



STANDING COMMITTEE ON ECONOMIC AFFAIRS

Review of Fiji Broadcasting Corporation 2016 and 2017 Consolidated Annual Report



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Chairperson's Foreword

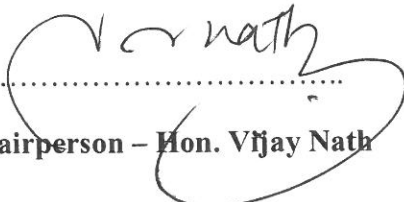
I am pleased to present the consolidated report of the Standing Committee on Economic Affairs on the annual review of the Fiji Broadcasting Corporation 2016 and 2017 Annual report.

For the years 2016 and 2017, FBC has performed exceptionally well and the Committee is pleased with the various initiatives the team at FBC have undertaken to achieve high standards in the very competitive environment that they function in. Based on a survey by the Australian based Pulse Insights, more than 72% of Fijians said that the daily 7pm FBC news is their preferred news source on television and that over 74% of Fijians regard FBC as their favorite commercial channel. This is an indication of FBC's dedication towards service excellence.

The Committee acknowledges the agreement signed between JICA, FBC and the Government which enabled the installation of the state of the art high powered Amplitude Modulation (AM) facilities at the FBC's Naulu transmission Site. This will be most beneficial to Fijians in the Rural and Maritime Islands especially during times of natural disasters. Further to this, the Committee noted that FBC had taken a loan of \$22M in 2014 and acknowledges that the debt now stands at \$13m which reflects a positive conduct of account. The Committee was also pleased to note the variety of local content on offer and recommended they continue towards enhancing their local productions, especially addressing social issues. The Committee commends the overall performance of the company.

Finally, I would like to thank our Committee Members who were part of the team that produced this report: - Deputy Chair Hon. Veena Bhatnagar, Hon. George Vagnathan, Hon. Filipe Tuisawau and Hon. Inosi Kuridrani. I also take this opportunity to acknowledge and thank the Parliamentary Staff who have given us invaluable support.

On behalf of the Standing Committee on Economic Affairs, I commend the consolidated report on Fiji Broadcasting Corporation 2016 and 2017 to the Parliament.


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Chairperson – Hon. Vijay Nath

1.0 Introduction

1.1 Background

The Fiji Broadcasting Corporation (FBC) was first established in 1954 as a public broadcast radio station under the name “Fiji Broadcasting Commission” and was later corporatized in January 1998 with a name change to “Island Network Corporation” through a reform programme. In June 1999, after a change in government, it was then given its current name, Fiji Broadcasting Corporation Limited. As the National broadcaster for Fiji, FBC is responsible for providing effective dissemination of relevant new media, Radio and Television news.

FBC works with the mission to inform, educate and entertain their audience through the highest standards of Radio and Television service. FBC aims to be the most responsible, dynamic and widest covering Broadcaster providing free quality content to achieve complete audience and customer satisfaction.

The FBC operates a network of six radio stations; two in each of the three major languages (i-Taukei, Hindustani and English). In addition to the radio stations, FBC also provides television services inclusive of both local and international content.

FBC also launched a new free to air and commercial free channel known as FBC 2 solely for the purposes of informing and educating Fijian public. Radio Fiji One and Radio Fiji Two are classified as public service broadcast stations governed under a contract between the government and FBC under which the government buys airtime on the two stations and contributes towards its operations.

1.2 Committee Remit and Composition

The Committee is made up of five (5) Members of Parliament, three (3) of which are Government members and two Opposition members. According to Section 109(2)(a) the Standing Committee is responsible to look into matters related to economic development, finance, banking and taxation.

2.0 Findings and Recommendations

1. The current Annual report format is largely comprised of financial statements. The Committee recommends FBC to further elaborate on the various activities and achievements undertaken throughout the year in its future Annual reports.
2. The Committee notes the variety of local content on offer and recommends enhancing local productions to address social issues such as, Bullying, Teen pregnancies, Drugs as well as Historical documentaries.
3. The Committee notes that Public Service Broadcast (PSB) Fee stands at \$11m and recommends a regular review of the fee to enable FBC to effectively and efficiently deliver on their PSB services.
4. The Committee commends the agreement signed between JICA, FBC and the Government valued at \$15million which enabled the installation of the state of the art high powered Amplitude Modulation (AM) facilities at the FBC's Naulu transmission site. This will be most beneficial to Fijians in the Rural and Maritime Islands and also during times of natural disasters as well as during unavailability of FM Transmission.
5. The Committee noted that FBC had taken a loan of \$22M in 2014 and acknowledges that the debt now stands at \$13m which reflects a positive conduct of account. Overall, the Committee is pleased with the strengthening of the financial position of the corporation.

3.0 Gender Analysis

Gender is a critical dimension to parliamentary scrutiny. Under Standing Order 110 (2) the Committee is required to ensure full consideration to the principle of gender equality so as to ensure all matters are considered with regard to the impact and benefit on both men and women equally.

