



GOVERNMENT OF SAMOA

OFFICE OF THE MINISTER OF FINANCE

CENTRAL BANK OF SAMOA, DEVELOPMENT BANK OF SAMOA, SAMOA NATIONAL PROVIDENT FUND, NATIONAL HEALTH SERVICES, SAMOA HOUSING CORPORATION, TENDERS BOARD, SAMOA INTERNATIONAL FINANCE AUTHORITY, CABINET DEVELOPMENT COMMITTEE, ACCIDENT COMPENSATION CORPORATION

01 August 2016

Hon. Leaupepe T. Toleafoa Faafisi
Speaker of the House
Legislative Assembly of Samoa
MULINUU

Dear Hon. Speaker,

Subject: ACC Annual Report 2012

I am pleased to submit the Annual Report of the Accident Compensation Corporation of its proceedings and operations for the Year ended 30th June 2012 together with its Audited Accounts for the year and the report of the Audit Office on those accounts.

This Annual Report is submitted in accordance with Section 8 of the Accident Compensation Act 1989 and Section 23 of the Public Bodies (Performance and Accountability) Act 2001.

Ma le faaaloalo.

A handwritten signature in black ink, appearing to be 'Liuga'.

Hon. Faumuina Tiatia Faaolatane Liuga
MINISTER OF FINANCE
CHAIRMAN OF THE ACC BOARD

<u>CONTENT</u>	<u>Page</u>
1.0 Chairman's Review	1
2.0 General Manager's Report	2
3.0 Corporate Review	3
3.1 Corporate Governance	3
3.2 Purpose of the Scheme	3
3.3 Types of Compensation	4
3.4 Service Provision	4
3.5 Reporting of Accident and Management Claims	5
3.6 Sources and Use of Funds	5
3.7 Investment of Funds	6
3.8 Vision and Mission Statement	6
3.9 Accident Compensation Corporation Office Location	6
4.0 ACC Board and Structure	6
4.1 The Board	6
4.2 Board of Directors	7
4.3 New Board Members April 2012	8
5.0 Selected Board Committees	8
5.1 Audit Committee	8
5.2 Act Review Committee	9
5.3 Investment Committee	9
5.4 Market Inspection Committee	9
5.5 Management	9
5.6 External Auditor	9
5.7 Solicitor	9
5.8 Structure	9
6.0 Year 2011-2012 in Review	10
6.1 Highlights of the Year	10
6.2 Financial and Operating Highlights	11
6.3 Claims Management	12
6.4 Safety Promotion and Rehabilitation	13
7.0 Financial Performance	20
7.1 Income from Levies	20
7.2 Scheme Cost	20
7.3 Income from Cash Investment	21
8.0 Other Activities	22
8.1 Staff Development	22
8.2 Website	22
8.3 Food Agricultural Produce Market at Fugalei	22

1.0 CHAIRMAN'S REVIEW



As Minister and Chairman of the Accident Compensation Corporation Board of Directors, I report on behalf of the Board of Directors to the stakeholders, the people of Samoa with respect to the progress of the accident compensation scheme for the year ending 30th June 2012.

The new amendments covering the scheme have continued to be implemented. It is a significant milestone where four major new sections and one new schedule were introduced into the principal Act 1989. The new changes include compensating a spouse of a worker involving in an accident caused by or in connection with the use of a motor vehicle or what is generally referred to as specified conveyance; a care living allowance for a person who has suffered as a result of an accident; and a special payment upon death without an accident or injury of a worker. These benefits are in addition to many other significant increases in compensation entitlements already executed across the board. The fourth additional new amendment is directed to a double payment of compensation to a person and this is an offence and will be punished upon conviction.

The final amendment is the introduction of a new schedule detailing the list of all diseases that may arise out of or caused by accidents involving workers and are entitled to compensation based on the medical profession's examination and recommendations. This was one of the crucial issues which has been a matter of concern for some time to the Board in trying to define with greater clarity the boundary between personal injury by accident and sickness as well as trying to identify occupational diseases or from factors that are present in the working environment, including workers not on alert from time to time. I am pleased to confirm that this has now been settled and put into effect.

In addition, there has been a strengthening of the relationships with agencies and stakeholders with similar or common interest on safety issues involving the community. Notable examples include the Ministry of Police, Ministry of Health, National Health Services, Land Transport Authority, Ministry of Education, Sports and Culture and the Ministry of Works, Infrastructure and Transportation.

Before I conclude I would like to acknowledge the significant contribution by the former Deputy Prime Minister, Minister and Chairman of the Board of Directors Honorable Misa Telefoni for his farsighted leadership and guidance that has assisted the Corporation to continue to move forward. In the same gesture I would also like to thank the former Associate Minister and Board member Mr. Anauli Pofitu Fesili for his valuable contribution in strategic areas important to the Corporation.

A handwritten signature in black ink, appearing to read 'Faumuina Faoilatane Tiatia Liuga'.

Faumuina Faoilatane Tiatia Liuga
CHAIRMAN OF THE BOARD OF DIRECTORS

2.0 GENERAL MANAGER'S REPORT



This annual report for the financial year ending as at 30 June 2012 were noted to achieve some major activities specific to the core functions of the Accident Compensation Scheme namely safety promotion, enhancement of rehabilitation activities and improved processing claims for compensation.

The accident compensation scheme recognizes the importance of injury prevention and safety as the utmost priority. In the period under review, there were 73 public and private workshops and seminars involving the Corporation working together with other Government Ministries and Corporations, Non-Government Organizations and Schools. In addition there were frequent field visits to clients on rehabilitation needs as well as contributing to the safety of the community by financing promotional programs and activities aim at safety in the working environment and on the road.

A total of more than 500 claims were handled by the Corporation during the period under review which is about 2 percent drop when compared to the previous year. The reason for the decline is that most tsunami claims were settled in the previous year. New initiatives were undertaken in the last couple of years in the management of claims to ensure claims receive an initial assessment within 3 working days in order to speed up the processing of claims.

The financial result for the year ending June 30, 2012 recorded \$5.9 million tala. This is about 29.6 percent lower when compared to the last financial year. It is a challenging year for the Corporation emerging from the downward trend noted in the global economy where interest rates falls considerably, the tsunami of 2009, new entitlements introduced into the scheme and the high operational cost of the Food and Produced Market at Fugalei. However, the financial status of the Corporation remained solid and core functions of the scheme continued to develop and improved extensively.

In the coming year, the Corporation will continue to develop and enhance its safety strategies in the workplace and on the road. Similarly, frequent safety promotional activities on the radio and newspapers will be intensified as well as strengthening the partnership between the ACC, stakeholders and the community. We are also committed to maintain the initial 3 working days assessment period for processing claims.

Our number one goal is to reduce accidents and injuries as much as possible given the resources we have and as the saying goes *prevention is better than cure*.

A handwritten signature in dark ink, appearing to read 'J. Niumata'.

Malaeulu Lose Niumata
GENERAL MANAGER

3.0 CORPORATE OVERVIEW

3.1 Corporate Governance

The Accident Compensation Corporation (ACC), formerly known as the Accident Compensation Board (ACB) is now 34 years old since it was established in 1978 by an Act of Parliament. Some eleven years later, the principal Accident Compensation Act 1989 became effective with further amendments executed in years 2003 and 2009 contributing to the enhancement of the principal Act. The Corporation is a statutory body stipulated under the Public Bodies (Performance and Accountability) Act 2001.

Similar to other Government Corporations, the Board is entrusted with the role of overseeing the accident compensation scheme on behalf of stakeholders and the whole community. Its role is clearly supported by the statutory framework which the ACC operates. The Board is responsible for the overall guidance of strategies, business plans and related affairs of the Corporation. These include:

- The scheme's strategic direction and corporate plans;
- Determining policy and monitoring its implementation;
- Overseeing the proper and effective management of the scheme;
- Monitoring the implementation of effective financial procedures and providing accountability;
- Approving and monitoring budgets, and
- Safeguarding the Corporation's resources.

The legislation's specifically explore the importance of safety, rehabilitation and compensation as the core purpose of the scheme. In consequence, the Board should be more concerned with the promotion of measures to reduce the frequency and severity of personal injury, encourage activities designed to promote medical and vocational rehabilitation, and provide a fair measure of financial support for living standards.

3.2 Purpose of the Scheme

The Accident Compensation Scheme is responsible for the provision of general safety and the prevention of accidents, for the rehabilitation and compensation of workers who suffer personal injury by accidents or who contract certain occupational diseases and of persons who suffer personal injury by accident occurring in connection with the use of certain types of conveyance in Samoa; and for the compensation of certain dependants of those workers and persons where deaths result from legislative injury.

Promoting safety is one of the major functions of the scheme and it further enhanced in the amendments of year 2009 re-emphasizing the need to continue to contribute to this cause. The Corporation is to contribute to the safety of the community through active participation in groups with a keen interest in safety as well as financing promotional activities aiming at safety in the work environment and on the road.

Rehabilitation is any medical or vocational program that can help the victim return to a normal life and it include sponsorship for groups concerned with the healing of the victims and securing employments suited to the victim's capacity. Furthermore artificial limb or assistance such as wheel-chairs, building ramps and etc can be provided if required.

In addition to providing cover for medical, rehabilitation and related costs associated with the treatment of injuries and work-related diseases, the scheme also provides various types of compensation subject to eligibility requirements, benefits duration and amounts.

3.3 Types of Compensation

- Weekly payments for loss of earnings at 70 percent of normal earnings subject to the maximum amount of \$1000 a week so long as the employee is incapacitated;
- Weekly payments for permanent impairment of 80 percent or more, at 70 percent of weekly earnings (or 70 percent of the minimum wage if the injured person is a non-employee) multiply by the degree of bodily impairment, and is subject to the maximum amount of \$1,000 tala a week;
- Weekly payments for up to 5 years at 70 percent of weekly earnings to person who were totally dependent on a deceased worker, subject to the maximum amount of \$1000 a week. If the deceased person has partial dependants only, an assessment of the loss sustained by partial dependants is required;
- A lump sum payment of \$20,000 to persons who were totally dependent on a deceased person; if the deceased person has only partial dependents, a lump sum amount of up to \$16,000 is payable;
- A lump sum payment based on the degree of bodily impairment for permanent of less than 80 percent, subject to the maximum amount of \$8,000; on the other hand, 80 percent upwards is payable in weekly installments for life or earlier
- A special payment of \$4,000 to an employee who dies of natural cause and who served at least 12 months of continuous service. This benefit is ceased after a length of 60 days from date of resignation;
- A funeral grant of \$4,000;
- A care living allowance, calculated at 60 percent of the minimum wage, if the injuries are so severe that the person is unable to use both hands or needs supervision to avoid putting himself or herself or other in substantial danger;
- A mobility allowance, calculated at 60 percent of the minimum wage, if the injuries are so severe that the person is unable to walk, or have complete loss of eyesight, or severely mentally impaired so as to cause behavioral problems;
- A weekly payment to a spouse of an employee calculated at 70 percent of the minimum wage, if the spouse is a non-worker and is incapacitated from injuries caused by a specified conveyance accidents;
- Payment of artificial limb and aid is increased to \$150,000 maximum;
- Payment of overseas treatments on special case where the injured cannot be treated locally but the service is readily available outside of Samoa is increased to \$150,000.

