



Seychelles Broadcasting Corporation

# STRATEGIC PLAN

2019-2021



"CHANGE TO INSPIRE"

**Content**

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## 1.0 Introduction

April 2019 will be the second anniversary of the SBC Amendment Act 2017.

The amended act's premise was towards a more balanced, objective and politically neutral National Broadcaster.

2019 will also mark the second year of the new governance and executive tenures of the Corporation arising out of this amended act.

The Corporation's political neutrality and impartiality is under good stewardship. As the SBC continues to consolidate this particular achievement, it must shift the focus back to its primary mandates.

To *Inform, Educate* and *Entertain* the Seychellois public becomes an increasingly tough challenge, in a fast-changing media landscape where other broadcasters, other content providers and other platforms are competing for our audiences' attention and their limited time.

The Seychellois public does not only have an increasing array of content providers and content to choose from, they also have a choice of *where, when* and on what device they can consume that content.

In this competitive environment the National Broadcaster must adapt to remain relevant and deliver value-for-money to its shareholders; the Seychellois taxpayers. The transformation of the National Broadcaster into one that is better placed to do so must, first and foremost, be a mind-set one. Stakeholders, both internal and external, must understand that we are a National Broadcaster that has lagged behind in many ways; editorially, content-wise, staffing and infrastructure-wise.

This transformation requires adequate funding over and above the recurrent annual budget.

Internal Stakeholders must understand the need to change, under the adage that '*doing the same things over and over again brings the same results*'. Our human resource must be agile, adaptable, forward thinking and innovative. Having a professional and high-performing workforce is an essential prerequisite for us to be able to effectively redress the current risks and issues, and to better address future challenges.

Effective performance management and capacity-building are two key strategic tools under this endeavour.

In a world where content consumption is becoming increasingly fragmented, at the same time as the audience is fragmenting, it is all the more important that the National Broadcaster leverages its unique selling points (USPs) to remain relevant, retain its current audience and attract new-ones, particularly the youth and children.

The major objective of the SBC's 2019-2021 strategic plan is to ensure that Local Content attains its rightful place as the Corporation's paramount USP.

The on-going and upcoming efforts being put in transforming the SBC into the National Broadcaster we all want to see must be accompanied by a well thought-through plan, and one that provides clarity on how to address the significant issues and challenges impeding this important endeavour.

This document seeks to do just that.

April 2019

## 2.0 Visions

### “Change to Inspire”

#### 1. An SBC that is valued and respected as the National Broadcaster

An SBC that is:

- Fulfilling its mandate to Inform, Educate and Entertain, valuably and credibly
- Inspiring our citizens to do good and excel
- The credible, go-to source for factual, objective and balanced News and information
- A platform for differing views and opinions, as stipulated by article 168 (2) of our Constitution (...*afford opportunities and facilities for the presentation of divergent views.*), therefore providing a voice for all sections of our society
- The Nation’s companion in good and bad times
- Showcasing and supporting talents in the creative industries, arts, culture, sports, and business
- Working with all stakeholders in mutually agreeable and collaborative ways, especially civil society organisations and the youth to help bring about lasting social and moral advancements

#### 2. An SBC that is modern, agile and innovative

An SBC that:

- Is a model for creativity, innovation and excellence as a public broadcaster
- Is better prepared to compete and deliver in the competitive and evolving broadcasting landscape
- Makes effective use of Technology to remain relevant, engaging and valued
- Embraces convergence of broadcasting from linear to digital

#### 3. An SBC that is a premier employer and investor in skills and talent

An SBC where:

- Staff are empowered to be the best and give their best
- The highest calibre individuals are attracted to work and are satisfied to remain
- Its employees are performing and delivering to the highest possible standards.
- There is a conducive and enabling working environment
- There are clear policies and guidelines, which are adhered to, and are applied consistently and fairly
- Continuous Improvement, Learning and Development, Ethics and Professional Standards are an integral part of its corporate cultur

### 3.0 Current Setbacks and Challenges

The challenges that the SBC face are significant, numerous and varied.

#### 1) An under- resourced SBC

- The current level of funding is not enough to enable or sustain SBC's digital transition, nor its expected increase in quality and quantity of programmes

#### 2) Negative Public and Stakeholder Perception

An SBC that

- Remains negatively perceived as biased, lethargic and out-dated
- Is seen not to be providing value-for-money to the taxpayer; nor satisfactorily fulfilling its mandate to educate, inform and entertain

#### 3) Insufficient local content to satisfy the public's expectations

#### 4) Insufficient content generally to sustain two SBC channels in the DTT era

#### 5) A fast-changing Broadcasting Sector, bringing alternatives to a demanding and sophisticated Seychellois public

#### 6) A deteriorating SBC archives

- SBC's archives, both television and radio, contains significant historic and heritage audio-visual materials. These have been left on tapes in analogue form and many have deteriorated or damaged
- The archives are invaluable and forms part of our USP; a source of very good compelling content, which we can also repurpose and even sell.

