

6.4

Seychelles Civil Aviation Authority (SCAA)



6.4.1

Strategic Overview

6.4.1.1

Mandate

The Seychelles Civil Aviation Authority (SCAA) was established under the Civil Aviation Authority Act, 2005, as an administrative and financial body corporate to provide for the services, facilities and regulation of civil aviation activities in Seychelles with the power to do anything for the purpose of discharging or facilitating the discharge of its functions. The SCAA and its affairs are administered by a CEO reporting to a Board of Directors appointed by the Minister responsible for Civil Aviation.

The development of Civil Aviation in Seychelles started in 1972 with the opening of the Seychelles International Airport. Seychelles became a Contracting State to the International Civil Aviation Organisation (ICAO) Chicago Convention in 25th May 1977.

And as a Contracting State, Seychelles operates within the established privileges and obligations of the Chicago Convention articles, annexes and applicable standards.

The Authority has the following functions:

- to maintain and manage the Authority's aerodromes providing for the necessary services and facilities.
- to provide air traffic services within the Seychelles Flight Information Region.
- to provide for search and rescue within the Seychelles Search and Rescue Region.
- to provide fire fighting and rescue services and facilities at the Authority's aerodromes.
- to regulate and promote the development of air transport.
- to advise government on all matters relating to civil aviation.
- to represent Seychelles internationally as the national body in all matters relating to civil aviation.
- to perform any other function as delegated by the Minister under the Civil Aviation Act.

6.4.1.2

Vision

To deliver on our promise of highest standards in safety, security and quality of service for the customer

6.4.1.3

Mission

A leading organisation, bringing excellence to your aviation experience

6.4.1.4

Strategic Priorities for 2024-2026

This SCAA Medium-Term Financial Strategy is guided by the renewed Organization's vision 'A leading organization bringing excellence to your aviation experience' which sets the strategic priorities for SCAA, being:

- Safety and Security First
- Innovation and Modernisation
- Business Acumen and Financial Sustainability
- People at the Centre of our Development
- Five (5) Star Level Service

The goals and strategic objectives for the next (3) years are derived from these five (5) priority areas. Note that all objectives and activities to be outlined within this document will be executed on the principle that we minimize the adverse environmental effects of civil aviation activities, through adoption of smart infrastructure, operations, and services in line with sustainable environment development.

The priority areas as established will essentially ensure availability of resources for efficient, safe and sustainable operations have led to the following strategic goals and objectives:

1) Financial Sustainability

- To have a more commercially oriented, as well as efficient and cost-effective SCAA operation that creates more returns and value for its shareholder.

2) Operations and service excellence.

- To improve services provided to our customers, and in particular, airlines and passengers.
- To improve the operating environment, capacity and efficiency of airport operations through modern infrastructure and specialized facilities.
- To create a more cohesive work environment, develop our talents, lead exceptionally, and engage our employees.

3) Safety and Security Compliance

- To be compliant with regulatory guidelines and meet all aviation and airport operating standards, ensuring the continued safety, security and efficiency of civil aviation

6.4.1.5

Key Challenges

Details not Provided

6.4.2 Outlook of Financial Strategy

6.4.2.1 *Projected Financial Position of Seychelles Civil Aviation Authority*

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
Assets							
Non-Current Assets							
Property, Plant & Equipment	359,491	326,155	323,107	431,726	451,486	537,865	621,165
Investment Property	56,231	52,683	49,135	45,587	42,039	38,491	34,943
Capital Work in Progress	8,045	44,303	92,219	28,251	73,063	89,134	87,014
Deferred Tax Asset	24,444	25,092	-	-	-	-	-
Long Term Deposit	-	-	-	-	-	-	-
	448,210	448,233	464,461	505,564	566,588	665,491	743,122
Current Assets							
Inventory	6,359	6,359	7,662	9,194	9,010	8,830	8,653
Trade and Other Receivables	64,099	86,881	113,184	97,119	98,435	102,373	107,507
Current Tax Receivables	18,976	5,594	6,311	(975)	1,233	(1,732)	(1,150)
Cash and Bank Balances	167,423	149,454	223,672	248,322	238,053	203,246	193,925
	256,857	248,288	350,829	353,661	346,732	312,717	308,935
TOTAL ASSETS	705,067	696,521	815,290	859,224	913,320	978,207	1,052,056
Reserves							
Capital Reserve	184,908	184,908	184,908	184,908	184,908	184,908	184,908
Retained Earnings	456,121	413,928	501,182	561,896	627,385	700,367	786,007
	641,029	598,836	686,090	746,804	812,293	885,275	970,915
Liabilities							
Non-Current Liabilities							
Borrowings	-	17,302	33,992	34,166	20,629	5,572	5,890
Gratuity and Compensation	2,772	4,703	3,377	4,487	4,311	4,939	5,063
Deferred Tax Liabilities	-	-	1,344	(3,677)	(3,309)	(2,949)	(2,596)
	2,772	22,004	38,714	34,976	21,631	7,562	8,356
Current Liabilities							
Borrowings	-	13,275	13,144	12,308	13,845	15,574	-
Gratuity and Compensation	12,627	11,864	10,547	13,460	12,934	14,817	15,188
Accrued Leave	9,737	10,066	11,194	5,597	5,037	4,534	4,080
Trades & Other Payables	38,902	40,475	55,602	46,079	47,579	50,445	53,518
	61,266	75,680	90,486	77,445	79,396	85,370	72,786
Total Equity & Liabilities	705,067	696,521	815,290	859,224	913,320	978,207	1,052,056

