

PEPA FAAOPOOPO E:

PUBLIC BODIES PERFORMANCE REPORT

October – December 2018 YTD

Ministry for Public Enterprises

March 2019

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 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 2018 for information of the public.

PUBLIC TRADING BODIES' PERFORMANCE (YTD³Oct- Dec 2018)

PUBLIC TRADING BODIES		Revenues			Expenses			NPAT ¹		
		Actual	Budget	Var ²	Actual	Budget	Var	Actual	Budget	Var
1	Development Bank of Samoa	3.79	5.11	-26%	5.04	5.79	-12.9%	-0.93	-0.51	-82%
2	Electric Power Corporation	62.42	63.76	-2%	63.05	59.30	6%	-0.63	4.46	-114%
3	Gambling Control Authority	1.64	0.00	-	0.70	-	-	0.94	-	-
4	Land Transport Authority	21.55	19.63	10%	17.11	18.51	-8%	4.44	1.12	296%
5	Polynesian Airlines Limited	49.89	51.99	-4%	54.70	49.28	11%	-4.81	2.70	-278%
6	Public Trust Office	0.42	0.31	35%	0.56	0.64	-12%	-0.14	-0.33	-57%
7	Samoa Airport Authority	12.58	12.45	1%	11.09	11.31	-2%	1.49	1.14	31%
8	Samoa Housing Corporation	3.65	3.69	-1%	2.23	3.01	-26%	1.42	0.68	110%
9	Samoa Land Corporation	5.37	4.21	28%	2.82	3.33	-15%	1.86	0.64	189%
10	Samoa Post Limited	1.03	1.12	-8%	0.76	0.90	-15%	0.19	0.16	21%
11	Samoa Ports Authority	10.00	9.28	8%	5.57	7.58	-27%	4.44	1.70	161%
12	Samoa Shipping Corporation	11.97	12.06	-1%	10.77	11.14	-3%	0.88	0.66	33%
13	Samoa Shipping Services	1.34	1.12	19%	1.49	1.37	8%	-0.15	-0.25	-40%
14	Samoa Trust Estate Corporation	0.00	0.00	0%	-	-	0%	0.00	0.00	0%
15	Samoa Water Authority	13.03	13.41	-3%	12.64	14.46	-13%	0.39	-1.05	-137%
16	Unit Trust of Samoa (Management) Ltd	0.90	0.82	10%	0.71	0.72	0%	0.18	0.10	79%
	Total	199.59	198.95	0%	189.2	187.3	1.0%	10.51	11.23	-6%

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 OCTOBER- DECEMBER 2018 (YTD)

1. Development Bank of Samoa (DBS)

- DBS recorded an YTD net loss of \$930,330.
- A total of 78 applications valued at \$985,324 were approved during the quarter. Of this amount, 82% represent Agriculture, 15% to Industry and 3% to Fishing. The significant decrease in approval from \$1.4m in the previous quarter is mainly due to the decrease in the Agriculture sector loan approvals.
- The total loan portfolio recorded as at 31st December 2018 amounts to \$149m, which is below the budgeted amount of \$151.8million.

2. Electric Power Corporation (EPC)

- New Small Hydro plants at Fausaga-Tafitoala and Vailoa Palauli have been completed.
- Additional 1.5MW solar at Faleolo Airport by Sun Pacific has been completed.
- The Corporation continued its operations during this quarter to ensure a reliable and sustainable electricity supply for consumers. These operational projects include generated electricity to each area of Savaii and Upolu as well as improving Debt Collection efficiency.

3. Gambling Control Authority (GCA)

- The authority recorded a net profit after tax of \$529,034 in this quarter.
- License fees collected for the current quarter is summed up to \$526,658, which is 52% of the total income.

4. Land Transport Authority (LTA)

- YTD NPAT for the Authority amounts to \$4,435,776 for quarter ending 31st December 2018.
- New parking meters from the NPF Plaza to ANZ Beach Road became effective on the 6th November 2018. This initiative serves as another income avenue for the Authority.
- World Bank approved infrastructure projects proposed by the Authority which amounted to \$6,033,857.55.

5. Polynesian Airlines (PAL)

- Other Operation generated a profit of \$1,455,954 where as Jet Operation experienced a loss of (\$6,640,178) which leads to YTD Net Loss for the Airline of (\$4,805,440). This is due to an increase in spending for the Jet operation.
- Aircraft fuel expense is above budget by 6% for this quarter.

6. Public Trust Office (PTO)

- During the quarter, six (6) new wills were written and registered with the office while a total of eleven (11) new estates files were opened.
- Liquidity position is healthy as evident by its current ratio of 61:1 Cash at Bank stands at \$784,556 with investment at UTOS at \$7,151,880 as at 31st December 2018.

7. Samoa Airport Authority (SAA)

- The Authority recorded YTD NPAT of \$1,489,156 which is above budget of \$1,141,000.
- The negotiations with the Ti'avea land owners for compensation has been completed. Clearing and leveling of the land for the Tiavea Airport is in progress.

- Works for the new Aviation Security (AVSEC) screening room and the new hut to house the Air Traffic Controllers training Simulator at Faleolo Airport have been completed.

