

PEPA FAAOPOOPO E:

PUBLIC BODIES PERFORMANCE REPORT

April-June 2021 YTD

Ministry for Public Enterprises

November 2021

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 2021 for information of the public.

SUMMARY OF ANALYSIS OF PUBLIC TRADING BODIES PERFORMANCES FOR APRIL-JUNE 2021 (YTD)

1. Development Bank of Samoa (DBS)

- A total of 65 applications valued at \$1.3m were approved by the end of the quarter under review, a shortage by 25% when compared to budget of \$1.77m.
- Total collection received at quarter end was recorded at \$2.6m, a shortage of 10% when compared to budget of \$2.9m. The 70% of loan collection is received from MSMEs while 30% is from large loans.
- The total loan portfolio recorded as at 30th June 2021 amounts to \$140m, which is lower than budget by 0.7%.
- DBS recorded a net loss after tax of \$915,222 at the end of the fourth quarter mainly due to the reduction in interest income by 48% compared to budget leading to YTD net loss of \$3.28m.

2. Electric Power Corporation (EPC)

- Out of all electricity power sources, diesel continued to be the major contributor producing 55% electricity this quarter. Hydro plants and IPP Solar produced 32% and 11% respectively.
- The continuing of support to government for Covid-19 stimulus package (\$0.03sene decrease in tariff price paid by EPC) in the first two months (May and April 2021) of the current quarter has resulted to net loss of \$2.3m this quarter and YTD net loss of \$2.8m.

3. Public Trust Office (PTO)

- During the quarter, there were 4 new wills written and registered with the Office whilst two were amended.
- A total of 2 new estates files were opened whilst 3 estates were closed during the quarter under review.
- PTO achieved a Net Profit After Tax (NPAT) of \$338,131 at the end of the final quarter leading to YTD net profit of \$3,565.

4. Samoa Airport Authority (SAA)

- The Authority recorded a net loss after tax of \$2.4m following the continued impacts of global outbreak of Covid19 and the subsequent imposition of travel restrictions. YTD net loss aggregates to \$10.2m for FY2021.
- YTD ROE and ROA are both negative due to the net loss result stated above.

5. Samoa Housing Corporation (SHC)

- There were 293 new loans approved during the quarter valued at \$6,999,384.
- The Corporation recorded a net profit after tax of \$167,653 at the end of the quarter, leading to a YTD Net Profit after Tax of \$2,244,985.

6. Samoa International Finance Authority (SIFA)

- A total of 298 new companies were incorporated during the quarter.
- There were 86 companies renewed their registration in this quarter leading to \$28,694 registered companies who have renewed their registration at the end of the fourth quarter of this financial year.
- SIFA earned a Net Profit After Tax of \$8.3m in the reporting quarter leading to YTD net profit of \$21.8m which exceeded budget of \$15.7m by 38.5%.

7. Samoa Land Corporation (SLC)

- The Corporation achieved a Net Profit After Tax (NPAT) of \$1m at the end of the quarter leading to YTD net profit of \$3.6m.

- The liquidity position as represented by its current ratio of 14:1 is high and sufficient to cover short term obligation when fall due.

8. Samoa Post Limited (SPL)

- A co-location partnership of SPL's Saleilua and Fagamalo District Post Offices with Samoa Commercial Bank allowing SCB to provide full pledge banking services available for people in the area while SPL collects rent revenue in return.
- The Company recorded a Net Profit After Tax (NPAT) of \$33,497 during the quarter under review leading to an YTD NPAT of \$316,773.

9. Samoa Port Authority (SPA)

- The Authority sustained profitable results in the quarter under reviewed by achieving a Net Profit After Tax (NPAT) of \$3.7m leading to YTD NPAT of \$10.2m.

10. Samoa Shipping Corporation (SSC)

- The ageing MV Samoa Express has completed its maintenance and is required to be sold to the market within 1 year. The replacement vessel for MV Samoa Express namely MV Samoa Express 11 (Formerly Endurance 111) bought for SAT\$10.23m was arrived in late February and will be servicing the domestic route via transport of heavy-duty tow trucks and providing charter services for cargo and passengers to neighboring islands for profit.
- Following the increased revenue during the quarter, the Corporation achieved a quarterly Net Profit After Tax of \$235,020 leading to YTD NPAT of \$353,800.

