



## **MESSAGE FROM THE GENERAL MANAGER**

Samoa Ports Authority is passion to perform well as a commercial entity and is committed to business excellence, best practice principles, in order to benchmark itself as a competitive entity within the region. As part of its obligation under the Public Bodies (Performance & Accountability) Act 2001, SPA Board of Directors and Management are happy to present its Statement of Corporate Objectives for the period as specified.

Our corporate objectives set out in this document reflects the divisional and output objectives as specified in our Corporate Plan for the same planning period. This is to ensure that all our statutory obligations are fulfilled and operation activities are implemented effectively and that the Authority is focused on its set targets and performance indicators.

This document also reflects our emphasis to improve the overall performance and redeem the image of the Authority. This is highlighted with the improvement of port infrastructure and services in providing the Authority's core functions to meet international standards, and also the needs of local customers.

The objectives are to ensure that each division has a framework for service provision and standards. It also provides a link between this document and the Corporate Plan which is also for the same duration of time.

I am looking forward to the collective effort and teamwork of SPA Board of Directors, Management and staff to ensure that Vision and Mission of SPA for the plan period are realized.

Ma lou faaloalo tele

A handwritten signature in blue ink, appearing to read 'Asofa'.

Aiganala'avasa Uialatea Asofa Fereti

**GENERAL MANAGER / CEO**



### **MANDATE**

The Authority's main piece of Legislation is the Ports Authority Act 1998. However, its operations and responsibilities are also governed by other legislations, regulations, and conventions as listed below.

- Public Bodies (Performance & Accountability) Act 2001
- Public Finance Management Act 2001
- Shipping Act 1998
- Maritime Security Regulation 2004 ( ISPS Code)
- Small Vessel Regulations 1998
- Marine Pollution Prevention Act 2008
- Labour and Employment Act 2013
- Companies Act 2001
- Other Relevant International Conventions
- Cabinet Directives
- Government Policies

### **ENTITY PROFILE**

#### **History**

Since its establishment in 1999, the management and operations of all ports in Samoa has been the responsibility of the Authority under its 1998 enabling Act. As per Cabinet Directive FK (14) 21, dated 1<sup>st</sup> July 2014, the Mulifanua and Salelologa domestic wharves were transferred under the management and operation of the Samoa Shipping Corporation. SPA, now focus on the management and operation of the Apia international port plus maintenance of the Asau Wharf and the Aleipata Wharf and Slipway.

The Authority employs a total number of 109 employees providing port services and maintenance on a daily basis with three divisions providing 24 hr. services on vessel berthage, cargo operations and security services

As this planning document comes into effect on the 1<sup>st</sup> July 2016, SPA will then be operating for 17 years which is a significant achievement for an SOE.



## **Our Activities and Achievements**

Since its establishment, SPA has taken on some extensive developments. The extension of the Apia Port under JICA project within the planned period will improve berthage services and attracts bigger cruise vessels.

An increase of port fees and charges in October 2014 has contributed to the improvement of the Authority's finances. The debt balance has been drastically reduced while business trading has improved allowing the Authority to operate with a healthy cash flow balance.

The vessel and cargo activity has increased in the last two years at a combine annual growth rate of 21%.

SPA has participated well in International Conventions in support of Tourism activities, which has in-turn contributes in the improved numbers of Cruise Liners visiting our Ports increasing not only direct revenue for SPA but also for transport and tourism sector.

## **Port Security**

Port Security Services standards and operation are in compliance with the IMO/ISPS code requirements and regulations to ensure safety of ships, port facilities and international marine operations. Regular visits by the US Coast Guard from time to time to promote and ensure ISPS Compliance. On the same note, the Port has been regularly audited by RMP-SPC, in June 2013 with a recent follow up audit in 2015, confirming compliance with ISPS requirements. The Authority has enhanced its Security services by installing CCTV cameras for monitoring of vessel operations and movements of cargo within the wharf compound.

## **Fleet Development**

The tug boats "Atafa" and "Tafola" and pilot boat "Fuao" are repaired and maintained regularly to meet survey requirements and ensure safe and efficient operation. Full repair services and upgrading for the pilot and tugs will be conducted under JICA project within the planning period.



## Physical Resources

The rehabilitation, upgrading and development of physical resources were identified at the outset, as a priority need in order for the Authority to provide the efficient and effective service demanded by its customers.

