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**PUBLIC BODIES PERFORMANCE REPORT**

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**July-September 2020 YTD**

**Ministry for Public Enterprises**

**March 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 30<sup>th</sup> September 2020 for information of the public.

## **SUMMARY OF ANALYSIS OF PUBLIC TRADING BODIES PERFORMANCES FOR JULY-SEPTEMBER 2020 (YTD)**

### **1. Development Bank of Samoa (DBS)**

- A total of 150 applications valued at \$1.67m were approved by the end of the quarter under review, a shortage by 3% when compared to budget of \$1.73million.
- Total loan portfolio recorded as at 30<sup>th</sup> September 2020 amounts to \$141million which is lower than budget by 3%.
- Total collection received at quarter end was recorded at \$3.17million, a shortage by 20% when compared to budget of \$4.64million. The reduction in collection is due to the Covid19 which slow business activity experienced by most clients and priorities.
- DBS recorded a net loss after tax of \$558,922 for the current quarter as a result of decreased collection by 20% compared to budget.

### **2. Electric Power Corporation (EPC)**

- Construction of rock walls for Taelofaga Stream and Retention Walls are completed and building security fences on both sides are on-going.
- EPC generated a NPAT of \$1.9m at the quarter ending which is above the projected NPAT of \$1.1m.

### **3. Polynesian Airline Limited (PAL)**

- Covid-19 restrictions continued to have a significant impact to PAL including;
  - No passengers allowed traveling as a result of entry restriction order in American Samoa.
  - No commercial flights for Boeing due to closure of borders and ban on international flights.
  - Staff on redundancy 85% on LWOP, 5% resigned since March 2020 and 10% of essential staffs is paid half (50%) of normal salary.
- The Airline continued to operate Charter flights in American Samoa which is providing work for twin otters and more importantly it will continue for the lockdown period.
- The PAL/Samoa Airways has recorded Net Loss of -\$2,028,465 for the first 3months of the current financial year.

### **4. Public Trust Office (PTO)**

- Eight (8) new estates files were opened whilst five (5) estates were closed during the quarter under review.
- Six (6) new wills were written and registered with four (4) old will amended.
- The office recorded a net loss after tax of \$135,592 for the quarter under review following revenue and expenditure trend.

### **5. Samoa Airport Authority (SAA)**

- Implementations of various contracts were procured in June 2020 and signed during the quarter. These contracts include Excavator, Thermal Cameras, CCTV, RFS Equipment & Uniforms, ATC Binoculars, Smart Boards and Sanitary Gates.
- Installations of new aerodrome ground aids, upgrade of power and communications equipment have been completed during the quarter.
- Clearing works for the additional 700 meter extension land has been completed for Tiavea Airport.
- Following revenue and expenditure trend, the Authority recorded a net loss of \$2,956,296 for the quarter ended 30<sup>th</sup> September 2020.

### **6. Samoa Housing Corporation (SHC)**

- Rental portfolio collection has increased by 3% compared to previous quarter.
- There were 291 total loans approved during the quarter valued \$7,410,500.

- The Corporation achieved a YTD NPAT of \$1,928,272 which is above budget by 2%.

#### **7. Samoa International Finance Authority (SIFA)**

- A total of 324 new companies were incorporated during the quarter.
- There were 2,389 companies renewed their registration in this quarter, exceeding the renewals (1,886) of the same period of the previous financial year by 26%.
- The Authority generated a NPAT of \$1.7m for the reporting quarter following increased quarterly revenue and decreased expenditure.

#### **8. Samoa Land Corporation (SLC)**

- The main source of income for SLC is real estate which consists 84% of total quarterly revenue.
- The Corporation achieved a Net Profit After Tax (NPAT) of \$869,361 for the reporting quarter, leading to positive ROE and ROA.