3.4 Service Provision

The Corporation's duty in relation to management of claims is to establish promptly the claimant's entitlement under the Act. Its purpose in investigating every claim reflects its statutory obligations to ensure that the compensation and other benefits are provided only for those accidents which are covered under the Act, and at the same time discourage other accidents that are not covered from finding their way into the scheme.

While the Corporation pays for the treatment, it is the medical practitioner (e.g., doctors, dentists, physiotherapists) as the sole person(s) legally empower to provide

the necessary treatments as well as determining when the claimant may go out of the scheme when they declared that the injury condition has ceased.

The Corporation keeps and maintains vital statistical information which supports the purpose of safety at the workplace, and on the road; and actively promotes that purpose by facilitating development of targeted prevention programs and participating in various safety committees and providing financial assistance or in-kind to Ministries and other organizations with an interest in preventing accidents.

3.5 Reporting of Accident and Management of Claims

The Accident Compensation Act 1989 clearly state the need to notify and report injuries by accidents to ACC. That is, the employer is required to report all work-related injuries or occupational diseases while the Ministry of Police is obligated to report all injuries or accidents in connection with the use of a specified conveyance. If an employee is injured in an accident other than those mention here, he/she or a relative must report the accident direct to the ACC. In addition, the Corporation is very proactive in assisting the victim whenever the media (radios, televisions, newspapers) or members of the public reported any accident that warrant our investigation.

The Corporation is committed to a very high standard of customer services and seeks to provide clear and streamlined claims management procedures and systems, including timely responses to claims-related injuries. ACC seeks to ensure that every claims is assessed within 3 days and either accepted or decline based on individual circumstances and in compliance with requirements of the Act. However, sometimes a decision cannot be made within 3 days because some claims are more complex, requiring further investigation or assessment whilst others require more information and the responsibility is on the claimant to provide needed information when requested.

Procedures are in place to ensure that a claimant is thoroughly advised why his/her claim is declined and likewise what assistance they are entitled to if a claim is accepted. If a claimant is not satisfied with a decision, he/she can apply in writing for a review, stating the grounds of dissatisfaction. The Board is required by the Act to hear every application for a review, and the applicant or claimant is entitled to be present in a hearing.

3.6 Sources and Use of Funds

The major sources of Funds for financing the Accident Compensation Scheme derived from the collection of statutory levies authorized under the Accident Compensation Corporation Act 1989. Statutory revenues include levies contributions from employees and employers; and levies from fuel used in specified conveyance.

Other sources of Income are investments generated from short term deposits with Commercial Banks, convertible notes from the Unit Trust of Samoa and rent collected from tenants of the Food and Produce Market, Fugalei and lease spaces in the ACC 5 storey building.

In terms of the utilization of these Funds, this was primarily designed to accommodate all forms of compensation mandated under the ACC legislations: responding to compensable injuries and deaths from natural causes, to fund Awareness programs on Safety relating to workplaces and on the road, and general duties carried out for the administration and management of the ACC operations.

3.7 Investment of Funds

Investment of Funds forms one of the integral parts of the Corporation initiatives and is one of the most encouraging forms of avenues for generating income in ACC operations although it is not part of its Core functions.

Surplus funds were re-invested as fixed deposits for short-term cash investments in the Commercial Banks and long-term investment as convertible notes in the Unit Trust of Samoa (UTOS) with the objectives of providing a return sufficient to fund and shortfall in the budget and to preserve the long-term financial stability of the scheme. To achieve this, the Corporation will not invest in investments of a highly speculative nature, nor will it invest in investments in which the funds could be at risk for an amount greater than the purchase price of the instrument involved.

3.8 Vision and Mission Statement

Our vision is to promote safety at all times and be more responsive to the needs of the victims and the community

To achieve this vision, we will take a leading role in the reduction of social, economic and physical impact of accident on the worker and the community by promoting safety measures and improving compensation. In addition the Corporation will be vigilant and enthusiastic about safety, able to respond positively and timely to the needs of victims, certain that the levels of entitlements and levies are fair and affordable to levy contributors and that the scheme is a lasting one and have the confident of the community.

3.9 ACC Office Location

We are located in the business centre of Apia, on the 5th floor of the Accident Compensation Corporation Building where most of the staff worked. All claims for compensation are handled primarily in the Head Office, and are supplemented by regular visitations to claimants residing in rural Upolu and Savaii.

4.0 ACC BOARD AND STRUCTURE

4.1 The Board

The Board has a statutory role to ensure the Corporation manages the accident compensation scheme in accordance with the ACC Act 1989, with Amendments in 2003 and 2009, the Public Bodies (Performance and Accountability) Act 2001 and other governing legislations. Under the Accident Compensation Act 1989, the Board is comprised of ten (10) members which includes the Minister for ACC, four (4) ex-official members and five (5) members appointed by the Head of State on the advice of Cabinet. The Minister is the Chairman while the Chief Executive Officer of the Ministry of Commerce Industry and Labour is the Deputy.

However, there was a change in the composition of Board members as stipulated in the Amendment Act 2009 where five (5) members appointed by the Head of State acting on the advice of cabinet include:

- A barrister and solicitor of the supreme Court of Samoa;
- A registered medical practitioner;

- A registered public accountant;
- One shall be acquainted with the customs and traditions of the people of Samoa; and
- A representative of workers to be recommended by the Corporation based on the advice of the General Manager of the Corporation.

Furthermore, another notable change in the Amendment Act 2009 is that there will be:

- No member of Parliament or public servant becoming Board members unless Cabinet has certified that such appointment is necessary in the national interest and the member of Parliament or public servant has a particular qualification or business experience which the Corporation requires and such qualifications or experience cannot be found elsewhere;
- Where a member of Parliament or public servant is appointed under this section the person shall not receive remuneration or other benefits from the Corporation for services as a member.

The Public Bodies Act 2001, expressly stipulate that Board members should be fully informed of their legal responsibilities, must familiar with statutory provisions relevant to their positions, understand key organizational issues, policies and strategies, a code of conduct which incorporates procedures to deal with any conflict of interest issues; and a defined division of roles between the Minister responsible for the ACC, the Board, and the General Manager.

The Board normally meet once a month and at such other times as deemed necessary by the Chairman, where it receives financial reports, core activities briefings and discusses strategic scheme issues and ways to better enable the Corporation to fulfill its responsibilities.

During this year under reporting, there were 12 Board meetings with an extra two special meetings held. There were also sub-committee meetings held with 3 by the Auditors Committee, 4 meetings held of the Market Committee and 3 special meetings to discuss the management contracts. There were also 6 meetings of the new sub-committee to discuss the High Commission Office of Samoa in Canberra, Australia planned to be funded by the Corporation.

4.2 Board of Directors (April 2011 – 28 May 2012)

Hon. Faumuina Tiatia Liuga (April 2011 - 28 May 2012)
Minister and Chairman of the Board

Mr. Auelua Samuelu Enari (July 2009 - 28 May 2012)
Chief Executive Officer, Ministry of Commerce, Industry and Labour and Deputy Chair

Mr. Tupaimatuna Iulai Lavea (June 2009 - 28 May 2012)
Chief Executive Officer, Ministry of Finance

Mr. Tuliaupupu P. Lima (July 2010 – 28 May 2012)
Registered Public Accountant

Mr. Vui Vaiouga Levi (July 2010 – 28 May 2012)
Registered Medical Practitioner

Mr. Te'o Richard Faaiuas (July 2009 - 28 May 2012)

Acquainted with Customs and Traditions of Samoa

Mr. Ulu Vaomalo U Kini (June 2006 - 28 May 2012)

Acquainted with Customs and Traditions of Samoa

Ms. Salma L.T Hazelman (February 2005 - 28 May 2012)

A barrister and solicitor of the supreme Court of Samoa

Mr. Funefeai Oliva Vaai (April 2010 - 28 May 2012)

Representative of Workers

Mr. Muliagatele M. Paul (June 2009 - 28 May 2012)

Representative of Employers in Samoa

Those included in the Board but have no voice in its meetings:

Mr. Tialavea Tionisio Hunt (April 2011 - 28 May 2012)

Associate Minister of the Corporation

Mr. Peseta Vaifou Tevaga (April 2011 - 28 May 2012)

Associate Minister of the Corporation

4.3 New Board Members

The newly elected members on the 25th of April 2012 for the Board for the next three years, before the end of the financial year in June 2012

- Leoo Tautalatasi Dr. John Adams (Chairman)
- Auelua Samuelu Enari
- Te'o Richard Faaiuas
- Donald Leumaga
- Foma'i Lei Sam
- Fuamatu Lapana Neru
- Lemalu Lafua

5.0 SELECTED BOARD COMMITTEES

5.1 Audit Committee

The Audit Committee is a statutory body established under the Public Bodies (Performance and Accountability) Act 2001 to assist the Board in achieving its objectives and in the effective discharge of its responsibilities by providing advice on the quality of activities of the management. An Audit Charter Manual was developed in 2006 to provide a clear and comprehensive summary of the principal duties and responsibilities of the Audit Committee.

The Internal Audit independent review plays a vital role on the Corporation's overall operation by giving appraisals to all the activities. Since its inception in 2008, the assessment was firstly concentrated solely to ascertain the quality assurance of the overall operation specifically on internal controls, governance processes, legal compliance, operational efficiency and risk management.

There were no major issues discovered during the period under review either from the internal review or the external audit that warranted a special investigation other than regular reviews as planned within the Annual Audit Plan.

The Corporation's first Internal Auditor resigned after the completion of his first contract (two years) and migrated to New Zealand with his family in December 2011.

5.2 Act Review Committee

The Act Review Committee is responsible to examine and review the provisions of the Act from time to time. This is very important as the core functions of the scheme need to be thoroughly investigated taking into account the social and economic environment of our country. The focus is to promote better compensation and other entitlements for the victims and the community. There was no meeting of this committee in the period under review.

5.3 Investment Committee

The investment committee is tasked with examining and monitoring guidelines and procedures for the ACC's investment portfolios in the area that most influences investment returns and risks. There was no meeting of this committee for the financial year in review.