It is anticipated that the extension of the wharf from 165m to 302m, planned within the period will increase vessel berthage and will also attract bigger cruise vessels in support of promoting Tourism and Trade sector.

The weighbridge will be upgraded as a service to exporters, importers and shipping companies to facilitate the accurate weighing of containers and other bulk goods.

Apia Marina Yacht Facilities are now under lease operations as a move to generate revenue and make significant savings on operational expenses.

Aleipata Port and Samoa Slipway (1000 ton) was devastated by tsunami on the 29<sup>th</sup> September 2009, in which the Authority has invested substantial funds for its rehabilitation. Repair and maintenance work has been completed and already the facilities, (slipway) has been leased to the Samoa Shipping Corporation on a long term basis as a means to utilize its assets and minimize operational costs.

The Asau wharf remains unutilized but the Authority is looking for opportunities to develop this wharf to generate economic activity for that part of the country. There is a potential to reopen this wharf for cruise ship operation thus supporting the tourism industry.



## OUR VISION STATEMENT

***“To lead the Pacific region in the provision of efficient port services”***

## OUR MISSION STATEMENT

***To develop and maintain Samoa’s Port Infrastructure***

- ***to be in line with its Economic and Social Requirements,***
- ***in providing safe, secure, efficient, reliable and profitable port services; and***
- ***in meeting international port standards***

**OBJECTIVES**

Listed below are the objectives for the planning period.

| <b>Output</b> | <b>Division / Service</b>                    | <b>Objectives</b>  |
|---------------|--|--|
| 1             | General Manager-Executive Support Services.” | To provide efficient and effective supportive services to the Board of Directors, Minister and to ensure overall Management of the Authority’s core services, financials and activities in order to achieve set targets for the planned period.  |
| 2             | Marine Division                              | To provide professional and efficient marine services to the movement of vessels   |
| 3             | Port Operations Division                     | To efficient in the pursuance of Port Services (cargo operations, safety services & Port infrastructure) and achieve 100% level of safety and compliance   |
| 4             | Finance Division                             | Timely, efficient, effective and accurate financial reporting on managing of funds for Executive decision making.  |
| 5             | Corporate Services Division                  | To provide professional efficient supportive services to all SPA operations.<br>To be effective in promoting of SPA commercial services/ activities whilst promoting the overall image of the Authority.<br>To be effective in managing of human resources and operational activities. |
| 6             | Audit  | To provide auditing services to all financial and operational aspects of the Authority to strengthen SPA’s overall integrity and efficiency.   |

**SPECIFIC PROJECT**

The Apia port will undergo major development under the Apia Port Safety Project. This project is an initiative of and funded by the Government of Japan through the Japan International Cooperation Agency (JICA). The project is focused on three main components categorized as follows;

1. To ensure ship maneuvering safety
  - \* Repair of tug boat
  - \* Repair and improvements of navigation aids.
  
2. To ensure ship berthing and mooring safety
  - \* Extension of the new wharf
  - \* Rehabilitation of fenders, old wharf apron.
  
3. Improvement of mooring Facilities
  - \* To ensure cargo handling operation and passenger traffic safety
  - \* Rehabilitation and improvement of Container yard
  - \* Separation of passenger and cargo flows
  - \* Alteration of usage of oil tank (combustible goods to incombustible good storage) inside the container terminal
  - \* Passenger access areas rehabilitation (walkway)

| <b>Project</b>                      | <b>Period</b>  |
|-------------------------------------|----------------|
| Port Rehabilitation Project ( JICA) | 2016 -2018     |
| Navigational Aids                   | 2016 - 2018    |
| Tugs & Pilot Boat                   | 2016 - 2018    |
| Cruise Terminal berth               | 2016 - 2018    |
| Reconstruction of Breakwater        | 2019 - onwards |
| Vaiusu Bay Project                  | 2020 - onwards |

The construction work as per plan outline is expected to start in September 2016 and to be completed in September 2018 at an estimated cost of about USD \$ 32 million. SPA's total contribution to the project as per agreement with government is a total of ST \$230,000.



### **SUPPORT FOR GOVERNMENT POLICIES**

The Authority supports the government's overall strategic plan to not only improve its economy but ensure improved quality of living. SPA is heavily involved in this strategic plan emphasized by the Strategic Development of Samoa (SDS).