FBC supports and promotes gender equality through various initiatives. They have in place Standard Operating procedures which are incorporated in the company's employee handbook which is provided to all staff during training and induction process.

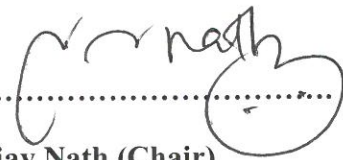
FBC also has MOU's with Asian Broadcasters such as the 'Asia-Pacific Institute for Broadcasting Development' and 'Asia Broadcasting Union' to promote gender equality through trainings offered to women in workplace.

Further to this, FBC pays annual membership fees for Women in Business which enables female staff to attend various related conferences and workshops. FBC also hosts a quarterly forum chaired by the CEO where women at FBC discuss and share development and growth opportunities.

4.0 Conclusion

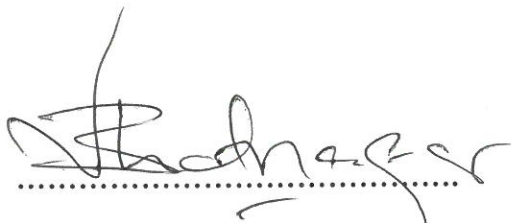
FBC has successfully established itself as a fully-fledged broadcaster owned by the people of Fiji and is well poised to grow and meet the challenges of the future.

Members Signature



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Hon. Vijay Nath (Chair)



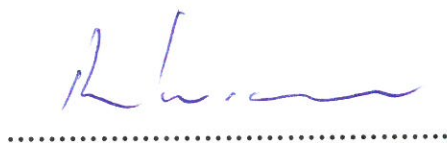
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Hon. Veena Bhatnagar (Deputy Chair)



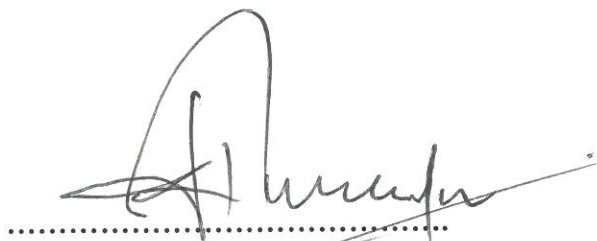
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Hon. George Vegnathan (Member)



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Hon. Ro Filipe Tuisawau (Member)



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Hon. Inosi Kuridrani (Member)

Questions & Answers- FBC 2016-2017 Annual Report

1. What are some key highlights of FBC for 2016 and 2017, respectively?

Profit & Loss Summary Fin Year 2016 - 2017			
	Actual 2015	Actual 2016	Actual 2017
Revenue	8,534,077	19,621,033	23,406,774
PSB FEE	2,910,000	2,075,785	
Total Revenue	11,444,077	21,696,818	23,406,774
Total Expenses	11,895,835	15,358,264	16,472,655
Net Profit Before Tax	-\$ 3,361,758	\$ 4,262,769	\$ 6,934,119
Net Profit After Tax	-\$ 20,544	\$ 4,082,622	\$ 6,934,119
Net Profit / Revenue	0%	21%	30%

- TC Winston damage assessment completed and insurance claim lodged.
- Transmission at all sites normalized. Spares and hardware & software upgrades procurement
- Audited financials for the year ending 31st December 2016 signed off by FBC board and lodged with MPE.
- Annual tax return for 2016 lodged with FRCA.
- Quarter 1 & 2 PSB acquittals lodged with Ministry of Finance and Fee received.
- New office opened in Labasa. Nadi office renovation.
- TV Cinergy, hardware and software upgrade project.
- Olo Olo AM site sale completed. Drasa, Raki Raki, Namara – discussions IP
- AM project Official handover ceremony is on 10th August 2017. To be commissioned by Hon. PM. AM service will now have 2 stations: Radio Fiji One – *i-taukei* and Gold FM – English.

- Refinancing of existing loan with FDB; loan agreements signed off with FNPF – awaiting transfer of government guaranty, however the deal was not completed.
- The FBC had already started exploring options for re-financing with other financial institutions – ANZ, BSP, Westpac, HFC Bank, Bank of Baroda and BRED Bank.
- Received undertaking from Ministry of Communication to pay for the vat component of the AM project. This has been claimed from FRCA and remitted to TAF.
- FBC TV extended news launched. (7pm)
- Upgrade of FBC Fleet.
- Radio Apps (4 commercial stations and 1 for News/TV) – to be launched in August 2017.
- TV OB bus (equipment and fabrication) – WIP
- Market survey – Wave 16.1 and Wave 16.2 – Pulse Insights – commitment to continue survey.
- Sporting events: Local club Rugby, delayed local soccer, international matches- rugby & soccer, Super Rugby, T14 Rugby matches, Live boxing; local & international matches, coke games, Live cricket, table tennis, volley ball, basketball, surfing.
- Upgrade in bandwidth – Vodafone, Digicel & TFL
- FBC building upgrade and renovation project – WIP. Architects and project consultants appointed.
- Assessment of staff KPI's – 2016 financial year. Amendment of PMS policy.
- Amendment to the FBC employee handbook and formulation of new policies.
- Finalization of asset transfer to Walesi – Digital TV project.
- Disaster Response/ recovery plan (Draft).
- Audit of all transmitting sites (buildings, plant & equipment)
- New co-site agreements and MOU's signed.
- FBC annual Report – 31st December 2016 – WIP
- FBC Plus- Launched (delayed telecast of FBC TV).
- New sub-licensing agreements signed for broadcast.
- FBC - 63rd birthday celebration – 1st July 2017.
- Staff KPI bonus lodgement & approval