5.4 Market Inspection Committee

This committee is responsible for routine inspection of the market from time to time and make recommendations to the Board on ways to improve the service offered to customers and the general public. A total of 4 meetings were recorded in the period under review.

5.5 Management

There were no major changes in the composition of the management in the period under review except for our Internal Auditor who has resigned to migrate to New Zealand. The managements are contracted for a period of three year terms.

General Manager:	Malaeulu Lose Niumata
Manager, Accounts/Finance:	Muliagatele Makerita Matafeo
Manager, Administration:	Ulugia Petelo Kavesi
Manager, Rehabilitation & Safety Promotion:	Ta'uo Mulifusi Togafau
Manager, Claims Investigation:	Tauloa Lui Auvae
Internal Auditor:	Peniamina Vitale (resigned December 2011 – migrate to New Zealand)

5.6 External Auditor:

Controller and Chief Auditor

5.7 Solicitor:

Desmond Herman Kruse of the law firm of Kruse, Enari & Barlow

5.8 Structure

The Corporation has a total of 70 employees including 27 working fulltime at the Food and Agricultural Produce Market at Fugalei. The total number also include some of the vacant positions yet to be fulfilled due to the limited office space available and amongst some of the vacant crucial positions include a Human Resource Officer, an

Accountant, and several senior officers for the Claims and Safety Promotion and Rehabilitation Divisions.

On another note, we have trimmed down the number of employees working at the Food and Produce market at Fugalei basically to reduce the high cost of operation. That is, some of the positions have been vacant after a number of employees retired (i.e., Market Administrator and Head Rent Collector) but the duties and responsibilities of these positions have been shared by the Administration and Finance Divisions.

Furthermore, the Board has approved the demolition of the market effective in July 2012 and also endorsed the relocation and continuation of these employees at the main Office working as Cleaners, Securities, Night watchmen, Maintenance officers and assisting in Debt/arrears collection. These employees are expected to be transfer back to the market when completed.

The main service delivery is provided by staff working in the Claims and Safety Promotion & Rehabilitation Divisions. Support for the delivery of the core functions are provided by the Finance and Accounts Division and the Administration Division. In addition the two Divisions are also responsible for the daily operation of the Food and Produce Market at Fugalei and the Corporation's five storey building.

The General Manager reports directly to the Board but delegate responsibilities to each of the Managers. These functions include the overall management of claims and the provision of entitlements, rehabilitation and safety promotion activities, human resources, the management of funds and various other corporate duties.

6.0 Year 2011 – 2012 in Review

This is an account with respect to the proper management of a claim so that every injured person or victims of accident covered under the Act can access timely to different types of compensation available. Just before the end of this part, you will find how the accident compensation scheme is financed and a brief view of how funds are invested. The last part of the report highlights what has been achieved in the financial year 2011/2012 in terms of claims reported, the procedure used, trust accounts for dependent children, safety promotion and rehabilitation issues and the financial performance of the Corporation.

6.1 Highlights of the Year as of 1st July 2011 – 30th June 2012

6.1.1 Injury by Accident Highlights

- The total number of new claims registered for financial year 2011-2012 of 261 is 9.3 percent less when compared to 288 claims in the previous year;
- The 212 work related claims for the same period shows an increase of about 37.6 percent compared to 154 claims in the previous year;
- For specified conveyance, a total of 49 claims were recorded which is a drop of 33.7 percent when compared to a total of 74 claims in the previous year;
- Claims by employees injured after working hours accounted for 80 claims, which is a significant increase of 56.8 percent when compared to a high of 51 claims in the previous year.
- In respect of death by accidents, only 19 were recorded, which is a decrease of 36 percent when compared to 53 in 2011.

- For the year under review of 19 deaths, 11 death claims are workers (work related and after normal working hours) and 8 involving specified conveyance.
- A total of 46 workers died of natural causes in the period under review, receiving special payment of \$4,000 each following the execution of the 2009 amendment. *It is very important to note that claims for compensation reported for the financial year in review includes claims reported late and for the first time from previous years.*

6.2 Financial and Operating Highlights

Outlined below are some of the highlights for the financial year 2011/2012.

6.2.1 Revenue

Total income collected for this financial year of \$13.64 million is 2.3 percent higher than the previous year of \$13.33 million. The increase is partly attributed to a slight favourable increased in interest rates on term deposits offered by Commercial Banks as well as the Unit Trust of Samoa in which the Corporation received a 5 percent interest rate per annum.

Levies from employees and their employers and fuel of approximately \$9.0 million for the financial year 2011-2012 recorded a slight increase of 0.45 percent when compared to the previous year of \$8.96 million (table 8).

Income from Investment for this year is approximately \$4.61 million which is 5.88 percent higher than the previous year's \$4.36 million.

6.2.2 Expenditure

Expenditure on benefits and safety promotion of approximately \$1.45 million for the financial year 2011-2012 is 11.0 percent more when compared to \$1.33 million in the previous year and was basically due to the high number of compensable injuries.

Expenditure on administering the Scheme and related affairs of the Corporation was approximately \$2.11 million for the year 2010-2011. For this year it is \$4.7 million, a very significant increase of 123.19 percent from the previous year. This increase was largely attributed to the loss of about \$2.75 million on disposal of buildings of the Food and Produce Market at Fugalei.

6.2.3 Surplus Funds

Excess Funds deriving from income over expenditure for this financial year is \$5.90 million which has decreased by 29.57 percent compared to the previous year. The decrease was directly related to the \$2.75 million loss on disposal.

6.2.4 Income from Investment

Income generated from investments, net of costs, was \$3.04 million compared to \$2.84 million for the previous year, an increase of 7.06 percent. The increased is basically due to increase in interest rates for deposits at Commercial Banks and the convertible notes invested in the Unit Trust of Samoa.

6.3 Claims Management

A total of 519 claims were handled by the ACC during the year under review which is a drop of 2.07 percent when compared to a total of 530 claims in the previous year. The main reason for this decline is that most tsunami claims were settled within the same period of 2009/2010. Similarly, the reduction of claims brought forward from one year to another have been settled and closed. Constant management is an on-going process until a claim exit the scheme. A good example is a person who is entitled to be paid for loss of earnings up to five years or dependants of death claims who are entitled to be paid compensation for over a year may require such payment every week until dependency has changed.

The table 1 below shows comparative information for the 5 years and a breakdown between new and brought forward claims from 2008 - 2012.

Table 1: Number of claims brought forward from previous years (2008 – 2012)

Financial Year (FY)	Claims b/forward	New Claims	Claims Processed	Claims Closed	Claims b/fwd as % of processed
FY 2012	225	261	519	294	43.3
FY 2011	242	288	530	347	45.6
FY 2010	299	465	764	365	39.13
FY 2009	239	215	454	229	52.6
FY 2008	312	180	492	253	63.4

Table 1 also shows a significant number of claims brought forward from previous years which represent a notable number of claims processed each year. Claims brought forward in the period under review registered about 43 and 39 percent processed respectively. This is a notable drop when compared to the financial years of 2009 and 2008. For the financial year 2012, it shows that the number of claims brought forward is declined by around 17 claims when compared to the number of claims closed.

New initiatives were undertaken in the last couple of years in the management of claims to ensure claims receive an initial assessment within 3 working days in order to speed up the processing of claims. Similarly, methods to guarantee that claims are thoroughly investigated to avoid or deter fraud and abuse and that compensation and rehabilitation assistance which the injured person is entitled to is provided accurately and promptly. As part of these processes, the Corporation has developed a booklet in both Samoan and English to fully explain:

- Person or accident covered by the scheme;
- Compensation and other benefits available under the scheme;
- Procedure for the reporting of accidents;
- Decisions declining claims; and
- Right to review if a person is not satisfied with a decision.

Table 2 below illustrate the number of claims versus the different assessment periods where it revealed that most claims were assessed within 3 working days. That is about 85 percent for year 2012, 62 percent for year 2011, about 66 percent in 2010 and another notable increase of about 85 percent in 2009. As mentioned before, once the required documents were submitted in accordance to the accident compensation law, the victims and dependants within a short period of time can easily access their entitlements.

Table 2: Number of claims that received an initial assessment within 3 working days versus other intervals for comparison.

Financial Year (FY)	No. of Claims	1 – 3 Working days	4 – 10 Working days	12 – 21 working days	Over 21 working days	3 days as % of total claims
FY 2012	261	223	37	1	0	84.84
FY 2011	287	178	99	5	5	62.04
FY 2010	465	307	136	8	13	66.01
FY 2009	215	182	31	1	1	84.7
FY 2008	180	136	39	4	1	75.6

The improvement with respect to the limited time in the initial assessment of most claims as mention in table 3 below is the introduction of new process in handling claims. That is, the Corporation is very proactive to assist and investigate any accident reported by the media (ie. Radio, tv, newspapers) or members of the public.

6.4 Safety Promotion and Rehabilitation

As mandated in its Accident Compensation Principal Act 1989, the Corporation's other core functions are Safety Promotion and Rehabilitation. This entails the Corporation to work in close and friendly relationships with all relevant stakeholders to ensure the best possible results are achieved in terms of safety promotion and rehabilitation, not only for the advantage of the public and its clients in particular, but to ensure some control is in place for any abuse of the scheme.

The financial year under reporting saw the Corporation involved in organizing and contributing to a total of 73 public and private workshops and seminars including those in schools during the year. Given that the Corporation's role in safety promotion and rehabilitation is on an advisory basis, it was, as usual in past years during these workshops and seminars, that safety promotion and rehabilitation messages were integral parts. The law enforcement aspect, however, was referred to the relevant stakeholders such as the Ministries of Police & Prisons, Ministry of Commerce, Industry and Labour (MCIL) and Ministry of Health (MOH). Other avenues used by the Corporation were normal advices given out during field investigations, visitations and contacts made with clients on an individual basis. Additionally, close working relationships between the Corporation and other Government Ministries and Authorities like the Ministry of Work Transport and Infrastructure (MWTI), MCIL, Ministry of Education, Sports and Culture (MESC), Land Transport Authority (LTA), MOH, National Health Service (NHS) and POLICE with relevant safety and rehabilitation functions through consultation meetings and workshops were also maintained.

It is here noted that, the accident data in this report refers to accidents occurred instead of accidents reported during the financial year in order to reflect and monitor the performance outcome of safety promotion efforts by the Corporation.