SPA is highlighted in two sections of the SDS, mainly the Transport and Tourism Sections thus our continuous aggressive push not only to improve port infrastructure and services which meets international standards and regulations but also to boost tourism through liaising with Shipping agents in accommodating of Cruise Vessels.

The Authority is also obligated to part take in any policy or instructions that the cabinet or government implements. Government will continue to improve economic infrastructure services as a mean of creating a more attractive business environment and increasing public access to basic social services. The key services area are energy, water and sanitation, telecommunications and transport.

### **COMMUNITY ENGAGEMENT**

The Authority has a key role to play in balancing the interests and expectations of its various commercial, statutory and local community stakeholders. As such it seeks to offer port facilities which provide future development opportunities for its users and encourage diversification of services available at Apia essential for the success of the wider Samoan economy.

The Authority recognizes the ever evolving needs of its port users and stakeholders and as such actively uses opportunities to develop these relationships where possible. Some examples of our wider stakeholder activities and investments include:

#### **Fishing Industry**

- Stakeholder engagement with fisheries sector representatives at both local and regional level on the development of onshore fish processing and sorting at Apia port.
- Formation of a stakeholder group on maintenance and development of Apia Fish market wharves.

#### **Yacht Marina**

- Hosting public engagement events on the proposed Private Sector Development Initiative to allow long term leasing of the Apia Yacht marina.





### **Apia Waterfront and Tourism**

- Direct investment and coordination of port services for visiting cruise ships. Regular multi-agency collaboration to ensure a high standard of customer service to visiting cruise ships and serves to maintain the attractiveness of Apia as a cruise destination.
- Participation in the Apia Waterfront Development project including the proposal for improvements to beautify the perimeter of surrounding land at the port.
- This has positive implications for the wider Samoan economy as the sector grows, with a direct beneficial effect on local business and tourism providers. Samoa's unique regional identity helps to encourage diversification in cruise tourism in Samoa as a whole.

### **Green Port Initiatives**

- Balancing environmental challenges with economic demands by introducing strategies on minimizing to the extent practicable, environmental impacts directly attributable to port operations in Apia harbour and the surrounding tidal lands.
- Prevent pollution and improve personal, community, and environmental health and when possible, exceed applicable environmental laws, regulations and other industry standards.
- Collaborate with port tenants to develop an integrated, measurable Apia port environmental sustainability effort.
- Liaise with Ministry of Natural Resource and Environment in updating of disaster/emergency response plan.

### **Port Industrial Land**

- Expansion and management of the port's industrial estate to make areas available to support new and existing business opportunities in the fisheries sector, cargo handling sector and ferry boat sector. This aimed at associated benefits to local service companies, employment and skills opportunities.
- Sponsorship and donations budget directed towards community interests and maritime activities.



**DIVIDEND FORECAST**

Dividend forecast to be payable to Government at the end of each Financial year for the Planning period:

**12.1 Financial Position as at 30<sup>th</sup> June**

|                                      | 2015               | 2016               | 2017               | 2018               | 2019               | 2020               |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Assets</b>                        | \$                 | \$                 | \$                 | \$                 | \$                 | \$                 |
| <b>Current Assets</b>                |                    |                    |                    |                    |                    |                    |
| Cash and cash equivalents            | 2,281,064          | 3,229,299          | 3,390,764          | 3,560,302          | 3,738,317          | 3,925,233          |
| Trade and other receivables          | 1,722,472          | 2,409,633          | 2,992,358          | 1,725,557          | 1,846,692          | 1,973,185          |
| Income tax refund                    | 446,878            |                    |                    |                    |                    |                    |
| Fixed term deposit                   | 0                  | 3,500,000          | 3,500,000          | 3,500,000          | 3,500,000          | 3,500,000          |
| <b>Total Current Assets</b>          | <b>4,450,414</b>   | <b>9,138,932</b>   | <b>9,883,122</b>   | <b>8,785,859</b>   | <b>9,085,009</b>   | <b>9,398,418</b>   |
| <b>Non-Current Assets</b>            |                    |                    |                    |                    |                    |                    |
| Property, plant and equipment        | 200,824,334        | 197,440,150        | 195,737,713        | 191,319,362        | 187,433,336        | 184,132,331        |
| <b>Total Non-Current Assets</b>      | <b>200,824,334</b> | <b>197,440,150</b> | <b>195,737,713</b> | <b>191,319,362</b> | <b>187,433,336</b> | <b>184,132,331</b> |
| <b>TOTAL ASSETS</b>                  | <b>205,274,748</b> | <b>206,579,082</b> | <b>205,620,835</b> | <b>200,105,221</b> | <b>196,518,345</b> | <b>193,530,749</b> |
| <b>EQUITY &amp; LIABILITIES</b>      |                    |                    |                    |                    |                    |                    |
| <b>Capital and Retained Earnings</b> |                    |                    |                    |                    |                    |                    |
| Capital - Capital Other              | 35,570,307         | 35,570,307         | 35,570,307         | 35,570,307         | 35,570,307         | 35,570,307         |
| Land revaluation                     | 106,803,002        | 106,803,002        | 106,803,002        | 106,803,002        | 106,803,002        | 106,803,002        |
| Reserves                             | 15,750             | 15,750             | 15,750             | 15,750             | 15,750             | 15,750             |
| Retained earnings                    | -14,117,146        | -11,645,198        | -10,401,822        | -8,907,796         | -7,624,378         | -5,526,722         |
| <b>Total Equity</b>                  | <b>128,271,913</b> | <b>130,743,861</b> | <b>131,987,237</b> | <b>133,481,263</b> | <b>134,764,681</b> | <b>136,862,337</b> |
| <b>Current Liabilities</b>           |                    |                    |                    |                    |                    |                    |
| Trade and other payables             | 287,088            | 292,830            | 298,686            | 304,660            | 310,753            | 316,968            |
| Provision for employees benefit      | 241,754            | 202,226            | 212,337            | 222,954            | 234,102            | 245,807            |
| Other provisions                     | 74,854             | 153,615            | 161,296            | 169,361            | 177,829            | 186,720            |
| Term loans - current portion         | 1,157,955          | 518,482            | 4,380,029          | 3,205,873          | 3,429,091          | 3,667,851          |
| Deferred revenue current portion     | 1,851,515          | 1,851,515          | 1,851,515          | 1,851,515          | 1,851,515          | 1,851,515          |
| Retention                            | 70,469             | 46,246             | 41,621             | 37,459             | 33,713             | 30,342             |
| Withholding tax                      | 5,993              | 12,259             | 6,130              | 3,065              | 1,532              | 766                |
| VAGST payable                        | 2,739,292          | 2,182,553          | 2,291,680          | 2,406,264          | 2,526,578          | 2,652,906          |



|                                       |                    |                    |                    |                    |                    |                    |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Total Current Liabilities</b>      | <b>6,428,920</b>   | <b>5,259,725</b>   | <b>9,243,294</b>   | <b>8,201,151</b>   | <b>8,561,113</b>   | <b>8,952,876</b>   |
| <b>Non-current liabilities</b>        |                    |                    |                    |                    |                    |                    |
| Term loans - non current portion      | 14,682,844         | 14,682,844         | 10,302,815         | 7,096,942          | 3,667,851          | 0                  |
| Deferred income                       | 54,934,612         | 54,936,193         | 53,131,029         | 51,325,865         | 49,520,701         | 47,715,537         |
| Long term creditors                   | 956,460            | 956,460            | 956,460            |                    |                    |                    |
| <b>Total Non-Current Liabilities</b>  | <b>70,573,916</b>  | <b>70,575,497</b>  | <b>64,390,304</b>  | <b>58,422,807</b>  | <b>53,188,552</b>  | <b>47,715,537</b>  |
| <b>Total Liabilities</b>              | <b>77,002,836</b>  | <b>75,835,222</b>  | <b>73,633,598</b>  | <b>66,623,957</b>  | <b>61,753,664</b>  | <b>56,668,412</b>  |
| <b>TOTAL EQUITY &amp; LIABILITIES</b> | <b>205,274,749</b> | <b>206,579,082</b> | <b>205,620,825</b> | <b>200,105,221</b> | <b>196,518,345</b> | <b>193,530,749</b> |