- Company performance Bonus – lodgement and approval

2. What are some of the challenges that FBC faced in 2016 and 2017 respectively? How does FBC handle these challenges?

- Digital Spectrum project-FBC analog assets and sites to be taken over by Walesi Ltd. The FBC is working on SLA in consultation with the Department of Communication and the board of the transmissions company.
- Although our advertising rates were comparable to our competitors when we started, we now have a dangerous scenario where our competitors have reduced their advertising rates in some cases by more than 70%. (recent tv and radio examples)
- This has led to the dilution of the advertising market where advertisers are now benefitting from unprecedented low rates at the expense of FBC's revenue projections. Despite this stiff competition the FBC has stood its ground and has not entered into a full-fledged price war due to our responsibility towards our significant loan repayments and the massive public service program expense that we incur on a constant basis in order to be the only media to reach a 100% of all Fijians.
- Natural Disasters.
- Events of National Interest – the ENI decree requires the FBC to broadcast certain events, even though we are not able to break-even costs.
- Staff turnover – pwc surveys and 2 yearly salary increments.
- Talent - This is key issue for all media companies. Training and developing talent are a very expensive exercise, especially when some key broadcasting training is not available locally and FBC has a long record of sending staff overseas to obtain the necessary training. There is currently a concerted effort to retain good talent and offer competitive market rates to retain strong talent. Growth opportunities and incentives will continue to be offered to employees as a means of retaining good productive talent.
- Staff Training- local institutions offer of broadcast training is limited.

3. Further to question 2, what are the challenges faced by FBC in providing services to maritime zones and other remote areas?

In the absence of AM services, FM service was extended to maritime Islands eg Lau and Rotuma that used to be serviced by AM. This was made available via co-site agreement with another Telco. The Government of Fiji also assisted FBC to secure funding from a donor country to restart a nationwide AM signal at FBC's Naulu AM transmitting site. This FJ\$15m JICA funded project was completed in August 2017 and now broadcasts 2 stations; one in i-taukei (Radio Fiji One) and another one is English (Gold FM).

The Japanese Government through JICA signed an agreement with the Government of Fiji for the facilitation of the rehabilitation of *medium wave Radio transmission project*, which is now complete. This is a public service broadcast project for a natural disaster management system which will be mostly beneficial to all Fijians in the maritime islands and in rural areas during times of natural disasters and will also be available whilst FM signal is interrupted.



In the meantime, PSB programs continue to be provided to the widest possible audience through enhanced FM service which has satisfied listeners throughout the country.



4. *The Committee feels that the Annual report should have more detailed content regarding their output in terms of highlights, challenges and activities/ initiatives carried out by FBC throughout the year as currently the report mostly has financial contents. What are your thoughts on this?*

- Most company's activities/events are discussed within Chairman's report.
- FBC believes in focused and results oriented reporting. Accountability of Public Service Broadcast obligations require reporting to be more focused towards financial obligations.
- All Financial reports are prepared in compliance to International Financial Reporting Standards, hence more financial driven.
- In addition to Annual Report, the FBC prepares 6 monthly Performance Report (Jan to June) as required by the Public Enterprise Act. This largely focuses on achievements, highlights, challenges, and the key FBC activities/ initiatives.
- Every September, the FBC lodges a 3-year strategic plan with the Ministry of Public enterprises. The strategic plan is a confidential document and covers a broad range of areas (including the ones mentioned above) such as:
 - Nature and scope of activities
 - Public Service Broadcast obligations
 - Highlights of the operational performance
 - Main undertakings
 - Risk management
 - Challenges
 - Disaster Response & recovery plan
 - Departmental undertakings and
 - Ethical standards
 - Succession planning.
 - Financial/ operational Forecasts, continuous improvement and forward planning strategy.

