

PEPA FAAOPOOPO E:

PUBLIC BODIES PERFORMANCE REPORT

October – December 2022 YTD

Ministry for Public Enterprises

March 2023

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 December 2022 for information of the public.

**SUMMARY OF ANALYSIS OF PUBLIC TRADING BODIES PERFORMANCES FOR
OCTOBER -DECEMBER 2022 (YTD)**

1. Development Bank of Samoa (DBS)

- A total of 209 applications valued at \$5m were approved by the end of the quarter under review which is above budget of \$2.9million by 69%.
- Total collection received at quarter end was recorded at \$6.6million, which is above by 117% compared to budget of \$3.1million. 65% of loan collection is received from large loans while 34% is from MSMEs.
- The total loan portfolio recorded as at 31st December 2022 amounts to \$133million, which is lower than budget by 3.8%.
- YTD net loss now stands at \$1m compared to YTD budget loss of \$1.3m

**2. Electric Power Corporation (EPC)
Smart Metering Project**

- EPC maintain positive network performance averaging above 99.5% successful read rate.
- kWh (units) wallet solution has officially commissioned. Both kWh and Tala based systems are available for users selection.
- Net loss of \$17.2m has incurred during the quarter and attributed to the YTD net loss of \$37m. This is due to the increase in expenditure particularly the direct cost of electricity sales, selling and distribution.

3. Public Trust Office (PTO)

- During the quarter, eight (8) new wills were written and registered with the Office whilst one (1) was amended.
- A total of three (3) new estates files were opened whilst four (4) estates were closed during the quarter under review.
- The Office recorded a Net Loss After Tax (NPAT) of \$49,569, leading to a YTD net loss of \$203,337.
- Liquidity position is healthy as evident by its current ratio of 13.7:1. This comprises cash at bank (\$3.2m) and UTOS investment (\$8.2m).

4. Polynesian Airlines Ltd

- PAL only provided financial statements not including reporting on its operations
- The Company recorded profitable results during the quarter of \$814,023 leading to a YTD NPAT of \$461,097.

5. Samoa Airport Authority (SAA)

- SAA recorded its first NPAT of \$4.4m after 3 Financial Years of operating at a loss due to COVID19.

World Bank Project (SAIP)

- The recruitment of the project support team is ongoing. At current, the evaluation report for the project manager is prepared for World Bank review and NOL.

Redevelopment of Fagalii Airport

- Due to recommendation to the Board for works to be retendered due to 2 construction companies failing to meet all required criteria of the tender notice, a report has been prepared and sent to Tenders Board to cancel the tender process for engagement of a pavement contractor.

6. Samoa Housing Corporation (SHC)

- Total loans approved during the quarter were 190 valued at \$8,772,560. Total collection has improved compared to last quarter by 14%.
- Rental collection recorded during the quarter is \$158,000 compared to \$146,000 in previous quarter.

- SHC recorded a NPAT of \$722,977 for the quarter leading to a YTD NPAT of \$1.6m.

7. Samoa International Finance Authority (SIFA)

- A total of 511 new companies were incorporated during the quarter
- 24,787 companies renewed their registration in this quarter, leading to 26,530 registered companies who have renewed their registration at the end of the second quarter of this financial year.
- SIFA recorded a net loss after tax of \$16.3m that is slightly above budget by 0.5%.

8. Samoa Land Corporation (SLC)

- The Corporation achieved profitable results of \$83,767 during the quarter leading to a YTD NPAT of \$259,662.
- Cash and cash equivalents stands at \$16.9m at the end of the quarter represented by cash at bank of \$2.2m and term deposits of \$14.7m.

9. Samoa Ports Authority (SPA)

- The completion of the second phase of the Green port initiative component was another milestone for the ESSSAP project.
- SPA recorded a 48% increase in NPAT of \$2.8m during the quarter; leading to a YTD NPAT of \$4.5m.