#### **9. Samoa Post Limited (SPL)**

- SPL has overpaid dividend of \$31,847.35 to the government due to difference amounts provided for Interim and Final Dividend calculations. This overpaid dividend will net off any future dividend obligation for the Company.
- Cash and other financial assets stand at \$5,402,515 as at 30<sup>th</sup> September 2020. Of this amount, \$4,626,921.36 is UTOS investment while \$775,594 is cash at bank.
- The company recorded a Net Profit After Tax (NPAT) of \$42,496 for the reporting quarter, leading to a positive ROE and ROA.

#### **10. Samoa Ports Authority (SPA)**

- The Authority has completed the Bidding process for the major component of Port Civil Works, the Tug Boat and X-ray scanner during the quarter.
- Following the revenue and expenditure trend, SPA recorded a NPAT of \$2.4m for the quarter ended. ROE and ROA are positive to this effect.

#### **11. Samoa Shipping Corporation (SSC)**

- The terminal upgrade works at Mulifanua & Salelologa have completed. These completed maintenances include installation of 32" television and 2 new foam cushion lounge sets, main gate at Mulifanua damaged, passenger waiting area and the potholes in Mulifanua car park.
- The replacement vessel for old MV Land Naomi designing phase has been completed.
- SSC recorded a NPAT of \$47,655 this quarter as result of increased revenue by 16% compared to budget.

#### **12. Samoa Shipping Services (SSS)**

- Total remittances from seafarer wages is approximated at SAT\$2.4million.
- Current ratio of 13:1 is sufficient to cover for the company's short term obligation when fall due. This is evident by positive cash flow of \$1,326,532 as at 30<sup>th</sup> September 2020.
- SSS recorded a Net Loss of \$88,207 for the current quarter leading to YTD NPAT of \$126,291 which is below budget by 44%.

#### **13. Samoa Water Authority (SWA)**

- Installation of the whole new system for the villages of Lotofaga, Aleisa East and Faleasiu were officially opened on the 2<sup>nd</sup> of July while Saleaumua, Vailele and Maagiagi villages were opened on the 13<sup>th</sup> August 2020.
- Installations for new sub mains were completed for the following areas,
  - Tafaigata Area (2km-63mm PE),
  - Toomatagi (200m)

- Salesatele Falealili (1km)
- Tufulele (3.5km)
- Siumu (4km)
- Lealaalii Faleasiu (1km)
- Completed network upgrades with distribution line grades for Palisi, Moamoa Fou, Toomatagi as well as the replacement works for main distribution line at Vaea Street.
- SWA generated a NPAT of \$132,456 at the quarter ending and above the budgeted net loss of \$351,130 following the revenue and expenditure trend.

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

- UTOS paid out its first \$2.9m interim dividend since establishment on the 4<sup>th</sup> May 2020, to all unit holders to assist families during Covid19 lockdown.
- YTD NPAT of \$478,240 is significantly exceeded budget by 101%.

## **SUMMARY OF ANALYSIS OF MUTUAL BODIES PERFORMANCES FOR JULY – SEPTEMBER 2020 (YTD)**

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

- There is a continued ineffectiveness of investments to generate favorable returns by reason of having no investment Policy in place.
- Death claims payout is recorded largest above budget, at 69%, for Jul-Sept 2020 quarter.
- Continuous efforts to minimize Surrendered policies led to a 10% decrease from last quarter and 1% decrease in surrender payout compared to budget
- NPAT is above budget by 72% as Quarterly Expenditure was successfully limited within budget by 13%.

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

- Part of the Fund's concessionary assistance package for the COVID19 pandemic includes the 20% early withdrawal of contributions for members in the Hospitality Sector who have lost employment due to the pandemic. This does not include members employed by Public Bodies such as the Samoa Airways and Samoa Airport Authority.
- SNPF purchase 10 acres of new land at Siusega for \$3.4million as an investment property. The first installment of \$1.7million has already been paid out with the final payment to be settled in the next quarter.
- 2% dividend payout in July 2020 as part of the 9.1% overall dividend for 2020.
- The Fund closed off this quarter with an Operating Profit of \$13.2million above budget by 4% and below that of the previous quarter by 27%.