5. *Are there any existing or new initiatives that have been put in place to promote gender equality?*

As at 31st December 2017

FBC Staff Movement

Total Staff	212
Male	126
Female	86
Permanent Staff	165
Part Time Staff	29
Attachés	0
Trainees	18

- Gender Equality is supported and promoted by the two public service broadcast radio stations (Radio Fiji One & Radio Fiji Two) and the FBC Television.
- The FBC promotes Equal Employment Opportunity. EEO is fair treatment in employment, promotion, training, and other personnel actions without regard to race, color, religion, sex (which includes gender, sexual harassment, and pregnancy), age, national origin, reprisal (for prior EEO activity), physical or mental disability, genetic information, status as a parent, and sexual orientation.
- Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable world. Providing women and girls with equal access to education, health care, decent work, and representation in political and economic decision-making processes will fuel sustainable economies and benefit societies and humanity at large. Implementing new legal frameworks regarding female equality in the workplace and the eradication of harmful practices targeted at women is crucial to ending the gender-based discrimination prevalent in many countries around the world.
- The FBC has formulated Standard Operating procedures which are incorporated in the employee handbook. A copy is provided to all staff and during training and induction process of all recruits.
- The FBC had QMS in place and all policies and procedures are provided to various departments heads and updated and amended in a timely manner.

- Other initiatives include:
 - The FBC has MOUs with Asian broadcasters (AIBD, ABU, AVN) in promoting gender equality. A lot of trainings are offered to women in the workplace.
 - The FBC pays annual membership fees for Women in Business for our aspiring women leaders. As a result, the members are able to attend various conferences and workshops.
 - The FBC promotes gender equality through the Selection and Recruitment process, however, individuals are employed solely on their suitability for the position.
 - The FBC has a Women's Forum which is chaired by the CEO. This is a quarterly forum attended by all women at the FBC to discuss and share development and growth opportunities.

6. *What are some of the ways FBC intends to contribute towards SDGs and NDP?*

Sustainable Development Goals

- AM Project in Naulu, Nakasi embedded strong radiation impact on the environment. The FBC, in consultation with JICA and the Project Consultants carried feasible study/ assessment before proceeding with the project.
- Go Green initiative
- Anti- litter campaigns.
- Working closely with Department of Environment to promote effectively via Radio and television.
- MOUs & MOAs with various government ministries & corporate households to run national awareness programs, involving Radio and television personalities.
- Working closely with various ministries and NGOs to promote sustainable development goals.
- Plans to establish a solar project.

National Development Program

- In-line with government's national development program to become fully digital by year 2020. This is for Radio and television broadcast.
- Promote gender equality within the workplace.
- Organizational behavior at workplace and highest ethical standards.

The Sustainable Development Goals (SDGs), otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. It is important to note the SDGs were developed by UN member countries as a response to their development challenges. International organizations like UNDP merely play a supporting role to countries in their implementation. As you may be aware, there are 17 goals in total that are interconnected. The SDGs are an inclusive agenda that provide clear guidelines and targets for all countries to adopt in accordance with their own priorities and the environmental challenges of the world at large.

- GOAL 1: No Poverty
- GOAL 2: Zero Hunger
- GOAL 3: Good Health and Well-being
- GOAL 4: Quality Education
- GOAL 5: Gender Equality
- GOAL 6: Clean Water and Sanitation
- GOAL 7: Affordable and Clean Energy
- GOAL 8: Decent Work and Economic Growth
- GOAL 9: Industry, Innovation and Infrastructure
- GOAL 10: Reduced Inequality
- GOAL 11: Sustainable Cities and Communities
- GOAL 12: Responsible Consumption and Production
- GOAL 13: Climate Action
- GOAL 14: Life Below Water
- GOAL 15: Life on Land
- GOAL 16: Peace and Justice Strong Institutions
- GOAL 17: Partnerships to achieve the Goal

7. On page 4 of the report, the Committee notes the shortfall of \$15,762,552.0 in PSB fees. Are you able to elaborate on this?

As per the current PSB Radio contract, the sum of FJ\$6,677,400.00 VEP per year is paid to the FBC as fees for producing PSB radio programs and operating 2 PSB radio stations and its related AM infrastructure. The FBC is also paid a fee of \$4,600,000.00 VEP to produce and procure an extensive range of PSB TV programs and for the operation of our brand new non-commercial PSB TV channel, FBC 2.

In return for the above specified amounts (a total of FJ\$11,277,400 VEP annually), FBC produces local radio and TV programs with the intention to inform and educate the Fijian public. In essence the fee under the PSB contract is paid to the FBC for the production and broadcast and transmission of specific local radio and TV programs that are beneficial for all Fijians.

The value of our PSB radio programs now stands at \$16,549,152.00. The value of our TV programs now stands at \$7,690,800.00. **(Total Radio + TV - \$24,239,952.00).**

The the FBC launched a new free to air and commercial free channel, FBC 2, in November 2017. As per the government's directive, this channel is solely for the purposes of informing and educating the Fijian public at no cost. However, the FBC does incur other costs for the operation of this national channel in the way of transmission power costs, man-power costs and some program acquisition and program delivery costs amounting to more than \$2,000,000.00 annually.