10. Samoa Post Limited (SPL)

- SPL's 3rd project for Matafele building was completed during the quarter including the construction of a ramp to smoothly transfer mails from operational area for airport dispatch and the construction of additional washrooms for the employees for health reasons.
- The Company continued to sustain profitable results of \$47,176 leading to YTD NPAT of \$199,361.

11. Samoa Shipping Corporation (SSC)

- New fleet MV Lady Samoa IV arrived into Apia Harbor on Thursday, 27th October 2022, and will be servicing the Mulifanua and Salelologa route. This project was funded by the Government of Japan under its ESDP grant aid assistance.
- SSC recorded a NPAT of \$30,834 during the quarter; leading to a YTD NPAT of \$39,572.

12. Samoa Shipping Services (SSS)

- SSS continued to record profitable results of \$124,899 this quarter following the increase in revenue by 23% compared to previous quarter.

13. Samoa Water Authority (SWA)

- SWA recorded a NPAT of \$84,575 during the quarter. However, aggregated losses from previous quarter attributed to the YTD Net loss recorded of \$1.6m.
- ***New Works***
 - 0.8km extension of existing submain to customer in the Vaitele area
 - Rural construction includes 0.7km submain line has commissioned for the Lotofaga Aleipata customers to apply new connection
 - 0.1km extension of the Saanapu water supply to cater for families residing behind Saanapu College waiting for families to apply new connections
- ***Network upgrades***
 - Rural***
 - Distribution Main MpvC 150mm upgrade works for West Coast Road Project relocating old infrastructure to align with road widening project
 - Savaii***
 - 0.3km Safotu Submain replacement of 50mm old mPVC to HDPE63mm.

- **Chlorination Units**

Rural

- Tauoo(old)/Faleasiu borehole has been installed and commissioned chlorination. Borehole is revived to supplement into inland main supply due to prolong dry weather affecting Fuluasou EU Treatment Plant.

- **Pacific Water and Wastewater Association Conference**

- Hon Minister for SWA, Board of Director (Leulua'ialii Faufata Joachim Levi), Managing Director and four staff members attended the above conference postponed from 2020 due to the Global pandemic.

- **Capital Projects**

- Tender specifications and design for SWA Vaitele Headquarters project is conducted by the Kramer Ausenco (Samoa) Ltd. This project includes three buildings including two two-storey building and a storage warehouse. Project is yet to award to successful contractor. The contact between SWA and KA has extended due date for the construction from 13th December 2022 to the 19th May 2025.

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

Investments

- Investment opportunities remained limited during the quarter. Some disbursements (of the Trust) completed during the quarter includes;

- ***Wellington Chancery Project***

The last three claims for the project were disbursed aggregating to approximately SAT \$500,000. It is expected that these are the final claims for the project and can now be considered completed.

- ***Samoa Housing Corporation***

A new lending facility of SAT \$5m was approved for the Corporation. Only \$4.5m was disbursed during the quarter with the remaining balance to release in the next quarter.

Marketing Activities

- The Company carried out its road show in Salelologa Savaii to promote public awareness of UTOS activities. Hon. Minister of Finance and UTOSM Board were all present at this crucial event.
- UTOSM achieved a NPAT of \$221,367 during the quarter leading to YTD NPAT of \$391,757

15. Samoa Trust Estates Corporation

- Nursery expansion at Vaitele for vegetable development has been completed
- An additional income for the Corporation was recorded during the quarter due to Landing Samoa Ltd's 3 months lease for Survivor Team Australia Program
- STEC recorded a Net loss of \$319,503 during the quarter.

**SUMMARY OF ANALYSIS OF MUTUAL BODIES PERFORMANCES FOR
OCTOBER – DECEMBER 2022 (YTD)**

1. Samoa Life Assurance Corporation (SLAC)

- Increase in number of Surrendered Policies by 40% is due to the increase in cost of living and family commitment during the holiday seasons.
- SLAC recorded a YTD Profit after Tax of \$747,033 that largely exceeded budget target at end of December 2022.
- YTD Maturities is already at \$2.65million thus far and the affordability of Total claims by Reserves put aside for claims expenses is at a favourable level.