6.4.2.2

Projected Statement of Comprehensive Income of Seychelles Civil Aviation Authority

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
Aeronautical Revenue	188,668	256,425	425,188	449,467	465,469	486,708	510,904
Non- Aeronautical Revenue	21,545	35,659	48,214	55,230	58,862	59,641	62,448
Other Income	674	1,259	846	513	325	341	359
	210,887	293,343	474,248	505,209	524,656	546,690	573,711
Less: IATA Charges	(3,297)	(2,521)	(5,107)	(6,253)	(6,873)	(7,229)	(7,606)
Total Operating Income	207,589	290,822	469,141	498,957	517,783	539,461	566,105
Employment Benefit Costs	211,054	195,336	215,557	243,997	244,704	250,910	257,381
Other Operating Overheads	69,921	62,209	78,210	109,982	118,061	115,917	119,753
	280,975	257,544	293,767	353,979	362,765	366,828	377,134
Exchange Movements	(60,399)	33,946	3,213	873	829	(538)	(1,183)
Earnings Before Depreciation, Interest, ECL & Tax	(12,986)	(668)	172,160	144,104	154,188	173,171	190,153
Depreciation	41,227	40,630	38,044	39,769	41,580	43,481	45,478
Expected Credit Loss (ECL)	1,757	3,918	(2,467)	(1,293)	(1,572)	351	161
Finance Income	(4,805)	(3,853)	(2,470)	(2,440)	(3,383)	(3,587)	(3,802)
Finance Costs	-	1,478	2,740	4,584	3,712	2,416	931
Profit/(Loss) Before Taxation	(51,165)	(42,841)	136,314	103,484	113,852	130,510	147,386
Business Tax	28,647	648	(34,059)	(25,771)	(28,363)	(32,528)	(36,746)
Profit/(Loss) for the Year and Total Comprehensive Income/(Expense)	(22,518)	(42,193)	102,254	77,713	85,489	97,983	110,639
Dividend Payment	(20,000)	-	(15,000)	(17,000)	(20,000)	(25,000)	(25,000)
Retained Profit	(42,518)	(42,193)	87,254	60,713	65,489	72,983	85,639

6.4.2.3

Projected Cash flow Statement of Seychelles Civil Aviation Authority

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
Cash Flows from Operating Activities							
Profit/Loss Before Taxation	(51,165)	(42,841)	136,314	103,484	113,852	130,510	147,386
Adjustments							
Depreciation Property and Equipment	41,227	40,630	38,044	39,769	41,580	43,481	45,478
Loss/(Profit) from Disposal Property and Equipment	(91)	(171)	(388)	-	-	-	-
Write off Adjustment (WIP)	1,168	-	-	-	-	-	-
Provision for Expected Credit Losses	1,757	3,918	(2,467)	(1,293)	(1,572)	351	161
Leave Accrued	1,337	329	1,128	(5,597)	(560)	(504)	(453)
Gratuity and Compensation Charged	13,519	13,795	9,221	14,564	12,759	15,445	16,299
Interest Receivable/Payable	-	-	(2,470)	(1,582)	(1,676)	(1,778)	(1,887)
Exchange difference on Cash and Bank Balances	(41,508)	29,101	4,653	1,641	(1,429)	(2,756)	(2,674)
Movements in Working Capital	(33,756)	44,762	184,035	150,986	162,955	184,750	204,309
(Increase)/Decrease in Inventories	(727)	(1)	(1,302)	(1,532)	184	180	177
(Increase) /Decrease in Trade & Other Receivable	56,670	(26,700)	(24,085)	13,270	2,299	(2,151)	(3,055)
Increase/(Decrease) in Accounts Payable	(30,027)	1,573	15,127	(9,523)	1,500	2,865	3,073
Net Cash Generated from Operation	(7,840)	19,634	173,774	153,201	166,938	185,645	204,504
Net Tax Received/(Paid)	(9,104)	13,382	(8,341)	(18,485)	(30,571)	(29,563)	(37,328)
Gratuity and Compensation Paid	(8,769)	(12,627)	(11,864)	(10,541)	(13,460)	(12,934)	(15,805)
Net Cash Outflow from Operating Activities	(25,713)	20,389	153,569	124,175	122,907	143,148	151,371
Cash Flows from Investing Activities							
Addition to Property & Equipment	(7,506)	(4,019)	(12,108)	(17,979)	(18,450)	(17,370)	(18,879)
Addition to Work In Progress	(20,108)	(36,571)	(67,300)	(62,893)	(84,154)	(125,013)	(104,230)
Proceed from Disposal	91	755	433	-	-	-	-
Interest Received	-	-	2,718	-	-	-	-
Additions to Short Term Investment	(2,881)	(4,317)	(2,652)	1,241	(3,289)	(3,969)	(4,847)
Receipt of long Term Deposit	25,000	-	-	-	-	-	-
Net Cash Outflow from Investing Activities	(5,404)	(44,151)	(78,910)	(79,630)	(105,894)	(146,353)	(127,956)
Cash Flows from Financing Activities							
Loan Receipts/(Repayment)	-	33,349	18,810	(351)	(12,308)	(13,845)	(15,574)
Exchange Movement on Borrowings	-	(2,773)	(2,250)	(310)	308	517	317
Dividend Paid	(20,000)	-	(15,000)	(17,000)	(20,000)	(25,000)	(25,000)
Net Cash Outflow from Financing Activities	(20,000)	30,576	1,560	(17,661)	(32,000)	(38,328)	(40,257)
Net Increase/Decrease in Cash & Equivalent	(51,117)	6,814	76,219	26,884	(14,987)	(41,533)	(16,842)
Movement in Cash and Cash equivalents							
January 1	108,107	98,497	76,210	147,777	173,020	159,461	120,684
Increase/Decrease	(51,117)	6,814	76,219	26,884	(14,987)	(41,533)	(16,842)
Exchange difference on Cash and Bank Balances	41,508	(29,101)	(4,653)	(1,641)	1,429	2,756	2,674
Cash as at 31st December	98,497	76,210	147,777	173,020	159,461	120,684	106,516
Fixed Deposit	68,926	73,243	75,896	75,303	78,592	82,562	87,409
Net Cash & Equivalent	167,423	149,454	223,672	248,322	238,053	203,246	193,925