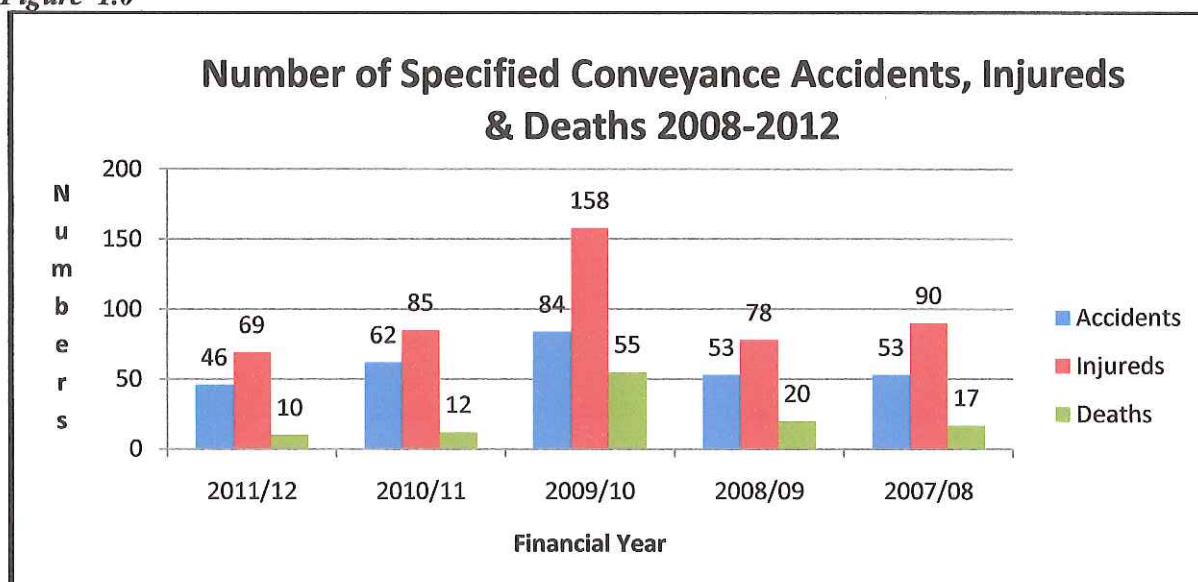
6.4.1 Road Safety

There were 46 specified conveyance accidents (*motor vehicle*) that occurred during the financial year under reporting which was 25.8 percent below the previous year. This shows that the financial year under reporting is the lowest since inception of the

Corporation and has continued the decreasing trend that was noted in the previous financial year. From the 46 accidents, a total of 69 people were injured including 10 fatalities. The number of injureds and fatalities both were reduced by 18.8 and 16.7 percent respectively from the previous year. As shown in Fig 1.0 below, the decreasing trend in accidents beginning in the previous year is continuing.

Roads in Town Area as in past years remain the most risky with 30.2 percent of all road traffic accidents which was a slight reduction of 1.0 percent from the previous year. Roads in Savaii came second at 27.9 percent, followed by Rural Upolu and the West Coast road at 18.6 and 16.3 percent respectively. Of all roads in Samoa, roads at Savai'i clocked the highest increase of 13.0 percent in accidents. All other roads were either remained the same or dropped in terms of the number of accidents. Apparently, the population drift to the Town Area and its outskirts due to employment, trade and education is the most contributing factor to the number of accidents. Furthermore, the increase in the number of vehicle ownerships particularly in Rural Upolu which has contributed to traffic congestion has impacted on the number of motor vehicle accidents in Rural Upolu and Savai'i.

Figure 1.0



In terms of vehicle-type, pick-ups which used to be the highest had only 16.3 percent or about 20 percent lower than the previous year. Trucks have contributed the most with 23.3 percent of all accidents. Accidents due to taxis and private cars were increased by about 2.5 percent and 7.0 percent respectively.

The use of alcohol as a factor involves 2.3 percent of accidents in the year under reporting compared to 6.6 percent the previous year. Of the one alcohol related accident, it was directly caused by drink-driving which resulted in the victim having killed.

Out of 12 pedestrian accidents, 10 or 83.3 percent involved young children aged 1–14 years, suggesting that emphasis must be placed on teaching safe road walking practices during road safety programs in schools, particularly in pre-school and primary school level.

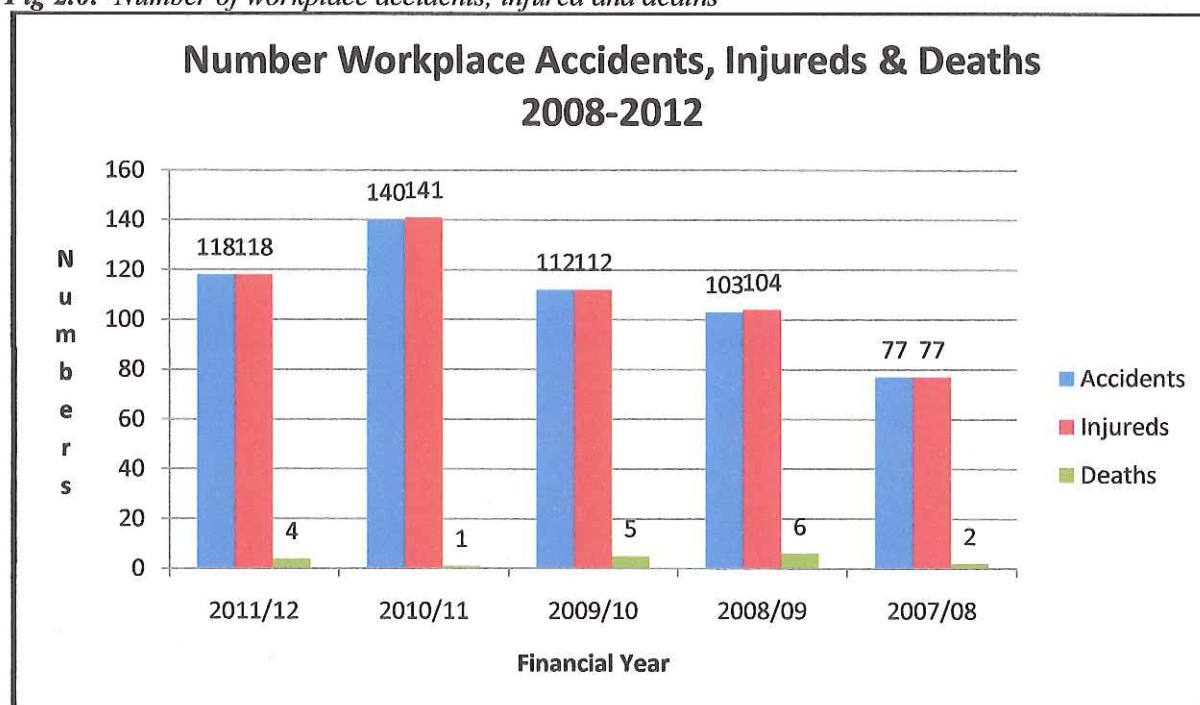
From 46 specified conveyance accidents, a total of 69 people were injured including 10 deaths. And when compared to the previous year, accidents have been reduced by 25.8 percent, number of Injureds dropped by 18.8 percent and number of deaths 16.7 percent less than the previous year. Thus the numbers for the financial year under

reporting are the lowest since the inception of the scheme in terms of accidents, injureds and deaths. It is believed that speeding is most prevalent in these fatal crashes.

6.4.2 Safety in the Workplace

Accidents in workplaces clocked a total of 118 during the financial year which was a reduction of 15.7 percent, thus reversing the increasing trend in the past 3 consecutive financial years. From this 118 work accidents, 118 workers were injured including 4 deaths. Despite the reduction in the number of work accidents and injureds, the number of deaths has increased by 300 percent which suggests that the severity of fatal incidents seemed to have been increased. Figure 2 below shows the relevant data.

Fig 2.0: Number of workplace accidents, injured and deaths



Most (94.1%) of work accidents involved male workers while the remainder were of the opposite gender. Work accidents predominantly involved young workers aged 39 and under with about 71.0 percent of accidents. Following next were the 40 – 49 age groups with 17.6 percent of all work accidents. The remaining portion is due to the age group of 50 and above. These figures indicate that the incidence of accident occurrence in the workplace decreases with the maturity of workers. That is, a sense of responsibility for safety apparently grows with the maturity of a person. About 75.0 percent of work injuries involve the arm/hand and the leg/foot. The rest involved other body parts. About 45 percent of all work accidents took place in the service industry followed by construction and wholesaling/retailing industries at 21.6 percent and 18.6 percent respectively. Besides other safety precautions, the use of PPEs where appropriate is strongly encouraged.

Over the last three consecutive years, efforts were concentrated on workplace safety given its increasing trend in accidents. And in November 2010, we started implementing our safety promotion and rehabilitation work manual in which efforts have been made to involve all relevant stakeholders towards improvement of this area of our work. Particularly in safety promotion, we created a hazard assessment form for use by our Safety Promotion Officers (SPO) in their field investigations which

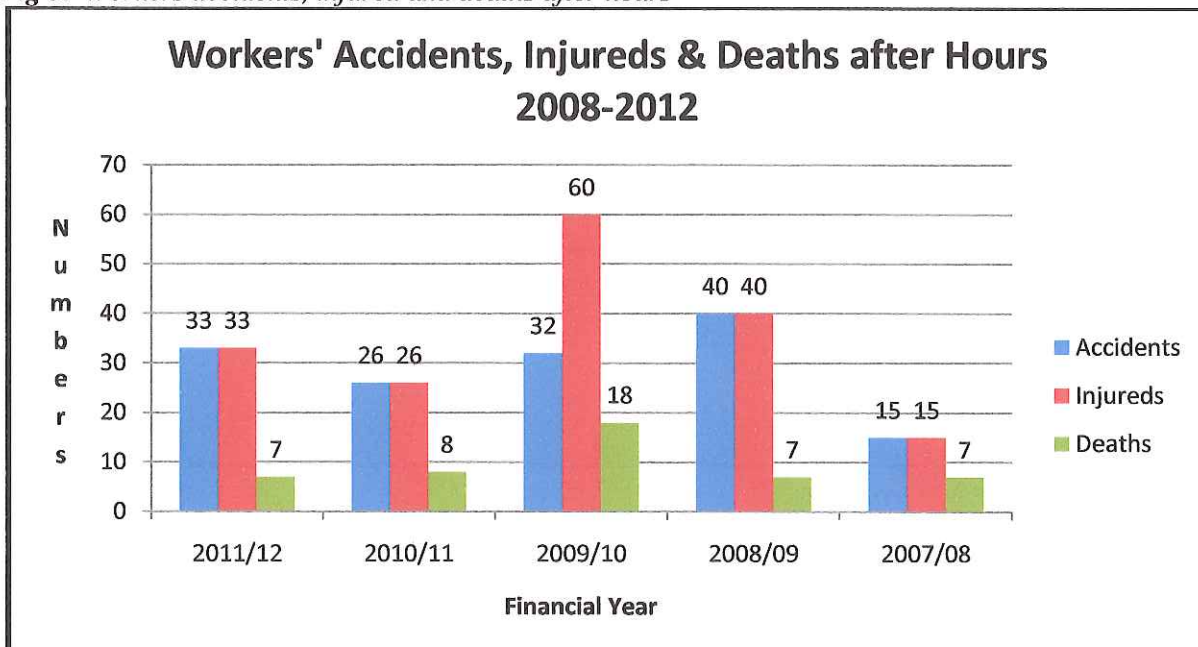
included a matrix for rating hazards, and also recommendations for employers and their workers and other relevant stakeholders such as MCIL, LTA and MWTI etc, for appropriate actions for putting control measures in place, and for follow-ups by our SPOs to ensure avoidance of future accident recurrence. And it is pleasing that such a team work with all relevant stakeholders and the use of such hazard assessment forms has resulted in reversing the increasing trend at year-end of the financial year under reporting.