## **SUMMARY OF ANALYSIS OF PUBLIC BENEFICIAL BODIES PERFORMANCES FOR JULY – SEPTEMBER 2020 (YTD)**

### **1. Accident Compensation Corporation (ACC)**

- ACC has been reclassified as a Public Beneficial Body.
- A total of 38 rehab patients have fully recovered: of which 34 have resumed their employment/studies.
- Workplace and community awareness cancelled in the previous quarter are now conducted in limited numbers.
- Fugalei Market Gutters project is 85% completed, delay is due to materials from overseas not being received yet.
- ACC closed off this quarter with a NPAT of \$3.84million which is below budget by 3%.

### **2. Gambling Control Authority (GCA)**

- GCA has been reclassified as a Public Beneficial Body.
- The Authority was appointed to be the official distribution agent for UTOS to sell units in Savaii through its main office in Salelologa.
- Samoa National Bingo has been introduced within GCA as one of its new products.
- During reporting quarter, GCA donated a total of \$9,000.00 to sporting corporation (touch rugby, tag rugby and tennis) and also handed out a grant of \$7,952.00 to the National University of Samoa.

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

- LTA has also been reclassified as a Public Beneficial Body with Government Grant as its main source of income now.

- Core revenue streams of the Authority such as driver’s license and vehicle registration have been transferred to the Ministry of Police as per recent Government reforms.
- Board of Directors approved the new Organizational Structure for the Authority on the 30th July 2020 following recent reforms with the Ministry of Police.
- The Vaisigano Bridge was officially opened in August 2020.

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

- NKF conducted one outreach (1) programmes each for Community and School with nine (9) outreaches for Corporate.
- The Foundation also performed five (5) education programs via TV, Radio and Presentations (health talks).
- NKF now hosts 3-4 patients per machine per day, whilst, administering acute dialysis has also become the norm at the National Hospital. Reallocating the nurses will be challenging in the long run if its priorities is divided among its clinic patients and its patients admitted to the hospital.
- For the third consecutive quarter, there were no specialist visitations due to ongoing restrictions for COVID19

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

- NUS and Academics made seven submissions for publication in this quarter:

<b>Faculty/Section</b>	<b>Type of Submission</b>	<b>No. of Submissions</b>
Centre of Samoa Studies (CSS)	Book Review	1
Faculty of Arts (FOA)	Article	1
FOE	Article	3
	Journal	1
Governance, Planning and Policy (GPP)	Statistical Digest 2018	1
<b>TOTAL</b>		<b>7</b>

- The “NUS Clean Hands Save Lives Campaign” was officially launched to prioritize hand washing and clean hands to prevent COVID19.
- NUS News Student Program, a work attachment and internship program, was implemented to create greater exposure to broadcasting and awareness of work environments/ethics for Media & Journalism students.
- There were 2 official collaboration agreements/partnerships activated between July to September 2020:
  - Samoa Institute of Accountants (SIA)
  - Samoa Research Organization of Samoa (SROS)
- The University conducted 2 surveys this quarter:
  - Corporate Plan FY2021/22-2024/25 Survey to collect the views and feedback of External Stakeholders on the Plan before submission to Council for approval.
  - ATM Survey to explore the feasibility of installing an ATM on campus so as to meet the apparent demand.

#### **6. Samoa Fire and Emergency Services Authority (SFESA)**

- As coordinator of the Transport vehicles for recurrent State of Emergency (SOE), SFESA’s continuous support for the work of NEOC with COVID19 Operations

allocated VERTS members as drivers for 18 vehicles that transport MoH staff to and from quarantine sites.

- 10 weeks basic Fire-fighting training program commenced in the last month of the quarter under review.
- Deferred School, Warden, Evacuation awareness/trainings, and other campaigns have been completed this quarter and exceeded planned sessions due to requests from organizations and members of the public. This has secured a stable performance for the Authority upon lifting a few SOE restrictions for COVID19.
- Surplus of \$445,804 was posted substantially above budget at quarter end, complemented by \$2.18million Cash Balance and 9:1 Current ratio suggesting satisfactory liquidity position for Jul-Sept 2020 quarter.

