

PEPA FAAOPOOPO E:

PUBLIC BODIES PERFORMANCE REPORT

April-June 2019 YTD

Ministry for Public Enterprises

November 2019

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 31st March 2019 for information of the public.

PUBLIC TRADING BODIES' PERFORMANCE (YTD³Apr-June 2019 unaudited)

PUBLIC TRADING BODIES		Revenues			Expenses			NPAT			ROE	
		Actual	Budget	Var	Actual	Budget	Var	Actual	Budget	Var	Actual	Budget
1	Development Bank of Samoa	9.44	9.01	5%	10.10	11.34	-10.9%	(0.37)	(1.71)		-1.2%	-4.5%
2	Electric Power Corporation	128.06	126.04	2%	125.30	122.98	2%	2.76	3.06	-10%	1.0%	1.1%
3	Gambling Control Authority	1.72	1.61	-	1.12	1.51	-	0.60	0.11	-	22.0%	5.0%
4	Land Transport Authority	42.77	42.72	0%	40.06	42.72	-6%	2.71		#DIV/0!	82.5%	0.0%
5	Polynesian Airlines Limited	93.50	99.23		113.53	103.82		(20.03)	(4.59)		-1808.1%	-21.4%
6	Public Trust Office	1.51	0.62	142%	0.91	1.28	-29%	0.52	(0.65)	-179%	10.2%	-12.5%
7	Samoa Airport Authority	26.26	24.90	5%	22.52	22.62	0%	3.74	2.28	64%	6.7%	4.1%
8	Samoa Housing Corporation	7.75	7.38	5%	5.93	6.02	-2%	1.82	1.36	34%	5.4%	4.2%
9	Samoa Land Corporation	12.22	8.53	43%	5.74	7.24	-21%	4.73	0.94	403%	15.4%	3.0%
10	Samoa Post Limited	2.08	2.24	-7%	1.56	1.81	-14%	0.45	0.32	44%	14.2%	14.0%
11	Samoa Ports Authority	20.96	16.52	27%	12.06	11.03	9%	8.90	5.49	62%	6.0%	4.0%
12	Samoa Shipping Corporation	24.10	25.16	-4%	21.93	22.65	-3%	1.88	1.83	3%	5.2%	6.2%
13	Samoa Shipping Services	3.17	2.24	41%	3.06	2.78	10%	0.11	(0.53)	-121%	6.8%	-34.7%
14	Samoa Trust Estate Corporation	0.07	0.80	-91%	0.37	0.40	-7%	(0.30)	0.03	-1094%	-1%	0.06%
15	Samoa Water Authority	27.55	27	2%	0.37	(1.07)	-134%	0.37	(1.07)	-134%	228.5%	-471.3%
16	Unit Trust of Samoa (Management) Ltd	1.84	1.64	12%	0.38	0.21	84%	0.38	0.21	84%	16.6%	9.5%
	Total	403.00	395.56	2%	364.93	357.33	2.1%	8.65	7.05	23%	0.02	0.01

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 2019 (YTD)

1. Development Bank of Samoa (DBS)

- A total of 281 applications valued at \$5.4million were approved by the end of this fourth quarter, a significant increase compared to budget of \$1.57million and previous quarter approval of \$1.06million.
- Total collection received at quarter end was recorded at \$4.9million, exceeding budget of \$4.3million by 11%. Increase in collection is a result of recovery action taken by the bank over some large loan accounts through sale of assets.
- The total loan portfolio recorded as at 30th June 2019 amounts to \$145million, which is below budget by 1%.

2. Electric Power Corporation (EPC)

- Fuluasou new small hydro plant has completed generating equipment and construction of river wall.
- Construction of foundation and installation of new battery and bank & charger for Taelefaga Hydro 3rd 2MW generator are completed.
- New generator has arrived to replace alternator of genset 2 at Taelefaga hydro plant.
- The Board of Directors has approved the building of new hydro plant at Tiapapata from a fully funded project by the Corporation.

3. Land Transport Authority (LTA)

- The following infrastructure projects have been approved by the World Bank during the quarter and awarded as follows:
 - o Samusu (Box Culvert); King Construction 80% complete
 - o Si'unui Lifeline Access Road; Silva Transport 40% complete
 - o Aopo (Box Culvert); Apia Lua 40% complete
 - o Foailuga Linline Access Road; To be awarded \$1,205,615.00
 - o Vavau Lifeline Access Road; King Construction 30% complete
 - o Aleisa Laloanea Road- To be awarded \$750,987.55

4. Polynesian Airline Limited (PAL)

- Fuel costs remains to be the largest expense for the jet operations.
- A wet lease negotiation with Malindo Air is progressing well.