6.4.3 Workers' Safety at Home, Sports, Recreation etc

Accidents involving workers after working hours stood at 33, which was an increase of 26.9 percent over the previous year. Figure 3 below shows the relevant figures.

The 33 accidents recorded was 120 percent higher than the standing lowest of 15 in FY 2007/2008. But when compared to the current highest of 44 in FY 2004/2005, it was 25.0 percent less.

Fig 3. Workers accidents, injured and deaths after hours



Resulting from 33 accidents were 33 workers injured including seven killed. This was a rise of 75 percentage over the lowest of 4 in FY 2006/2007, but fortunately 61.1 percent less than the current highest of 18 in FY 2009/2010.

Of all these 33 accidents, 92.7 percent took place at the home environment and 7.3 percent occurred during recreational activities.

6.4.4 Rehabilitation Cases

Rehabilitation work as shown in Table 3 below mostly falls on amputees, paraplegias, mental damage and hearing losses. But we also worked on all fresh claims and other disabilities closely with the Claims handling division in monitoring the injury recovery process in an effort to avoid any abuse of the compensation scheme through unnecessary prolonged incapacitation.

For the year under reporting, we had only two new paraplegic cases. No amputee, no mental damage and no hearing loss reported.

Visitations and follow-ups of victims under rehabilitation particularly those under long term rehabilitation occupied most part of the year under reporting. Carried out during such visitations were assessing the rehabilitation needs of each individual and the appropriate treatments conducive to their rehabilitation.

Table 3: Rehabilitation Cases

Disability	July – June 2009/2010 (inclusive of previous years)	July – June 2010/2011	To June 2011/2012	Total to June 2012
Amputees	23 (all provided with crutches and/or wheelchairs) (3 fitted with prosthesis)	1	0	24
Paraplegics	15 (1 able to walk progressively)	4 (1 died in Aug 2011)	2	21
Mental Damage	8 (all under medications and regular follow-up)	1	0	9
Hearing Loss	3 (1 provided with hearing aid) (2 under follow-up treatments)	0	0	3

Routine visits were also made for follow-up maintenance, repair and replacement of artificial aids given out to rehabilitation victims if needed.

Consultations with other stakeholders in rehabilitation also constituted much of the work for the period under reporting.

Though referrals to the Tupua Tamasese Meaole (TTM) hospital for medical rehabilitation and physiotherapy trainings have been reduced compared to previous years, but in emergency cases we were always prepared to respond immediately.

The case of Kelekolio Kolio of Lotofaga which was in a critical condition in 2011 and of which the Corporation under special circumstances helped build a toilet and shower and provided two wheelchairs including a recliner and special cushions to avoid bed sores is progressively recuperated. Before we went to his aid, he was just lying down and could not move as he was senseless from neck downwards. Now, he could sit on his wheelchair, on his bed and could move his hands and legs.

6.4.5 Workers died of Natural Causes

Special payment amounting to \$4,000 per case for workers died from natural causes came into force in October 2009 under the 2009 Accident Compensation Amendment Act.

Such payment in these cases have assisted relatives of workers died from natural causes especially those workers who have contributed to funding the scheme but had never been involved in an accident.

And as seen in the Table 4 below, an increasing trend since commencement of this benefit is recorded.

Table 4: Workers Died of Natural Causes

Workers Died of Natural Causes	July - June 2009/2010	July - June 2010/2011	To June 2010/2011	To June 2011/2012
TOTAL	12	34	34	37
Percent Over Previous Total	-	183.3 (12 in 2009/2010)	183.3 (12 in 2009/2010)	8.8 (34 in 2010/2011)
Percent Increase/Decrease Over Yearly Average 28	-57.1	21.4	21.4	32.1
Percent Increase/Decrease Over Highest	-	0.0 (34 in 2010/2011)	0.0 (34 in 2010/2011)	8.8 (34 in 2010/2011)
Percent Increase/Decrease Over Lowest	0.0 (0 in 0)	183.3 (12 in 2009/2010)	183.3 (12 in 2009/2010)	208.3 (12 in 2009/2010)
Percentage by Gender				
Male	9 (75.0)	28 (82.4)	28 (82.4)	25 (67.6)
Female	3 (25.0)	6 (17.6)	6 (17.6)	12 (32.4)

6.4.6 Compensation Expenditure

Expenditure for compensation in this financial year 2012 as per Table 5 below indicated the majority as payments for Death which constitute of death lump sum, death weekly payments, funeral grants and special payment for death without accident or injury. This is not an indication that death benefits are significantly better than other benefits, rather, it explains that most of the injuries were either not serious requiring long-term payments or were not entitled to a weekly payment for loss of earnings as in the case of non-workers.

The overall expenditure on compensations for the financial year 2012 was 15 percent higher when compared to 2011. The increase was primarily due to the increase in the number of deaths especially the number of deaths entitled to both the death lump sum payment and the death weekly payment.

Table 5: Expenditures on compensation & other entitlement from 2008 - 2012

Financial Year	Loss of earnings \$	Death Benefits \$	Permanent Injury \$	Medical expenses \$	Rehab & Others \$	Total \$
FY 2012	231,905	994,784	47,234	57,877	14,808	1,346,608
FY 2011	264,200	707,800	113,800	67,400	10,700	1,163,900
FY 2010	209,900	1,761,500	49,300	48,900	42,700	2,112,300
FY 2009	213,100	933,400	106,700	55,600	1,500	1,310,300
FY 2008	79,500	248,400	25,000	6,100	21,300	380,300

6.4.7 Reporting of Accidents

Table 6 below shows the different time (in working days) accidents are reported to the Corporation with 1-5 days being the maximum length of time accidents are reported in the period under review. On-going awareness radio programs conducted on a daily basis all year round at (2AP and Talofa FM) has been very helpful and very important for the community and the public at large.

Table 6: Shows the status on the reporting of accidents for the five year period 2008 – 2012

Financial Year	No. of Claims	1-5 days	6 – 14 Days	15 – 30 days	31 – 60 Days	Beyond 60 days	1-5 days as % claim
FY 2012	261	124	42	43	19	33	47.3
FY 2011	287	63	127	44	27	26	22
FY 2010	465	67	244	78	31	45	14.4
FY 2009	215	184	19	12	0	0	85.6
FY 2008	180	151	17	11	1	0	83.9

6.4.8 Trust Accounts for Dependent Children

Although there is no specific authority in the Act for the use of trust accounts, the ACC is however under a statutory obligation to make payment of compensation. And creating trust accounts is in the view of the Board, an appropriate mechanism to execute a discharge. The procedures followed by the ACC in respect of entitlements for dependent children, in the opinion of the Ombudsman, are justified and appropriate.

These procedures involve payment of the lump sum compensation entitlement of dependent children of deceased persons into savings or fixed-deposit accounts at commercial banks under each child's name, with the child's guardian and the General Manager of ACC as co-trustee to each account. Consequently, the children benefit from interest earned while able to make occasional withdrawals for their basic needs. For any withdrawals as may be requested by the guardian, the General Manager would have to be satisfied that the request was reasonable.

Table 7 revealed the movement of trust fund from year 2010 to 2012. A total of about \$255,000 tala was withdrawn for 234 dependent children in 2012, this is notably significant when compared to the amount drawn out in 2011 and 2010 for 253 and 208 dependent's children respectively.

Table 7: Movement of trust fund in 2010 - 2012

Year	Balance brought forward	New accounts	withdrawals	Interest	Balance carry forward
2010	\$128,106	\$565,000 (208)*	\$126,457	\$168,986	\$253,055
2011	\$253,055	\$90,883 (253)*	\$116,278	\$101,216	\$328,876
2012	\$328,876	\$115,343 (234)*	\$255,448	\$76,090	\$264,862

*Numbers in brackets refer to the number of dependent children per year.

7.0 FINANCIAL PERFORMANCE

7.1 Income from Levies

Statutory levies dictated by the ACC Act 1989 as outlined below, are levies on employees and their employers, and fuel levy used for the purpose of funding specified conveyance compensation. These levies continue to finance Compensation claim payments and the administration of the Scheme.

As clarified in the Table 8, Fuel levy represents only 6.8 percent of total levies while 93.2 percent is represented by Employees/Employer's levy. As a result, cost of specified conveyance (i.e. motor vehicle) accidents entitlements are continually being heavily subsidized by employees/employers levy.

Table 8: Shows the growth of levies and the disparity between employees/employers levies and fuel levy for the year 2012 with comparative figures since 2008.

Financial Year	Employees/ Employers Levy(\$)	Fuel Levy (\$)	Total Levies (\$)	Growth of total Levies	Fuel Levy as % Total levies
FY 2012	8,395,000	613,000	9,008,000	.45%	6.8%
FY 2011	8,356,000	612,000	8,968,000	7.4%	6.8%
FY 2010	7,755,000	596,000	8,351,000	6.7%	7.1%
FY 2009	7,226,000	602,000	7,828,000	.8%	7.7%
FY 2008	7,264,000	503,000	7,767,000	10.6%	6.5%

During the 5 year period from 2008, growth of levies each year has been fluctuating. In this year 2012, growth was drastically reduced to less than one percent when compared to the previous 2 year period mainly for reason that there were Government general wage increases paid in the past two years that increased levy income for the said years.