#### 7) Various staffing-related issues and challenges

- Recruitment and Retention challenges
- Lack of trained and competent personnel in most functional areas
- Lethargy and lack of productivity in many areas
- Unacceptable levels of disciplinary and behavioural issues

These are consequently impeding the expected improvements in the quality of SBC's outputs, particularly news and local programmes production

#### 8) Lack of clear policies and guidelines

- Notably in HR, Health & Safety, Studio and On-Air protocols
- A consequent lack of application of professional standards

### 9) A broadcaster that is lacking in modern broadcasting tools and infrastructure, and largely remains in the analogue and manual era

- Old and/or badly maintained infrastructure that poses threats to our on-going ability to transmit our programs, and to the health, safety and welfare of our staff.
- Lack of tools and equipment needed to ensure efficient working
- A cumbersome operation, where workflows and processes are inefficient and often error-prone

### 10) Residual issues rising from a badly planned and assembled Digital Terrestrial Television (DTT) Project

- Intrinsic design flaws and implementation errors, preventing the optimum use of the DTT capabilities
- This includes leaving our broadcast-distribution network in the hands of a third-party, instead of SBC owning its DTT feeds network

### 11) Poor coverage and reception of the AM and FM transmissions

- Both are due to equipment working beyond their useful life and/or inability to repair or maintain them

### 12) Significant risks to manage and mitigate on the SBC House Project

- Ensuring that the contractor's work is to acceptable standards
- Ensuring the equipment and technological systems that goes into the building are of the highest possible quality and future-proofed wherever necessary

## 4.0 Strategic Thinking & Planning 2019 - 2021

### 4.1 Content

The mind-set change around the programmes we broadcast must be that SBC is a content 'seller', competing with other content sellers. And that it is no longer a sellers' market, and that the content consumers (the 'buyers') are increasingly spoiled for choice.

In the fast-changing media landscape, where content is available everywhere, at any time and where access to online content (via Facebook, YouTube and other OTT providers like Netflix) will become increasingly appealing as internet data costs go down, we must ask the questions: What will keep and attract content consumers to SBC? What will differentiate us from these other content providers?

#### 4.1 'Elevating' Local Content

The answer for SBC, as indeed for any National Broadcaster, must be to leverage its unique selling point: **Local Content**; content that other broadcasters and content providers are not able to produce. These are:

- a) News and Current Affairs programmes
- b) Live Programmes (including Sports, Cultural and National Events)
- c) Local Productions (including our Archives)

If *Content is King*, then **Local Content** must be the *Queen*. SBC's key strategy must be to spare no effort in increasing its Local Content offerings and more importantly; ensuring that they are compelling and of the highest possible quality.

SBC will aim for its content to be varied and comprehensive, providing a balance of **information**, **enlightenment** and **entertainment** for men, women and children of all ages, interests and tastes.

The programmes broadcast must also seek to **inspire**, **educate**, **enthuse** and **provoke enriching discussions**.

#### SBC will:

##### a) **Strengthen its News reporting and current affairs programmes.**

In an environment where 'News' and information, whether fake, biased or inaccurate, are abundantly available, SBC must remain the 'go-to' source for factual, accurate and impartial News and Information.

SBC must also bring clarity where there is confusion. It must break down the big issues for all to understand. As such, we must ensure that our News coverage does not only inform on the *What* is happening in our country (and elsewhere) but provides accurate and impartial insights as to *Why*. Consequently, our coverage of news should have more in-depth analysis whenever necessary and possible.

Whilst we must continue to innovate, we must reinforce journalistic principles and maintain editorial integrity in our News reporting.

**SBC will issue and publish its first Editorial Guidelines in 2019.** We shall abide by these consistently and rigorously.

We should not be unduly influenced by sensationalism, but ensure that Breaking' the News cannot be at the expense of accuracy and objectivity.

More human interest stories, investigative journalism, more live news-casts and agility in breaking news are some of the areas that will be reinforced.

Our current affairs programmes must reflect diverse views.

Our news presentations and delivery must be professional and error-free.

#### **b) Acquire and commission local programmes with external providers**

In 2019, the SBC will expand its local content portfolio to include programmes produced by local independent producers, to supplement its in-house programme production efforts.

The SBC's main objective is to have enough local programmes, and of good quality, in order to satisfy viewer expectations in a multi-channel and multi-platform environment.

At the same time, the SBC will;

- a) enrich its offerings with varied production styles and formats;
- b) promote and nurture Seychellois talent in the field of TV and Radio production;
- c) contribute to making TV and Radio production a way of earning a livelihood for more Seychellois.

In doing so, the SBC also recognises the important role it can play in nurturing a viable local content production market, including being an enabler in exporting such contents outside of our borders.

**The *Procurement and Commissioning of Local Content* Policy is consequently expected to be a landmark document in SBC's transformation.**

#### **c) Improve the quality of its internal productions**

- Focus must be on Quality and Standards, and not necessarily Quantity.
- As such, the SBC will conduct a comprehensive review of its current local productions, with a view to improving their audience appeal and 'marketability'; they must be content that 'sells', that can 'travel'...
- Comprehensively review the way local programmes are produced and how internal human resources are utilised to do so.
- Develop new local programmes formats and cross-platform productions
- Repurpose the audio-visual archive materials, producing new materials out of the enviable audio-visual heritage, leveraging their uniqueness and audiences' interests



**d) Increase our Live Broadcasts**

With DTT enabling 2 SBC channels, (and possibly more channels), this excellent opportunity to enhance this particular USP is begging to be explored fully.

Currently no other entity can do live broadcasts in the Seychelles. We cannot allow complacency to let SBC be caught napping. We need to be at the forefront and remain at the front.

The Indian Ocean Island Games (IOIG) in July 2019 will provide a unique opportunity to showcase our capability, as we aim to bring multiple live events on our DTT platform and indeed on our other (online) platforms.

Live programme production must become less cumbersome and less error prone. We are investing around SR3million of our revenue in more modern and less bulky equipment to enable a more agile and quality live production. The IOIG coverage will be the main beneficiary of this investment. Thereafter we will be better geared to capture as many live Sports and Music shows as practicable. (Caveat must be that they are indeed compelling)

- Our live programmes are content that can indeed travel (live or recorded) and generate much needed revenue back into our Local Content production endeavours.
- We must be able to broadcast live from anywhere on the 3 main islands (at least) in a more reliable and less costly manner. We must consequently invest in our own microwave network.
- Our current OB van must be able to record in HD and perform multi-track recording.
- To enable a more professional live production we must also upgrade our studio-OB talk-back system. (Ideally using the above mentioned microwave network)
- We are working with the National Assembly to enable an automated, less labour intensive filming of the NA sessions.