**12.2 Financial Performance Statements for the Year Ended 30<sup>th</sup> June**

|   | 2015              | 2016              | 2017              | 2018              | 2019              | 2020              |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Revenues</b>   | \$                | \$                | \$                | \$                | \$                | \$                |
| Deferred revenue/amortised income   | 1,849,934         | 1,788,421         | 1,726,908         | 1,665,395         | 1,603,882         | 1,542,369         |
| Recoveries overtime and others  | 2,222,882         | 2,245,111         | 2,290,013         | 2,335,812         | 2,219,021         | 2,329,972         |
| Rental income   | 415,050           | 419,201           | 440,161           | 462,169           | 439,060           | 461,013           |
| Interest income   | 14,756            | 30,595            | 70,108            | 70,284            | 70,495            | 70,741            |
| Income from operations<br>International wharf - \$9,357,951.00<br>Fishing Vessels - \$ 11,585.00          | 9,369,536         | 8,747,387         | 9,414,215         | 10,489,166        | 11,339,045        | 12,062,641        |
| Apia Marina   | 62,540            | 27,600            | 27,600            | 27,600            | 27,600            | 27,600            |
| Others<br>• Advise Fees \$ 26,459<br>• Devanning \$ 2,412<br>• Doubtful Debts \$ 400<br>• Other\$244,004. | 273,275           | 276,008           | 363,370           | 399,707           | 391,713           | 399,547           |
| Gain on sale of fixed assets  | 0                 | 32,000            | 60,000            |                   |                   |                   |
| <b>Total revenues</b>   | <b>14,207,973</b> | <b>13,566,322</b> | <b>14,392,375</b> | <b>15,450,132</b> | <b>16,090,816</b> | <b>16,893,883</b> |
| <b>Expenditures</b>   |                   |                   |                   |                   |                   |                   |
| Audit fees  | 52,000            | 58,650            | 57,000            | 58,650            | 58,650            | 58,650            |
| Depreciation  | 3,922,637         | 3,384,096         | 3,326,139         | 3,392,663         | 3,460,515         | 3,529,725         |
| Salaries and wages  | 3,554,945         | 2,294,560         | 3,748,912         | 3,936,358         | 4,133,176         | 4,339,835         |
| Employees benefit   | 146,373           | 228,396           | 312,044           | 397,342           | 484,316           | 572,989           |



|  |                    |                   |                   |                   |                   |                   |
|--|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Other operational expenditure<br>Admin/Operational \$1,275,297<br>Repairs & Maintenance \$ 184,403<br>Utilities \$ 832,558<br>Amenities \$ 73,467<br>Promotion/Marketing \$ 28,063 | 2,393,788          | 2,505,739         | 3,461,195         | 4,132,531         | 4,728,369         | 4,633,266         |
| Finance costs  | 26,588             | 26,322            | 26,059            | 25,798            | 25,540            | 25,285            |
| Interest paid  | 1,839,216          | 1,275,109         | 806,151           | 597,464           | 374,245           | 135,485           |
| Board expenses   | 61,003             | 27,245            | 26,973            | 26,703            | 26,436            | 26,172            |
| Directors' fees  | 44,391             | 109,312           | 130,000           | 130,000           | 130,000           | 130,000           |
| Other professional fees  | 51,811             | 18,188            | 18,551            | 18,923            | 19,301            | 19,687            |
| Loss on Revaluation of Fixed Assets  |                    | 563,256           |                   |                   |                   |                   |
| Loss on disposal of fixed assets   | 12,174,633         | 603,501           |                   |                   |                   |                   |
| <b>Total expenditures</b>  | <b>24,267,385</b>  | <b>11,094,375</b> | <b>11,913,025</b> | <b>12,716,431</b> | <b>13,440,548</b> | <b>13,471,093</b> |
| <b>Profit/Loss</b>   | <b>-10,059,412</b> | <b>2,471,948</b>  | <b>2,479,350</b>  | <b>2,733,701</b>  | <b>2,650,268</b>  | <b>3,422,790</b>  |
| <b>Government dividend</b>   | <b>0</b>           | <b>0</b>          | <b>1,235,974</b>  | <b>1,239,675</b>  | <b>1,366,851</b>  | <b>1,325,134</b>  |
| <b>Net profit/(loss) for the period</b>  | <b>-10,059,412</b> | <b>2,471,948</b>  | <b>1,243,376</b>  | <b>1,494,026</b>  | <b>1,283,417</b>  | <b>2,097,656</b>  |
|  |                    |                   |                   |                   |                   |                   |