11. Samoa Shipping Services (SSS)

- The total of 97 seafarers were employed with the Mediterranean Shipping Company (MSC) as of 30th June 2021, a 51% increased compared to last quarter.
- SSS recorded a Net Loss of \$84,588 for the current quarter leading to YTD Net loss of \$560,262. ROE and ROA are both negative to this effect.

12. Samoa Trust Estates Corporation (STEC)

- Despite the Covid lockdown, STEC managed to ship two (2) containers to New Zealand being its 7th and 8th containers since establishment of STEC Community Business Hub in New Zealand.
- Another breeding site of more than 10 acres land now fenced for cattle and sheep at Tausagi Mulifanua farm.

13. Samoa Water Authority (SWA)

- The Authority has completed the following new pipeline works for Savaii during the quarter;
 - 1.9km pipeline for Fataloa (new town in Salelologa)
 - 7km pipeline for Gataivai
 - 13.3km pipeline for Logoipulotu
 - 400m pipeline for Fogatuli.
- Boreholes with chlorination facilities were completed for Falelauniu and Fasitoo-tai.
- Chlorination installment for Falelauniu has also been completed and now in operation.
- SWA achieved 100% compliance for chlorinated systems during the quarter.
- Unchlorinated to Chlorinate water supply has completed for Vailele and Maagiagi.
- SWA recorded a Net Profit After Tax (NPAT) of \$777,027 for the reporting quarter with YTD NPAT amounts to \$731,469 following adjustments made within the four quarters of the financial year.

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

- An upgrade of the Unit Registry System Release 2.5.0 has been fully tested and rolled out on 14th May 2021.
- An online security system rating for UTOS has been carried out during the quarter which resulted in a total of 915 out of 950 as of 17th June 2021. This is a new high level of security ratings for the Company since establishment.
- UTOS achieved a NPAT of \$144,166 at the quarter ended 30th June 2021 leading to YTD NPAT of \$582,053 following the revenue and expenditure trends.

SUMMARY OF ANALYSIS OF MUTUAL BODIES PERFORMANCES FOR APRIL-JUNE 2021 (YTD)

1. Samoa Life Assurance Corporation (SLAC)

- SLAC recorded the lowest number of Surrendered policies this quarter at 64; a 43% decrease from that of the previous quarter.
- Newly registered policies increased by 33% as quarterly sales competitions amongst sales agents are ongoing.
- The productivity of investments to generate favorable returns has been an ongoing challenge for the Corporation since.
- Although a Net Loss after Tax (\$166,861) was recorded at quarter end, YTD profit of \$1.33million exceeds budget by 9%.

2. Samoa National Provident Fund (SNPF)

- The last phase of the members and employers contribution increase to 10% was effective in July 2021. However, the Fund has issued a notice that it will enforce compliance for the 10% contribution in January 2022.
- The SNPF Board approved an 8% dividend for the year ending 30th June 2021 at the total value of \$61.7million. 50% of the 8% to be paid in cash to members and the remaining 50% to be credited to members contribution accounts.
- The number of registered employers increased by 2% (31 employers) compared to the previous quarter, and this is mirrored by the increase in active members by 1% (463 members). Despite that, member contributions slightly decreased by 1%.
- Total withdrawals increased by 14% compared to the previous quarter mainly due to increase in retirement and members benefit payment.
- The Fund recorded an Operating Profit of \$44.8million above budget by 250%. This has contributed to the YTD profit of \$87.6million above budget by 71%.

SUMMARY OF ANALYSIS OF PUBLIC BENEFICIAL BODIES PERFORMANCES FOR JANUARY – MARCH 2021(YTD)

1. Accident Compensation Corporation (ACC)

- Fatalities decreased for motor vehicles, work-related and after-hours by 25%, 100%, 100% respectively.
- There were 23 talk shows and 13 safety promotion and scheme awareness with numerous advertising spots accorded by radio outlets to air its messages.
- Three staff attended a Crash Investigation training conducted by World Bank, whilst an internal training for biometric finger-print system was made by a Greenology company staff.
- Ongoing works include building of a new concrete fence at the Fugalei Market and replacement of a waste pipe line at the Food Court.