Taking also into consideration the added expenses of maintenance and running cost of the newly completed AM tower in Naulu, the total value of FBC's PSB service now stands at **\$27,039,952.00.**

This is an increase of **\$15,762,552.00** in value of services provided by the FBC compared to the current value of the PSB contract.

8. *Does the company envisage some of the possible threats in the future that may affect the business performance? What strategic plans have been developed to maintain competitive edge?*

Possible Threats

- Further reduction in advertising rates by current competitors.
- Digital billboard advertising
- Social Media advertising
- Program copyright issues/ piracy
- Digital project completion- equal playing field for all broadcasters in terms of reach, quality and sound.
- Staff training & retention.
- Continued misinformation about the FBC by individuals and political groups on social media that leads to erosion of confidence in the FBC by the general public and especially by some potential and existing advertisers.

To counter this the FBC continues to incur legal bills by way of legal actions against people and entities concerned.

Strategic Plans

- At present there is competition from other mediums. However, FBC has quite successfully maintained its position in the market place through loyal listeners and viewers – both urban and rural based. This may be eroded by any new station brands, and breakdown of equipment. If new markets are able to find a niche, FBC will lose market share and hence advertising revenue. There is sufficient radio and TV players in the market and the arrival of new players must be strongly opposed. The solutions to addressing the competition are being adopted by FBC.
 - The entry of FBC into the television strengthened its position because of the ability of the company to offer both services to clients as one package. The FBC will remain competitive in terms of pricing and programme content to grow market share, which will in turn lead to increase advertising revenue.
 - In order to gain the competitive advantage over the competitors, the FBC now buys market research information which is used as a basis for strategic planning and forecasting. The Pulse Research organized by RAZOR is now available and made public.
 - More detailed and quality content, for instance, coverage of News and events. We now have an office in the North and full news and sales team in the west.
 - Adapt latest technology for high quality content, for example, use of latest camera systems, drones and Artificial Intelligence.
 - Increase reach through e-marketing.
 - Reduce business costs through streamlining processes and cutting cost, for instance, office automation.
 - Identifying additional revenue streams eg, web advertising, production house, live Tv outside broadcasts, live sports (OB Truck), live shows such as debates etc after completion of project.
 - Rental income – office space leasing and container storage solution at Naulu transmitting site.
 - Timely and consistent capital spend for upgrades, acquisition, R&M and spares.
9. *The Committee feels that during catastrophic natural disasters, it is imperative to keep public informed. What back-up plan does FBC have in place in case of transmission failures under such circumstances?*

- AM Transmission – broadcast RF1-(i-taukei) and Gold FM (English) stations via AM frequency.

Benefits of this AM Project:

- This project has immensely improved the quality of radio coverage for all Fijians, especially in remote and maritime islands. The new transmission system has improved coverage around the country especially in the interior parts of Vanua Levu and Viti Levu. Also, highly improved coverage in the Lau and Lomaiviti group.
- As a Pacific Island Country, Fiji is vulnerable to sudden and unpredictable climatic changes resulting in cyclones, flooding, and droughts. Through this upgrade, the FBC has been able to provide immediate, clear and regular messages to all Fijians especially those in the maritime areas.
- FBC TV viewership and Radio listenership numbers continue to increase rapidly and has grown exponentially with this new and improved AM services at the FBC AM transmitting site. Unlike before when AM services included Radio Fiji One and Radio Fiji 2, this new AM service now has Radio Fiji One (I-taukei) and Gold FM (English).
- The reason for this is that English is the official language of communication for all Fijians. This is of great importance to hundreds and thousands of English-speaking tourists who visit Fiji annually and are kept informed and updated in cases of natural disasters. Unlike before when the old AM services had Radio Fiji One (i-taukei) and Radio Fiji 2 (Hindustani).
- Fiji now has access to the top-of-the-line equipment and technology provided by the Japanese Government. Not only Fiji is getting technology capable of reaching the furthest reaches of the country but has provided the entire nation with a reliable service.
- Government and the FBC pursued AM transmission purely for public purpose to ensure that important Government program awareness and weather messages reach Fijians in all the maritime islands. Through the implementation of this project the FBC has achieved 100% radio network coverage.
- By increasing access to information for all Fijians, there is greater transparency and greater transparency brings greater trust between Government and the people.
- It has saved lives when FBC boosts the disaster and emergency readiness by broadcasting national warnings of natural disasters.

- It has helped to close the gap between those living in remote parts of Fiji and the big islands, and has promoted greater economic opportunities by putting them on equal footing.
- This project has improved the quality of our education by bringing everyone the latest technical and scientific information and it is an important tool in enabling Fiji to reach its true potential.

Commitment from FBC:

- FBC exists to serve the Fijian people and radio is a vital tool in nation building crucial and it is important that it reaches extends to every corner of the nation.
- Also, this is one of the many initiatives that FBC has undertaken to strengthen cultural identity as a nation.
- A wider group of people will enjoy relevant cultural and local programs such as talk back shows and community programs that are not only highly entertaining and also promotes national unity and pride.

