



## CORPORATE PLAN 2024/25 - 2026/27

### Foreword

Talofa,

I am pleased to present the Corporate Plan of the Samoa Housing Corporation for the next three years, 2024/25–2026/27. The Corporate Plan sets out the Corporation's strategic development objectives, and goals.

The plan outlines how the Corporation intends to meet its mandated functions with its available resources while also contributing towards achieving key strategic outcomes for Samoa in key priority areas of the *Pathway for the Development of Samoa (PDS) 2021-2026 plan*. These are:

- > Key Strategic Outcome 1: Improved Social Development
  - Key Priority Area 1: Alleviating Hardship
  - Key Priority Area 2: Improved Public Health
  - Key Priority Area 5: Skilled Workforce
- > Key Strategic Outcome 4: Secured Environment and Climate Change
  - Key Priority Area 15: Build Climate Resilience

SHC's corporate vision is 'all Samoans accessing competitive financing and affordable rental housing'. We aim to achieve this vision by 'empowering Samoans to improve their living standards, so they can live and thrive in safe and resilient communities, by providing access to cheaper finance and better social housing options, while contributing to the sustainable growth and development of Samoa.'

We have identified four strategic objectives:

- 1. Strengthening the provisions of accessible and sustainable finance for housing.
- 2. Improving access to safe and affordable housing and properties.
- 3. Increasing resilience to climate change risks, hazards and shocks through integrating adaptation and social protection measures for housing and properties.
- 4. Enhancing our capability to improve, grow and sustain our business and service.

Specific strategies and actions to achieve the above objectives are set out in performance targets for the Corporation.

We have come a long way in the development of the Corporation. We aim to ensure that the Corporation continues to grow strong through strengthening its business operations and services to its clients and local community. We also want to enhance our focus on meeting our social responsibility in serving the most vulnerable families and communities in Samoa.

For the Samoa Housing Corporation to achieve its development aspirations the Corporation needs the support of all key stakeholders and partners - government, private sector, businesses and agencies, and the community. We need everyone to work with us in implementing this Corporate Plan. We look forward to working with you all to better the wellbeing of our people and the built environment of Samoa.

Soifua,

Lauano Lauina Grace

Chair

Board, Samoa Housing Corporation

### Summary: Corporate Plan 2024/25 - 2026/27

### Our vision

All Samoans accessing competitive financing and affordable rental housing

### Our mission

Empowering Samoans to improve their living standards, so they can live and thrive in safe and resilient communities, by providing access to cheaper finance and better social housing options, while contributing to the sustainable growth and development of Samoa

### Our values -

Honesty and integrity; transparency and accountability; respect; impartiality; and teamwork

### Our strategic objectives

- 1. Strengthening the provisions of accessible and sustainable finance for housing.
- 2. Improving access to safe and affordable housing and properties.
- 3. Increasing resilience to climate change risks, hazards and shocks through integrating adaptation and social protection measures for housing and properties.
- 4. Enhancing our capability to improve, grow and sustain our business and service.

### 1.1. Ensuring competitiveness of lending interest rates and fees.

- 1.2. Improving capacity to borrow at low costs.
- 1.3. Improving existing products.
- 1.4. Monitoring of contribution to low income (vulnerable) clients.
- 1.5. Maintaining the loan portfolio growth.
- 1.6. Strengthening the management of securities, collections and recovery of accounts.

- 2.1. Amendment of SHC Housing Act 2010 approved to include the Rental Properties function of the Corporation.
- 2.2. Developing a business plan for the development of rental properties, including assets with historical and commercially viable value.
- 2.3. Strengthening the effective and efficient management of the Housing Rental portfolio.
- 2.4. Improving, monitoring of Corporation buildings to ensure compliance with national standards (building code, OSH, etc.).

### Strategies

- 3.1. Mainstreaming climate change (adaptation, resilience building, etc.) and social protection in loan and housing policies, strategies and activities.
- 3.2. Developing and implementing plan of action in how the SHC respond to cases of shocks, hazards, emergencies, and other unexpected contingencies.
- 3.3. Identifying and developing project opportunities with secured funding to implement initiatives aimed at increasing resilience of housing in Samoa to climate change risks, hazards and impacts.
- 3.4. Building the capacity of staff on integrating adaptation and social protection measures for housing in their roles, responsibilities and approaches.

- 4.1. Providing excellent customer service.
- 4.2. Enhancing human resource management and capacity.
- 4.3. Ensuring that all strategic and operational policies, standard operating procedures and guidelines are in place.
- 4.4. Strengthening financial management.
- 4.5. Strengthening asset management.
- Improving the performance of the auditing function of the Corporation.
- Maintaining, upgrading and improving ICT systems
- 4.8. Providing a healthy, safe and conducive working environment.
- Improving quality evidence-based and timely reporting for informed and timely decision making.
- 4.10. Ensuring that GEDSI (gender equality, disability and social inclusion) is integrated in all development initiatives and reporting of the SHC to facilitate equal opportunities for all.

### Performance targets -

- 1. Financial sustainability
- 2. Value of loan portfolio
- 3. Number of loan clients
- 4. Number of new loan clients
- 5. Number of Properties meeting safety standards
- 6. Number of low income (\$5000-\$15,000) clients.
- 1.4 million profit; 7% return on equity; All dividends as prescribed under the Dividend Policy 2018 paid accordingly
- 76.7 million (3% growth)
- 3,282 (5% growth)
- At least 100 new clients
- 75 (100% of properties)
- 125(30% of low-income individuals and families accessing loans)

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### 1. ORGANISATIONAL CONTEXT AND PERFORMANCE OVERVIEW

### 1.1. Introduction

This Corporate Plan sets out the strategic development direction for the Samoa Housing Corporation (SHC), for the next three years, 2024/25–2026/27. It articulates and communicates SHC's development aspirations for improving its business operation and service delivery to clients and communities in Samoa and making a clear contribution in broader whole-of-government plans and programs.

Safe and affordable housing will help improve standards of living. SHC wants to contribute more towards improving the wellbeing of Samoans through its vision of 'all Samoans accessing competitive financing [to enable families to meet their housing needs] and affordable rental housing.' Within this vision, in assessing loan applications and working with families, SHC will promote consideration of housing matters to improve the resilience to shocks, natural disasters and other contingencies and improve capacity to respond to any natural disasters. Lessons learnt from the impacts of measles and Covid-19 pandemics, including widespread economic and financial-risk shocks, requires a revamp of the 'business as usual' approach of the Corporation. This Corporate Plan includes strategies to strengthen technological innovations and approaches to doing business as well as investing in projects that will boost SHC's investment portfolio. This will enable SHC to continue to contribute to the economic growth of Samoa and its people and actively develop financial and other business-risk controls. This focus is communicated via this Corporate Plan through the SHC's vision, mission, strategic objectives and performance targets.

The development of this Corporate Plan 2024/25–2026/27 is informed by the review of the previous Corporate Plan which included a re-examination of our development journey and key strategic development issues, challenges and priorities, a review of relevant literature and consultation with our key stakeholders.

### 1.2. Context

### 1.2.1. Mandate, history and profile

The SHC commenced operation in May 1990, and has operated for over 30 years. The Corporation was constituted, to meet the needs of borrowers who were unable to secure loans from commercial financial institutions for housing and land purchase, due to their inability to meet collateral or repayment requirements. Accordingly, the principal function of the SHC is 'lending money [secured by mortgages or other security] for the purposes of building, renovating, extending and completing residential homes or to assist the borrower to acquire land for residential purposes' (Housing Corporation Act 1989). In addition, the government has given SHC the responsibility of managing government rental housing properties.

In 2010, the Housing Corporation Act 1989 was amended for the SHC to perform additional functions of managing the government rental housing portfolio and to access related business activities and opportunities to meet the growing needs of the population. As a result, the government housing portfolio was transferred to the SHC from the Ministry of Works, Transport and Infrastructure (MWTI) in 2013. The SHC now provides residential rental accommodation for approximately 73 families. In 2022, five new rental units of two and three bedrooms were constructed on a ½ acre land at Moto'otua<sup>i</sup> to maximise the use of leased land, and to increase rental revenue and housing stock.

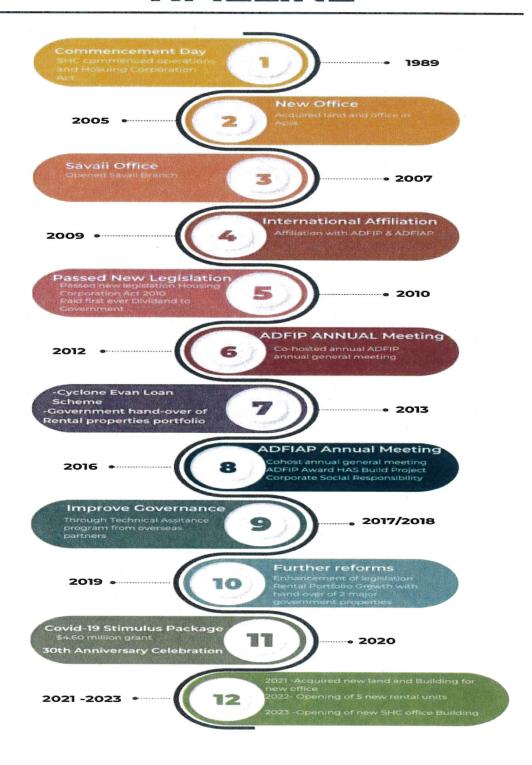
<sup>1</sup> Previously, only one three-bedroom house was built on this land which was destroyed by fire in 2018.

The milestones and important events in the history of the Corporation are outlined in Figure 1 below, highlighting the journey and growth of the SHC over the years since its establishment in 1990:

Figure 1: SHC milestones and important events since its establishment

SAMOA HOUSING CORPORATOIN

### TIMELINE



In 2019, a further amendment to the Housing Corporation Act 2010 was proposed to allow the SHC to perform additional functions for the proper management of the government rental housing portfolio and to include provisions for the SHC to become a Non-Bank Deposit Taking Institution (NBDTI). The proposed amendment however was set aside due to Central Bank of Samoa (CBS) prudential guidelines. Also proposed in the legislative amendment is the establishment of a separate "Business Unit within the Corporation" to service the proposed NBDTI, as well as other specific developments aimed at enhancing the business development of the SHC. The SHC aims in the lifespan of this Corporate Plan to revisit and pursue the review of the SHC Act to incorporate additional function and strengthen the performance of its mandated function and services.

### 1.2.2. Governance and organisational structure

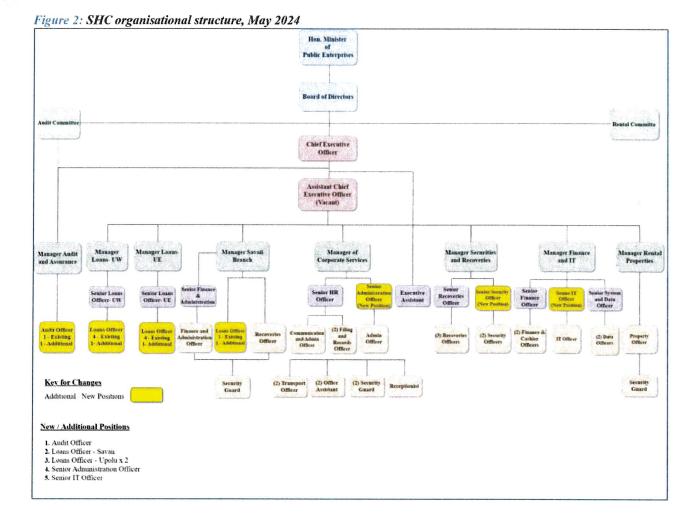
The Corporation is a Public Trading body under the Public Bodies. As such, it is required to comply with the requirements of the Public Bodies (Performance and Accountability) Act 2001 the Public Finance and Management Act 2001, Companies Amendment Act 2006, Labour and Employment Relations Act 2013, and Financial Institutions Act 1996, as well as Cabinet directives and overarching government policies and plans.

