



LEGISLATIVE ASSEMBLY OF SAMOA.

**Statement of Corporate Objectives for the Unit
Trust Organisation of Samoa (UTOS)**

2015 - 2017

Prepared by:-

**FINANCE AND EXPENDITURE
COMMITTEE REPORT**

P.P. 2014/2015 No. 126,

1. RECOMMENDATION.

The Finance & Expenditure Committee recommends that the Assembly take note of its Report.

2. RESOLUTION:-

That P.P.2014/2015 No. 126, Statement of Corporate Objectives for the Unit Trust Organisation of Samoa 2015 – 2017 be approved.

3. RECOMMENDATIONS:

At the conclusion of its investigations, the Committee recommends the Government that:-

- 1. That Management and Board of Directors of the Unit Trust of Samoa to comply with its publicised plans and programs to ensure that the Corporate Objectives stated are achieved.**
- 2. That Management to reflect in their Annual Reports the stated objectives to ensure that they are achieved within the period stated.**

4. MEMBERSHIP

The Finance and Expenditure Committee is established under Standing Order 170 and the members are:

| <u>MEMBERS</u> | | <u>Appointed</u> |
|---------------------------------|---|------------------------------|
| Hon PAPALIITELE Niko Lee Hang | - | Chairperson 30/5/2011 |
| TAFUA Maluelue Tafua | - | Deputy Chairperson 30/5/2011 |
| Hon PALUSALUE Faapo II | - | Member 30/5/2011 |
| LEALAILEPULE Rimoni Aiafi | - | Member 30/5/2011 |
| TIALAVEA F Tionisio Seigafolava | - | Member 30/5/2011 |
| AFUALO Dr Wood Uti Salele | - | Member 30/5/2011 |
| TAEFU Lemi Taefu | - | Member 30/5/2011 |
| Hon FAUMUINA Tiatia F Liuga | - | Member 18/8/2014 |

5. STANDING ORDER 170:

In accordance with the provisions of Standing Order 170, it shall be the duty of the Committee to:-

- **Consider any Bill, Petition or other matter referred by the Assembly pursuant to these Standing Orders; and any Estimates or review of Ministerial and Departmental Performance;**
- **To allocate to any Select Committee the examination of any Estimates and of any review of Departmental Performance;**
- **To examine the policy, administration and expenditure of ministries and government bodies related to government finance, insurance, superannuation, national provident fund, taxation, auditing of public accounts and Ministerial financial statements;**
- **To have responsibility for the overall review of financial management in all Government Ministries and Public Bodies.**

6. PAPER CONSIDERED:

P.P.2014/2015 No. 126, Statement of Corporate Objectives for the Unit Trust of Samoa 2015-2017.

7. FINDINGS:

The Committee found that this is the second Statement of Corporate Objective presented to the Legislative Assembly by the Unit Trust of Samoa since its establishment in 2010.

The Statement of Corporate Objectives for the Unit Trust Of Samoa 2015-2017 outlines the Trusts main objectives and performance measures.

It is the aim of the Trust to achieve these objectives through its Vision and Mission as stated below¹

7.1

VISION

To be the leading Investment Vehicle in Samoa that provides a smart investment for a better future.

7.2

MISSION

To attract a broad base of investors and to hold a diversified investment portfolio that generates maximum returns.

¹ Vision and Mission Statement – p. 2

7.3 GOVERNING LEGISLATIONS

The role and responsibilities of the Unit Trust of Samoa are provided for in the Unit Trust Act 2008.

Other legislations that govern the duties and responsibilities of the Board and the Management of the Unit Trust of Samoa include²:

- i. Public Finance Management Act 2001;*
- ii. Finance Institutions Act 1996;*
- iii. Income Tax Act 1974;*
- iv. Unit Trust of Samoa Loans Act 2013.*

The Unit Trust of Samoa (Management) Company Limited manages and operates the Trust as per the Statement of Corporate Objectives. The main objective of the Unit Trust of Samoa is to provide opportunities for ordinary Samoans and businesses to invest in shares of privatized public bodies.

The Statement of Corporate Objectives for the Unit Trust of Samoa 2015-2017 states that there was concern from international institutions such as the International Monetary Fund regarding the regulatory environment of the Unit Trust of Samoa. The Committee believes that the Management should find out if there are any current legislations to guide the policies for Trusts. The Management submitted that Parliament has passed the legislations in this regard.

8. OBJECTIVES AND PERFORMANCE MEASURES

During its investigations, the Committee noted that there are 5 main objectives for 2015-2017. These are:

8.1 To strive for the highest return to unitholders

The Committee noted that this was the first objective for the period 2015-2017 with the performance measure that the growth will be at least 12% and the dividend yield is at least 6% per annum.

8.2 To continue to make UTOS the preferred investment opportunity in Samoa

Strategies to achieve this second objective include targeting public servants to invest and to revise and strengthen the presence of UTOS in New Zealand and Australia through Media Campaign.

² Mandate – p. 3

8.3 The return on assets for the Management Company is 10% per annum

One of the strategies to achieve this objective is to update the asset register and that financial accounts are tabled monthly to the Board.

The Committee noted that the performance measure includes that net asset growth should be 20% each year and accounts are ready 7 days after the end of the month.

8.4 Improve services and products for investors and investment partners

The Committee believes that this objective is in line with the Government's purpose for the establishment of the Trust. This objective will be implemented with the use of modern technology.

The performance measure is that the online services will be launched to market the services of the Trust.

The Statement of Corporate Objectives states strategies to implement this objective. One strategy is to develop and establish multi-funds targeted at different types of investors, returns and risks.

9. RECOMMENDATIONS

At the conclusion of its investigations, the Committee recommends the Government that:-

- 1. That Management and Board of Directors of the Unit Trust of Samoa to comply with its publicised plans and programs to ensure that the Corporate Objectives stated are achieved.**
- 2. That Management of the Unit Trust of Samoa to reflect in their future Annual Reports the stated objectives and ensure that these objectives are achieved within the period stated.**

10. RESOLUTION:

At the conclusion of its investigations, the Committee resolves to recommend the Legislative Assembly to:

Approve P.P. 2014/2015 No. 126, Statement of Corporate Objectives for the Unit Trust of Samoa 2015-2017

Appendix -A

WITNESSES

During the course of its investigation, the Committee heard oral evidence from the following Officials of the Unit Trust of Samoa:-

Sau Fiapaipai Justina Sa'u

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General Manager

Appendix - B

Hon PAPALIITELE Niko Lee Hang
Chairperson

TAFUA MaluelueTafua
Deputy Chairperson

Hon PALUSALUE Faapo II
Member

AFUALO Dr Wood U Salele
Member

LEALAILEPULE Rimoni Aiafi
Member

TAEFU Lemi Taefu
Member

TIALAVEA F TionisioSeigafolava
Member

Hon FAUMUINA Tiatia F Liuga
Member