**e) Produce or acquire a comprehensive bank of Music Videos**

SBC must be the premier repository of our local music, both for posterity and as a valuable proposition in our programming resource. A comprehensive and significant music video bank, of both old and new music, will invariably appeal to all ages, and can improve our viewership value in many ways.

Our music videos are also content that can travel.

We must manage music video acquisitions within the same policy we acquire other local content.

(Other local broadcasters are using this approach as a key strategy, and for good reasons. They understand already that this is a key type of content that will continually attract viewers.)

**f) Differentiate our two Radio Channels**

Radio is uniquely placed to converse and engage with its audience, in ways television finds harder to do.

Paradise FM and Radyo Sesel both have good content that sustains a loyal audience.

Upgrading the on-air branding of both stations, supported by the new RCS system with regards to reorganizing the music core of the stations, will further differentiate our two radio channels into two distinct products with their own selling points.

Parallel to that is a concerted and on-going effort to improve the two station's programme offerings.

Paradise FM and Radyo Sesel have already started the technological transformations which will allow them to enhance their content delivery service.

Moving both stations to a new RCS platform and the launching of the Radio Apps are two notable endeavours.

- Podcast as a service, whilst giving added value to some already very good local programmes, which are already telling *our* stories.
- Radio already has some good content that has the potential to enable cross-platform productions. Cross-platform programmes that will enhance SBC's public offering overall and leverage the combined talents across all of the Corporation

**Moving Radyo Sesel to the FM frequencies**

Whilst we seek to offer a distinct product offering in terms of content for our two radio stations, there is also the need for Radyo Sesel's reception to improve to be on par with Paradise FM. Our two radio services having the same value propositions as far as clarity of the received transmission is concerned is a key strategic objective that must be achieved soonest.

Radyo Sesel must also remain on the AM (Medium Wave) frequencies to reach our outer islands and our vast maritime territory. AM must also be maintained as a potential disaster recovery broadcast service in the event of national emergencies or crisis.

### g) Acquisition of more compelling and varied International Contents

SBC's international content offering must change to better reflect what the audience wants. This assertion acknowledges the limited funds available for procurement of content. It is all the more important that SBC spends its scarce funds on programmes that provides value for that money.

- We are reviewing the way in which we procure international content. Content procurement, both local and international, will be integrated under the remit of the Content Procurement and Commissioning committee.
- We must also redress the long-standing retrospective payment for content, that keeps us indebted and unable to properly invest in new and better programmes. (At the start of 2019, SBC owed just over SR6million for content it has already bought and broadcasted.)
- We will explore online content procurement opportunities. These portals seek to introduce efficiency and flexibility in procuring international content, and promise a less allegiance and more competitive content-selling market.
- We will continue to challenge the monopolistic and unfair Sports rights market, which disenfranchises National Broadcasters.

### h) Programming for the Youth

Our youths are, for all instance and purposes, watching and consuming content from other providers and platforms, Facebook and YouTube in particular, with very little or no interest in traditional media or the programmes they offer.

**We cannot *inform or educate* our youth if they reside on other platforms.**

SBC will:

- Have to bring our content to where the youth resides; on mobiles, online and social media, and ensure content is available when they want to watch
- Ensure that our programmes are compelling enough to entice the youth away from the contents that they are currently consuming
- Our programming aimed at the youth must expand significantly
- Produce and commission content made by the youth, for the youth
- Produce News for younger audiences
- Encourage and nurture creativity by providing platform(s) to showcase such talents

**i) Monetise SBC's Local Content**

SBC's content portfolio already has content that can travel. We can sell these programmes to other National Broadcasters, notably within ARTOI and SABA.

We must put effort in ensuring the highest possible quality of our production to reinforce their monetisation value.

- SBC will continue trialling of content-hubs on multi-media platforms
- It will use its influencing presence in regional organisations, namely SABA, ARTOI and AUB to pursue content sharing and selling platforms to showcase its quality content potential
- We will pursue the OTT service, namely Video-on-Demand, to monetise our content directly to 'consumers'

**j) Divert more money into Local Productions**

Money derived from the content monetisation approach must be diverted back into local productions (internal and external), and sustain the creative talents around same.

We must also ensure that we redirect a bigger portion of our existing funding for programmes towards procurement of local content, whereas now and in the past the ratio for spending on international v/s local content was by a factor of 10.

## 4.2 Staffing

SBC's transformation cannot happen without the support and hard work of a *willing and able* staffing complement. **Investments into the new SBC house and other infrastructures will not be worth much if our human resource outputs, notably our on-air products, do not improve to justify such investments.**

Moreover, around two-thirds of SBC's annual budget allocation has been, and continues to be, spent on Staffing costs. The question that needs to be continually asked is whether this proportion of expenditure is warranted, under the contexts of providing value-for money to the taxpayers and under the context of an underfunded SBC.

In these contexts, there is no place for lethargy, laissez-faire, 'dead-woods' and 'unwilling'.

The pool of talent and experience at SBC is the strength that we have against any competition. We need to better leverage that strength.

### A comprehensive Human Resource review

In 2018, the SBC attempted to undertake a comprehensive Staffing review. This endeavour was thwarted by existing bureaucratic processes and decisions within government agencies.