8. Samoa Housing Corporation (SHC)

- The Corporation generated YTD NPAT of \$1,423,974 which is 110% above budget.
- New loan approvals of 266 were approved during the quarter valued at a total of \$7.2m. Total portfolio as at 31st December 2018 amounts to \$51,529,054.

9. Samoa Land Corporation (SLC)

- YTD NPAT recorded is \$1,863,635. Current ratio stands at 14:1 with land debtors holding 39% of current assets. Cash balance stands at \$11.9m exceeding budgeted cash flow.
- Major collection for the Corporation is Real estate income which represents 78% of YTD Income.

10. Samoa Post Limited (SPL)

- SPL recorded YTD NPAT of \$191,290 which is 21% above budget leading to positive ROE and ROA.
- Dividend payment to Government of \$218,142.05 was made on the 19th December 2018.
- Samoa Post signs a contract with another E-Commerce company adding to their business clientele, in an effort for additional revenues from offshore business partnerships.

11. Samoa Ports Authority (SPA)

- The Authority maintained profitability as evident by its NPAT of \$2,659,776 for the quarter ending 31st December 2018 leading to YTD NPAT of \$4.4m which is 161% higher than the budgeted amount.
- SPA dividend payable for FY2017 amounts to \$3.4m and was agreed to be paid in installments of \$500,000 since July 2018. The dividend received by the Government amounts to \$3m as at 31st December 2018.
- The Authority continued its main focus for the Samoa Ports Improvement Project funded by ADB.
- 168 vessels were called into the Apia port during the quarter which shows an increase compared to 151 vessels in previous quarter.

12. Samoa Shipping Corporation (SSC)

- The increase in the number of visitors travelling between Upolu and Savaii for the festive season has resulted in SSC putting up additional trips using MV Samoa Express.
- A special survey for MV Lady Naomi for repair has been completed and a request has already been put through to the Government of Japan for her replacement.

13. Samoa Shipping Services (SSS)

- SSS Liquidity position as represented by its current ratio of 11:1 is high with cash at bank holding 46% of total current assets.

- The company has made an arrangement with SWIRE Shipping Company through its crewing agent alpha Pacific Navigation based in Fiji for the employment of Samoan seafarers on SWIRE cargo vessels.
- The number of seafarers currently employed with the Mediterranean Shipping Company (MSC) has increased from 349 in the last quarter to 359 in the current quarter.

14. Samoa Water Authority (SWA)

- The Saleaumua borehole was completed in October 2018.
- Gataivai RW System has completed and fully operational.
- Installation of submain works has been completed with 100m for Fataloa and Vaisaulu.
- Water quality results for all months of this quarter for their main Slow sand Water Treatment Plants 100% compliance with National Drinking Water standards.
- The mobile collection arrangement for rural areas has been extended to Savaii to make it easier for customers to pay bills on time.

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

- The Company's YTD NPAT of \$184,205 is well above estimated profits by 79%.
- Liquidity position remains healthy as represented by its current ratio of 11:1.

ANNEX 1: MUTUAL AND BENEFICIAL BODIES PERFORMANCE (YTD³ October – December 2018)

Mutual and Beneficial Bodies		REVENUES			EXPENSES			NPAT ¹		
		Actual	Budget	Var ²	Actual	Budget	Var	Actual	Budget	Var
	<u>Mutual Societies</u>	-								
1	Accident Compensation Corporation	10.70	10.52	2%	3.44	3.40	1%	7.27	7.12	2%
2	Samoa Life Assurance Corporation	5.79	6.00	-3.4%	4.71	5.64	-17%	0.94	0.24	297%
3	Samoa National Provident Fund	25.47	27.78	-8%	5.16	4.86	6%	20.31	22.92	-11%
	TOTAL	41.97	44.30	-5%	13.30	13.90	-4%	28.52	30.28	-6%
	<u>PUBLIC BENEFICIAL BODIES</u>									
1	National Health Services of Samoa	0.00	0.00	-	0.00	0.00	-	0.00	0.00	-
2	National Kidney Foundation of Samoa	3.52	3.50	1%	3.08	3.60	-14%	0.44	-0.10	-543%
3	National University of Samoa	11.08	11.45	-3%	12.64	12.64	0%	-1.56	-1.19	31%
4	Samoa International Finance Authority	27.30	22.99	19%	8.15	8.30	-2%	19.15	14.68	30%
5	Samoa Fire and Emergency Service Authority	3.48	3.43	1%	3.29	3.50	-6%	0.19	-0.06	-401%
6	Samoa Qualifications Authority	2.69	3.27	-18%	2.62	3.30	-21%	0.06	-0.03	-335%
7	Scientific Research Organization of Samoa	1.93	2.02	-4%	2.29	1.74	32%	-0.36	0.28	-227%
8	Samoa Sports Facilities Authority	1.99	2.09	-5%	2.51	2.50	1%	-0.52	-0.41	28%
9	Samoa Tourism Authority	6.46	6.56	-1%	6.11	6.35	-4%	0.35	0.21	68%
	TOTAL	142.38	143.90	-1%	67.29	69.71	-3%	74.79	73.95	1%

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