7.2 Scheme Cost

7.2.1 Benefit and Safety Costs

Table 9

Financial Years	Benefit Costs \$	Safety & Promotion \$	Administration Costs \$	Total Costs \$	Benefits & Safety as % of costs	Change in administration Costs
FY 2012	1,346,607	105,662	4,728,180	6,180,449	23.5%	123.2%
FY 2011	1,163,865	146,393	2,118,466	3,428,724	38.2%	18.9%
FY 2010	2,112,375	168,393	1,781,000	4,061,768	56.2%	-12.4%
FY 2009	1,310,300	596,600	2,032,300	3,939,200	48.4%	6.3%
FY 2008	380,300	476,300	1,912,000	2,768,600	30.9%	-5.7%

Compensation expenditure depended largely on the type of accident and entitlement under ACC Act. Severance and occurrence of these accidents are beyond the ACC's control in terms of time and amount of people affected. Benefits for compensation and safety promotion costs are the full responsibilities of the ACC. The amount of \$1.45 million was spent in this financial year compared to \$1.3 million in year 2010/2011 financial year. An increase of 23.3 percent in spending for compensation benefits and safety promotion costs has been noted for this financial year 2011/2012 as a result of increase in accidents and death fatalities (Table 9).

7.2.2 Administration Costs.

Administration cost involved in compensation claims and payments had increased from \$2.1 million in the financial year 2011 to about \$4.7million in this financial year 2012. It is 123.2 percent higher compared to last year (Table 9). This significant increase was attributed to the loss of about \$2.75 million of the Fugalei Market Building. Had it not for the loss on disposal of building, the administration cost for this year 2012 would have been lower than the previous year by 7.14 percent compared to the previous year.

7.3 Income from Cash Investment

Income from term deposits at Commercial Banks and convertible notes from Unit Trust of Samoa assist largely with funding of compensation paid out by the Corporation. Levies mandated by the ACC Act for employees and employers are the primary core vein of income for the Scheme with income from investment as secondary. In Table 10 below, an increase of 17 percent had been recorded for interest received from term deposits and Convertible notes for 2012 and basically due to high interest rates offered by these entities.

Table 10

Financial Year	Deposits and Securities	Rate of Growth (deposits & securities)	Interest Received	Rate of Growth (Interest)
FY 2012	\$56.30m	.54%	2.42m	17%
FY 2011	\$56.00m	21.47%	2.07m	-24%
FY 2010	\$46.10m	18.66%	2.72m	-11%
FY 2009	\$38.85m	28.2%	\$3.07m	8%
FY 2008	\$30.30m	50.40%	\$2.84m	69%

Also as can be seen in the above table, the rate of growth for Deposits for the financial year 2012 had been decrease to 0.54 percent when compared to the previous 4 years of 2011 to 2008. The decrease was mainly due to land purchased in year 2012 which was about \$2.9 million, in addition to the impact of cash on hand of more than \$6 million put aside for the development of the new market at Fugalei.

8.0 OTHER ACTIVITIES

8.1 Staff Development

Human resource is the foundation of any development. The Corporation encouraged its staffs to undertake graduate and post-graduate courses leading to some form of qualifications which not only benefit staff members themselves but continue to assist ACC in successfully carrying out its functions. Evidence of this commitment is value significantly in our staff conditions where *"the main thrust behind is strengthening the capability of the workforce for improved service delivery to the community."* To support this development, a new staff condition was approved and implemented to grant up to 5 working days of study and examination leave for any staff member that undertake courses in local tertiary institutions. In addition, ACC financially support staff members through paying of course fees, examination fees, fees for textbooks (if retained by ACC) and any other relevant fees as it considers appropriate and at the successful completion, ACC will reward a staff member through appropriate increase of salaries.

Training is an important component of staff development and normally targets areas where ACC operates. In the period under review, 4 staff members participated in local trainings offered by other Government Ministries and Corporations specific to safety issues in work places, principles and applications of service in the public sector and risk management. Also our staff members in the Safety Promotion and Rehabilitation Division are often invited to present papers and/or take part in local trainings and workshops specific to employee's safety in workplaces.

Overseas training is rarely available but another welcome staff development and incentive for employees to participate.

8.2 Website

We have now employed our Information Technology Officer (I.T) and amongst some of his major responsibilities is the need to update and developed the website to be more easily accessible by our clients, customers and the general public for the services we provide. The ACC website is www.acc.gov.ws and you can now access to different types of information such as online claim forms for workers injured after hours, how to make a claim, documents require to process a claim, work related accident, information about ACC, legislations and amendments, compensation entitlements, victims complaints and more.

8.3 Food and Agricultural Produce Market at Fugalei

Year 2012 marks the 15th year in operation of the Food and Produce Market at Fugalei and its another investment that provides additional income for the Corporation. However, the cost of operation is considerable but manageable despite there was never an increase in rental rates since the market opened for business in 1997.

The market was originally earmarked for farmers only to sell their different varieties of agricultural products such as taro, taamu, bananas, vegetables, fruits etc but we have noted that most farmers only come ones or twice a week. It leaves an abundant of empty spaces that leads to the decline in revenue and the Corporation quickly allow handicrafts and food-stall operators to make use of these empty spaces.

In this financial year 2012, the Board had approved the demolition of the existing market which will commenced in July and is expected to be completed in 12 months. The main concerned here is the need to raise the ground level to minimize chances of flooding, over-crowded as well as to cater for the raising demand for more spaces.

ACCIDENT COMPENSATION CORPORATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

Accident Compensation Corporation
Financial Statement
For the year ended 30 June 2012

CONTENTS	Page(s)
1. Report of the Auditor	26
2. Certification by Directors	27
3. Balance Sheet	28
4. Income Statement	29
5. Statement of Changes in Equity	30
6. Statement of Cash Flows	31
7. Notes to and forming part of the financial statements	32

TELEPHONE: 27751
FAX: 24167
EMAIL: info@audit.gov.ws
Website: www.audit.gov.ws

P.O. Box 13
APIA, SAMOA

Please address all correspondences
to the Controller and Chief Auditor



AUDIT OFFICE

REPORT OF THE AUDIT OFFICE

TO THE BOARD OF DIRECTORS – ACCIDENT COMPENSATION CORPORATION

We have audited the accompanying financial statements of the Accident Compensation Corporation, which comprise the statement of financial position as at 30 June 2012, the statement of financial performance, the statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and also the Public Bodies (Performance and Accountability) Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Accident Compensation Corporation as at 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and also give in the prescribed manner the information required by the Public Bodies (Performance & Accountability) Act 2001 and the Accident Compensation Corporation Act 1989, in the manner so required.

Apia, Samoa
17 January 2013

La Pele
Fuimaono Papali'i Camillo Afele
CONTROLLER AND CHIEF AUDITOR

Accident Compensation Corporation
Certification by Directors
For the year ended 30 June 2012

We certify that the attached financial statements for the Accident Compensation Corporation comprising of the Balance Sheet, Income Statement, Statement of Changes in Equity, Cash Flow Statement and notes forming part of the financial statements for the financial year ended 30 June 2012:

- a) give a true and fair view of the matters to which they relate; and
- b) have been prepared in accordance with International Financial Reporting Standards; and
- c) comply with the Public Finance Management Act 2001 in relation to the form or content of financial statements made under the Public Bodies (Performance and Accountability) Act 2001.

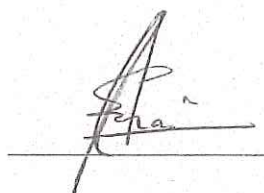
We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on behalf of the directors of the Accident Compensation Corporation.



Leo Tautalatasi Dr. John Adams
CHAIRPERSON
Accident Compensation Corporation
Apia, Samoa

15 / 01 / 2013



Auelua Sam Enari
DIRECTOR
Accident Compensation Corporation
Apia, Samoa

16 / 01 / 2013

Accident Compensation Corporation
Balance Sheet
For the year ended 30 June 2012

	Notes	2012 \$	2011 \$
EQUITY			
Capital and Reserves			
Contributors' Compensation & Rehabilitation Liability Reserves		20,000,000	20,000,000
General Reserves		72,179,991	66,277,898
Total Reserves		92,179,991	86,277,898
 <i>Represented by:</i>			
 Current Assets			
Cash and cash equivalents	3	6,417,793	233,931
Accounts Receivable	7	697,510	700,349
Interest Accrued		1,415,456	1,134,124
Prepayments		95,627	68,352
Investments	4	39,300,000	56,000,000
Total current assets		47,926,386	58,136,756
 Less: Current Liabilities			
Accounts Payable	9	681,407	362,536
Rent received in Advance		148,605	240,385
Compensation	10 (a)	418,122	459,371
Total current liabilities		1,248,134	1,062,292
 Working Capital		46,678,252	57,074,464
 Add: Non-Current Assets			
Investments - Convertible Notes	4	17,000,000	-
Property, Plant and Equipment	8	29,289,182	29,809,435
		92,967,434	86,883,899
 Less: Non-Current Liabilities			
Compensation	10 (b)	787,443	606,001
 NET ASSETS		92,179,991	86,277,898

The accompanying notes form part of these financial statements.

Accident Compensation Corporation
Income Statement
For the year ended 30 June 2012

	Notes	2012 \$	2011 \$
Revenue			
Employers' Levy		4,197,520	4,178,254
Employees' Levy		4,197,520	4,178,254
Fuel Levy		612,876	612,182
Interest Revenue		2,421,787	2,067,866
Rental Income - Fugalei Market	13(a)	902,604	932,919
Rental Income - ACC House	13(a)	1,292,981	1,360,304
Other Income		18,878	308
		13,644,166	13,330,087
Less: Expenditure			
Workers' Compensation	5	469,078	378,704
Specified Conveyance Compensation	5	227,597	288,091
After hour Compensation	5	469,160	380,598
Tsunami Compensation	5	772	8,472
Contributors Benefits	5	180,000	108,000
Safety Promotion & Accident Prevention	5	105,662	146,393
Fugalei Market	13(b)	556,486	569,611
ACC House	13(b)	1,005,138	951,916
Administration Expense	6	4,728,180	2,118,467
		7,742,074	4,950,252
Surplus		5,902,093	8,379,835

The accompanying notes form part of these financial statements.

Accident Compensation Corporation
Statement of Changes in Equity
For the year ended 30 June 2012

	Notes	Contributors' Compensation & Rehabilitation Liability Reserve \$	General Reserves \$	Total \$
2011				
Opening Balance at 1 July 2010		20,000,000	57,898,063	77,898,063
Surplus		-	8,379,835	8,379,835
Balance as at 30 June 2011		20,000,000	66,277,898	86,277,898
2012				
Opening Balance at 1 July 2011		20,000,000	66,277,898	86,277,898
Surplus		-	5,902,093	5,902,093
Balance as at 30 June 2012		20,000,000	72,179,991	92,179,991

The accompanying notes form part of these financial statements.