The overall governance, management and strategic direction of SHC is managed by a five-member Board of Directors and the SHC is staffed by a total workforce of 53 employees inclusive of the Chief Executive Officer (CEO) (see Figure 2 below). A total of 47 staff are located at the Apia Main Office while six (6) staff operate the Savaii Office. With its continuous development, the SHC will ensure that it has the right people with the required skills and competencies to carry out its functional responsibilities, and to maximise performances and productivity. As such, a review of the SHC's existing organisational structure is planned to better ensure the Corporation has a 'fit for purpose' organisational structure to deliver on its Corporate Plan.

SHC endeavours to ensure good governance is always practised at the highest standard in its operation and services. Managing and minimising risks is a top priority area for all divisions and staff - requiring compliance with all policies, procedures and standards directing and guiding divisional work and staff performances. The Internal Auditor function with the oversighting governance role of the Audit Committee provides an important 'checks and balances' mechanism for the Corporation. This is crucial in ensuring that issues of significant importance that potentially expose the SHC to greater risks are dealt with appropriately, and in an effective and efficient manner. The Audit division monitors these risks as well as compliance with policies, procedures and standards, and report on its audit findings with recommendations on actions to be undertaken to resolve any key issue identified.

The Corporation will continue to review and meet its legal obligations under the Housing Corporation Act 2010 and comply with other relevant legislation and regulations, to avoid any incidents that may affect the continuation of its operation and financial stability. SHC will also ensure the regular review of its policies and procedures to ensure their relevance to the business and the development priorities of the SHC, and to facilitate improvements in good governance practices.

ii According to the Public Body (Performance and Accountability) Act 2001, a public trading body is 'an organisation that exists mainly for the purpose of optimising returns on investment of public funds.' It shall register as a company under the Companies Act 2001. A public trading body's principal objective is 'to operate as a successful business, and to this end, a) be as profitable and efficient be as profitable and efficient as comparable businesses that are not owned by the State; and b) meet any community service obligations established under Part 3; and c) comply with the provisions of the Labour and Employment Relations Act 2013...; and (d) be an organisation that exhibits a sense of social responsibility by having regard to the interests of the community in which it operates.

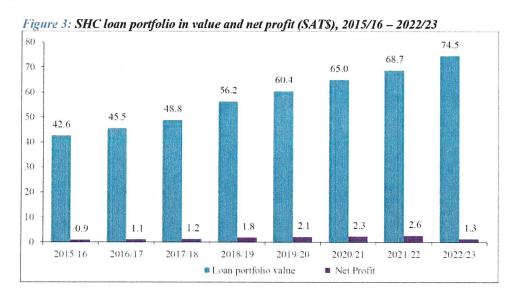


### 1.2.3. Current performance, operation and key areas for improvement

### a) Increasing loan portfolio

The Corporation's business has been growing over the years since its establishment. Its loan portfolio has increased from SAT\$42.6 million in 2015/16 to SAT\$74.5 million in 2022/23 (see Figure 3 below), with over 3,000 clients in its loan portfolio. The main increase in the loan portfolio derives from the increase of the loan ceiling from SAT\$150,000 to SAT\$250,000 to address market inflation, and in response to increased demands from clients/customers larger loans for land, building and housing.

Despite the challenges that the SHC faces with balancing available funding (and the cost of funds for SHC) versus high demands from clients/customers for larger loans to address the higher cost of housing, building costs for new homes and for renovations, and to purchase land, the SHC continues to grow strongly with no discernible increase in loan defaults, and to deliver the required housing loans service facility for its clients/customers. The Corporation remains committed to providing loans to over 3,000 low-middle income earner families – which have enabled them to build, extend or renovate homes, or to buy land for the purpose of home ownership.



### b) Increasing and maintaining competitiveness

SHC endeavours to increase its market share by providing more loans at cheaper and competitive interest rates. Limiting factors and constraints including prudential lending requirements for guarantees and securities by borrowers, to minimise the risk exposure of the Corporation and to maintain the quality and financial risks of the loan portfolio. The SHC's ability to offer competitive rates vis a vis commercial banks and other financial institutions is an area that needs strengthening. As such, SHC continues to monitor the macroeconomic outlook, inflation levels and other matters affecting its borrowers and SHC's cost of funds to enable SHC to be able to quickly adjust its lending policies and practices and to provide competitive and better products for customers, while still achieving its corporate objectives and targets.

To further strengthen and grow its services, the SHC will continue to build existing and explore new potential partnerships. For instance, discussions are underway for a potential partnership with the Samoa Business Hub (SBH) for a Loan Guarantee Scheme where Small to Medium Enterprises (SMEs) owners and operators will be able to access affordable housing loans, under scheme-approved business-security arrangements that consider the SME business and the business owner/operator housing needs.

Other notable achievements included the addition of new rental units built at Moto'otua to meet the high demand for rentals from the public, and to maximise the use of SHC government leasehold land to generate more income. Extensive renovations to all rental units on the government leasehold properties were implemented over the previous Corporate Plan timeframe. The Corporation will continue to explore development opportunities and initiatives to utilise vacant government leasehold land to build more rental units and to entice new tenants who should gradually become first homeowners through SHC's mortgage loan products.

### c) Accessing funds to maintain and improve operation and services

Funding continues to be a major challenge for the Corporation to meet high demands for loans, to improve and build the government housing portfolio, and to fund other key developments that are in the pipeline. As such, the Corporation will continue to seek avenues to access cheaper funds including a share of the government budget allocation, as well as additional financial and technical support from development partners.

Government as the sole shareholder of the SHC funded its initial capital. Since then, the Corporation has relied on a variety of funding sources including loan repayments, long term borrowings from other government institutions such as the National Provident Fund (NPF), Unit Trust of Samoa (UTOS), Accident Compensation Corporation (ACC) and CBS as well as short

term overdraft facilities with commercial banks. The SHC was able to access cheaper sources of funds such as the 1% and 3% credit line facilities from the CBS and \$7.5 million capital injection from Government for cyclone Evan. These cheaper sources of funds have since been discontinued.

The SHC is relooking at accessing similar sources for cheaper funding options and other potential funding sources. In 2023, SHC was able to secure a long-term loan facility from the ACC at a cheaper interest rate, to assist its efforts to reduce the trickle-down effect of increased cost of SHC funding, down to its borrowers. This initiative is aligned with one of the Government's key priority areas to improve access to cheaper financial services and to improve financial inclusivity across Samoa. Other SHC funding options will be explored and secured over the lifespan of this Corporate Plan.

### d) Sustaining financial capacity

The Corporation reported a total revenue of SAT9.5 million in its annual report for the 2022/23 financial year. Over the past eight financial years (2015/16 to 2022/23), SHC's net profit averaged approximately SAT1.7 million. Revenue primarily comes from interest on loans (76.9%), followed by fees (11.2%), rental properties income (10.4%), and other sources (1.5%). The Corporation projects total revenue of SAT9.7 million in 2025, SAT10.0 million in 2026, and SAT10.3 million in 2027. These forecasts are based on average trends in the lending portfolio over the last four years, with key income streams being interest, loan fees, and rental revenue. Additionally, financial ratios - such as profitability, equity, debt, current, and debt-to-equity ratios and the financial risk of the loan portfolio - play a critical role in assessing the Corporation's financial outlook, which remains positive and stable.

Table 1: SHC projected financial position, 2025-2027

Audited	Audited		Budget	Budget	Budget	Budget
2022	2023		2024	2025	2026	2027
S	\$		\$	\$	\$	\$
		1. PROFITABILITY RATIO				
7%	3%	1.1 % return on total investment by Government	6%	2%	3%	3%
2,609,009	_1,331,846	<u>Profit</u>	2,280,533	1,186,443	1,329,038	1,477,618
38,590,981	39,456,682	Equity	38,949,279	52,028,552	52,534,236	52,982,545
28%	14%	1.2 % return on total revenue	23%	12%	13%	14%
2,609,009	1,331,846	Net Profit	2,280,533	1,186,443	_1,329,038	1,477,618
9,314,310	9,496,587	Total Revenue	9,891,211	9,744,114	10,036,438	10,337,531
		2. EQUITY TO ASSETS RATIO				
		- Assess long term stability, the higher the equity ra	tio the greater th	e asset protection	on creditors	
56%	54%	- Measure % of assets provided by shareholders	57%	63%	65%	66%
38,590,981	39,456,682	Equity	38,949,279	_52,028,552	52,534,236	52,982,545
68,503,476	73,180,703	Total assets	68,900,434	82,551,089	81,131,189	80,091,072
		3. DEBT TO ASSETS RATIO				
44%	46%	- Measure margin of safety to creditors	43%	37%	35%	34%
29,912,495	33,724,021	Total liabilities	29,951,155	30,522,537	28,596,953	27,108,528
68,503,476	73,180,703	Total assets	68,900,434	82,551,089	81,131,189	80,091,072
		4. CURRENT RATIO				
		- Measure ability of Corporation to satisfy its				
2.0:1	2.0:1	obligation in the short term	3.0:1	6.0:1	7.0:1	7.0:1
2	2		3	6	7	7
21,480,432	20,647,871	Current assets	22,477,018	20,629,263	19,457,141	18,478,141
10,602,049	9,742,764	Current liabilities	7,929,764	3,587,757	2,840,387	2,587,060
		5. DEBT TO EQUITY				
78%	85%	- Measure the Corporation's financial leverage	77%	59%	54%	51%
29,912,495	33,724,021	Total liabilities	29,951,155	30,522,537	28,596,953	27,108,528
38,590,981	39,456,682	Equity	38,949,279	52,028,552	52,534,236	52,982,545

The SHC budget estimates of the corporate plan period is provided in **Annex B**. Operational needs of the Corporation are factored in, while also being mindful of the ability and the capacity to finance expenditure costs and key development initiatives against the revenue capacity of the Corporation. The budget forecasts accommodate as much as possible the needs of all divisions, which would enable them to undertake the Corporation mandated and statutory functions and responsibilities.

### e) Working environment

In 2021, SHC acquired an existing two-storey building on Convent Street, Mulivai, which has been completely refurbished to house its new headquarters in Apia. The refurbished SHC headquarters provides a modern, safe and functional physical work environment for the staff, as well as privacy for clients [through the provision of private interview rooms if required].

The Savaii office is small and is located on the second floor of the Salelologa Samoa Land Corporation (SLC) market building. This is not a suitable location for SHC's growing business in Savaii. Access to the 2<sup>nd</sup> floor is difficult, for the elderly and people with disabilities (PWDs). In addition, the office is not easily visible from the ground level making it hard to find. While building an office in Savaii is not a viable business proposition in the immediate future, it has been considered in the lifespan of this Corporate Plan to enable the SHC to better cater for its growing Savaii customer base and to ensure Savaii clients have access to the same standard of office environment that is available in Upolu. As an immediate solution, the SHC is looking at relocating the Savaii office to more suitable premises.