This exercise must be seen through, and must be performed by external independent consultants, to provide the Board and Executive with independent and expert recommendations on the following:

- Assess current outputs and performance levels in line with managerial and public expectations.
- Establish current staffing needs.
- Review existing organizational structures, lines of authority and communication networks.
- Review job descriptions to ensure that they are consistent with the duties of the posts.
- Conduct a detailed job analysis resulting in design of job specifications with orientation towards clear targets and outputs.
- Project manpower needs in line with the objectives and strategic plans of the organization.
- Identify skills gaps and draw up training plans for existing staff to improve quality and quantity of service delivery.
- Design an effective performance appraisal system with measurable performance indicators.
- Review and advise on existing HR Policies & Procedures and make recommendations for improvements
- Assess employee empowerment and motivation levels and suggest ways to improve.
- Establish guidelines for effective change management.

#### Conduct a Fundamental Pay Review:

- Undertake a comprehensive job evaluation exercise to review all contracts, salaries, allowances, bonuses and schemes of service
- To establish relative worth and value of all jobs in the organization in relation to benchmarks in the public and private sectors.
- Formulate new schemes of service where necessary

Irrespective of an outcome to above-mentioned consultancy venture the following should be strategic considerations for the Corporation:

#### Reward & Recognition

SBC's new remuneration policy must ensure that:

- High Performers are rewarded equitably
- Equal Pay for Equal work
- Incentivise and Reward those who are willing and able to contribute more
- Allowances and Overtime cannot be paid on the presumption of work to be done but on actual work completed. In other words; a move away from commuted overtime and standing allowances in favour of incidental allowances

SBC's salaries must remain competitive to attract and retain the best talent and skillsets.

It must nonetheless not seek to over-pay. Not least, since as a Taxpayer funded entity it cannot be causing unduly imbalance to the service sector pay structure, and subsequent discontent that this would cause.

The government entities concerned must nonetheless recognise that SBC has functions that are specialised, and not easily found elsewhere. We are finding it increasingly difficult to attract and recruit staff in some fields.

The avenues available are either to raise the salary on offer for these posts to reflect their real market value or to recruit expatriate labour.

#### Policy on Expatriate Labour

In order to boost its staffing effort in specific areas, the SBC will be considering recruitment of expatriate labour for the medium-term especially in the technical areas. The Corporation will approach this avenue with care and due diligence.

SBC will be considering expatriate labour only where repeated and demonstrable attempts to recruit locally have been exhausted. It must show that offering revalidated market salary still does not attract the right local talent.

### Performance Management

SBC must reinforce its performance management system to ensure that under-performance is addressed in a systematic and fair manner.

SBC's Capability procedure, which will be published in 2019, will ensure that poor performers are dealt with under transparent and fair processes.

SBC cannot also continue to pay personnel who are doing the bare minimum, but who expect the maximum reward.

The imbalance between *overworked and underpaid* and the *underwork and overpaid* must be redressed. This is not just a financial imperative, but a staff morale one. Mindful that a situation where a member staff may not be doing enough could be because management has not properly assigned responsibilities, it must be management responsibility to ensure equitable productivity in the workforce.

A good performance management system must also ensure that we recognise and encourage good performers.

Strong leadership must ensure that continual feedback, coaching and guidance is an integral part of our performance management system.

The following approach should apply to the categories of staff, with respect to their functional and behavioural contributions:

- a) **Willing and Able:** This category of staff must be recognised and rewarded adequately. They must also be empowered to contribute optimally, and where apt; enhance their personal and professional development. This category thankfully applies to the large majority of SBC's staffing complement. The majority of staff working at SBC are capable and committed individuals. They are the ones that have safeguarded the Corporation's outputs over the years and, along with more recent recruits, will continue to contribute valuably to SBC's transformation.
- b) **Willing but Unable:** Staff in this category must be given all the training, coaching and guidance possible to become able. They have room for growth in their personal and professional development, thence room for growth in the remuneration.
- c) **Able but Unwilling:** Management shall engage with staff concerned to understand and seek to redress the factors causing their unwillingness, where and if apt.
- d) **Unwilling and Unable:** There is no place in the new SBC for this category of staff.

SBC's Capability and Disciplinary procedures must be applied systematically, consistently and fairly to address categories of staff under the latter two categories.

### Clear HR Policies and Procedures

SBC is reviewing and introducing new policies, that will provide clarity on HR-related issues, such as Disciplinary, Capability, Substance Dependency, Recruitment, Remuneration, amongst others.

### Capacity-Building

It is evident that our staffing complement is largely unprepared for the digital transition and other changes to the broadcasting landscape.

The skills gap is not only evident in the technological understanding and application, but in all functional areas. Redressing the skillset and talent shortage must be addressed with a comprehensive capacity-building approach.

**Training and Development** is a key component of our human resource reinforcement, and will include the 70:20:10 learning principle of on-the-job, peer-to-peer and formal training, respectively.

Our Learning centre has been an excellent investment, that will provide the basis for an even more avant-garde learning and development programme.

We are enlisting the assistance of the Public Media Alliance (PMA), formerly Commonwealth Broadcasting Association, to help develop our Capacity building strategy.

We will continue to empower our Staff and provide them with the tools and training they need to perform and deliver in their functions.

### Support for re-establishing formal (tertiary) learning in the media sector

A strong and performing 4th pillar of our democracy requires knowledgeable and skilled media professionals. There is a significant shortage of such competencies to provide for current demands, both within SBC and in other media houses. The situation will be bleaker for the medium and long term without formal training in media and journalism.

The University of Seychelles' Diploma in Journalism presents an opportunity to redress the risk of this need not being met. This kind of formal training helps to provide journalists and others with the intellectual maturity they need to better make use of what they subsequently learn on the job.