2. Gambling Control Authority (GCA)

- Given its only players are eligible members of the local community, the Casino's Gross Gaming Revenue is 78% lower compared to the corresponding quarter in FY20, which was stricken with heavy restrictions and declining economic activities. Impact on players has continued to date as per CBS finding of decreasing remittances (17%) and income per capita (10.6% compared respectively to Q321 and the 12 months prior).
- The Authority has paid out \$830,747 for its Jackpot draws to date, this accounts for 12% of its total payouts (direct costs) within the same duration. It indicates the growing popularity of its other lottery products (e.g. bingo, bonus), partly due to loosened restrictions in place, substituting for loss income from the Casino.
- Donation of \$5,000 was presented to the Little Sisters of the Poor.
- GCA made a loss regarding ticket sales against the level of payouts in the quarter totaling \$96,251 to end this financial year. This is exclusive of Casino revenue and commissions.

3. **Land Transport Authority (LTA)**

- Cabinet has approved in its FK(21)18 on the 5th May 2021 new road works in Upolu and Savaii:

Upolu:

- Reconstruction of Solosolo-uta Rd
- Reconstruction of Tufulele Rd
- Reconstruction of Pati Rd and Totomea Rd Nuu
- Reconstruction of Launiu Rd, Falelaunio to Aleisa
- Reconstruction of Apaula Street Lalovaea
- Reconstruction of Tuvao Gravel Road Satapuala
- Reconstruction of Sainamau Rd Moamoa
- Reconstruction of Manunu Rd
- Reconstruction of Vini Rd, Moataa-uta to Vini
- Reconstruction of Salesatele-tai Rd
- Reconstruction of Fusi Safata Rd

Savaii

- Upgrade of Nuualofa RD
- Upgrade of Vaega Satupaitea Rd
- Reconstruction of Sagone School Rd
- Upgrade of Falelima
- Reconstruction of Utuloa Rd Asau
- Upgrade of Tapueleele Rd
- Upgrade of Lalomalava Rd
- Construction of Malae Rd Faga

- Drainage works are also in progress for sites within Apia. This includes the upgrading of drainage lines and improving the road alignment along these road sections. Other drainage works include works along the Falealili Street starting from Beach road junction in front of the John Williams Building towards traffic lights in front of the Vodafone headquarters.

4. **National Kidney Foundation of Samoa (NKFS)**

- A total of 50 new patients have commenced dialysis to date, bringing its total permanent patients to 155, an increase of 15% (20 patients) over the last 12 months. Moreover, 26 deceased victims have been reported within the same period, this prompted a 4th shift to cover the escalating patient number, just 4 years after its 3rd shift was implemented.
- Three corporate outreach screening programmes were performed in the quarter along with its weekly education programmes.
- No medical specialist and team to visit due to ongoing COVID restrictions.
- Its only loss (\$641,186) for FY21 is reported in the reviewed quarter. Due to increasing salaries for its new shift and extra costs incurred on medical supplies for purchasing more than its usual quantities to offset delays in worldwide shipments caused by COVID.

5. **National University of Samoa (NUS)**

- The CEIT Graduation graduated a total of 22 students in April 2021. CEIT is administered through a joint venture between Samoa and India.
- The University has successfully utilized the NUS TV initiative to deliver and promote programmes and services for the information of the public.
- Carpentry students (under the Construction & Joinery Programme of the Faculty of Technical Education) are acknowledged for building 10 desk tables, distributed around the campus, to cater for the increasing number of students.
- The Peer2Peer “Soulful Weaver Fridays” and the Lifelong Learning Free Courses were two initiatives launched by the University to provide social support and fun educational activities, and to upgrade/upskill staff and students while we are still in the middle of the pandemic.
- 12 Yazaki Foundation Awards (including two PhDs) were launched this quarter, bringing the total number of Yazaki Awards to 1,646 scholarships.
- 4 Ethics & Research Funding Proposals were approved by the University Research & Ethics Committee (UREC).
- Research Submissions/Publications:
 - 2 Journal Articles published on the website
 - 11 Research Papers submitted to the Centre of Samoan Studies (CSS)
 - Faculty of Science published 4 publications with 2 being in-press for review.