SHC is committed towards ensuring that it provides an optimal work environment for all its staff – one that supports employee well-being, productivity and satisfaction. An optimal work environment should also help employees feel safe, explore their potential, and grow in their careers. Creating a positive work environment requires balancing both physical (office layout, lighting, ergonomic furniture, compliance with Occupational Health and Safety Standards) and non-physical (company culture, leadership style, communication) elements. The existing Savaii office does not offer the same physical work environment as the main office in Apia

### f) Customer service

A vital indicator of quality services is consistent customer satisfaction, positive feedback, and loyalty which formed the basis of the Key Performance Indicators (KPI) of the SHC core functions and objectives to measure the level of its customer/client focus and service delivery. The Corporation needs to become more aware of the needs of its customers/clients, to inform how it should operate in targeting and meeting those needs. As such, the SHC will develop and implement measures (i.e. surveys, questionnaires, feedback forms, etc.) to gather customer satisfaction levels and honest feedback with its services, which will inform areas of performance shortfalls and where service improvements are needed.

### g) Human resource capacity

The ongoing success and stability of the business and financial position as well as service improvements of the Corporation depends on the capacity, commitment and loyalty of its staff. As such, the Corporation must ensure that it has the human resources capability to deliver and achieve its Corporate Plan. The Human Resource (HR) Manual is the main guide for staff performances and development. The Manual sets out incentives for motivating and developing staff performances and to develop their capacity and commitment towards achieving corporate objectives and performance targets. Staff performance is evaluated annually using the Performance Management System (PMS), where good performances are rewarded, and corrective measures are discussed and documented if targets are not met.

The Corporation aims to be an employer of choice and as such, is devoted to the development of its workforce. It will continue to strengthen its HR capabilities through developing and implementing sound and modern HR policies that reflect international best practice. Instilling organisational values and principles in every employee and ensuring staff participation in training and professional development (locally and abroad) and other capacity development opportunities are some of the key strategies of developing SHC's HR capacity. SHC also needs to ensure occupational health and safety requirements under the Labour and Employment Relations Act 2013 are met.

To further assist with the development of its human resources, the SHC will also develop a Capacity Building Strategy which will identify capacity needs and priorities, as well as relevant strategies and actions, to address priority needs in the medium to long terms.

### h) Information technology

With the global digital transformation and technological advancements, the SHC needs to adapt to obtain the benefits of new technology to make to make the necessary changes to improve the effectiveness and efficiency of its operations. As such, the Corporation is acquiring a new upgraded Loan System with advanced technological features to migrate clients to automated financial services. The new system will reduce SHC's lending costs, speed up service delivery, and improve compliance with reporting requirements and digital payment services. Upgrading the Corporation's systems will improve its information technology infrastructure and capacity to cater for its needs and improve its financial and risk management controls and reporting across its loan portfolio and to improve its loan-customer reporting and services. Lessons learnt from

the measles and COVID-19 epidemics has made information technology upgrade a critical part of preparations of the SHC for any future shocks. A list of specific technological interventions that are priority requirements will be identified and SHC will introduce the new technology modules and services as its available funding for business operations permits. This will include upgrading the SHC website to provide updates on the Corporation's services and opportunities available to the public and customers as well as social platform messaging as part of daily operations, building upon the lessons from how SHC needed to liaise with its clients during the pandemics.

### 1.2.4. Special projects in the pipeline

The Corporation has identified a list of special projects that it will aim to develop, implement and complete during the lifespan of this Corporate Plan. These are as follows:

### a) IFRS 9 accounting standard

To further minimise risks, the SHC is moving towards adopting the modern IFRS 9 Accounting Standard to better account for its expected credit losses (ECL) and income, to better reflect the quality of its loans portfolio, and to obtain assurance of the Corporation's accounts. The IFRS 9 "Financial Instrument" is a new international financial reporting standard where the methodology for how the provisions for loan losses is determined is different from SHC's existing accounting practice. ECL is based on a forward-looking process estimate rather than the current method of historical perspective. Under the historical perspective data on 'loan payments past days due,' 'non-performing loans' and 'history of arrears' are used as the basis for determining the provisions for loan losses. With the IFRS 9, entities are required to determine several 'probabilities of default' (PD) and to collate the assessment into a forward-looking estimate. The PD estimate has a forward-looking focus where the estimate considers the current accounting information for the loan portfolio and includes a factor for forecast (or risk assessed) future economic and social conditions. The SHC is in the process of moving towards adopting this new standard to improve the assessment of its provisions for doubtful debts, and to obtain assurance from external auditors of the Corporation's accounts.

### b) Housing Corporation Act 2010 review

The 2010 review and proposed amendment to the Corporation Act will be revisited and pursued further as a special project, to be implemented during the timeframe of this Corporate Plan. The proposed review and amendment are important for the development of the business and services of the SHC, to ensure that it has the enabling policy and legal framework to grow and sustain its operation, services and financial viability. Getting the leadership support from Government and key stakeholders on this initiative is crucial to the development of the SHC. As such, the proposed legislative amendments will be discussed with key stakeholders in open discussions on the subject and areas of key concerns. SHC will provide evidence-based analysis to further support the proposed review and amendments to the Act.

### c) Housing rental properties portfolio Business Plan

The SHC will develop and implement as a 'special project' a comprehensive business plan for the development of the government leasehold rental-housing properties portfolio. The business plan will outline strategies, pathways and necessary funding and other requirements upgrade the existing rental-housing stock and to build new units on available vacant lands. The objective is to ensure that the existing stock is refurbished to make safe and suitable for rental, vacant leasehold lands are developed and used to maximise rental-housing stock, and that the portfolio is financially viable and sustainable. Also included in this futuristic business plan are potential Public Private Partnerships (PPPs) and other initiatives, actively seeking partnerships with development partners

and private finance providers that would bring SHC more financial capacity to upgrade and develop the rental-housing portfolio on the government leasehold properties.

Further, the Corporation has commenced discussions with the Ministry of Natural Resources and Environment (MNRE) in 2023 on a potential partnership around climate resilience through 'green infrastructure' and 'climate-resilient' housing and homeownerships. To showcase its commitment to Samoa's nation's call for a decarbonised economy, the SHC will incorporate in its Corporate Plan strategies to support the government's low carbon economy quest by promoting renewable energy and energy efficiency of its rental portfolio and major infrastructural works.

### d) Samoa Business Hub loan guarantee scheme

The Corporation has over the years attempted to tap into the Samoa Business Hub (SBH) scheme in its efforts to help mitigate the inherent risks encountered by its unsecured loans portfolio. Subject to further discussions and consideration and approval by the Board, this potential partnership with SBH on a Loan Guarantee Scheme for Small to Medium Enterprises (SMEs) owners and operators is planned to be operational within the lifespan of this Corporate Plan. The target market for this project is the small to medium business operators with established business records with SBH, while we aim to improve their access to finance for their residential homes. SBH for a starting point has offered a 50% guarantee, and possibly more, depending on the scope of the unsecured loans. This would immensely improve the security coverage for the unsecured portfolio which often encounter problems with enforcing loan guarantees.<sup>iii</sup>

### e) Social housing project

The SHC believes that it is not yet reaching the vulnerable communities iv with the products that it currently offers – in terms of loans and rental housing. This is why the SHC is considering the launch of a social housing project to increase its reach and assistance to the vulnerable communities. SHC hopes to bring together experienced consultants [such as architects, engineers, and quantity surveyors], skilled tradespeople [such as plumbers, electricians, carpenters and builders], potential funders as well as potential clients, to collaborate on this project. Through this collaboration, design options for low-cost housing that comply with the National Building Code will be produced and built to improve the housing standards for the vulnerable communities. It is envisaged that the services provided by the required consultants and tradespeople will be volunteered free of charge as part of their social obligation contributions for low-cost houses costing between \$30,000 to \$50,000. The eligible SHC clients will be selected based on their needs and in accordance with documented studies of people under the Basic Needs Poverty Line (BNPL). The project will commence with an initial number of 10 houses to be built during the first and second year of the Corporate Plan, with this number doubling over the next 5 years. The client will contribute up to 30% towards the cost of building their house, which can be in kind (land, labour, materials - e.g. rocks for the foundations or trees for posts, etc.) and 'paying it forward' by helping the next client build their house using the skills acquired from building their own house. The balance of the cost for each house will be sourced from aid funders such as New Zealand Habitat and others.

### f) Savaii Office Project

The Savaii Office has been operational since 2007 and is currently renting on the top floor of the Salelologa Market. The current office does not meet OSH standards as the building was not designed specifically for SHC, with clients that require access to its services daily. Accessibility

Such as in the event of default due to common causes of absconding debtors, sudden change of employment circumstances, migration under regional seasonal employment scheme and Samoa quota scheme, and others.

iv Vulnerable groups as used in the Government of Samoa/UNDP Samoa Hardship and Poverty Report 2016. These include the elderly (age 60+) and children living under the Basic Needs Poverty Line (BNPL). Nearly 20% of the elderly and around 25% of children nationwide live in households that are vulnerable to poverty (i.e. expenditure below 50% above the BNPL)

is a major issue for the existing office – it is located on the top floor which poses accessibility challenges for the elderly and people with disabilities (PWDs) who require the services of the Corporation. Safety of clients and staff is a priority. The location of the current Savaii office poses a safety issue. This project shows SHC is committed to being inclusive and puts into action its GEDSI (gender equality, disability and social inclusion) Strategy 4.10 of this Corporate Plan.

SHC has a ½ acre of leasehold land from the Ministry of Lands and Survey (previously Samoa Land Corporation) in Salelologa, which has remained undeveloped for over eight (8) years. The Ministry of Lands and Survey (MLS) has instructed the Corporation to develop the land as part of the Government's policy to speed up the development of the Salelologa Township. Failure to do so could result in the lease being terminated, with the land reallocated to another government ministry or business given the high demand for land leases in the area. Moreover, this leasehold land is on prime location just behind the Salelologa market. SHC can capitalise on this prime location to maximise its services to existing clients and be able to attract new clients, bolstering its loans portfolio.

A feasibility study will be undertaken to determine the commercial viability of the project and confirm the optimum size and potential usage of the new complex [in addition to the SHC office, should the new complex also include commercial rental space for other government ministries and private businesses] to maximise SHC's return on investment. A detailed design brief will be prepared to ensure the new building meets SHC's requirements [including potential commercial rental space] and uses sustainable design principles to minimise environmental impact and running costs, and ensure the building is accessible and future proofed. The new building complex will fully comply with OSH standards and the NBC and will be funded through the Capital Projects Reserve Account held with UTOS. The new building is projected to have a life span of 50 years, with any major renovations anticipated after the first 10-15 years of construction. The new building will further strengthen SHC's assets-base and contribute to the growth of the Corporation's business operations in Savaii.