2. Samoa National Provident Fund (SNPF)

- The 2% of the final interest of the 8.2% interest declared for financial year 2022 was paid to members in December 2022 valued at \$12.2million.
- The Fund recorded an operating profit of \$16.6million which amounted YTD profit to \$31.3million at quarter end.

**SUMMARY OF ANALYSIS OF PUBLIC BENEFICIAL BODIES PERFORMANCES FOR
OCTOBER – DECEMBER 2022 (YTD)**

1. Accident Compensation Corporation (ACC)

- ACC received a total of 59 claims in the Oct-Dec quarter. This is a decrease from last quarter, mainly due to an immense decrease in after-hours and work accidents received by the Corporation.
- LTA and ACC road safety campaign for installation of speed cameras is still underway,
- Savalalo Land works completed. This includes the removal of the old Building on Property, leveling and clearance of land for ACC new investment.
- MWTI and World Bank consultation on the development of a National Crash (Accident) Database.

2. Gambling Control Authority (GCA)

- Decreases in Casino revenue by 0.4% and Ticket sales by 13% alongside significant increase in payouts by 46% compared to the previous quarter, have resulted to a recorded Loss of \$453,401 from GCA's gaming activities.
- Donations reported for the quarter has largely decreased by 73%.
- The Authority has been producing losses throughout the previous quarters which resulted in an accumulated Deficit of \$573,708.00.

3. Land Transport Authority (LTA)

- Cabinet has approved in its FK22(39) on the 12th October 2022 the road maintenance for Upolu at the of \$15.5million (10zones) and Savaii road maintenance for \$8.6million (8zones).
- There were 2 new road constructions recorded for the reviewed quarter. Most of the continuous works are mainly for maintenance of road and drainage network.
- Road capital and maintenance cost accounts for 103% of Government grant, indicating that road capital and maintenance costs exceeds Grant from Government.

4. National Kidney Foundation of Samoa (NKFS)

- Vascular Surgeon, Dr. Nick Boyne and the medical team performed vascular access surgeries for 30 patients in November, while Dr. Mark Hamilton visited in December and also performed 30 vascular access surgeries for the patients.

- 37% decrease in number of total screenings was a result of the outreach program being on hold due to short staff relative to the large number of patients. Fortunately, the Foundation continues with its weekly educational programs on TV.

5. National University of Samoa (NUS)

- To officiate the establishment of the NUS Alumni Executive Committee, the University hosted 2 alumni functions in November.
- In commemoration of the Treaty of Friendship signed between Samoa and NZ in 1962, NUS in partnership with USP and Otago University hosted a Symposium on the Treaty.
- The Marketing and Communications Officer submitted the NUS Marketing Plan 2023-2025 at the VCC meeting in October for approval.
- Preparations for the Employability program began in September with the implementation set to commence in November.
- The VCC meeting in October has approved the Child Protection Policy, Acting and Responsibility Allowance Policy (provisionally approved for 6 months), and the Honorary Degree Policy.
- The Center for Samoan Studies highlighted two courses developed as part of the undergraduate program:
 - HAS353 – Samoan Ethnomusicology
 - HSA120: QGIS Fundamental – Viewing Spatial Data and Producing Map
- The Government delegate from American Samoa and the delegation for Brigham Young University visited NUS in October and discussed collaboration and partnership opportunities.
- In supporting the Solid Waste Management initiatives outlined in the NUS Strategy 2030, a contract for the construction of the General Waste Storage Facility was signed in October.
- A research proposal for collaboration with the University of Queensland was submitted to University of Queensland Ethics Procedure and submitted to the University UREC for ethical clearance in October.
- NUS will trial a whole year enrolment process in Semester 1 of Academic Year 2023 where student will enrol in courses for Sem 1 and 2, 2023. Enrolment in Sem 2 will focus on new students and course changes.
- Contract with Ovidius University of Constanta (Romania) was signed in Nov.