Accident Compensation Corporation
Statement of Cash Flows
For the year ended 30 June 2012

	Notes	2012 \$	2011 \$
CASH FLOWS FROM/(TO) OPERATING ACTIVITIES			
Cash Was Provided From:			
Gross Employers' Levy		4,225,622	4,050,586
Gross Workers' Levy		4,225,620	4,050,585
Gross Fuel Levy Income		807,180	902,305
Fugalei Market		1,032,319	1,060,677
ACC House		2,097,754	2,384,527
Other		194,558	5,042
Total cash received from operating activities		12,583,053	12,453,722
Cash Was Disbursed To:			
Claimants' for Compensation		(1,206,448)	(1,186,030)
Office Supplies and Services		(752,883)	(997,412)
Refunds on Fuel		(88,572)	(213,838)
Personnel		(1,189,496)	(1,312,033)
Fugalei Market		(390,342)	(425,880)
ACC House		(1,350,164)	(1,266,003)
Canberra project - transfer from WIP to accounts receivable		(167,585)	-
Total cash applied for operating activities		(5,145,490)	(5,401,196)
Net cash inflow from operating activities		7,437,563	7,052,526
CASH FLOWS FROM/(TO) INVESTING ACTIVITIES			
Cash Was Provided From:			
Interest Received from Term Deposits		2,140,379	2,400,118
Total cash received from investing activities		2,140,379	2,400,118
Cash Was Disbursed To:			
Purchase of property, plant and equipment		(3,094,080)	(322,524)
Net increase in investments		(300,000)	(9,900,000)
Total cash applied for investing activities		(3,394,080)	(10,222,524)
Net cash outflow to investing activities		(1,253,701)	(7,822,406)
Net increase in cash		6,183,862	(769,880)
Cash and cash equivalent beginning		233,931	1,003,811
Cash and cash equivalent at year end		6,417,793	233,931
Represented by :			
Cash and cash equivalents	3	6,417,793	233,931

The accompanying notes form part of these financial statements.

Accident Compensation Corporation

Notes To and Forming Part of the Financial Statement

For the Year Ended 30 June 2012

1. GENERAL INFORMATION

The Accident Compensation Corporation (ACC) was formerly called the Accident Compensation Board (ACB) established in 1978 following the approval by Parliament of the Accident Compensation Act 1978 which has now been revoked. Further legislations are now in place such as the Accident Compensation Act 1989 and the Accident Compensation Amendment Act 2003, the former remains the principal Act.

ACC is a public body that manages Samoa's accident compensation scheme. The accident compensation scheme is a no-fault social insurance scheme with unlimited access to common law remedies, and as with any insurance system it provides specific areas of cover and entitlement and collects premiums based on the cost of providing those entitlements. The scheme is characterized by an integrated and cost effective approach to prevention, compensation and rehabilitation. However the Act does not provide for the Board to make safety regulations or the enforcement of safety in workplaces and on the roads.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Set out below is a summary of significant accounting policies adopted by the corporation in the preparation of its financial statements.

(a) Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with:

- section 91 of the Public Finance Management Act 2001. Therefore, ACC is designated as a Public Body, hence, it must also satisfy the reporting requirements under the Public Bodies (Performance & Accountability) Act 2001 and Accident Compensation Act 1989.

- with applicable International Financial Reporting Standards (IFRS), which includes the International Accounting Standards issued by the International Accounting Standards Board (IASB), Interpretations and other mandatory professional requirements as prescribed in the reporting requirements of the Public Bodies (Performance & Accountability) Act 2001.

(b) Basis of preparation

The financial statements are prepared on the basis of historical costs. Reporting financial statements in accordance with International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period and future periods.

(c) Comparative information

Comparative information has been restated where necessary to achieve consistency in disclosure with current financial year amounts.

(d) Functional and presentation currency

The financial statements are presented in Samoan Tala (SAT\$), which is the corporation's functional currency and all values presented in Samoan Tala have not been rounded.

(e) Foreign currency

Transactions in foreign currency are translated to Samoan tala at the foreign exchange rate ruling at the date of the transaction. Amounts receivable and payable denominated in foreign currencies are translated at the rates of exchange ruling at balance sheet date. Foreign exchange differences arising on translation are recognized in the income statement.

(f) Bad and doubtful debts provision

Collectability of trade receivables is reviewed on an ongoing basis. A provision is raised for any doubtful debt based on a general review of the outstanding amounts at the end of the reporting period. Bad debts are written off against the provision for doubtful debts in the period in which they are identified as unrecoverable.

Accident Compensation Corporation

Notes To and Forming Part of the Financial Statement

For the Year Ended 30 June 2012

(g) Revenue recognition

Income comprising levies, interest and income from ACC House and Fugalei Market is recognised in the income statement in the period to which it relates.

(h) Expense recognition

i) Operating expenses

All expenses are recognised in the income statement and consist of compensation, administrative and other costs.

ii) Operating lease payments

Payments under operating leases are recognized in the income statement on a straight-line basis over the term of the lease.

(i) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises of cash at bank and on hand and other short term highly liquid investments with original maturities of less than one year.

(j) Receivables

Receivables are recorded at expected realization value after providing for bad and doubtful debts. At the end of each reporting period, the carrying amounts of receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the income statement. The proportion of levies due at the reporting date is recognised in the balance sheet as a receivable.

(k) Investments

Investments comprise of term deposits at commercial banks and government bonds held with the Central Bank and are recorded at cost.

(l) Provisions

A provision is recognized in the balance sheet when the corporation has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will required to settle the obligation.

(m) Payables

Payables are recognized at cost and represent liabilities for goods and services provided to the corporation before the end of the financial year that are unpaid and arise when the corporation becomes obliged to make future payments in respect of the purchase of these goods and services. Expenditures of the corporation including claims actioned but not finalised at year end, and claims incurred but not known to the corporation by balance date, are shown based on actual calculations and prior experience of such expense.

(n) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual values using the reduced balance method.

The following rates are used for the depreciation of property, plant and equipment:-

Fugalei Market Building	5%
ACC Building	2%
Motor vehicles	25%
Office Machines	25%
Furniture and Equipment	25%
Fixtures and Fittings	20%

Property that is being constructed or developed and at balance date has not been completed for future use is classified as work in progress and stated at cost.

Accident Compensation Corporation
Notes To and Forming Part of the Financial Statement
For the Year Ended 30 June 2012

(o) Value added goods and services tax (VAGST)

The income and expenses relating to ACC House and Fugalei Market are only subject to VAGST.

(p) Income Tax

The corporation is exempt from payment of income tax under section 55 of the Accident Compensation Act 1989.

(q) Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

(r) Employee entitlements

i) Salaries and wages, annual leave and long service leave

Liabilities for employees' entitlements such as salaries and wages, annual leave and other current employee entitlements (that are expected to be paid within twelve months) are accrued at undiscounted amounts, and calculated at amounts expected to be paid as at reporting date.

No provision is made for non-vesting sick leave as the pattern of sick leave taken indicates that no additional liability will arise for non-vesting sick leave.

ii) Superannuation contributions

The corporation contributes towards the Samoa National Provident Fund, a defined contribution plan in accordance with local legislation and to which it has no commitment beyond the payment of contribution. Obligations for contributions to the defined contribution plan are recognised immediately in the income statement.

(s) Changes to Accounting Policies

There have been no changes in accounting policies.

(t) Segment reporting

A segment reporting is a distinguishable component of the corporation that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), that is subject to risks and returns of other business or geographical segments.

3. CASH AND CASH EQUIVALENTS

	<u>2012</u>	<u>2011</u>
Westpac Bank	<u>6,417,793</u>	<u>233,931</u>

Accident Compensation Corporation
Notes To and Forming Part of the Financial Statement
For the year ended 30 June 2012

	2012 \$	2011 \$
4. INVESTMENTS		
Term Deposits		
<u>ANZ Bank Samoa Ltd</u>		
for 12 months at 3.85%	-	4,000,000
for 12 months at 5.95%	-	5,600,000
	-	9,600,000
<u>National Bank o Samoa</u>		
for 12 months at 5% (2011: 4%)	2,800,000	1,500,000
for 24 months at 4.8% (2011: 4%)	8,000,000	4,700,000
for 12 months at 4.5% (2011: 4%)	6,000,000	1,800,000
for 12 months at 4%	-	2,400,000
for 12 months at 4%	-	2,300,000
for 12 months at 4%	-	5,300,000
	16,800,000	18,000,000
<u>Samoa Commercial Bank</u>		
for 12 months at 4.00% (2011:4%)	3,300,000	2,000,000
for 12 months at 4% (2011: 4%)	5,700,000	3,700,000
for 12 months at 4%	-	5,600,000
	9,000,000	11,300,000
<u>Westpac</u>		
for 24 months at 4% (2010: 3.12%)	2,000,000	2,000,000
for 24 months at 4% (2010: 3.5%)	5,000,000	5,000,000
for 12 months at 3.88% (2011: 3.88%)	5,000,000	5,600,000
for 12 months at 4% (2011: 4%)	1,500,000	1,600,000
for 12 months at 3.5%	-	1,700,000
for 12 months at 3.5%	-	1,200,000
	13,500,000	17,100,000
Total Term Deposits	39,300,000	56,000,000
Convertible Notes (Unit Trust of Samoa)		
for 10 Years at 5.00%	5,000,000	-
for 10 Years at 5.00%	3,000,000	-
for 10 Years at 5.00%	2,000,000	-
for 5 Years at 5.00%	3,000,000	-
for 5 Years at 5.00%	4,000,000	-
Total Convertible Notes	17,000,000	-
<i>Represented by:</i>		
Current	39,300,000	56,000,000
Long Term	17,000,000	-
Total Investments	56,300,000	56,000,000

Accident Compensation Corporation
Notes To and Forming Part of the Financial Statement
For the year ended 30 June 2012

5. COMPENSATION EXPENDITURE

	Tsunami	Workers	Specified Conveyance	After Hour	Other	2012	2011
	\$	\$	\$	\$	\$	\$	\$
Weekly Compensation	-	162,358	34,612	34,935	-	231,904	264,153
Permanent Injury	-	9,215	31,028	6,991	-	47,234	113,799
Death Lump Sum	-	87,684	95,000	133,400	-	316,084	264,360
Funeral Expenses	-	28,000	44,000	2,000	-	74,000	96,000
Medical Expenses	-	18,122	9,347	30,408	-	57,877	67,377
Artificial	-	762	2,970	4,033	-	7,765	10,687
Death Weekly	-	162,936	4,370	257,394	-	424,700	231,989
Ex-gratia	772	-	6,271	-	-	7,043	7,500
Contributor Benefits	-	-	-	-	180,000	180,000	108,000
Safety Promotion & Accident Prevention	-	-	-	-	105,662	105,662	146,393
Total	772	469,078	227,597	469,160	285,662	1,452,269	1,310,258