### 1.3. Key strategic issues for the corporate planning period

### 1.3.1. SWOT analysis

The SHC regularly monitors and analyses its operating environment at the macro level (demographics, economic, technological, political-legal and socio-cultural dynamics) and at the micro level (customers, competition, distributors, etc.) to identify factors affecting its ability to maintain, sustain and grow its business operation and services, as well as new development opportunities. Based on this environment scan, a SWOT (strengths, weaknesses, opportunities and threats) analysis of the SHC is provided in Table 2:

Table 2: Samoa Housing Corporation strengths, weaknesses, opportunities and threats analysis

Tab	le 2: Samoa Housing Corporation s	strengths, weaknesses, opportunities and threats analysis
SI	TRENGTHS	WAYS TO ENHANCE STRENGTHS
1.	100% owned by government.	<ul> <li>Use government as a vehicle to seek financial support under the national budget allocation and to apply for development partners' support to assist with lending and rental operations for Upolu and Savaii.</li> </ul>
2.	Repeated credible clients.	<ul> <li>SHC is flexible in applying its normal lending policies to retain existing credible customers and to entice good new potential clients.</li> </ul>
3.	Experienced workforce.	<ul> <li>Develop a Succession Plan and a Capacity Building Strategy which identify key capacity and workforce succession issues and gaps and strategies to address the gaps.</li> <li>Promote Knowledge Sharing and Collaboration.</li> <li>Implement regular meetings or workshops where experienced employees share insights with younger staff and establish crossfunctional teams to encourage learning from diverse strengths and perspectives.</li> <li>Review of organisation structure to encourage an experienced and productive workforce.</li> </ul>
W	EAKNESSES	WAYS TO MINIMISE WEAKNESSES
1.	High risk clientele.  Social-economic expectations not supported by adequate	<ul> <li>Strict applications of lending policies to new clients to ensure quality of loans portfolio and improve recoverability of loans funds.</li> <li>Providing ongoing trainings to staff to ensure that staff can identify, mitigate and manage risks.</li> <li>Enhance credit assessment - Implement more rigorous credit assessment processes to evaluate the financial stability and creditworthiness of new clients.</li> <li>Diversification of client base - avoid over-concentration of highrisk clients in the portfolio by setting limits on the percentage of loans allocated to high-risk categories.</li> <li>Strengthen collateral requirements - increase collateral requirements for high-risk clients to secure loans better.</li> <li>Regularly re-evaluate the value of collateral to ensure it adequately covers the loan amounts.</li> <li>Regular Monitoring and Reporting - establishing mechanisms for tracking high-risk client performance</li> <li>Seek financial and technical support from government and development partners to implement programs and projects in</li> </ul>
3	funding. Limited sources of funds.	response to social economic expectations.  • Enforce budget controls, guidelines and strengthen revenue
٠.	Zamies control of funds.	collection methods, including transforming methods through digital payment revolution (Vodafone M-Tala & Digicel Mobile Money).
OP	PORTUNITIES	STRATEGIES TO EXPLOIT OPPORTUNITIES
1.	Utilise new e-commerce platforms to improve service delivery and collection.	• Implement by 2025 (Vodafone M-Tala, Digicel My Cash).
2.	SBH Loan Guarantee Scheme.	• Formalise loan guarantee partnership scheme by 2026.
3.	Social development drive of the new Government.	• Tap into the Government social development assistance fund drive that has been channelled to the private sector and civil societies to finance its lending operations.
4.	Commercialisation of under- utilised rental units.	<ul> <li>Convert/outsource former HOS residence into a Public Private Partnership (PPP).</li> <li>Develop and implement projects for the development of unoccupied lands.</li> </ul>

5. Sustain Asset Base by securing Government agreement to increase term Land being leased for renta purposes.	
THREATS	STRATEGIES TO MINIMISE THREATS
Change in Government legislation, regulation, policies and Cabinet directives can adversely impact the Corporation's operations.	Board and Management to respond proactively by reviewing SHC Act 2010, developing new Policies and revising old; all Manuals to align with changes in government legislation, policies and Cabinet Directives.
2. Competition.	Offer competitive interest rates, improve existing products that are beneficial to our target market and provide excellent customer service
Natural disasters and infectious diseases outbrea	Continue to improve Emergency and Financial Plans to alleviate any major impact on our operations. Foster new partnerships with MNRE re: climate resilience programmes for infrastructure and investments.
4. Increased migration under NZ Quota Scheme & Region Seasonal Employment Scheme.	Ministries and Community ( <i>Fono Faavae</i> ) on ways to help us monitor client movements and stabilize arrangements before departing.
<ol><li>High Borrowing Costs</li></ol>	<ul> <li>Effective financial management and controls.</li> </ul>

### 1.3.2. Key strategic development issues and challenges

To align its planned and implementation efforts, resourcing, monitoring, evaluation and capacity development initiatives, it is important that the SHC highlight the key strategic issues, challenges, and priorities that it must address to achieve its vision, mission, strategic objectives and corporate targets as set out in its Corporate Plan. These are:

- Ability to remain competitive in the market The Corporation's ability to offer competitive policies (lending rates vis a vis banks and other financial institutions) remains a key challenge for developing and sustaining a quality housing loan portfolio and for maintaining its financial viability and profitable business, especially in Samoa's small market. As such, regular monitoring and review of the Corporation's borrowing and lending policies and capacities is required. This includes the need to continuously review and adjust the types of services and products that are competitive and beneficial for its targeted markets and clients. The Corporation needs to access cheaper finance while at the same time able to provide competitive and affordable rates of lending that cater for the diverse needs of the population for housing including vulnerable families and individuals in the community.
- Loreasing/maintaining profitability and meeting community social obligations the Corporation as a public trading body must maintain and sustain its financial viability and profitability as a successful business. At the same time, it must meet its social obligations as required under the Public Body Act 2001, and in accordance with government policy directives. These are necessary objectives for the SHC and should be important undertakings to accomplish by the Corporation. As such, careful considerations of business measures and practices to undertake is needed. The challenge is ensuring that the SHC remains financially sustainable and profitable and at the same time able to contribute towards (and be accountable for) improving social and economic development through the performance of its mandated service. The two objectives need to be harmoniously integrated to create a sustainable and ethical business model for the SHC, within its complex and evolving business landscape.

- Government housing portfolio and what purpose it is serving the Corporation has inherited the management and operation of the government housing portfolio which comprises of 73 rental properties, on government leasehold land located mainly around the Apia urban areas. The key challenge is that these rental properties are an aging stock past their expected lifespan requiring major renovations to make them safe, habitable and commercially viable. No budget was appropriated by Government for renovations when it handed the portfolio to SHC. Significant funding is required to enable the housing-stock to be brought to a safe and acceptable standard. The renovations and ongoing maintenance are additional costs that the Corporation will need to source from its existing and ongoing revenue generation measures that are already significantly committed to other SHC programs and requirements. Additional support from the government will be needed to bring the stock up to an acceptable standard which meets the National Building Code of Samoa (NBC) 2017. Opportunities for capitalising on the government housing rental market need further investigation to identify and analyse potential development initiatives including avenues and requirements to make the portfolio attractive for investments and possible public private partnership developments.
- Monitoring, evaluation and reporting for improved impacts on social and economic outcomes for the local people and families annual reporting of the Corporation shows incremental achievements and improvements in its performance over the years, reported mainly in terms of an increasing loans portfolio and revenue collection. As such, the SHC maintained a healthy and sustained financial position and profitable performance growth every year. These are significant and notable milestones for the SHC worth reporting on. However, the social-economic impacts of the Corporation's financial and loan portfolio improvements on the communities needs better articulation in its reporting. This includes monitoring, evaluating and reporting on how the SHC is (socially and economically) impacting on the housing market including specific consideration of such impacts on vulnerable families and communities. This is the impact that the government, communities, stakeholders and partners would also like to see more and to be measured and reported on (both in quantifiable and qualitative indicators) in terms of the ongoing impacts and contributions of the SHC in its mandated function as a public body entity for Samoa.
- ♣ Strengthening the capacity of the SHC strengthening and improving the business and service performances of the SHC ultimately depends on its leadership, management and capability. As such, there is a need to continuously assess the capability of the office to ensure that it has the right people with the required skills and competencies to be able to achieve and deliver on key development outcomes and core performance targets of the Corporation. At the same time, the capabilities in terms of the physical and soft infrastructure and technology that are needed must be identified. This includes the need to identify and highlight key development opportunities that the Corporation needs to harness which will potentially contribute to its business growth and service delivery improvements in the medium to long term.

### 1.3.3. Key strategic development priorities

To respond to the above key strategic development issues and challenges, the SHC has identified its strategic development priorities as follows.

♣ Effective completion of special projects – we have highlighted in the above sections 'special projects' that SHC aims to implement at the completion of this Corporate Plan, in 2026/27. They include introduction of the 'IFRS Accounting Standard'; review of the Housing Act 2010; development and implementation of a comprehensive business plan for the rental housing properties portfolio; formalising and implementing potential partnerships that will help strengthen loans security. Other projects include the construction of the new Savaii branch office building; and improving service delivery & OSH (occupational safety and

health) compliance for the housing rental properties. These are SHC's key milestones to be achieved within the timeframe of this Corporate Plan, which will help boost the business performances and service delivery of the Corporation. We will monitor and evaluate during the lifespan of this Corporate Plan the effective and efficient implementation of these special projects.

- Enhancing our competitive advantages and social obligations to the local community SHC will regularly review its policies and plans and enhance its business practices and operations to ensure that the SHC remains competitive and can achieve its vision and mission. SHC will increase the quality of its housing loan portfolio, by enhancing the efficiency and effectiveness of how it provides its services. Some of the key actions we will be pursuing include identifying and negotiating external funding sources at concessional terms and conditions. This will not only enable the Corporation to safeguard and sustain its financial position, but more importantly, contribute to reducing poverty of its clients through offering attractive and competitive packages to people with low-to-medium income earnings, to procure land and/or build homes. At the same time, SHC will monitor how it is contributing towards meeting its social contributions to the community it serves. This includes a particular focus on improving the rental-housing property portfolio for a better return on investment while providing affordable and safe housing for eligible tenants. The Corporation remains committed to develop and improve its rental properties, to ensure they meet Samoa's NBC and public health requirements while also increasing the potential of achieving full occupancy for its rental portfolio.
- \*\* Strengthening our capability SHC needs to ensure that it has the capability to be able to implement the development aspirations as outlined in this Corporate Plan. This refers to SHC's physical and soft capabilities in terms of the financial resources, human resources, assets, and technology that SHC must have to continue to function properly and to improve its business and services. In this regard, SHC will re-examine its policy, governance and legal frameworks to ensure that its mandate remains strong, relevant, and is providing an enabling environment for the Corporation to grow and exploit potential development opportunities. SHC will continue to re-assess the skill sets SHC has and what it needs, to make sure it acquires and develops the human resources that best suit the Corporation's future. SHC will acquire the right technology to help strengthen the way it does things hence improving effectiveness and efficiency in its business operations. SHC further aims to strengthen its customer services through better feedback loop mechanisms and better reporting on how the Corporation is impacting on the social and economic development of the community and Samoa.
- \* Enhancing strategic partnerships SHC aims to enhance its strategic engagement with key stakeholders and partners, in the public, private, and civil society sectors, for it to maintain and enhance its strategic influences, relevance, and impact through our business and services. As such, SHC aims to maintain and sustain existing partnerships and to explore and develop new and potential partnerships, not only within Samoa, but also in the international arena. SHC needs the support of government to push through with the needed policy and legislative changes as well as key development initiatives requiring leadership support. To exploit potential opportunities that will benefit more people and communities, SHC needs the partnership support of its development partners including that of the development community through financial and technical assistance. This includes the enabling of needed public private partnerships for the co-delivery of community services and business development initiatives. At the same time, SHC will seek collaborative support for improving its work systems, processes, approaches, business practices and capacities, so that it continues to improve and grow.

### 2. STRATEGIC DEVELOPMENT DIRECTION

### 2.1. Key strategic linkages

The SHC continues to align its strategic direction and operations to enhance its support and contribution to the achievement of national strategies, policies and plans, as set by the Government. SHC has considered this integrated approach in the preparation of this Corporate Plan to ensure that it meets its mandated functions and its financial goals for sustainability in a competitive industry, and that it is also contributing towards achievement of national social-economic development priorities as set by the Government for its people and community.