6. Samoa Fire and Emergency Services Authority (SFESA)

- All response and emergency services have decreased this quarter, and is reflective of the 47% increase in Awareness and Prevention Programs.
- Through the Government Limited bidding process, SFESA executed a contract with international supplier, Styx Mills, who will produce 100 PPE Fire Suits for Firefighters. Fire Suits are currently being manufactured to be shipped over in the New Year.
- From a pool of 323 applicants, 31 new Recruit Firefighters were recommended for appointment after completion of R&S process to fill vacant positions. 30 recruits will be allocated to the Operations Division while 1 will be allocated to the Fire Safety department.
- 2 new Ambulances have been installed with mobile radios and are ready to be used for any emergency.
- The Board of Directors approved procurement of new capital items to cater for SFESA's operations to enhance its performances:
 - Upgrade of Sleeping Quarters for both Savaii and Asau Stations together with an upgrade on the Commissioner's new office.
 - New equipment for the Emergency Medical Responses (EMR) Ambulance at a total of \$200k.
 - New license for the new installed GoPayroll and Xerox Computer Software at a total of \$5k.

7. Samoa Qualifications Authority (SQA)

- SQA has achieved 96% of all activities and tasks scheduled for the quarter by end of December 2022. The remaining 4% are events relevant to projects that are implemented throughout the financial year.
- Two Provider Programmes from the National university of Samoa were accredited, and there were three Samoa Qualifications to be delivered through Pesega TVET Institute.
- A total of 12 Non-Formal Learning Activities from 5 PSET Providers were recognized by the SQA Board.
- Foreign Qualifications Recognition services have seen an increase in the number of applications due to Samoa's borders opening up since lockdown.
- A significant loss of \$86,160 has been determined this quarter, bringing YTD loss to \$47,160 thus far.

8. Scientific Research Organization of Samoa (SROS)

- Completed building works to house CERO Waste equipments.
- SROS hosted the first in person meeting for the ACIAR CS 2020/191 Project Team in Nadi Fiji and finalized milestones and activities for the next 6-12 months of the project.
- There were research projects with outstanding activities that completion dates have been extended due to various factors beyond the control of the Organisation.

9. Samoa Sports Facilities Authority (SSFA)

- The following sports facilities/venues accommodated the named sports, tournaments and non-sporting events during the quarter under review:
 - Multipurpose Gym:
 - i. Netball League by Netball Samoa (Oct-Dec)
 - ii. Super 4 Netball tournament by St Mary's Sports Club (Nov)
 - iii. Weddings & Church gatherings
 - Apia Park – Rugby 7s series by the Samoa Rugby Union
 - Gym 1 – Miss Fa'afafine Pageant by the Fa'afafine Association (Dec)
 - Gym 2:
 - i. Club competition & Master League by the Samoa Basketball Association
 - ii. End-of-year tournament by the Samoa Volleyball Association

10. Samoa Tourism Authority (STA)

- STA coordinated the New Year firework shows for Upolu and the first ever for Savaii.
- Completed the installation of toilet facilities and changing room for the Asaga Mangroves under the Samoa Tourism Recovery and Resilience (STRR) NZ funded Project.
- The Authority also hosted a faigalotu, parade and dinner for the Toa Samoa Rugby League Team.
- YTD deficit stands at \$4.7million at this quarter end.

PUBLIC TRADING BODIES' PERFORMANCE (YTD³ October-December 2022)

