extension of treated scheme for Vailele phase 2 has completed. Tanumalala prison submain installation has also completed during the quarter.
- The Aleisa water treatment plant is fully commissioned and online, supply coverage extends from Aleisa to part of Faleasiu Uta covering Leauvaa Uta, Tuanai Uta and Afega Uta. All customers in these areas now receive treated water supply.
- All supplementary boreholes from Iva to Puapua have been equipped with chlorination facilities including Safotu BH system.
- Continuous improvement in collection activities and overall management of funds has resulted in a YTD net profit of \$2.5m.
- Collection from customers has improved with value recorded as at 30th June 2017 amounts at \$16.5m.

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

- The management company has achieved an annualized ROE of 24% for the quarter which is above the required ROE per annum.
- Total units repurchased valued at \$1,043,665 has increased compared to \$0.68million recorded in the last quarter.
- Number of new unit holders has increased by 2.4% compare to last quarter.

ANNEX 1: MUTUAL AND BENEFICIAL BODIES PERFORMANCE (YTD³ April-June 2017)

	Mutual and Beneficial Bodies	REVENUES			EXPENSES			NPAT		
		Actual	Budget	Var	Actual	Budget	Var	Actual	Budget	Var
	Mutual Societies									
1	Accident Compensation Corporation	18.60	17.32	7%	4.75	6.01	-21%	13.8	11.31	22%
2	Samoa Life Assurance Corporation	11.91	10.70	11.3%	9.54	9.10	5%	2.37	1.60	48%
3	Samoa National Provident Fund	48.64	47.16	3%	8.51	11.29	-25%	40.1	35.87	12%
	TOTAL	79.15	75.18	5%	22.79	26.40	-14%	56.3	48.78	16%
	PUBLIC BENEFICIAL BODIES									
1	National Health Services of Samoa	84.68	88.35	0%	88.35	67.49	0%	-3.67	4.26	0%
2	National Kidney Foundation of Samoa	6.94	6.84	1%	6.84	6.81	0%	0.10	0.18	-43%
3	National University of Samoa	22.51	23.55	-4%	23.55	25.95	-9%	-1.04	-3.66	-72%
4	Samoa Qualifications Authority	5.92	5.65	5%	5.65	6.18	-9%	0.27	-0.17	-258%
5	Scientific Research Organization of Samoa	4.28	4.16	3%	4.16	2.82	48%	0.12	0.62	-80%
6	Samoa Sports Facilities Authority	4.45	5.32	-16%	5.32	4.67	14%	-0.87	-0.75	17%
7	Samoa Fire and Emergency Service	4.54	4.21	8%	4.21	4.56	-8%	0.33	0.03	959%
8	Samoa Tourism Authority	9.68	8.14	19%	8.14	8.65	-6%	1.54	0.68	127%
	TOTAL	142.9	146.2	-2%	146.2	127.1	15%	-3.22	1.18	-371%

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