As such, this Corporate Plan is aligned, and contributes, to the achievement of the national development vision and outcomes for Samoa as stipulated in the *Pathway for the Development of Samoa (PDS) 2021-2026*. The vision of the PDS 2021-2026 is 'fostering social harmony, safety and freedom for all', with the theme of 'empowering community, building resilience, and inspiring growth.' This is to be achieved through five key strategic outcomes: improved social outcomes; diversified and sustainable economy; security and trusted governance; secured environment and climate change; and structured public works and infrastructure (as outlined in the PDS document). While the SHC Corporate Plan contributes to all five key strategic outcomes of the PDS, it is related more particularly to the following two key strategic outcomes:

- > Key Strategic Outcome 1: Improved Social Development
  - Key Priority Area 1: Alleviating Hardship
  - Key Priority Area 2: Improved Public Health
  - Key Priority Area 5: Skilled Workforce
- > Key Strategic Outcome 4: Secured Environment and Climate Change
  - Key Priority Area 15: Build Climate Resilience

The SHC Corporate Plan also contributes to the achievements of the sector plans. The linkages to, and alignment with, the 14 sectors plans are analysed in detail in **Annex C**.

### 2.2. Values

Our core values are integral to the way in which we work within the Corporation. They portray who we are as an organisation and the way we operate as a public entity. They underpin everything that our leadership, management, and staff do,

- Honesty and integrity we value honesty and integrity, which are embodied in the core of our business and operations. We do not tolerate unethical behaviour. We will take appropriate actions in accordance with prevailing policies in cases of unethical behaviours.
- **Transparency and accountability** we value and portray clear and open decision making while holding decision-makers to account. This is essential for sound governance.
- \* Respect our staff embrace each other's different points of view and background, as well as respecting the diversity of our client/customer base whom we serve and value as essential to our business sustainability and growth.
- Impartiality we strive to ensure fair and objective decision making within all areas of our business and operations and treat everyone the same regardless of their social, economic and political status and background.

**Teamwork** – we foster teamwork to improve efficiency, effectiveness and productivity, and better communication which builds strong working relationships and partnerships.

### 2.3. Vision

Our vision for the Samoa Housing Corporation (SHC) is:

"All Samoans accessing competitive financing and affordable rental housing"

### 2.4. Mission

Our mission for the Samoa Housing Corporation (SHC) is:

"Empowering Samoans to improve their living standards, so they can live and thrive in safe and resilient communities, by providing access to cheaper finance and better social housing options, while contributing to the sustainable growth and development of Samoa"

### 2.5. Strategic objectives

Outlined below are the four strategic objectives of the SHC for the next 3 years of 2024/25–2026/27 that will contribute towards the achievement of the vision and mission:

- 1. Strengthening the provisions of accessible and sustainable finance for housing.
- 2. Improving access to safe and affordable housing and properties.
- 3. Increasing resilience to climate change risks, hazards and shocks through integrating adaptation and social protection measures for housing and properties.
- 4. Enhancing our capability to improve, grow and sustain our business and service.

### 2.6. Strategies and key performance indicators

Figure 4 below identifies the strategies that will be implemented to contribute towards achievement of the above-stated strategic objectives. The corresponding key performance indicators (KPIs) are provided in the monitoring and evaluation (M&E) framework (Annex A). These strategies need to be continuously reviewed as part of the M&E framework of the SHC to ensure they are revised, adapted and adjusted in response to changes in the planning and policy environment.

Figure 4: Corporate Plan 2024/25 - 2026/27 strategies and key performance indicators

- 1.1. Strengthening the provisions of accessible and sustainable finance for housing.
- 1.1. Ensuring competitiveness of lending interest rates and fees.
- 1.2. Improving capacity to borrow at low cost.
- 1.3. Improving existing products.
- 1.4. Monitoring of contribution to low income (vulnerable) clients.
- 1.5. Maintaining the loan portfolio growth.
- 1.6. Strengthening the management of securities, collections and recovery of accounts.

- 2. Improving access to safe and affordable housing.
- 2.1. Amendment of SHC Act 2010 approved to include the Rental Properties function of the Corporation.
- 2.2. Developing a business plan for the development of rental properties, including assets with historical and commercially viable value.
- 2.3. Strengthening the effective and efficient management of the housing rental property portfolio.
- 2.4. Improving monitoring of Corporation buildings to ensure compliance with national standards (building code, OSH, etc.).

- 3. Increasing resilience to climate change risks, hazards and shocks through integrating adaptation and social protection measures for housing.
- 3.1. Mainstreaming climate change (adaptation, resilience building, etc.) and social protection in loan and housing policies, strategies and activities.
- 3.2. Developing and implementing a SHC response plan to cases of shocks, hazards, emergencies, and other unexpected contingencies.
- 3.3. Identifying and developing project opportunities with secured funding to implement initiatives aimed at increasing resilience of housing in Samoa to climate change risks, hazards and impacts.
- 3.4. Building the capacity of staff on integrating adaptation, and social protection measures for housing in their roles, responsibilities and approaches.

- 4. Enhancing our capability to improve, grow and sustain our business and service.
- 4.1. Providing excellent customer service.
- 4.2. Enhancing human resource management and capacity.
- 4.3. Ensuring that all strategic and operational policies, standard operating procedures and guidelines are in place.
- 4.4. Strengthening financial management.
- 4.5. Strengthening asset management.
- 4.6. Improving the performance of the auditing function of the Corporation.
- 4.7. Maintaining, upgrading and improving ICT systems.
- Providing a healthy, safe and conducive working environment.
- 4.9. Improving quality, evidence-based and timely reporting for informed and timely decision making.
- 4.10. Ensuring that GEDSI is integrated in all development initiatives and reporting of the SHC to facilitate equal opportunities for all.

### 3. IMPLEMENTATION, MONITORING & EVALUATION

The key performance indicators and outputs outlined in the combined M&E and Implementation Plan in Annex A guide and direct regular monitoring and evaluation of the Corporate Plan 2024/25—2026/27. The M&E/Implementation Plan further identifies key risks involved with the implementation of the Corporate Plan and relevant remedies to address those risks. M&E will be facilitated by the Secretariat (see Figure 5) with strategic oversight provided by the Board.

Improvements in implementation and in the development of follow-up or subsequent implementation plans require the sharing of data/information on the progress of implementation and lessons learned during the implementation processes. The collection and maintenance of accurate M&E data and information is fundamental for the preparation of evidence-based reports documenting implementation progress of the Corporate Plan and informing how to improve further progress.

- Annual work plan and budget (AWP&B): the SHC annual work plan and budget will serve as the primary reference documents for the purpose of monitoring the achievement of results. The Board and SHC management are tasked with the overall responsibility of ensuring implementation of the Corporate Plan. As such, it is important to ensure alignment of the Corporate Plan and annual work plan and budget of the SHC.
- Sixth monthly and annual reporting: Sixth monthly and annual reports need preparation by the Secretariat (the Corporate Services Division). Reports need to be submitted to the Board on a regular basis to inform them about achievements made, and to highlight progress, issues, challenges and lessons learnt. Reports should include updated information and narrative summary of results achieved against the M&E/Implementation Plan, lessons learnt and way forward.
- Annual reviews: Based on the above reports, annual reviews should be conducted in the fourth quarter of the year or shortly after, to assess progress made against the Corporate Plan and to review the Implementation Plan for the following year. In the last year of the Corporate Plan, this review will also be a final assessment. This review is driven by the Board and management and should involve key stakeholders for feedback. The review must focus on the extent to which progress is being made on the Corporate Plan. Any changes to the Implementation Plan based on available resources and lessons learnt should be considered at meetings of the Board and management.
- Mid-term and completion reviews/evaluation: Ongoing improvements and maintaining momentum in the implementation of the Corporate Plan require regular independent evaluation to assess progress and to map the way forward. The implementation of the Corporate Plan is a complex area because of the required institutional changes that need to happen. As such, ongoing reflections through reviews and evaluations are critical for feedback and ongoing improvements.

### 3.1. Governance and implementation arrangements

Leadership commitment is essential for the effective and efficient implementation of the Corporate Plan. This leadership commitment and drive remains with the SHC Board, management and staff. An integral part of the leadership process is ensuring that all Board, management and staff members as well as key stakeholders have a shared understanding of the vision, mission, strategic objectives, strategies, performance indicators, activities, and the changes anticipated to take place under the Plan, and that they fully understand how the performance of their roles contributes to the achievement of the Plan. This includes everyone being able to provide regular input into the implementation (and monitoring and evaluation) processes during the lifespan of the Corporate Plan.

It is further important to give clear directions on who (i.e. SHC managers and staff) is responsible for implementing each of the actions/activities outlined in the M&E/Implementation Plan and how those actions/activities contribute to the achievement of the strategic objectives, mission, vision and overall expected outcomes or impacts to be made. At the same time, key stakeholders and partners need to be aware of the Corporate Plan and how it contributes to the overall development of the different sectors in Samoa, and how their support and collaborative efforts to the SHC can contribute to a shared realisation of SHC's corporate outcomes.

To facilitate and monitor/track the implementation process, the SHC needs to put into place governance and implementation arrangements for the Corporate Plan. The Board provides strategic leadership, governance, and monitoring oversight on the adoption and implementation of the Corporate Plan and its Implementation Plan. The SHC Performance Management System needs to be aligned to the Corporate Plan and its Implementation Plan – where there is a clear identification in the divisional/sectional and individual staff work and performance plans, their contributions and achievements of the Corporate Plan and its Implementation Plan.

The Corporate Services Division is the Secretariat of the Corporate Plan's development and implementation. It is responsible for monitoring, evaluation and reporting on the implementation of the Corporate Plan and its Implementation Plan. This includes undertaking the facilitation role for the implementation of the Corporate Plan. Monitoring and evaluation reports on the Corporate Plan and its Implementation Plan, should be prepared and submitted by the Secretariat to the Board and management at their regular meetings. Figure 5 outlines the governance and implementation structure for the Corporate Plan 2014/25 - 2026/27:

Minister Board Management and leadership oversight CEO Implementation, Secretariat & Technical support SHC workforce (all divisions/sections) Customers & clients Stakeholders/Implementing partners. Private Sector Public sector Civil society Vision: "All Samoans accessing competitive financing and affordable rental housing".

Mission: "Empowering Samoans to improve their living standards, so they can live and thrive in safe and resilient communities, by providing access to cheaper finance and better social housing options, while contributing to the sustainable growth and development of Samoa". Strategic objective 3: Strategic objective 2: Strategic objective 4: Strategic objective 1: Increasing resilience to climate Enhancing our Improving access to Strengthening the change risks, hazards and safe and affordable capability to provisions of housing and shocks through integrating accessible and improve, grow and adaptation and social protection sustain our business sustainable finance properties. measures for housing and and service. for housing. properties. Operational Plan - Monitoring and Evaluation - Implementation Plan 2025-2027 (Annex A)

Figure 5: SHC Corporate Plan 2024/25-2026/27 governance and implementation structure

### 3.2. Budget and resourcing implementation of the Corporate Plan

The budget for the implementation of the Corporate Plan adoption and implementation during its 3 years lifespan is incorporated in the Monitoring and Evaluation - Implementation Plan 2025-2027 (see **Annex B**).

The Corporate Plan will be implemented with financial and human resources available from within the budgetary resources of the SHC (see **Annex B**). Additional financial and technical support from government, development partners and other relevant institutions through partnership arrangements should be sought on the implementation of the Corporate Plan.

Financing options available to implement the Plan include:

- Reallocation of existing funded initiatives and activities.
- Cost recoveries.
- Program and project fundings from government and development partners.
- Financial and technical assistances sought from relevant organisations at the national, regional and global levels.