The faculty needs institutional and financial support to launch and sustain such an endeavour. SBC is committed to supporting this course, under the MoU it signed in 2018, notably to provide its Learning Centre facilities and trainers. SBC will review its approach to ensure its staff who are willing and able can enrol on this course.

Support for the funding of the course must be a national endeavour.

Previous formal learning in the media sector has brought dividends. Many of the trained journalists from the previous School of Media studies have gone on to make important contributions elsewhere in the Republic.

### Staff Retention and Turnover

It must be understood that an increased staff turnover, in the short to medium term, is a logical outcome of a transformative change process. Whilst SBC will continue to lose staff during its transformation, it will at the same time gain new personnel who fall in the *Willing and Able* category, and are better suited for the tasks and challenges at hand.



### Team before I

The pre-existing and on-going current skills gap has created so called 'indispensables'. Some of these individuals have and continues to seek to hold the Corporation to ransom, so to speak. Part of the slower acceptance on changes within SBC is due to such individuals.

Vested self-interests will not be tolerated. The individual's interest cannot be at the expense of the team and certainly not at the expense of the Corporation.

We need strong and resilient teams, with individuals who are valuable and valued. Teams where opportunity to contribute, to grow and develop is available to all, equitably.

### Teamwork

Lack of team cohesion and cooperation across sections are impeding the expected improvement in the quality of SBC's outputs, particularly news and local programmes production.

Whilst there has been positive progress in this area, much remains to be done to bring about a cohesive and motivated team.

### Staff engagement

Staff communication, including Staff meetings, SBC's newsletter, and the Social Club are tools that will be sustained and improved in Management's engagement with staff.

The role of the Staff representative needs to be better used and supported.

### Leadership Gap

There is a clear leadership gap within the Corporation. Whether this is from pre-existing command and control approach and lack of empowerment of staff is arguable. What needs to happen, however, is reinforcement of strong leaders through training, empowerment and, where needed, replacement of underperforming managers and team leaders.

### Succession Planning

The current age profile of SBC personnel dictates that we look into this area sooner and have plans in place to redress, where necessary.

### Staffing Rationalisation

Scope for rationalisation of SBC staffing complement must come with having a less cumbersome operation and efficient work processes. For staffing headcount reduction to occur investment in our infrastructures, supported by related training, is a must.

### 4.3 Infrastructure

Whilst we have moved to DTT, our tools and peripheral systems remains largely in the analogue era. The platforms on which we prepare, produce, curate and subsequently transmit our programmes must be reliable and efficient.

Implementation and Completion of the new SBC Broadcast House project will provide a much needed and overdue modern working environment that is fit for purpose in a couple of years' time.

Whilst the SBC house is indeed providing many of the tools required for internal production of content, it is not catering fully for other endeavours and processes, in particular ***how we bring the content produced to our audience***. The need to modernise the SBC in that regard is evident and pressing.

There is a comprehensive list of investment required under that endeavour. Some of these are outlined below.

Due diligence has been applied to ensure that these investments complement and do not duplicate what is being provided for in the SBC house.

#### Modernising our Radio Transmissions Network

- a) Relocating the A.M. (Medium Wave) Radio Transmitter Infrastructure
- b) Moving *Radyo Sese/* onto FM Transmissions
- c) Upgrading our current FM Transmitters (Paradise FM)
- d) Secure some of our rusting Transmission Towers

#### Supporting Live Broadcasts

Live transmissions must be less cumbersome and less labour-intensive. It must also be more reliable with less glitches, and of higher video quality, namely High-Definition (HD).

Our existing equipment and set-up is not fit for the above purposes. Nor are we able to perform multiple live broadcasts.

We have to invest in new equipment and systems that allows us to deliver high quality live transmissions, as well as to be able to sell such programmes.

#### The increasing need for Internet Bandwidth

SBC digital transformation must be supported by adequate internet bandwidth.

The demand for internet bandwidth has grown significantly over the past couple of years.

We need adequate bandwidth to:

- a) Acquire new content. (The days of collecting hard drives at the airport must end.)
- b) Export content to our online platforms.
- c) Undertake Adequate research
- d) Support and maintain our online platforms
- e) Our staff must be able to upload their contributions from anywhere
- f) Share and Monetise our content

SBC currently has two 16MB/s connections and these are already at capacity. The cost of internet service to SBC is now over SR1million per year. This does not include another SR1million for DTT links. (Refer to section 4.4.c in this document.)

#### Access to the SEAS fibre optic cable

Access to the SEAS (Seychelles East Africa Submarine Cable) fibre optic cable is an avenue that SBC will explore in order to mitigate the already significant and escalating costs of bandwidth. This will support SBC's strategic plan to sell content to other international broadcasters as well as its OTT services for external subscribers.

#### Providing OTT Services

DTT is linear TV; linear TV is watched at a fixed time and place. Audiences of linear TV will continue to decline in favour of multimedia platforms that allows the audience to watch TV programmes *when* they want, *where* they want and on the device of their choosing.

The future of public broadcasting lies on multimedia platforms. Consequently, to ensure its long-term future and relevance, SBC needs to penetrate onto OTT and mobile platforms. This is particularly pertinent with respect to the youth demographics, who are more likely to be watching programmes on-the-go and when they want.

SBC's OTT service will cater for:

- Catch-Up TV
- Video-on Demand
- Existing Linear service (for audience unable or unwilling to move to DTT)

**An OTT service, along with a VOD (Video-on-Demand) service that it can support, is a key strategy that, aside from improving the services that SBC offers, has the potential to significantly increase SBC's revenue.**

2019 will be a scoping and learning year for the OTT service. It will include ensuring that our internal stakeholders are prepared and trained to deliver this service.