6. Samoa Fire and Emergency Services Authority (SFESA)

- All Response services decreased compared to last quarter, except Ambulance response of 868 which is the highest number ever recorded by the Authority in a quarter.
- Fire Safety and Prevention Departments continued with following works during the quarter:
 - New, Follow-up, Dangerous Good, and PTF Inspections, Awareness and Prevention through Fire Warden Trainings, Fire Extinguisher Demonstration, Evacuation Drills, School Awareness, Community Disaster and Climate Risk Management (CDCRM), Media Advertisements, and Hot Works Permits
- Ongoing active involvement in the COVID19 operations does not go unnoticed.

7. Samoa Qualifications Authority (SQA)

- All 25 Formal PSET Providers Annual Registration for 2021 have been renewed. PSET statistical bulletin 2020 and a National Moderation Report approved by Board.
- Board and Management courtesy visit to PSET Provider were conducted within the 21st – 25th of June: to strengthen collaborating between SQA and Providers and also a way to express concerns by both parties.
- SQA held a refresher training on Recognition of Current Competency for the NUS: aiming at building capacity of PSET Provider concerning the processes and for the RCC to be implemented.
- There was another refresher training for 4 Providers on the Record of Achievement and an Awareness Workshop for all formal Provider on National External Moderation.

8. Scientific Research Organization of Samoa (SROS)

- SROS continues to maintain its international accreditation status for biological and chemical analysis.
- Successfully secured funding from the United Nations Development Program (UNDP) and United Nations Fund (UNICEF) for the purchase of molecular diagnostic equipments.
- The Organization has 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.
- SROS team has produced breadfruit flour to satisfy orders from clients (Gluten-free store NZ and Skyline) while awaiting the commercial operation to start. Research has been completed for banana flour, and this product can be added as another gluten-free flour option produced in Samoa.

- There is an ongoing work for sampling and testing the quality of ‘ava grown processed and sold in Samoa. This will confirm the quality of local ava varieties grown and also gauge the quality of powdered ava sold in the local market, and to highlight areas of improvement for the export market.
- SROS has also secured funding for the expansion of the solar energy battery to the second design or phase 2.

9. Samoa Sports Facilities Authority (SSFA)

- Maintenance cost has been contained within 57% of quarterly budget and is therefore equivalent to only 9% of Government grant and 5% of Depreciation. This indicates minimized risks on the Authorities Output during Apr-Jun 21 quarter.
- Having leased out the Western side of Gym 2 to the TV5 has largely increased revenue collection from Lease Agreements compared to the same quarter of FY 2020 and current budget.
- SSFA catered for the following events during this quarter:
 - Multipurpose Gym – Netball League by Netball Samoa
 - Apia Park Stadium – Rugby 7s Tournament by Marist Sports Club
 - Gym 1 – A domestic league by Samoa Badminton
 - Gym 2 – Club competition & Master League by Samoa Basketball Association
 - Gym 2 – National League by Samoa Volleyball Association

10. Samoa Tourism Authority (STA)

- Border continues to be closed due to the COVID-19 pandemic. Tourist operators are struggling to remain in operation with extreme cost cutting measures ranging from the inability to cope with banks arranged payment obligations, struggling cash flows, maintenance costs and operating on minimal staff to cover shifts.
- The production of the second season of the “Kuka – Taste of Beautiful Samoa” has been completed and will be released through Facebook, Instagram and Youtube. The food adventure features ready to eat foods and unique cooking experience with a strong Samoan feel and flavor.
- Preparations towards the “discussion” of a travel bubble between Samoa and New Zealand have led to the development of the *Samoa Travel Ready Toolkit framework*. The key components of the toolkit include: contact tracing, vaccine roll-out, operator training (inclusive of protocols), product maintenance and destination and product marketing.
- The COVID-19 contact tracing – Samoa Travel Tracer App has also been developed in collaboration with the Ministry of Health.