### 3.3. Organisational structure to support and implement the Corporate Plan

It is important that the SHC consider its human resource (HR) capacity to implement and deliver on its Corporate Plan. As such, incorporated into the Corporate Plan's Monitoring and Evaluation - Implementation Plan 2025-2027 (in <u>Annex A</u>) are strategies and activities aimed at developing and strengthening the HR and Implementation capacity of the SHC. The Corporate needs to conduct a proper assessment of its HR needs which inform the development of a Capacity (Professional Development and Training) Development Plan/Strategy for the SHC workforce and office. As part of developing and strengthening the HR capacity of the Corporate, it is important to consider the following aspects as part of its ongoing efforts to build, develop and strengthen such capacity:

- Conduct a proper review of the organisational structure of the SHC.
- Consider the employment of Managers on contractual basis.
- Develop a staff Professional Development Action Plan considering the skills that are needed to achieve the development priorities set out in this Corporate Plan.
- Identify and forecast the HR capacity needs of the SHC to deliver on its corporate vision, mission, and objectives. Priority HR needs should be identified to be achieved on annual basis, 3-5 years, 10 years, and so on.
- Build and develop the notion of a learning working environment or learning organisation or workplace in the SHC.
- Liaise with relevant organisations/partners (local, region and global) on professional development opportunities for staff.
- Ensure that a proper recruitment and selection process is conducted for all positions while remain open to bringing in certain expertise (on temporary/contractual/consultancy basis) when the need arises.
- Salary increases for staff based on the implementation of a proper Performance Management System (PMS) that is clearly linked to the strategic plan, corporate plan, annual plan and budget. Salary increases are subject to the SHC's overall performance improvement, affordability to pay and sustain personnel costs, and the threshold policy on resource allocation.
- Include in Job Descriptions (JDs) and performance contracts of senior management and middle-management responsibilities and obligations to ensure there is staff training and development as well as succession planning and management in their respective divisions, sections or units.

### 3.4. Monitoring and evaluation

### Annexes

# A. Monitoring and Evaluation - Implementation Plan 2025-2027

Viston: "All Samoans accessing competitive financing and affordable rental housing".

Mission: "Empowering Samoans to improve their living standards, so they can live and thrive in safe and resilient communities, by providing access to cheaper finance and better social housing options, while contributing to the sustainable growth and development of Samoa".
Strategic objectives:

Strengthening the provisions of accessible and sustainable finance for housing.

Improving access to safe and affordable housing and properties.

Increasing resilience to climate change risks, hazards and shocks through integrating adaptation and social protection measures for housing and properties. Enhancing our capability to improve, grow and sustain our business and service.

4. Ennuncing on	r capatanti to th	4. Entitle our capability to improve, grow and sustain our business and service.	r ousiness and service.					
Indicators	Baselines (FY2022- 2023)	Targets (Mid-term of CP)	Targets (End of CP)	Responsibility	Budget and Definitions	Means of verification	Risks	Strategies to manage risks
1. Value of loan portfolio	\$74.5 million	- \$75.6 million (1.5% growth).	- \$76.7 million (3% growth).	Board of Directors and Management		-Annual Reports -Audit Reports	Operating in a competitive market.	Reposition lending policies.
2. Number of loan clients	3125	3,204 (2.5% growth).	3,282 (5% growth).	Loans Divisions & Securities and Recoveries Division	\$36,000,000 Within existing	-Annual Reports -Audit Reports disaggregated by GEDSI, age, location, etc.)	Seek partners  Lack of access access Lower to lower borrowing interest rates. Seek and sign	Seek partnerships to access Lower interest rates Seek and sign agreements with
3. Number of new loan clients (disaggregated by GEDSI, age, location, etc.)	0 GEDSI (NA)	At least 50 new loan clients (GEDSI disaggregated made available).	At least 100 new loan clients. (GEDSI disaggregated made available).	Loans Divisions	resources	-Annual Reports -Audit Reports	High number of clients in the Personal Guarantees Loans	relevant development partners to assist Iow-income families.
4. Number of low- income clients (\$5,000 - \$15,000) supported.	96 clients	106 (10% increase in number of new clients)	125 (At least 30% increase in number of new clients)	Board of Directors and Management		-Annual Reports -Audit Reports	Portfolio. Not able to serve/fmance all vulnerable families	Seek other forms of security/guarantees to strengthen the security of the loans portfolio
5. Number of properties assessed as meeting safety standards (e.g. national building code,	54 (72% of properties)	At least 64 (85% of properties) meeting safety standards.	75 (100% of properties) meeting safety standards.	Rental Sub Committee	\$3,100,000	-Reports to the Board -Annual Reports -MCIL OSH Reports -MWTI Reports	applications.  External shocks (e.g. pandemic,	Establish an emergency reserve account.

				access Lower interest rates Seek and sign agreements with	relevant development partners to assist	low-income families. Seek other forms of	security/guarantees to strengthen the security of the loans portfolio	Establish an emergency reserve account.	
natural disasters, etc.)			Operating in a competitive market.	tack of access to lower borrowing interest rates.	High number of clients in the Personal	Guarantees Loans Portfolio.	Not able to serve/finance all vulnerable family's applications.	External shocks (e.g. pandemic, natural	disasters, etc.)
	Annual Reports		Annual Reports Audit Reports		Annual Reports Audit Reports	Annual Reports Audit Reports	Annual Reports Audit Reports		Annual Reports Audit Reports
			*			Within existing resources			
	Board of Directors and Management	cing for housing.	Finance		Board of Directors and Management	Loans Divisions	Loans Division	Rental Sub Committee and Development Partners	Loans Divisions
	\$1.4 million (10% increase). 7% All dividends as prescribed under the Dividend Policy 2018.	ble and sustainable finan	Sustain/maintain lending interest rates and fees in line with market rates and fees.		Borrowing interest rates and fees in line with market rates.	At least two new types of securities introduced.	At least 50 low income (vulnerable) families assisted.	At least 10 special project (social housing) abodes completed	876.7 million (3% growth).
	\$1.3 million (5% increase). 5% Dividend (35% of profit) as prescribed in the Dividend Policy 2018 paid accordingly	Strategic objective 1: Strengthening the provisions of accessible and sustainable financing for housing.	Lending interest rates reduced to at least 8-11% for mortgage and land loans and 14% for personal guarantees	loans in accordance with current market rates and fees.	Borrowing rate in line with market rates.	At least one type of security introduced to improve existing products.	At least 25 low income (vulnerable) families assisted	At least 5 special project (social housing) abodes completed	\$75.6 million (1.5% growth).
	\$1.3 million 3%	Strengthening	9-12% for mortgage and land loans.	17% for personal guarantees loan.	%8-9	0	0		\$74.5 million
OSH, environmental standards)	6. Financial sustainability - Increase in profit Return on equity	Strategic objective 1:	1.1 Ensuring competitiveness of lending interest rates and fees.		1.2 Improving capacity to borrow at low cost.	1.3 Improving existing products.	1.4 Monitoring of social contributions to low income (vulnerable) clients.		1.5 Maintaining the loan portfolio growth

							Seek government support (e.g. funding injection) to bring the current
							Aging housing stock with no
	Annual Reports Audit Reports				Revised Bill		Reports to Board of Directors
					\$100,000 (TA support if needed)		
	Securities and Recoveries Division				Board of Directors and Management		Rental Sub Committee and
2% by amount & 20% by numbers. At least 90% expected collection sustained for Loans Division	Arrears by amount no more than 5% by value (40% by number) of the total Recoveries Portfolio.	At least 80% of all accounts in the Recoveries Portfolio instigated legal actions	At least 80% of expected repayments in the Recoveries Portfolio collected.	ousi	Revised legislation approved and is 100% functional.	Rental Property Policy applied and tenants in full compliance with policy.	At least 3 development partners buy in to the business plan.
2.5% by amount & 25% by numbers of the total Loans Portfolio. 90% expected collection maintained for Loans Division.	Arrears by amount no more than 5% by value (40% by number) of the total Recoveries Portfolio.	At least 80% of all accounts in the Recoveries Portfolio instigated legal actions	At least 80% of expected At repayments in the Recoveries Portfolio Rocollected	Strategic objective 2. Improving access to safe and affordable h	Bill of Amendment tabled in Parliament by June 2025.	Rental Property Policy revised by June 2025.	Business Plan approved and adopted.
3,125 clients	8% by value (47% by number) of the total Recoveries Portfolio			Improving ac	SHC Housing Act 2010		0
	1.6 Strengthening the management of securities, collections and recovery of accounts			Strategic objective 2:	2.1 Amendment of SHC Housing Act 2010 approved to	Properties function of the Corporation.	2.2 Developing a business plan for the development of rental properties,

including assets with historical and commercially viable value.	0			Development Partners		Annual Reports	contribution from government to bring it to	aging housing stock to an acceptable level.
2.3 Strengthening the effective and efficient management of the housing rental property portfolio.	Arrears 6% of total expected rent per annum (\$41,982)	Arrears no more than 5% of the total expected rent per annum.	Arrears no more 2% of the total expected rent per annum.	Rental Properties Division	Within existing resources	Reports to Board of Directors	acceptable level.	
	Occupancy Rate – 95.9%	100% occupancy rate	100% occupancy rate.					
2.4 Improving monitoring of corporation	95% compliance with NBC,	100% compliance.	100% compliance.	Corporate Services and Rental		Reports to Board of Directors		
compliance with national standards (building code, OSH,	OSH etc. 100%	100% - all building insured	100% - all building insured	Properties Divisions.				HOUSE BANK THE SERVICE
Strategic objective 3: properties.	Increasing re	Strategic objective 3: Increasing resilience to climate change risks, hazards and shocks through integrating adaptation and social protection measures for housing and properties.	risks, hazards and shock	s through integra	ting adaptation an	d social protec	ion measures fo	r housing and
3.1 Mainstreaming climate change	0	50% of climate change and resilience plan	100% of climate change and resilience plan	Board of Directors and	\$20,000 (TA assistance)	Reports to Board of	Limited internal	- Provide relevant trainings and
(adaptation, resilience building, etc.) and social projection in loan		mainstreamed into Corporation's policies strategies, etc.	mainstreamed into Corporation's policies strategies, etc.	Management		Directors Annual Reports	capacity. Staff	support needed by staff Seek technical
and housing policies, strategies and activities.	0	Policy of large loans (\$100,000.00 upwards) to incorporate climate proofing developments.	Policy of large loans enforced.				resisting needed changes.	if needed especially in newly developed areas and initiatives of the
								Corporation More awareness
3.2 Developing and implementing a SHC response plan to cases of shocks,	0	Response Plan approved and adopted.	Response Plan fully operational.	CEO, Corporate Services and		Reports to Board of Directors		and discussions on the reasons and benefits of the changes.