## 4.4 Finance

The SBC's annual budget has remained at the same level of funding for the past couple of years. Despite an arduous effort to outline the full costs of running the Corporation, the 2019 budget has remained the same as for previous years; it is **a business as usual budget**.

Our current level of funding does not recognise SBC's modernization programme, let alone the direct costs already being incurred on its current budget due to the DTT implementation.

### 4.4.a Increased costs related to DTT

The position paper submitted to the government in February 2018 outlined the additional recurring costs of DTT alone on the SBC's budget.

The following costs are direct costs of operating the DTT services, which did not exist prior to the project's implementation:

#### 1. DTT licences: SR3.3million per annum

These are annual licence fees for:

- a) Head End Service Level Agreement Harmonics Payout (\$88,026)
- b) *Nagra* Maintenance Fee (STBs encryption service) (\$30,000)
- c) *Magnaquest* (CAS) Maintenance Fee for STBs (\$59,400.00)
- d) *CreateCtrl* Scheduling software 3319.00 Euro per month

The aforementioned licences costs are here to stay as long as DTT is operating in the Republic.

It is apt to point out that **the DTT service can be stopped remotely by the implementers of this project**, if they were so inclined.

#### 2. Cost of bringing DTT signals to the transmitter sites: SR1million per year

The DTT feeds to the Transmitter sites on Mahé and Praslin are being provided via a third party; a local Internet Service Provider (ISP), at the cost of nearly SR1million per year.

The DTT project should have catered for SBC to have its own signal distribution network. A microwave network, capable of delivering other services (such as live broadcasts) is estimated at around SR4million, as a one-off capital investment.

An important consideration in this endeavour is the need to remove risks associated with having SBC's DTT distribution network in the hands of a commercial entity.

#### Other unfunded costs related to DTT

Moreover, there is no provision in the budget for other additional expenditures necessary to support an acceptable DTT service.

These are both in one-off Capital Expenditures and on-going running costs such as:

- a) **Gap-filler transmitters** which will be invariably required to cover areas where DTT signals from the main transmitters cannot reach.
- b) Additional **digital storage space** required to hold higher definition programmes.
- c) Acquisition of **additional content** to cover multiple channel offerings over DTT
- d) **Human Resource investment**, in terms of new staff and training of existing staff to support the technical and operational needs of multi-channel DTT broadcasting.

#### Outstanding Costs for the DTT contract

**There is around SR4.7million still owed to the contractor for implementation of the DTT System.**

(The budget allocation for DTT for 2018 was only SR5million. All of which was exhausted.)

Costs to redress bad Frequency Planning for the DTT Transmitters Network

Whilst the DTT transmissions are now stable, there had to be compromised made in the way the signals are being modulated and their power levels to ensure that the system works with minimal interference and disruptions. The DTT set-up is therefore not working optimally.

The frequency allocation plan for the DTT transmitters network needs to be redone.

The costing received to redress this is close to SR1million.

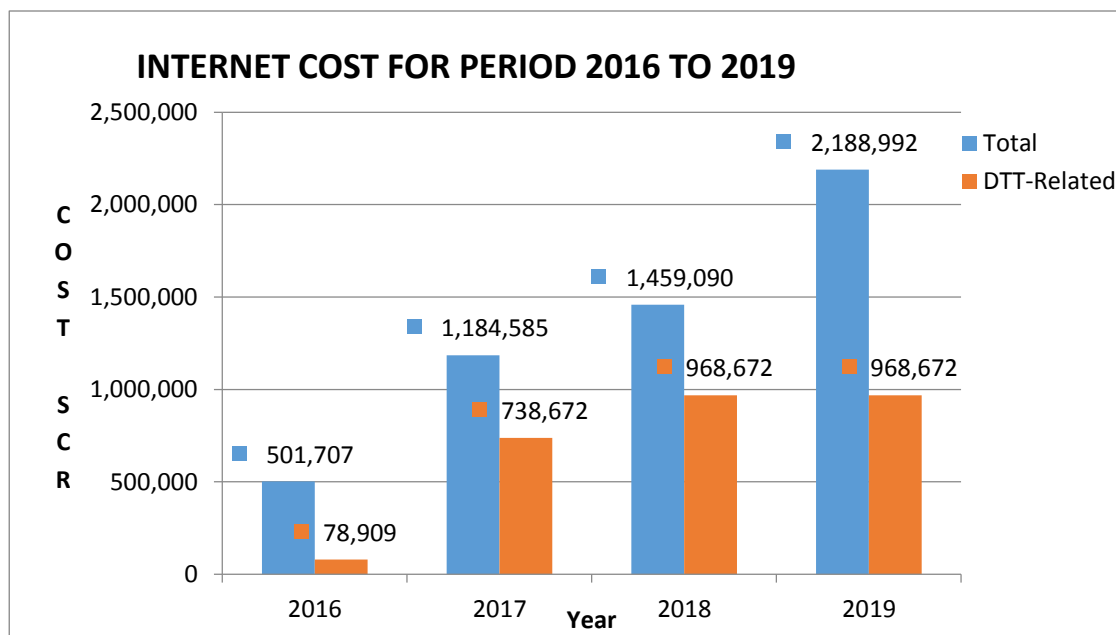
#### 4.4.b Increased Programmes Costs

The existing level of funding also does not recognise that, for SBC to meet its audience expectations, both in the quantity and quality of its programmes, there needs to be an increase in funding for programmes. The allocation has remained around SR7million for the past 4 years or so. Moreover, the Programmes budget is the allocation that gets cut first, to meet the budget ceiling set by Ministry of Finance. The 2019 allocations is a pertinent example of this, whereby the budget allocation for programmes acquisitions has been reduced to SR2.2million only, in favour of:

- having funding to send our staff to Mauritius to cover the Indian Ocean Island Games (SR2million) (Noting that this is for staffing costs only, not equipment)
- DTT licences (SR3.3million)
- Board Fees (SR1.4million)

4.4.c Increasing Bandwidth Costs

Digital Convergence demands bandwidth. This is not just to receive and send programmes, but for all other online services. The demand for internet bandwidth has grown significantly over the past couple of years.