5. Public Trust Office (PTO)

- Ten (10) new wills were written and registered with the Office while two (2) old wills were amended.
- A total of eleven (11) new estates files were opened whilst ten (10) estates were closed during the quarter under review.

6. Samoa Airport Authority (SAA)

- The Apron work has been completed while the runway strengthening is underway and expected to complete in March 2020.
- The Terminal Project is completed for aerobridges which are well operated and were commissioned on the 28th May 2019.

7. Samoa Housing Corporation (SHC)

- Revenue recorded from interest on loans is \$1.6m which represents 76% of total quarterly revenue.

8. Samoa Land Corporation (SLC)

- The main source of income for the Corporation is sales on real estate of \$2,447,386 which accounts for 82% of total quarterly revenue.

9. Samoa Post Limited (SPL)

- Mail traffic has increased by 28% due to the increase in domestic mails from New Zealand quota postings by 121% as compared to last quarter.

10. Samoa Ports Authority (SPA)

- The ADB funded a development project for SPA. The completion of details for the detailed design and confirmation of the project scope of USD\$62.3m during the fact finding mission were the major project milestone achieved during the quarter.

11. Samoa Shipping Corporation (SSC)

- Cabinet has endorsed and approved the Dredging Project for the Mulifanua Port Channel. The contract has been finalized between the Government of Samoa through the Office of the Attorney General, SSC and Dutch Dredging NZ Ltd who will be carrying out the dredging project.

12. Samoa Shipping Services (SSS)

- Total Seafarers employed with the Mediterranean Shipping Company (MSC) has increased from 360 in the previous quarter to 367 in the current quarter.

13. Samoa Water Authority (SWA)

- Drilling works for Satapuala Borehole with a total depth of approximately 89.7m completed on the 23rd of May 2019.
- Water quality results for this quarter is 100% compliant with National Water standards.

14. Unit Trust of Samoa (UTOS)

- Voucher promotion for sales of units at a discounted price of \$1.57 per unit was extended to Savaii in the reporting period.
- UTOS is continuously exploring investment opportunities to improve its portfolio returns in the near future.

ANNEX 1: MUTUAL AND BENEFICIAL BODIES PERFORMANCE (YTD³ April-June 2019)

Mutual and Beneficial Bodies		REVENUES			EXPENSES			NPAT		
		Actual	Budget	Var	Actual	Budget	Var	Actual	Budget	Var
	<u>Mutual Societies</u>	-								
1	Accident Compensation Corporation	21.40	21.04	2%	6.78	6.79	0%	14.62	14.25	3%
2	Samoa Life Assurance Corporation	12.42	11.99	3.6%	12.35	11.28	10%	-0.48	0.24	-303%
3	Samoa National Provident Fund	60.94	55.57	10%	9.99	9.72	3%	50.95	45.84	11%
	TOTAL	94.77	88.60	7%	29.12	27.79	5%	65.10	60.33	8%
	<u>PUBLIC BENEFICIAL BODIES</u>									
1	National Kidney Foundation of Samoa	7.07	6.99	1%	6.96	7.19	-3%	0.11	-0.20	-156%
2	National University of Samoa	24.30	25.07	-3%	25.51	25.45	0%	-1.21	-0.38	219%
3	Samoa International Finance Authority	32.40	26.75	21%	8.89	11.57	-23%	23.51	15.18	55%
4	Samoa Fire and Emergency Service Authority	7.12	6.99	2%	6.51	7.04	-7%	0.60	-0.05	-1375%
5	Samoa Qualifications Authority	5.51	6.54	-16%	5.29	6.60	-20%	0.22	-0.05	-507%
6	Scientific Research Organization of Samoa	4.13	4.14	0%	4.57	4.55	0%	-0.44	-0.41	6%
7	Samoa Sports Facilities Authority	4.60	0.98	369%	5.07	1.17	335%	-0.48	-0.19	155%
8	Samoa Tourism Authority	12.20	13.11	-7%	13.49	10.32	31%	-1.29	2.79	-146%
	TOTAL	286.87	267.77	7%	134.53	129.47	4%	151.23	137.35	10%

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