				- Provide relevant trainings and support needed by staff Seek technical assistance/support if needed especially in newly developed areas and initiatives of the Corporation More awareness and discussions on the reasons
				Limited internal capacity. Staff resisting needed changes.
Annual Reports	Reports to Board of Directors Annual Reports	Reports to Board of Directors		Register of customer feedback. Reports to Board of Directors.
		\$100,000		Within existing resources
Finance & IT Divisions.	Board of Directors and CEO	Corporate Services Division.	ness and service	Corporate Services Division.
Emergency Response reserve established.	SHC and MNRE working collaboratively on at least one project on climate change and resilience.	[x] Number of staff trained and applying technique to roles and responsibilities in accordance with capacity building strategy.	Strategic objective 4: Enhancing our capability to improve, grow and sustain our business and service	100% usage of customer feedback for improving services.
Emergency Response Fund approved.	Engagement with key stakeholders and partners around climate change established.	Capacity building strategy developed identifying [x] number of staff to be trained.	ır capability to improve, g	80% customer satisfaction rate.
0	0	0	Enhancing ou	0
hazards emergencies, and other unexpected contingencies.	3.3 Identifying and developing project opportunities with secured funding to implement initiatives aimed at increasing resilience of housing in Samoa to climate change risks, hazards and impacts.	3.4 Building the capacity of staff on integrating adaptation and social protection measures for housing in their roles, responsibilities and approaches.	Strategic objective 4:	4.1 Providing excellent customer service.

and benefits of the changes.							
	Annual internal staff survey report. Reports to	Directors.		Reports to Board of Directors. Policy registers	Monitoring and Evaluation Report. Annual Reports Audit Reports.	Audit reports. Reports to Board of Directors.	Reports to Board of Directors
	\$50,000			Within existing resources		Within existing resources	Within existing resources
	CEO and Corporate Services Division.			Management		CEO and Finance & IT Division	CEO, Corporate Services Division.
	100% compliance with HRM, 100% of recommendations of Organisational Structure achieved.	Capacity Building Strategy and Training Plan implemented.		100% of existing policies and SOP reviewed and endorsed by the Board of Directors.	Two new policies approved and endorsed by the Board of Directors.	100% compliance with all Financial and Accounting policies and procedures.	100% compliance with Asset Management and Procurement Policy.
	Organisational Structure review completed.	Capacity Building Strategy and Training Plan developed.	HRM Policy manual reviewed.	At least 50% of existing policies and SOP reviewed.	At least two new policies developed.	100% compliance with all Financial and Accounting policies and procedures.	Asset Management including Procurement Policy revised/developed.
	0			6 policies and standard operating procedures.		0	0
	4.2 Enhancing human resource management and capacity.			4.3 Ensuring that all strategic and operational policies, standard operating procedures and ouidelines are in	place.	4.4 Strengthening financial management.	4.5 Strengthening asset management.

Audit Sub- Committee reports. Audit Reports.	Reports to Board of Directors. Annual Reports	Reports to Board of Directors Annual Reports.	Reports to Board of Directors, MPE. Central Bank, etc.
Within existing resources	\$800,000	1,000,000 (within existing resources)	Within existing resources
Audit Committee, CEO and Audit Division.	CEO and Finance & IT Division.	CEO, Corporate Properties, Corporate Services and Savaii Branch.	Board of Directors and Management
Unqualified Audit Opinion 100% audit issues addressed	100% accuracy of loans data and reports.  100% of IT systems fully operational and reporting functions in compliance with international standards.	100% compliance with MCIL, SFESA and MOH health safety protocols and requirements. 100% employees are aware and prepared of OSH protocols and requirements.  New Savaii office completed meeting required national standards, GEDSI etc. based on findings and available budget.	100% compliance with reporting requirements. Positive feedback provided on updates on implementation of meeting resolutions.
100% compliance with government audit standards (e.g. IFRS 9). 100% audit issues addressed.	New Loans Management System fully operational. 100% of IT systems, and Website and social platform fully operational and in compliance with international standards	80% compliance with MCIL, SFESA and MOH health safety protocols and requirements. 100% employees are aware and prepared of OSH protocols and requirements.  Assessment on improvements to Savaii office to enable disability access, elderly access completed.	80% compliance with reporting requirements. Positive feedback provided on updates on implementation of meeting resolutions.
Qualified Audit Opinion 22 Audit Issues	Out-dated LMS system 70% of IT system and website functional.	0	90%
4.6 Improving the performance of the auditing function of the Corporation.	4.7 Maintaining upgrading and improving ICT systems.	4.8 Providing a healthy, safe and conducive working environment	4.9 Improving quality evidence-based and timely reporting for informed and timely decision making.

·	
	Reports to Board of Directors
	Management. Within existing Reports to resources Board of Directors
	Management.
	100% GEDSI mainstreamed, monitored and reported upon in Corporate Plan M&E framework.
Annual Management Plans developed by January 2025.	50% GEDSI mainstreamed and reported upon.
0	0
	4.10 Ensuring that GEDSI is integrated in all development initiatives and reporting of the SHC to facilitate equal opportunities for all.

### B. SHC Budget

PROJECTED STATEMENT OF FINANCIAL POSITION 2025-2027							
Audite d 2022 \$	Audited 2023 \$		Budget 2024		Budget 2025	Budget 2026	Budget 2027
3	3		\$		\$	\$	\$
		CAPITAL AND RESERVES					
20,838,000	20,838,000	Paid up capital	20,838,000		20,838,000	20,838,000	20,838,000
16,946,424	17,812,125	General reserve fund	17,304,722		20,028,375	20,534,059	20,982,368
806,557	806,557	Asset revaluation reserve	806,557		11,162,177	11,162,177	11,162,177
38,590,981	39,456,682		38,949,279		52,028,552	52,534,236	52,982,545
		Represented by:					
		CURRENT ASSETS					
1,465,894	281,309	Cash and cash equivalents	1,759,931		993,081	809,276	829,722
144,641	145,940	Other debtors and prepayments	150,000		150,000	150,750	151,504
2,667,196	2,328,346	Equity investment at fair value	2,721,093		1,000,000	1,005,000	1,010,025
3,350	7,137	Rental portfolio	4,500		4,500	4,523	4,545
17,199,351	17,885,139	Loans portfolio-current portion	17,841,494		18,481,682	17,487,593	16,482,345
21,480,432	20,647,871		22,477,018		20,629,263	19,457,141	18,478,141
		<u>CURRENT LIABILITIES</u>					
2,799,963	3,328,853	Borrowings-current portion	2,354,487		1,124,621	1,178,214	1,235,099
4,845,554		Other creditors and accruals	4,330,712		525,589	528,217	530,858
322,012	302,416	Deferred revenue	302,416		243,628	224,032	204,436
160,629		Land loan deposit	120,000		150,000	150,750	151,504
2,473,891	2,240,037	Dividend payable	822,149		1,543,919	759,174	465,163
10,602,049	9,742,764		7,929,764		3,587,757	2,840,387	2,587,060
10,878,383	10,905,107	WORKING CAPITAL	14,547,254		17,041,506	16,616,754	15,891,081
		NON CURRENT ASSETS					
36,146,569		Loans portfolio-long term portion	33,974,095		40,251,118	39,923,260	39,597,971
10,876,475		Property, plant and equipment	12,449,321		21,670,709	21,750,788	22,014,960
47,023,044	52,532,832		46,423,416		61,921,826	61,674,048	61,612,931
19,310,446	23,981,257	Less: LONG TERM BORROWINGS	22,021,391		26,934,780	25,756,567	24,521,467
38,590,981	39,456,682		38,949,279		52,028,552	52,534,236	52,982,545

Audited	Audited		Budget	Budget	Budget	Budget
2022	2023		2024	2025	2026	2027
\$	\$		\$	\$	\$	\$
					<del>                                     </del>	Ψ
		INCOME				
46,600	41,682	Application fees	36,000	36,000	37,080	38,192
95,420	114,743	Establishment fees	102,000	60,000	61,800	63,654
446,580	471,610	Arrears fees	401,696	447,402	460,824	474,648
80,285	80,170	Documentation fees	72,000	72,000	74,160	76,385
190,840	230,986	Service fees	204,000	120,000	123,600	127,308
7,274,563	7,402,516	Interest from loans	7,770,104	7,490,240	7,714,947	7,946,395
159,233	104,924	Interest from investments	104,933	52,625	54,204	55,830
258,926	264,926	Maintenance Fee	288,000	360,000	370,800	381,924
682,410	690,040	Rental propertise	838,893	1,016,880	1,047,386	1,078,808
79,453	94,990	Others	73,584	88,968	91,637	94,386
9,314,310	9,496,587		9,891,211	9,744,114	10,036,438	10,337,531
		1			*	
		EXPENSES				
		Staff costs				
1,804,911	2,019,188	Salaries & wages	1,971,578	2,177,562	2,242,889	2,310,175
171,806	201,919	NPF 10%	197,158	217,756	224,289	231,018
18,052	20,192	ACC 1%	19,716	21,776	22,429	23,102
514,485	660,569	Other staff costs	36,000	336,000	346,080	356,462
45,196	47,481	Audit fees	45,200	45,200	45,200	45,200
		<u>Interest</u>				
434,685	617,639	Interest - UTOS	744,702	747,551	726,556	704,100
53,460	27,036	Interest - CBS	18,494	11,905	8,417	4,894
668,900	647,613	Interest - NPF	825,183	-	-	-
-	-	Interest - ACC	-	903,572	874,461	843,555
3,749	223,451	Interest - Overdraft	47,500	-	-	-
		Other expenses				
101,490	97,372	Directors fees & expenses	108,100	108,100	109,181	110,273
536,717	539,038	Depreciation	527,484	913,212	940,608	968,827
10,634	43,373	Advertising	24,000	24,000	24,720	25,462
35,381	40,610	Allowances	38,458	38,458	39,612	40,800
213,118	433,368	Office expenses	378,491	378,491	389,845	401,541
37,798	37,534	Electricity	64,573	62,091	63,953	65,872
1,271		Water	1,965	3,822	3,937	4,055
66,735	64,720	Rent	50,415	50,415	51,927	53,485
46,157	48,513	Postages and telephone	49,725	43,481	44,786	46,129
15,152	24,845	Stationeries	24,000	26,087	26,870	27,676
27,549		Insurance	50,000	49,770	51,263	52,801
207,439		Repairs and maintenance	270,840	273,543	281,749	290,202
75,354		Motor vehicle running costs	91,588	82,366	84,837	87,382
1,342	60,205	Staff training & meetings	210,996	228,000	234,840	241,885
-	-	Bad debts	10,000	10,000	10,300	10,609
1,613,920	At 1 140	Doubtful debts	1,804,513	1,804,513	1,858,648	1,914,408
-		Loss on disposal	-	-	-	_
6,705,301		TOTAL EXPENSES	7,610,678	8,557,671	8,707,399	8,859,913
2,609,009		NET PROFIT	2,280,533	1,186,443	1,329,038	1,477,618
(2,609,009)		T/F TO GENERAL RESSERVE FUND	(2,280,533)	(1,186,443)	(1,329,038)	(1,477,618)
NIL	NIL		NIL	NIL	NIL	NIL