SBC currently has two 16MB/s connections, at US\$3200 per month each. The available capacity on these two gateways is already saturating.

4.4.d Increased Staffing Costs

Right at the start of its tenure, the new management recognised that, in order to safeguard the change management process, SBC needed to have a ‘surge’ in staff numbers before it could rationalize and optimize its staffing again. The need for a ‘surge’ in staff numbers was to not only cater for increased demand on our outputs, but to allow some gap for training of our staff to be better prepared for the digital transformation.

It was envisaged that staff would be at an optimal level after 2 years.

This staff increase would have catered for enrolment of new skillsets needed to operate and maintain new systems and workflows. It would have allowed for an efficient parallel running of analogue and digital systems for a suitable period of time, until the new systems, allowing with the understanding and knowhow for same had bedded in. Funding for this additional staffing has been requested from the Ministry of Finance at several submission points since late 2017. None has been forthcoming.

At the end of 2018 the SBC Board, noting that the approved budget for 2019 does not cater for any additional staff, and cognizant of the on-going negative impact and risks that understaffing and overwork is having on the quality of outputs and on staff morale in various sections of the Corporation, approved the recruitment of additional full-time staff in priority posts, needed to address risks and strategic urgencies in specific areas.

The Board was also mindful that the Strategic objectives of the Corporation were being impeded by this current state of affairs.

This resolution endorsed additional recruitment NOT exceeding SR3million in total. Funding for this will be via 'virement' from the Goods and Services allocation, which shall in turn be compensated via the Corporation's commercial sales revenue.

The additional staff recruitment has brought with it the need for additional PCs and office furniture.

#### 4.4.e Significant developmental Costs

There is currently a list of Recurring, Capital & Incidental expenditures NOT catered for in SBC's approved budget allocation for 2019.

The summary from this list is that we currently have an estimated:

- a) SR24million 'committed' expenditures: Expenditures that SBC has to pay.
  - Around SR4.7million of the committed expenses is for payment of outstanding invoices for the DTT project.
  - Another SR4.7million is for international programmes already procured by SBC. There is a pressing need to clear this debt.
  - Another SR3.1million is for international programmes needed for airing on SBC in 2019.
  - SR3million is already earmarked for *Jeux des Iles* Equipment. Whilst the 2019 budget allocation caters for staffing costs for the Indian Ocean Games, it does not make any provision for equipment.
- b) SR13million for expenditure that SBC must pursue: Which would otherwise cause operational, safety or reputational risk
- c) SR60million of Capital expenditures needed or wanted for SBC's strategic plans

**Investment in the modernisation of the SBC is crucial to ensuring a less financially cumbersome National Broadcaster in the medium to long term.**

#### Revenue generation and use of same

The pre-existing arrangement was that funding for programmes came from SBC's revenue.

That revenue level is currently not enough to make the shortfall in programme funding, which is why we are currently owing more than SR4million in outstanding payments for international programmes.

The revenue we received in 2017/18 also had to be prioritised to pay for other needed expenditures.

Our current revenue (revolving) fund is at SR6million.

We estimate a revenue of SR15million for 2019.

This revenue will go to funding only around half of the 'Committed' expenses.

A contingency reserve of SR5million is to be kept in the revolving account, as per the Board's resolution pertaining in 2018.

Monetising SBC's local production content and archives, as well as an increase in advertising revenue, to reduce the amount of funding received from the government budget will become part of our on-going funding strategy.

OTT service as a Revenue generator

Offering an OTT service, along with a VOD (Video-on-Demand) service that it can support, is a key strategy that aside from improving the services that SBC offers, has the potential to significantly increase SBC's revenue.

A cost-efficient SBC

SBC is committed to providing value for its shareholders. The Board and Management are dedicated to running an efficient and lean organisation.

We will continue to identify efficiency savings, including in our staffing costs.



#### 4.5 Stakeholders Engagement and Collaboration

SBC will continue with the Stakeholder engagement exercises it initiated in 2018

The recently published **Policy on Airtime** allocation should provide clarity and understanding of the Corporation's approach to access to SBC's platforms.

The policy also provides an opportunity to obtain and broadcast content that are of Public Service, Social and Community value.

The impending policy on **Procurement and Commissioning of Local Content** will further reinforce that endeavour.

Further public-facing policies, including the complaints procedure, will be rolled-out in 2019.

##### Working with Government

Notwithstanding Article 168(1) of our Constitution and Section 3.(3) of the SBC Act which assert SBC's independence, the government is a key stakeholder in enabling SBC to deliver on its public service mandates.

SBC is committed to working with government in that endeavour.

Working with the government on a funding and capacity-building framework for the Corporation is an urgent short-term endeavour.

##### Public-private partnerships

SBC will pursue public-private partnerships that help it to achieve its strategic objectives. The implementation and rollout of the Radio Apps, which have been at no cost to SBC, and the replacement of the Fairyland tower, which Airtel has provided in exchange for access, are two notable examples of such approaches.

##### International Corporation

SBC will remain an active member of regional groupings of National Broadcasters.

SABA and ARTOI are two notable organisations where SBC is an active and valued contributor to the common objectives of the member broadcasters.

As the smallest broadcaster per capita of these organisations, SBC sees the value in particular to expanding its content selling strategy to a significantly bigger market.

