

STATEMENT BY THE MINISTER OF FINANCE,
HON NIKO LEE HANG, UPON PRESENTATION OF THE PUBLIC
ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007:

Mr Speaker and Honourable Members,

I am pleased to present to the Assembly the Public Accounts for the financial year ended 30 June 2007.

The Public Accounts have been prepared in accordance with the relevant provisions of the Public Finance Management Act 2001 and, also in accordance therewith, have been audited and certified by the Audit Office.

With your permission Mr Speaker, I shall provide a brief summary of the results for the financial year as reflected in the Accounts now before the Assembly and, for the information of Members, shall also outline the background to their preparation and presentation.

PART I: SCOPE OF THE ACCOUNTS

Mr Speaker

The Accounts reflect the transactions and balances of the Treasury Fund and other government funds through which public monies are transacted. They incorporate results of the activities of all Ministries of the Government of Samoa.

The activities of Government extend to also include the operations of statutory bodies and controlled enterprises such as the Central Bank of Samoa, Development Bank of Samoa, EPC, Polynesian and Samoa Shipping Corporation. The operations of these entities are reported on separately, as required under respective legislation and their results are not included within the Public Accounts. However, transactions

between those entities and Government Ministries are reflected in these accounts where appropriate.

PART II: RESULTS FOR THE YEAR

Mr Speaker,

I do not intend to address in detail the results for the whole year but shall summarise the results achieved - as measured against the expected outcomes reflected in budget estimates of the period.

For the year ended 30 June 2007, a surplus of \$0.21 million was budgeted. At the end of the financial year, the surplus stood at \$16.6 million. The improvement over budget was achieved from a 4.4% drop in actual payments even though total receipts fell short of estimates by \$2.5 million. The cost of delivering Government services was 15% higher than the previous year and was \$18.9 million less than budgeted. The main features of the year's results include:

- a. Whole of Ministries' revenue collections of \$429.9 million increased by 24% over the previous year and below budget expectations by \$2.5 million. This is a result of the 22% increase in collections from duties and taxes, which collectively make up 83% of total revenue; an increase of \$1.9 million tala from estimates.
- b. Total Ministry expenditure of \$413.2 million was 15% greater than in 2006 and was marginally less than the budget figure of \$432.1 million.
- c. Statutory expenditure of \$42.2 million was also lower than the estimated provision of \$45.3 million.

Gross revenue from taxes and duties of \$358.8 million was higher than the estimated amount of \$356.8 million. Dividends collected of \$2.0 million, was 49% lower than the previous year and fell short of the budgeted amount of \$10.1 million. Income from investments accounts for 1.1% of revenues and amounted to \$4.7 million, a slight increase over the year's estimate.

As stated earlier, total expenditure was below appropriation by \$18.9 million. As a result of efficient controls over expenditure in several Ministries, this has contributed to a favourable position of government finances while still delivering their planned performance targets and service deliveries.

Foreign and domestic debt servicing costs totalled \$17.9 million for the year which is less than the budgeted amount of \$19 million.

PART III : CONCLUSION

Mr Speaker

Parliament is now presented with Public Accounts for the financial year, which reflect summary transactions of the **Treasury Fund** and of **Special** and **Other Funds** for the year ended 30 June 2007.

The Government will continue to provide both the Ministry of Finance and the Audit Office with every assistance to ensure that future Public Accounts are accurately prepared and tabled in a timely manner in accordance with relevant legislation. It is the right of every Samoan to be informed in a timely and accurate manner on how their Government has managed its financial resources to effectively deliver services, as well as achieve its economic and social objectives. It is this government's commitment to ensure that this expectation will be met in future.

Mr Speaker,

These Accounts demonstrate clearly, that the government has managed the economy and public funds in a prudent and efficient manner. The government will continue to pursue the same approach in years to come.

Soifua

Niko Lee Hang
MINISTER OF FINANCE