Audited	Audited		Budget	Budget	Budget	Budget
2022	2023		2024	2025	2026	2027
\$	\$		\$	\$	\$	\$
46.650	41.702	INFLOW				
46,550		Application fees	36,000	36,000	37,080	38,19
94,415			102,000	60,000	61,800	63,65
80,215	0.00		72,000	72,000	74,160	76,38
184,100		1 -	150,000	150,000	150,000	150,00
156,914		Interest on term deposit	104,933	52,625	54,204	55,83
26,082,778	T A T (20A (20	Operational debtors	25,382,149	21,816,000	22,252,320	22,697,36
686,502 30,709		Rental debtors Other income	838,893	1,016,880	1,047,386	1,078,80
		Other receipts	73,584	88,968	91,637	94,38
131,680		Other receipts	28,800	2,028,800	29,664	30,55
27,494,938	37,414,537	1	26,788,359	25,321,273	23,798,251	24,285,17
		OUTFLOW				
		Staff costs				
1,741,407	1 905 421		1.071.570	2 177 562	2 242 000	2 210 12
161,039		NPF 10%	1,971,578	2,177,562	2,242,889	2,310,17
17,021	100 100 100 100 100 100 100 100 100 100	ACC 1%	197,158	217,756	224,289	231,01
618,175		Other staff costs	19,716	21,776	22,429	23,10
		(C. 140) (C. 140)	436,000	336,000	346,080	356,46
45,196	38,081	Audit fees	45,200	45,200	45,200	45,20
2 740	222.451	Interest	47.500			
3,748	223,451	Interest - Overdraft	47,500	-	-	-
06 150	07.070	Other costs				
86,152	7/1	Directors fees & expenses	108,100	108,100	109,181	110,27
10,634		Advertising & promotion	24,000	24,000	24,720	25,46
26,381	34,011	Allowances	38,458	38,458	39,612	40,80
193,240	407,716	1	378,491	378,491	389,845	401,54
35,930	37,534		64,573	62,091	63,953	65,87
667	2,340	Water	1,965	3,822	3,937	4,05
60,160	56,345	0.04.000000	50,415	50,415	51,927	53,48
41,010	48,513	Postages and telephone	49,725	43,481	44,786	46,12
12,894	24,845	Stationeries	24,000	26,087	26,870	27,67
-		Insurance	50,000	49,770	51,263	52,80
187,908		Repairs and maintenance	270,840	273,543	281,749	290,20
64,060		Motor vehicle running costs	91,588	82,366	84,837	87,38
1,342		Staff training & conferences	210,996	228,000	234,840	241,88
569,645		UTOS - term loan	1,053,001	1,053,001	1,053,001	1,053,00
1,509,190			359,100	359,100	359,100	359,10
1,031,660	1,031,700	NPF - term loan	1,310,820	-	-	-
-	-	ACC - term loan	-	1,375,548	1,375,548	1,375,54
3,524,404	2,754,057	Capital expenditure	1,000,000	2,670,000	1,100,000	1,100,00
174,382		Land deposit	50,000	50,000	50,000	50,00
21,311,240		Operational debtors	19,200,000	13,200,000	13,332,000	13,465,32
138,297		Other payments	2,100,000	2,400,000	2,424,000	2,448,24
31,565,782	39,128,012		29,153,224	25,274,567	23,982,056	24,264,72
(4,070,844)		NET INC/(DEC) IN CASH	(2,364,864)	46,706	(183,805)	20,44
4,328,627		ADD O/BALANCE	2,548,913	946,375	993,081	809,27
257,783	(1 455 692)	ENDING BALANCE	184,049	993,081	809,276	829,72

### PROJECTED STATEMENT OF BUDGET ASSUMPTIONS

### Main Assumptions

The budget projections for the planning period have been formulated using the audited results of 2021, 2022, 2023, and the actual figures for the first 5 months of FY2023-2024. The revenue forecast is based on the average trends observed during these years, with the primary sources of income being interest on loans and revenue generated from rental properties. To ensure the smooth functioning of the Corporation, we have considered various operational requirements, while also considering the Corporation's financial capacity to cover these expenses in relation to its revenue stream. Our aim is to address the needs of all divisions, enabling them to effectively carry out the Corporation's mandate and fulfil its statutory obligations.

### **Budget Summary**

### i Ratios

The ratios provided are classified into five distinct categories: Profitability ratios, Equity ratio, Debt ratio, Current ratio, and Debt to equity ratio. These ratios thoroughly examine key elements of the budget, forecast, and the Audited Accounts from previous years.

### ii. Revenue:

The Corporation expects to earn \$9.8 million in 2025, \$10.0 million in 2026 and \$10.3 million in 2027. The movement in revenue primarily stems from the annual fluctuations in the lending portfolio over the past four years along with the decrease in interest rates that began in March 2024. The main revenue comes from:

Application fees	0.4%
Establishment fees	0.6%
Arrears fee	4.8%
Documentation fees	0.8%
Service fees	1.3%
Interest from loans	75.9%
Interest from investments	0.6%
Maintenance fees	3.8%
Rental properties	10.8%
Others	1.0%

### iii. Staff costs:

Staff costs include salaries & wages, NPF, ACC, and other related expenses like long service leave, totaling \$2.7 million. The budget also accounts for new positions that are not yet filled and a 5% pay raise for staff at the end of each year during the planning period.

### iv. Audit fees:

The amount of \$45,200 was set based on the audit fees that were paid to the Audit Office and independent auditors in past years.

### v. Interest on borrowings:

The total interest on loans of \$1.7 million is figured out using the amortization method at the Central Bank of Samoa, Unit Trust of Samoa, and Accident Compensation Corporation.

### vi. Doubtful debts:

The number of doubtful debts is \$1.8 million. This figure is based on the review of all loan files done every May and June. The process includes:

- Each loan file is individually reviewed to assess the likelihood of repayment. Factors such as payment history, financial condition of the borrower, and economic conditions are considered.
- Based on this review, the Corporation estimates the number of debts that are unlikely to be collected. This estimation considers the risk associated with each loan.
- The total estimated doubtful debts are used to update the provision for doubtful debts in the Corporation's financial statements. This
  provision reflects the expected losses from doubtful debts and is adjusted to match the current year's assessment.

The purpose of this exercise is to ensure that the Corporation's financial records accurately reflect the potential losses from uncollectible loans, thus providing a realistic view of its financial health.

### vii. Other expenses:

The Corporation has set aside \$2.3 million for miscellaneous costs, mainly covering day-to-day operational expenses. These projections are based on the patterns observed in the preceding years of 2021, 2022 and 2023, along with the actual data recorded during the first five months of FY2023-2024. The specific needs of each division are considered when deciding on these expenses. Refer below breakdown of other major costs under other expenses:

- Office expenses: bank fees, cleaning, local travel & accommodation, internet, water refills, software annual licenses and memberships annual fees.
- Repairs and maintenance: buildings, furniture, machinery & equipment, rental units' minor repairs and software maintenance.

### viii. Profitability:

The Corporation expects to make a profit of \$1.1 million in 2025, \$1.3 million in 2026 and \$1.4 million in 2027.

### ix. Loan approvals:

The Corporation aims to approve 60 loans each month, totalling \$1,000,000. This adds up to 720 loans in a year, totalling \$12,000,000.

### x. Operational debtors (loan repayments):

The typical amount collected from loan repayments is \$1.8 million, calculated from each repayment and past collection data. As a result, we expect to collect \$21.8 million in 2025, \$22.2 million in 2026 and \$22.7 million in 2027.

### xi. Rental debtors (rent collections):

Rent collection is based on the monthly rent for each unit and the average amounts collected in the past.

### xii. Other receipts:

Other receipts sources include stamp duty from target approved loans and \$2 million from investments to support rental operations.

### xiii. Capital costs:

The planned capital expenditures for 2025 amount to \$2,670,000 and will be used to acquire fixed assets. Subsequent reviews of fixed assets will be conducted for the years 2026 and 2027 as part of the annual plan.

Office equipment (replacement/new)	\$50k
Office furniture (replacement/new)	\$20k
Software's (upgrade)	\$800k
Motor vehicle (replacement)	\$150k
Rental units (new)	\$600k
Others	\$50k
Savaii office	\$1million

### xiv. Operational debtors (loan disbursements):

The Corporation allocates \$1 million a month on loan disbursements totalling \$12 million per year.

### xv. Other payments:

Other payments of \$2.4 million include dividend payments to the Government and other unexpected expenses that might come up later.

### C. SHC Corporate Plan linkages to the 14 Sector Plans

Sector Plan	SHC Corporate Plan linkages
Agriculture & Fisheries Sector Plan (AFSP) 2022/2023 – 2026/2027	• Access to safe housing means better living conditions for families and individuals who are working the land and working in the agriculture and fisheries sector, contributing to the sector vision of 'a sustainable sector for food, nutritional and income security, prosperity, wealth, and resilience'.
National Environment Sector Plan (NESP) 2017-2021	<ul> <li>Mainstreaming climate change in housing policies, strategies and development initiatives and responding to climate-related risks, impacts, hazards and shocks.</li> <li>Promoting and supporting housing that meet environmental standards.</li> </ul>
Health Sector Plan (HSP) 2020 - 2030	• Housing has the most direct impact on people's health and livelihoods. 'A healthy Samoa' (vision of the HSP) means that all Samoans can access housing that is safe and conducive to an acceptable standard of living promoting and ensuring their health and wellbeing (physically, mentally and spiritually) during the life cycle.
Community and Social Development Sector Plan (CSDSP) 2021- 2026	• The CSDSP's vision is 'communities leading inclusive development for quality of life for all'. The SHC through its Corporate Plan contributes to this vision through its lending and housing services where communities and clients can access finance for housing improving homeownership which is a major part of building empowerment and inclusive participation of local people in communities and their development.
Education Sector Plan (ESP) 2019-2024	• The living standards (which is inclusive of having a safe home) of every person has a major impact on a person's quality of education and learning environment.
Water & Sanitation Sector Plan (WSSP) 2020/2021-2024/2025	Access to reliable, clean and affordable water and improve sanitation at every home is part of ensuring access to safe, quality and sustainable housing.
Trade, Commerce and Manufacturing Sector Plan (TCMSP) 2017/18 – 2020/21	• The TCMSP's vision is 'sustainable trade, commerce and manufacturing for enhanced growth and development'. A sustainable TCMS means that sector members/stakeholders can access safe and affordable housing which is what the SHC through its mandate and Corporate Plan aimed to contribute to.
Energy Sector Plan 2023/24 – 2027/28	• The Energy Sector Plan's vision is 'affordable, reliable, safe and cleaner energy supply for all'. Safe and housing cannot exist without affordable, reliable, safe and cleaner energy. The SHC can through its lending and housing initiatives options/measures promote and encourages the development and attainment of affordable, reliable, safe and cleaner energy.
Information and Communication Technology Sector Plan (ICTSP) 2022/23 – 2026/27	• Affordable, appropriate, accessible, and secured ICT services to promote social and economic well-being and quality of life for all (ICTSP's vision) applies to all sectors, sub-sectors and organisations including the SHC. The SHC has outlined in its Corporate Plan strategies and actions to strengthen its ICT capacities as means for improving its performances and services.
Transport Sector Plan (TSP) 2023 - 2028	• The TSP's vision is 'strengthened connectivity, with eased accessibility through secured transport services and safeguarding the resilience of our infrastructural and land developments to elevate the quality of life for all'. Housing is part of Samoa's infrastructural and land developments (that safeguard resilience and elevate quality of life), which is what SHC is mandated to contribute to through its lending and housing functions, services and development aspirations.
Samoa Law and Justice Sector Plan (SLJSP) 2020/21-2024/25	• The SLJSP's vision is 'a safe, secure, fair, just and inclusive Samoa'. Safe and affordable housing (which coincides with the vision of this SHC Corporate Plan's vision of 'all Samoan accessing affordable and safe housing' is a critical component of ensuring a safe, secure, fair, just and inclusive Samoa.

Public Administration Sector Plan (PASP) 2020/21 – 2024/25	• The PASP's expected long term outcome is 'a trusted, citizen-focused, public administration', which requires better public services, better public policies and skilled workforce. The SHC via its Corporate Plan contributes to this long-term outcome by ensuring that it has a skilled workforce and better policies and is providing better services to its clients that are citizen focused.
Tourism Sector Plan (TSP) 2022/23 – 2026/27	• The overarching goal for the TSP is for 'Samoa to be a better, more sustainable and resilient tourism destination' The vision is 'Samoa to be a more resilient, inclusive and green tourism destination.' Providing safe and affordable housing is a vital component of making Samoa a safe and attractive place for tourists. The SHC can promote through its housing and lending policies/initiatives that promotes and encourages housing that are resilient and sustainable and hence attractive to people visiting Samoa.
Finance Sector Plan (FSP) 2022/23 – 2026/27	• The Sector's vision is to 'sustain macroeconomic stability for Samoa's resilient and inclusive growth'. As a member of the finance sector, the SHC contributes to the vision and achievement of the finance sector's four policy objectives through the performance of its mandated roles and achievement of its corporate vision and objectives as set out in this Corporate Plan.