Local Production: (additional Information)

1. **Aaina** (This is a Hindi Vernacular current affairs radio show, which is Live on radio and recorded for television)
2. **Speak your Mind** (This is a current affairs radio show, which is Live on radio and recorded for television)
3. **Na Vakekeli** (This is a Itaukei Vernacular current affairs radio show, which is Live on radio and recorded for television)
4. **RF2 Classic Hour** (This is a golden classic Hindi hit music video show, it was produced to suit our elderly Indo Fijians)
5. **2Day FM Hit List** (This is a daily simulcast music show which counts down the top five music Video for the week and it also shows 3 top News and Sports headlines)
6. **Jukeworld** (This is a music show that plays different genres music which suits the whole family, it is basically where New and old songs are shown. Even musics from around the world like Arabic music, K POP and etc)
7. **Sports Lounge** (This is a sports show where we meet and talk to sports people and also show sport events that was covered during the week)
8. **Bati ni Tanoa** (It is an informal Itaukei discussion about issues that is going around the streets of Fiji, more like coconut wireless...etc)
9. **APF News** (This is an update news on what is happening in the Asian region)
10. **Serious Gamer** (This is a show that showcases the latest video games, critics it and gives tips on video games in general)
11. **Just Kids** (This is a 1 hour locally produced kids show which is more educational for toddlers, pre-school and primary school children, they learn words, fact finds and exercise they also have an art and craft segment, and a reading segment)
12. **Movietok** (This is a show based on movies that is coming to our cinemas or currently on. These are Bollywood and Hollywood movies, they are critiqued and rated)
13. **4 The Record** (This is a current affairs show that brings key people to the forefront to clear the air concerning them, their department or ministry)

14. **Jejemon** (This is Fiji's first locally produced fashion show that showcases the work of our very own local designers, critics them and gives fashion tips)
15. **Wasea Bhasha** (This is a show that teaches viewers Hindi and Itaukei language)
16. **Samachar Darshan** (Hindi newsbreak)
17. **Na Vakaleleka** (I-taukei newsbreak)
18. **Fijian Smiles of the Week**
19. **Did You Know**
20. **I Am's**
21. **Anti-Litter Campaigns**
22. **I Love Fiji**
23. **MY SAY**
24. **7pm News bulletin - FBC TV Live from studio.**
25. **Noda I Lavo – I-taukei Business Show** – educational show on basics for saving, budgeting.
26. **Mirchi Filmy Beat** – latest Bollywood music show
27. **Cucurui** – I-taukei panel discussion show.
28. **Top of the hour news** – FBC Radio Stations.
29. **Simulcast of 7pm news bulletin** – Gold FM

Shows in production stages - scheduled for 2nd half of the year 2017:

1. Local Tourist

Local travel and adventure show

2. Kasere Kasou

I-taukei Music Show

3. Move Fiji:

Bula Wellness promotes a healthier Fiji and contributes towards the wide effort of fighting against the growing scourge of NCDs. Host and fitness queen Litiana

Miller will work her way through gentle exercises and delicious recipes that will see all Fijians jumping out of bed at 5.45am and moving towards a healthier and more fulfilling life.

4. Noda I Lavo

Noda I Lavo, Fiji's first financial literacy show on TV is taking a stand to raise awareness on matters business and finance specifically for the I Taukei community. It informs the I Taukei viewers about the fundamentals how money works, how to make it work for them, how to manage it through informed and effective decisions and how to effectively invest for future growth

5. Exotic Delights

Join renown chef Lance Seeto on a journey to re-discover the foods of life as he combines ancient gastronomy and his knowledge of medicinal foods with a whole new world of flavours to not only help correct the dietary mistakes of the past, but to get you to think differently about the food you put on your plate.

6. Bula Wellness:

Bula Wellness promotes the acquisition of fundamental knowledge of common ailments and diseases that inflict Fijians on a regular basis. The fundamental aim of Bula Wellness is to educate all Fijians on how to avoid a whole range of conditions through proven disciplined lifestyles that leads to a healthier nation, giving Fijians a chance to enjoy a stronger and longer life.

Honourable Chair and members of the Standing Committee on Economic Affairs.

Good morning.

64 years of radio broadcasting service and 7 years since the inception of FBC TV (the National Broadcaster), the Fiji Broadcasting Corporation continues to rise to the occasion to deliver the best of Radio, television and media to all Fijians.

FBC TV first went on air in 2011 against established competition which had commanded the nations TV screens for more than 2 decades and since then FBC TV has rapidly grown to exceed them all as the viewing choice of the nation for both programming and news.

In a recent survey conducted across the nation by Australian based Pulse Insights, more than 72% of Fijians said that the daily 7pm FBC news is their preferred news source on television over all others which include free to air & paid television and over 74% of Fijians regard FBC as their favourite commercial channel.

7 years of hard work by a great group of dedicated passionate people working together to inform, entertain and educate all Fijians.