#### **7. Samoa Qualifications Authority (SQA)**

- Two Memorandum of Agreement Review reports were approved for Samoa Business Hub and Early Childhood Education Teachers Training Institute.
- The Employers Satisfaction Survey Report 2015-2017 and the PSET Statistical Bulletin 2019 were launched during Jul-Sept 2020 quarter.
- SQA Board and CEO visited Formal PSET Providers to further strengthen collaboration and to ensure the quality and relevance of PSETs in Samoa.
- There is a need to reaffirm the importance of sports as an alternative approach in narrowing the gap between gender inequalities as numerous publications placed great emphasis on the disparity/disproportion between both genders in many facets of the education sector.

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#### **8. Scientific Research Organization of Samoa (SROS)**

- SROS's Biological and Chemical Testing Laboratories maintained International Accreditation status from the International Accreditation New Zealand (IANZ) - the authorized accredited body for testing laboratories assessment. This is the 9th consecutive year since the Organizations testing laboratories has been awarded with this prestigious award.
- The Agriculture Research Division was transferred from the Ministry of Agriculture to SROS on the 3rd August 2020.

#### **9. Samoa Sports Facilities Authority (SSFA)**

- SSFA was able to cater for an array of events upon lifting a few SOE restrictions during this quarter.
- The magnitude and duration of the negative impacts of the SOE for COVID19 on SSFA's operations and services cannot be quantified given the fluidity of the situation at this point. In the event it worsens and prolongs, the Authority had recently developed and disclosed its Business Contingency Plan in response.

#### **10. Samoa Tourism Authority (STA)**

- Restrictions for the prolonged SOE continue to significantly affect the tourism industry, resulting in reduced working hours, job losses as well as tourist operators facing challenges with their debt repayments with financial institutions.
- STA continued its efforts to support domestic tourism with intense local marketing drive together with sector wide affordable special rates. Moreover, the creating of TV programs such as the KUKA and TAFAGO boosting domestic market awareness.
- Urban hotels are being utilized by the Government as isolation centres for returning residence from repatriation flights.



**PUBLIC TRADING BODIES' PERFORMANCE (YTD<sup>3</sup> Jul-Sept 2020)**

PUBLIC TRADING BODIES		Revenues			Expenses			NPAT <sup>1</sup>			ROE	
		Actual	Budget	Var <sup>2</sup>	Actual	Budget	Var	Actual	Budget	Var	Actual	Budget
1	Development Bank of Samoa	1.64	2.04	-20%	1.77	2.02	-12.4%	-0.56	-0.46	23%	-1.29%	-1.04%
2	Electric Power Corporation	30.67	31.01	-1%	28.71	29.98	-4%	1.95	1.03	90%	0.59%	#DIV/0!
4	Polynesian Airlines Limited	0.65	1.34	-69%	2.68	3.23	-17%	-2.03	-1.89	7%	-9.88%	-9.37%
5	Public Trust Office	0.08	0.36	-76%	0.22	0.35	-36%	-0.14	0.01	-1239%	-2.69%	0.24%
6	Samoa Airport Authority	2.26	2.12	7%	5.22	5.32	-2%	-2.96	-3.20	-8%	-5.44%	-6.51%
	Samoa International Finance Authority	3.12	2.39	30%	1.39	1.66	-16%	1.73	0.73	136%	0.00%	0.00%
7	Samoa Housing Corporation	1.39	2.07	-33%	1.20	1.61	-25%	0.19	0.45	-58%	0.54%	1.23%
9	Samoa Land Corporation	2.61	3.13	-17%	1.42	2.01	-29%	0.87	0.82	6%	2.70%	2.61%
10	Samoa Post Limited	0.39	0.41	-4%	0.33	0.37	-9%	0.04	0.03	44%	1.54%	1.07%
11	Samoa Ports Authority	5.30	5.33	-1%	2.86	3.53	-	2.44	1.80	-	0.00%	0.00%
12	Samoa Shipping Corporation	5.19	4.49	16%	5.12	4.74	8%	0.05	-0.18	-126%	0.15%	-0.58%
13	Samoa Shipping Services	0.16	0.20	-21%	0.37	0.48	-24%	-0.21	-0.28	-25%	-19.38%	-25.68%
14	Samoa Trust Estate Corporation	0.00	0.00		-	0.00	0%	0.00	0.00	0%	#DIV/0!	#DIV/0!
15	Samoa Water Authority	7.18	8.05	-11%	7.05	8.40	-16%	0.13	-0.35	-138%	0.20%	-0.53%
16	Unit Trust of Samoa (Management) Ltd	0.54	0.53	3%	0.41	0.42	-1%	0.13	0.11	17%	4.79%	4.41%
	<b>Total</b>	<b>61.19</b>	<b>63.46</b>	<b>-4%</b>	<b>58.7</b>	<b>64.1</b>	<b>-8.3%</b>	<b>1.65</b>	<b>-1.37</b>	<b>-220%</b>	<b>0.20%</b>	<b>-0.23%</b>