	2012 \$	2011 \$
6. ADMINISTRATIVE EXPENSE		
Annual Leave	38,924	31,527
Audit Fees	19,550	19,550
Board Fees and Expenses (Refer to Note 14)	114,333	167,919
Consultation	-	7,308
Depreciation	131,225	76,408
Electricity	103,535	90,359
Funds expended for purposes of section 56(7)	19,349	15,748
Insurance	7,807	9,124
ISSA - Subscription	38,820	36,131
Long Service Leave	23,858	23,858
Loss on disposal	2,752,410	10,711
Office Expenses	118,080	112,241
Office Rent	206,473	206,473
Overseas Travel	23,165	127,718
Salaries & Wages (include NPF/ACC)	1,035,982	1,092,311
Travel Allowances & Fares	7,618	10,113
Vehicle Maintenance & Running Costs	87,052	80,968
Total	4,728,180	2,118,467

7. ACCOUNTS RECEIVABLE

Employers Levy	203,545	231,648
Employees Levy	203,545	231,648
Rent from Fugalei Market	60,563	53,654
Rent from ACB House	12,473	38,333
Other - Canberra Project	217,383	145,066
Total	697,510	700,349

Accident Compensation Corporation
Notes To and Forming Part of the Financial Statement
For the year ended 30 June 2012

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Fugalei Market	ACC Building	Motor Vehicles	Fixtures & Fittings	Furniture & Equipment	Office Machines	Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$		\$
<u>COST</u>									
2011									
Balance as at 1 July 2010	8,359,891	5,299,795	22,127,397	483,900	89,411	82,973	269,399	49,799	36,762,565
Additions	560	-	-	192,000	45,843	6,791	16,211	-	261,405
Disposals	-	-	-	-	-	-	(148,169)	-	(148,169)
Balance as at 30 June 2011	8,360,451	5,299,795	22,127,397	675,900	135,254	89,764	137,441	49,799	36,875,801
2012									
Balance as at 1 July 2011	8,360,451	5,299,795	22,127,397	675,900	135,254	89,764	137,441	49,799	36,875,801
Additions	2,928,380	3,900	-	86,000	44,012	-	31,788	167,584	3,261,664
Disposals	-	(5,303,695)	-	(219,350)	-	-	(720)	-	(5,523,765)
Other	-	-	-	-	-	-	-	(217,383)	(217,383)
Balance as at 30 June 2012	11,288,831	-	22,127,397	542,550	179,266	89,764	168,509	-	34,396,317
<u>ACCUMULATED DEPRECIATION</u>									
2011									
Balance as at 1 July 2010	-	2,113,336	3,863,217	305,529	45,600	65,266	209,405	-	6,602,353
Depreciation	-	159,778	365,284	45,627	12,897	5,460	12,424	-	601,470
Disposals	-	-	-	-	-	-	(137,458)	-	(137,458)
Balance as at 30 June 2011	-	2,273,114	4,228,501	351,156	58,497	70,726	84,371	-	7,066,365
2012									
Balance as at 1 July 2011	-	2,273,114	4,228,501	351,156	58,497	70,726	84,371	-	7,066,365
Depreciation	-	151,790	357,978	90,658	20,747	4,760	15,456	-	641,389
Disposals	-	(2,424,904)	-	(175,715)	-	-	-	-	(2,600,619)
Balance as at 30 June 2012	-	-	4,586,479	266,099	79,244	75,486	99,827	-	5,107,135
<u>CARRYING AMOUNT</u>									
30 June 2011	8,360,451	3,026,681	17,898,896	324,744	76,757	19,038	53,070	49,798	29,809,435
30 June 2012	11,288,831	-	17,540,918	276,451	100,022	14,278	68,682	-	29,289,182

	2012 \$	2011 \$
9. ACCOUNTS PAYABLE		
Other Payables	103,506	74,085
Provision for Fuel Levy Refund	244,437	138,705
Provision for Audit Fees	17,062	17,062
Provision for Annual Leave	38,924	49,737
VAGST	185,443	53,350
Fugalei Market	35,430	8,695
ACC House	56,604	20,902
Total	681,407	362,536

Accident Compensation Corporation
Notes To and Forming Part of the Financial Statement
For the year ended 30 June 2012

10. COMPENSATION

(a) Current Portion	Tsunami	Workers	Specified Conveyance	After Hour	2012	2011
	\$	\$	\$	\$	\$	\$
Weekly Compensation	-	75,360	33,335	40,369	149,064	129,333
Permanent Injury	-	4,720	800	2,800	8,320	30,919
Death Lump Sum	-	4,316	-	-	4,316	50,316
Funeral Expenses	-	-	-	-	-	6,000
Medical Expenses	-	1,650	1,450	24,645	27,745	5,250
Artificial Aid	-	200	500	500	1,200	6,680
Death Weekly	42,123	84,697	17,765	82,892	227,477	230,873
Sub-total	42,123	170,943	53,850	151,206	418,122	459,371
(b) Non-Current Portion						
Weekly Compensation	-	-	3,640	-	3,640	11,872
Permanent Injury	-	28,850	93,520	32,000	154,370	144,365
Death Lump Sum	-	17,644	56,000	20,000	93,644	65,960
Funeral Expenses	-	-	6,000	-	6,000	2,000
Medical Expenses	-	2,500	8,050	2,000	12,550	12,740
Artificial Aid	-	33,000	12,200	4,600	49,800	43,200
Death Weekly	24,417	187,124	36,551	219,347	467,439	325,864
Sub-total	24,417	269,118	215,961	277,947	787,443	606,001
Total	66,540	440,061	269,811	429,153	1,205,565	1,065,372

11. PROVISION FOR ANNUAL LEAVE

Staff annual leave entitlements	38,924	49,737
Movement of provision for annual leave		
Balance at beginning of the year	49,737	38,214
Additional provisions during the year	11,523	11,523
Utilised during the year	(22,336)	-
Balance at year end	38,924	49,737

12. ANNUAL AND LONG SERVICE LEAVE

Long Service Leave	23,858	23,858
Annual Leave	38,924	49,737
Total	62,782	73,595

Accident Compensation Corporation
Notes To and Forming Part of the Financial Statement
For the year ended 30 June 2012

13. SEGMENT INFORMATION

The Corporation also leases out available office space at the ACC House and Fugalei Market and its results are reported below in their main areas of operations.

	Notes	ACC House \$	Fugalei Market \$	Main Office \$	Total 2012 \$	2011 \$
(a) Consolidated						
Revenue						
Rent		1,486,928	1,037,995	-	2,524,923	2,637,210
Less: VAGST		(193,947)	(135,391)	-	(329,338)	(343,987)
Rent Net of VAGST		1,292,981	902,604	-	2,195,585	2,293,223
Employers' Levy		-	-	4,197,520	4,197,520	4,178,254
Workers' Levy		-	-	4,197,520	4,197,520	4,178,254
Fuel Levy		-	-	612,876	612,876	612,182
Interest		-	-	2,421,787	2,421,787	2,067,866
Other Income		-	-	18,878	18,878	308
Total Revenue		1,292,981	902,604	11,448,581	13,644,166	13,330,087
Expenditure						
Annual Leave		-	-	38,924	38,924	49,736
Audit Fees		-	-	19,550	19,550	19,550
Board Fees and Expenses		-	-	114,333	114,333	167,919
Building Maintenance		228,058	23,417	-	251,475	154,561
Compensation		-	-	1,346,607	1,346,607	1,163,865
Consultation		-	-	-	-	7,308
Depreciation (Refer to note 8)		357,978	151,790	131,225	640,993	601,470
Electricity		176,510	46,019	103,535	326,064	313,856
Funds expended for purposes of section 56(7)		-	-	19,349	19,349	15,748
General expenses		312	11,279	-	11,591	9,081
Insurance		79,519	23,210	7,807	110,536	136,413
ISSA - Subscription		-	-	38,820	38,820	36,131
Local Travel		-	3,794	-	3,794	3,775
Long Service leave		-	-	23,858	23,858	23,858
Loss on disposal		-	-	2,752,410	2,752,410	10,711
Office Expenses		-	6,421	118,080	124,500	115,628
Office Rent		-	-	206,473	206,473	206,472
Overseas Travel		-	-	23,165	23,165	127,718
Safety Promotion & Accident Prevention		-	-	105,662	105,662	146,393
Salaries		124,463	234,186	1,035,982	1,394,631	1,478,419
Telephone		-	180	-	180	245
Toilet Maintenance		300	27,804	-	28,104	26,867
Travel Allowances & Fares		-	-	7,618	7,618	10,113
Vehicle Maintenance & Running Costs		-	-	87,052	87,052	80,968
Water rates		37,998	28,386	-	66,384	43,446
Total Expenditure		1,005,138	556,486	6,180,449	7,742,074	4,950,252
Surplus		287,842	346,118	5,268,132	5,902,093	8,379,835

Accident Compensation Corporation
Notes To and Forming Part of the Financial Statement
For the year ended 30 June 2012

13. SEGMENT INFORMATION (Continued)

The following is the breakdown by ACC House and Fugalei Market segments. This information has been included in the Consolidation in 13(a) and in the Income Statement.

(b) ACC House	2012	2011
Revenue	\$	\$
Rent	1,486,928	1,564,352
Less: VAGST	(193,947)	(204,048)
Total Revenue	1,292,981	1,360,304
Expenditure		
Annual Leave	-	6,094
Bldg Maintenance	228,058	129,740
Depreciation (Refer to note 8)	357,978	365,284
Electricity	176,510	173,157
General expenses	312	135
Insurance	79,519	100,904
Salaries	124,463	145,851
Toilet Maintenance	300	3,882
Water rates	37,998	26,869
Total Expenditure	1,005,138	951,916
Surplus for ACC House	287,842	408,388
(c) Fugalei Market		
Revenue		
Rent	1,037,995	1,072,858
Less: VAGST	(135,391)	(139,939)
Total Revenue	902,604	932,919
Expenditure		
Annual Leave	-	12,115
Bldg Maintenance	23,417	24,821
Depreciation (Refer to note 8)	151,790	159,778
Electricity	46,019	50,340
General expenses	11,279	8,946
Insurance	23,210	26,385
Local Travel	3,794	3,775
Salaries	234,186	240,257
Stationaries	6,421	3,387
Telephone	180	245
Toilet Maintenance	27,804	22,985
Water rates	28,386	16,577
Total Expenditure	556,486	569,611
Surplus for Fugalei Market	346,118	363,308