It couldn't have been done without everyone at the FBC. Everyone toiled long and hard to ensure we delivered on time, we delivered well and that we continue to work hard and smart to set new bench marks for others to emulate. To become the outright leaders in the free to air TV industry so soon after our birth is a truly remarkable feat for any broadcaster in the world.

This recognition means a lot to all of us at Broadcasting House and we strive for excellence and to deliver the best possible Media and Television to all of Fiji and the region.

Our aim is to get a signal to every corner (every Home) in Fiji and this has been made even easier with the availability of our television channel (FBC TV) on the Walesi app.

While we are the managers/ custodians of the largest Media organization in Fiji. We never lose sight of who the major stakeholders are and that is "Our Listeners & Viewers" and our advertisers.

To keep things fresh and interesting for our listeners, viewers and stakeholders, we also launched the newly revamped FBC website (www.fbc.com.fj). With its

new look, bright colour, great aesthetics together with our constantly updated news from our amazing News team, we guarantee you that this will be one page you'll keep coming to for all your news coverage updates, live music from any of our 6 radio stations and more.

We are very pleased to inform our shareholders – the Government of Fiji that the FBC since the inception of our national television service and the complete upgrade of our total infrastructure more than 7 years ago is now in an enviable situation where in record time we have become not only the number one national tv service provider but have also worked hard to build Bula Fm into the number one radio station in Fiji.

In a mere 7 years we have produced a record more than 30 varied local tv programs and segments; some that you may be familiar with and some that have quickly had an indelible effect in the hearts and minds of all Fijians. However varied the topics, the most common factor in all of FBC's local shows have been the personal touch, the constant interaction with Fijians of all walks of life, and our underlying sense of being a responsible national broadcaster which has, and continues, to deliberately focus on the fundamentals of every successful nation...the notions of nation building, discussion and discourse, development, promoting greater understanding of culture, language and traditions and most importantly, of patriotism and a sense of belonging through shows like "i am"...which encourages all children to proudly proclaim they are Fijian, regular input from viewers on what they love about Fiji and segments such as Fijian smiles.

In the process the FBC has also managed to achieve many firsts....from the worlds first tri lingual educational show like Wasea Bhasah to the Pacifics first tv editorial show and Fijis first fashion show that encourages local talent and enterprise.

To achieve this and more the FBC has also been producing more local responsible television content on our own volition such as anti-litter campaigns.

These achievements, members of the committee come in the wake of FBC's unfailing commitment to never default on our loan repayments. At the start of the project 7years ago the then board and our prime minister thought it most wise to not only refurbish the failing and technically insolvent radio service of FBC but to also start a real national tv service. A radio and tv service that would reach as many Fijians as possible with the best picture and sound quality available while at the same time adhering to the principles of entertaining,

educating and informing the public about Fiji and all else that is important in our development as a modern nation and to make us more aware of ourselves in the global context.

As per the current PSB Radio contract, the sum of FJ\$6,677,400.00 VEP per year is paid to the FBC as fees for producing PSB radio programs and operating 2 PSB radio stations and its related AM infrastructure. The FBC is also paid a fee of \$4,600,000.00 VEP to produce and procure an extensive range of PSB TV programs and for the operation of our brand new non-commercial PSB TV channel, FBC 2.

In return for the above specified amounts (a total of FJ\$11,277,400 VEP annually), FBC produces local radio and TV programs with the intention to inform and educate the Fijian public. In essence the fee under the PSB contract is paid to the FBC for the production and broadcast and transmission of specific local radio and TV programs that are beneficial for all Fijians.

The total value of our comprehensive PSB work produced under the current PSB contract stands at approximately \$22,608,227.00. This figure was derived from the value of our work under the PSB banner at the end of 2017.

However, since then the FBC has continued to trail blaze ahead and produce more unique PSB programs for both radio and TV with the focus on nation building. The value of our PSB radio programs now stands at \$16,549,152.00. The value of our TV programs now stands at \$7,690,800.00. (**Total Radio + TV - \$24,239,952.00**).

In addition to this, the FBC launched a new free to air and commercial free channel, FBC 2, in November 2017. As per the governments directive, this channel is solely for the purposes of informing and educating the Fijian public at no cost. We acknowledge and appreciate the fact that keeping in mind the nature and focus of this channel, the Fijian government has given an undertaking not to charge transmission rental for this channel on the Walesi platform. However, the FBC does incur other costs for the operation of this national channel in the way of transmission power costs, man-power costs and some program acquisition and program delivery costs amounting to more than \$2,000,000.00 annually.

Taking also into consideration the added expenses of maintenance and running cost of the newly completed AM tower in Naulu, the total value of FBC's PSB service now stands at **\$27,039,952.00**.

This is an increase of \$15,762,552.00 in value of services provided by the FBC compared to the current value of the PSB contract.