**Key:**

<sup>1</sup>NPAT = Net Profit after tax

Calculated on Revenue less Expenses less any tax and dividend paid.

<sup>2</sup>Var = Variance – This represents the percentage change of actual compared to budget.

<sup>3</sup>YTD = Year to Date.

**MUTUAL AND BENEFICIAL BODIES PERFORMANCE (YTD Jul - Sept 2020)**

Mutual and Beneficial Bodies		REVENUES			EXPENSES			NPAT <sup>1</sup>		
		Actual	Budget	Var <sup>2</sup>	Actual	Budget	Var	Actual	Budget	Var
	<b><u>Mutual Societies</u></b>	-								
1	Samoa Life Assurance Corporation	3.02	3.24	-6.7%	2.42	2.87	-16%	0.53	0.31	72%
2	Samoa National Provident Fund	15.61	15.66	0%	2.36	2.87	-18%	13.24	12.79	4%
	<b>TOTAL</b>	<b>18.63</b>	<b>18.90</b>	<b>-1%</b>	<b>4.78</b>	<b>5.74</b>	<b>-17%</b>	<b>13.78</b>	<b>13.10</b>	<b>5%</b>
	<b><u>PUBLIC BENEFICIAL BODIES</u></b>									
1	Accident Compensation Corporation	5.68	5.82	-2%	1.84	1.86	-1%	3.84	3.97	-3%
2	Gambling Control Authority	2.81	0.84	234%	2.26	1.20	89%	0.41	-0.36	-215%
3	Land Transport Authority	1.70	1.45	17%	2.23	2.50	-11%	-0.52	-1.05	-50%
4	National Kidney Foundation of Samoa	2.04	2.05	-1%	1.87	2.05	-9%	0.17	0.00	11243%
5	National University of Samoa	7.81	7.75	1%	7.09	7.02	1%	0.72	0.73	-2%
6	Samoa Fire and Emergency Service Authority	2.33	2.33	0%	1.89	2.33	-19%	0.45	0.00	16559%
7	Samoa Qualifications Authority	1.03	1.11	-7%	0.88	1.11	-21%	0.15	0.00	#DIV/0!
8	Scientific Research Organization of Samoa	1.05	1.05	0%	1.22	1.11	10%	-0.17	-0.07	156%
9	Samoa Sports Facilities Authority	1.10	1.04	5%	1.29	1.22	6%	-0.20	-0.18	11%
10	Samoa Tourism Authority	4.10	4.23	-3%	1.91	3.71	-49%	2.20	0.53	318%
	<b>TOTAL</b>	<b>29.66</b>	<b>27.68</b>	<b>7%</b>	<b>22.48</b>	<b>24.10</b>	<b>-7%</b>	<b>7.04</b>	<b>3.58</b>	<b>97%</b>

**Key:**

<sup>1</sup>NPAT = Net Profit after tax - Calculated on Revenue less Expenses less any tax and dividend paid.

<sup>2</sup>Var = Variance - This represents the percentage change in comparison to budget.

<sup>3</sup>YTD = Year to Date