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	2.98	2.76	8.0%	4.06	4.13	-1.8%	-1.08	-1.37	-21.5%	-1.47%	-1.99%
2	Electric Power Corporation	57.88	57.41	0.8%	95.36	88.56	7.7%	-37.48	-31.14	20.3%	-13.79%	11.15%
3	Samoa Airways Limited	10.53	5.58	88.9%	10.07	5.98	68.5%	0.46	-0.40	-214.6%	-0.89%	1.37%
4	Public Trust Office	0.31	0.60	-48.9%	0.51	0.79	-35.5%	-0.20	-0.19	6.3%	-3.75%	-3.31%
5	Samoa Airport Authority	15.71	7.95	97.6%	11.64	9.17	26.9%	4.07	-1.22	-434.0%	14.24%	-3.67%
6	Samoa International Finance Authority	23.17	22.09	4.9%	7.18	6.48	10.9%	15.99	15.61	2.4%	4.27%	3.02%
7	Samoa Housing Corporation	4.95	4.66	6.3%	3.26	3.48	-6.6%	1.70	1.17	44.4%	14.82%	14.52%
8	Samoa Land Corporation	3.45	3.49	-1.0%	3.10	3.66	-15.4%	0.26	-0.25	-204.7%	0.38%	-0.58%
9	Samoa Post Limited	1.34	1.84	-27.2%	1.14	1.70	-33.1%	0.20	0.14	47.0%	2.52%	2.25%
10	Samoa Ports Authority	11.07	11.79	-6.1%	6.50	7.97	-18.5%	4.58	3.82	19.8%	4.10%	3.04%
11	Samoa Shipping Corporation	14.44	11.80	22.4%	14.39	11.52	24.9%	0.04	0.21	-80.7%	0.15%	0.49%
12	Samoa Shipping Services	0.79	0.44	79.0%	0.59	0.62	-6.0%	0.21	-0.18	-212.7%	31.12%	22.45%
13	Samoa Trust Estate Corporation	0.33	1.40	-76.2%	1.18	1.28	-7.7%	-0.85	0.12	-807.1%	-2.11%	1.19%
14	Samoa Water Authority	13.50	12.75	5.9%	15.15	15.87	-4.5%	-1.66	-3.13	-47.0%	-2.61%	-4.99%
15	Unit Trust of Samoa (Management) Ltd	1.34	1.29	4.4%	0.95	1.10	-13.8%	0.39	0.18	114.1%	10.49%	5.36%
	Total	161.80	145.84	10.9%	175.07	162.32	7.9%	-13.38	-16.64	-19.6%	-1.55%	-1.98%

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 (YTD³ October – December 2022)

		Revenues			Expenses			NPAT ¹		
	<u>Mutual Societies</u>	Actual	Budget	Var ²	Actual	Budget	Var	Actual	Budget	Var
1	Samoa Life Assurance Corporation	6.56	6.34	3%	5.69	6.19	-8%	0.75	0.02	4408%
2	Samoa National Provident Fund	37.00	37.28	-1%	5.67	6.20	-8%	31.33	31.08	1%
	TOTAL	43.56	43.62	0%	11.36	12.38	-8%	32.07	31.10	3%
	<u>PUBLIC BENEFICIAL BODIES</u>									
1	National Kidney Foundation of Samoa	4.86	4.81	1%	4.54	4.41	3%	0.32	0.39	-18%
2	National University of Samoa	15.99	15.86	1%	15.50	15.55	0%	0.50	0.31	63%
3	Samoa Fire and Emergency Service Authority	6.92	6.90	0%	4.76	6.70	-29%	2.16	0.20	971%
4	Samoa Qualifications Authority	2.44	0.00	#DIV/0!	2.49	0.00	#DIV/0!	-0.05	0.00	#DIV/0!
5	Scientific Research Organization of Samoa	2.69	3.26	-17%	3.27	3.46	-6%	-0.57	-0.21	178%
6	Samoa Sports Facilities Authority	2.88	2.52	14%	2.63	2.68	-2%	0.25	-0.17	-249%
7	Samoa Tourism Authority	2.87	7.58	-62%	7.54	7.16	5%	-4.67	0.42	-1204%
8	Gambling Control Authority	4.30	0.00	#DIV/0!	4.83	0.00	#DIV/0!	-0.57	0.00	#DIV/0!
9	Land Transport Authority	26.17	23.60	11%	23.13	23.71	-2%	3.04	-0.12	-2698%
10	Accident Compensation Corporation	10.73	10.69	0%	3.61	3.78	-4%	7.12	6.92	3%
	TOTAL	79.85	75.21	6%	72.29	67.46	7%	7.52	7.75	-3%

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