In addition to all this the FBC on an annual average provides 800-thousand dollars' worth of advertising to charitable organizations as part of its corporate social obligations. (CSR)

Indeed, our success is clearly evident with the slashing of advertising rates by our competitors. In spite of claiming to have more than 80% listenership CFL has recently offered advertising spots as low as \$5 and Fiji TV has done the same with some recent TV spots being offered at the rock bottom price of \$15 a spot. It is ironic that while our competitors claim to have an edge over the FBC their rates seem to be getting cheaper by the day. Obviously, this does not make any business or marketing sense. For the FBC to achieve this level of dominance in the market in a few years despite, our competitors head start of many years, is a huge testament to the work ethic and drive of the FBC staff and management who have always been focused on increasing revenue and minimizing expenses while at the same time providing world class nationwide content for all Fijians.

As a responsible government entity, the FBC will not be accountable for destroying the media broadcasting market by entering into a price war. The FBC takes great pride in operating along internationally accepted standards of competing on content and not on price. Because to ignore this norm will only devastate the local advertising market.

We have in record time become Fiji's favorite broadcaster primarily because of our huge investments in world standard equipment that allows FBC to reach more than 93% of Fijians through our high quality free-to-air TV operations and 100% of Fijians through our PSB radio.

We are extremely popular also because of our ability to constantly create unique local programs that not only educate, entertain and inform but also unite the people of Fiji.

But to continue to actively promote patriotism, language, culture, traditions and a sense of belonging requires sustained fees to offset some of the costs of such an operation.

The latest survey by an Australian group proves that the FBC in a few short years has powered its way to the number one spot by effectively connecting with the common Fijians.

We have managed to successfully capture the majority Fijian audience for our TV and Radio services because of our focus towards producing a record number of excellent radio and TV programs that resonates with all Fijians.

The FBC has achieved this fantastic result in record time despite competing against established monopolistic head starts by commercial broadcasters.

If the FBC were to operate without a public service arm, our operational costs would be reduced by many millions of dollars. We would have concentrated our coverage only to commercially viable main urban centres. We would not have tried so hard in such difficult circumstances to buy, produce and broadcast the best and most informative, educational and innovative programs for the Fijian public in the hope of developing and improving our country.

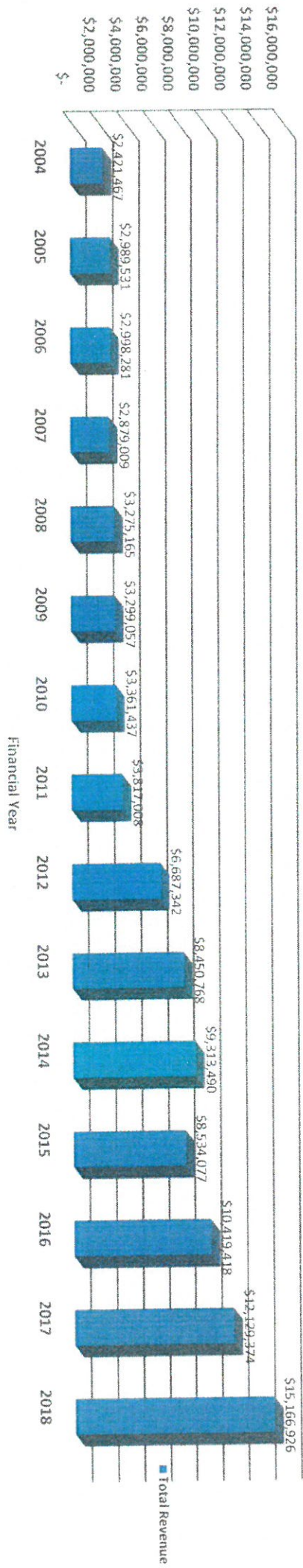
However, by not attempting to reach out to so many Fijians in so many special ways we would ultimately have been failing our shareholders the Fijian government and the Fijian people. The FBC is very proud of achieving many Fiji firsts that have brought our people closer together especially in forming a spirit of national identity that could only have been achieved by the FBC's selfless innovation and drive.

Despite competing against established head starts by commercial broadcasters, the FBC in a few short years has powered its way to the number one spot by connecting with the common Fijian. Our focus in providing a record number of excellent entertaining, educative and informative shows has resonated with all Fijians. We have achieved this and have been the first media company to win business excellence awards.

The FBC unlike many other government owned institutions does not operate in a monopolistic environment and to achieve such tremendous growth despite being a player in one of the most competitive industry's is a testament to our amazing success story.

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FBC Advertising Revenue from Years 2004 to 2018



2016 & 2017 Bonus Payments

2016 Financial Year			
Staff KPI Bonus	\$	65,995.19	
2016 Company Bonus	\$	168,500.00	
Total 2016 Bonus			\$ 234,495.19
2017 Financial Year			
Staff KPI Bonus	\$	77,807.75	
2017 Company Bonus	\$	173,000.00	
Total 2017 Bonus			\$ 250,807.75