SBC also sees the un-tapped leveraging power of the broadcasters, in particular with respect to Sports broadcasting rights and other suppliers.

The Public Media Alliance (formerly Commonwealth Broadcasting Association) is a willing partner to helping SBC with its Capacity-building endeavours.

## 4.6 Governance

### Reinforcing SBC's Independence

Article 168(1) of our Constitution provides:

*'The State shall ensure that all broadcasting media which it owns or controls or which receive a contribution from the public fund are so constituted and managed that they may operate independently of the State and of the political or other influence of other bodies, persons or political parties.'*

### SBC's Financial Autonomy

The SBC's Editorial independence is better safeguarded by a funding policy that does not make it dependent on the politicians of the day for approval of its funding for the coming year. SBC's funding should ideally be via a medium-term funding mechanism that commits expenditure to the Corporation for four or five years or so, supported by an interim spending review.

### Accountability to the Legislature

The Minister for information appearing before the National Assembly to answer questions specific to SBC's management and governance somewhat devalues the above expectation of 'operating independently of the State'. The SBC should be represented by its Board (and CEO) during National Assembly summons. This should provide further reassurance to all stakeholders that the National Broadcaster is not under the government's control.

### Challenging the Must-Carry clause

The must-carry clause is proving to be more of a benefit than a burden to the two local commercial cable TV companies. It can be argued that it is the fact that these operators carry SBC that sustains their current level of subscriptions. Meanwhile SBC gets nothing in return for this. SBC spends significant sums on producing or acquiring good content that the Cable TV operators are obtaining for free.

The principle of 'Must Carry-Must Pay' needs to apply.

This is altogether more pressing since the original premise for the must-carry clause, namely better 'reception' of SBC's (analogue) transmission, is no longer as valid with DTT in place and OTT is within grasp of the Corporation. It can even be argued that it is the must carry clause that is inhibiting the efforts for SBC to access the existing multi-media platforms owned by the same operators.

Another important consideration is the fact the SBC is continually in breach of its licencing agreements with foreign content providers by allowing what is licenced to be free-to-air programmes to be transmitted (and catch-up) on commercial platforms.

SBC will pursue its call for a review of the regulatory and legal framework to ensure a more equitable broadcasting environment.

### SBC as an essential service

The services that the SBC provides are essential in ensuring an informed public. SBC is increasingly having demands and restrictions on access to its remote transmitting sites. There is also a current pending request to vacate a particular transmitting site. Access to SBC's transmission sites must be guaranteed in the same manner that PUC's is.

Improving the security of these remote sites must be an on-going endeavour.

### SBC's Strategic Plan

SBC will produce and publish its Strategic plan for the first time in its history. The plan will be a 3-year one, which will be revised annually.

### SBC's Annual Report

As stipulated in the SBC act, the SBC will endeavour to produce its Annual Reports by the end of March the following year.

### Written Policies and Procedures for Board

Written Policies and Procedures relating to the functioning of the Board will be published in 2019. Performance measurement for Board will also be introduced.

### Redefining the strategic roles of the CEO and Deputy CEO

The roles of the CEO and Deputy CEO will be reviewed as follows:

- CEO primary role of Strategy implementation and Governance
- DCEO primary role of day-to-day operations; effectively the Chief Operating Officer
- Subsequently, all Senior Executives to report to the Deputy CEO. The management line reporting structure will be reviewed accordingly.

Above change shall not be at the expense of the already good teamwork and complementing roles of the DCEO and CEO

Implementation of this particular objective will not be in 2019, however, as there is still a need for the DCEO to focus on the content-output functions. Conversely the CEO's time is very much taken with Staffing, Finance and Technological issues.

The priority remains to put in place the necessary framework, systems, processes and resources that allows for a less time-intensive oversight of the outputs and the associated resources.

We shall seek to implement the new structure at the start of 2020.

## 5.0 Strategic Priorities 2019 - 2021

### 1) Improve the Quality (& Quantity) of SBC's Outputs

- a) Increase the quality and quantity of **Local Content**, particularly News and Current Affairs programmes and live outside broadcasts.
- b) Internal Productions putting Quality and Standards ahead of Quantity
- c) Develop new local programmes formats and production of same, including **acquiring and commissioning of local programmes** with external providers
- d) Repurpose our audio-visual archive materials
- e) Acquisition of more compelling and varied **International Contents**

### 2) Move our Public Broadcaster into the Digital era, thereby helping to assure its long-term relevance and future.

- a) Rollout of OTT (Over-The-Top), On-Demand and Mobile Services.
- b) Digitising SBC's Archives (Television & Radio).
- c) Enhancing SBC's Online Presence (via the SBC Radio Apps, Facebook, Website and other online platforms)
- d) Ensuring a staffing complement that is better prepared for the Digital transition and other changes to the broadcasting landscape, via a comprehensive Training and Development approach
- e) Investing in modern broadcast technologies and equipment that will help to improve efficiency, delivery and quality of services.
- f) Increase in the Internet Bandwidth available to SBC, whilst reducing the cost per MB

### 3) Professionalise and Optimise our Staffing Resource.

- a) Capacity-Building: Improve available skillset through training and recruitment
- b) Rationalisation and optimisation of the SBC's human resources, including to ensure a staff complement that is better prepared for the digital transition and other changes to the broadcasting landscape;

4) Revamp and Modernise our Infrastructures

- a) Implementation and Completion of the new **SBC Broadcast House** project
- b) Relocating the A.M. (Medium Wave) Radio Transmitter Infrastructure
- c) Securing and modernising our Radio Transmissions Network

5) Improve SBC's Funding Situation

6) Improve Stakeholders Engagement and Collaboration

7) Strengthen Governance