PUBLIC TRADING BODIES' PERFORMANCE (YTD³ April-June 2021)

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	6.17	9.07	-32%	7.09	7.87	-10%	- 3.29	1.02	-421%	-1.49%	1.84%
2	Electric Power Corporation	111.20	128.60	-14%	114.09	132.36	-14%	- 2.88	- 3.77	-23%	7.43%	7.22%
3	Polynesian Airlines Limited	3.84	17.50	-78%	9.76	16.80	-42%	- 5.92	0.70	-948%	27.14%	-3.28%
4	Public Trust Office	1.06	1.43	-26%	1.05	1.41	-25%	0.00	0.02	-84%	0.07%	0.46%
5	Samoa Airport Authority	9.36	8.46	11%	19.58	21.27	-8%	- 10.22	- 12.81	-20%	-21.73%	-26.03%
6	Samoa International Finance Authority	28.83	25.11	15%	7.00	9.35	- 25%	21.83	15.76	39%	22.67%	16.30%
7	Samoa Housing Corporation	8.63	8.26	4%	6.39	6.45	-1%	2.24	1.82	24%	6.09%	4.92%
8	Samoa Land Corporation	11.54	12.52	-8%	6.49	7.02	-8%	3.69	4.01	-8%	10.99%	12.80%
9	Samoa Post Limited	2.17	1.97	10%	1.80	1.66	8%	0.32	0.23	40%	9.31%	8.04%
10	Samoa Ports Authority	22.95	21.84	5%	12.71	13.50	-6%	10.24	8.35	23%	7.17%	1.83%
11	Samoa Shipping Corporation	20.88	20.75	1%	20.52	20.49	0%	0.35	0.26	34%	1.10%	0.84%
12	Samoa Shipping Services	1.61	0.81	99%	2.17	1.92	13%	- 0.56	- 1.11	-50%	-90.13%	-102.73%
13	Samoa Trust Estate Corporation	0.96	0.30	220%	4.63	4.87	0%	- 3.67	1.78	0%	-9.17%	-40.42%
14	Samoa Water Authority	32.13	32.33	-1%	31.39	31.78	-1%	0.73	0.55	32%	1.10%	0.83%
15	Unit Trust of Samoa (Management) Ltd	2.18	2.32	-6%	1.60	1.72	-7%	0.58	0.61	-4%	19.27%	23.95%
	Total	263.50	291.28	-10%	246.27	278.45	-12%	13.44	17.43	-23%	2%	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 (YTD April-June 2021)

Mutual and Beneficial Bodies		REVENUES			EXPENSES			NPAT		
		Actual	Budget	Var	Actual	Budget	Var	Actual	Budget	Var
	<u>Mutual Societies</u>	-								
1	Samoa Life Assurance Corporation	13.09	12.96	1.0%	11.49	11.48	0%	1.33	1.21	9%
2	Samoa National Provident Fund	98.87	62.63	58%	11.25	11.48	-2%	87.62	51.15	71%
	TOTAL	111.97	75.59	48%	22.74	22.97	-1%	88.95	52.37	70%
	<u>PUBLIC BENEFICIAL BODIES</u>									
1	National Kidney Foundation of Samoa	8.21	8.22	0%	8.05	8.21	-2%	0.16	0.01	2591%
2	National University of Samoa	30.69	27.78	11%	27.02	27.57	-2%	3.67	0.20	1726%
3	Samoa Fire and Emergency Service Authority	9.68	9.32	4%	8.60	9.44	-9%	1.08	-0.12	-1004%
4	Samoa Qualifications Authority	5.06	4.44	14%	4.86	4.44	10%	0.20	0.00	0%
5	Scientific Research Organization of Samoa	5.44	5.23	4%	5.72	5.54	3%	-0.27	-0.30	-10%
6	Samoa Sports Facilities Authority	4.66	4.18	12%	5.37	4.90	10%	-0.71	-0.72	-1%
7	Samoa Tourism Authority	14.14	13.94	2%	8.06	14.28	-44%	6.08	-0.35	-1845%
8	Gambling Control Authority	11.34	9.15	24%	9.70	8.81	10%	1.64	0.33	393%
9	Land Transport Authority	50.81	51.23	-1%	53.25	54.86	-3%	-2.44	-3.63	-33%
10	Accident Compensation Corporation	23.01	23.58	-2%	6.59	6.91	-5%	16.42	16.67	-2%
	TOTAL	163.06	157.05	4%	137.23	144.96	-5%	25.83	12.09	114%

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