6.4.2.4 Projected Capital Investment Plan of Seychelles Civil Aviation Authority

SCR ('000)

Project Name	Project Purpose and Description	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures			Provisional	Forecast		
						2020	2021	2022		2024	2025	2026
Major Capital Investments												
Modernisation of ANS Facilities & Telecom Equipments	1. Implementation of SAAB ADS-B Surveillance. 2. Virtual Tower (Praslin) 3. Installation of new Instrument Landing System	56,585	Capital Reserves	2022	-	-	-	2,265	-	9,897	27,902	16,520
Communications Projects (HF & VHF Equipment)	1. New VHF Cabin at Grand Fond + Mast Foundation. 2. 3 VHF mast + Shipping. 3. Architectural, Structural Design, BOQ, MEP, Project Management of sites and building (earthwork, perimeter fence installation).	33,334	Capital Reserves	2022	-	-	-	831	2,860	4,980	6,943	17,720
Concourse Current Improvement Works -Civil	-	12,828	Capital Reserves	2022	2024	-	-	5,018	5,187	2,623	-	-
Departure Expansion	Extension of International Passenger Terminal (Arrival/Dep)	19,369	Capital Reserves	2023		-	-	-	1,106	300	8,436	9,526
Domestic Terminal - Praslin	Remodelling of Praslin Domestic Terminal (First Floor) Ex-touch Down	7,000	Capital Reserves	2024	2025	-	-	-	-	6,825	175	-
International Apron, Pavements & Perimeter Repair Works	1. Pavement Surface Repairs - Bay 6. 2. Resurfacing of Extended Apron. 3. ULD Stillage Storage + Civil Works. 4. Primary Taxiway - Mandatory Instruction Signage Equipment.	35,272	Capital Reserves	2022	-	-	-	916	5,356	8,000	9,000	12,000
Airfield Ground Lighting	1. Advanced Visual Docking Guidance System (AVDGS). 2. Mobile Flood Light	6,850	Capital Reserves	2023	-	-	-	-	850	2,000	2,000	2,000
Praslin Airside & related Infrastructure Works	Resurfacing of DVOR road	7,550	Capital Reserves	2023	-	-	-	-	750	1,500	2,000	3,300
NPA, Runway, Flood, Aproach Lighting	1. SIA Flood Light. 2. Runway Lights Replacements. 3. Threshold/Approach Light Replacement.	13,196	Capital Reserves	2023	2025	-	-	1,023	73	3,550	8,550	-
Airport Technical Buildings & Offices	1. Fire Service Appliance Bay. 2. Praslin DR Site Server Room Project.	4,002	Capital Reserves	2022	-	-	-	275	-	900	707	2,121
AVSEC Security Facility	AVSEC Offices	6,400	Capital Reserves	2024	2025	-	-	-	-	3,000	3,400	-
Video Surveillance, Intrusion Detection & Access Control	1. Fencing & Sea-side Barrier. 2. Rehabilitation of landside/Airside airport fencing (clearing, repairs, replacement & New)	12,000	Capital Reserves	2024	-	-	-	-	-	3,500	4,500	4,000
Water Reticulation	1. Storm Water Drain System & Hydrological Survey. 2. Sewerage System Rehabilitation	7,400	Capital Reserves	2024	-	-	-	-	-	2,438	2,085	2,878

Major Asset Replacement														
ATM Modernization		1. New ATM System (ADACEL). 2. Aireon ADS-B Surveillance Data Service. 3. RESA Airport Systems Integration	62,844	Capital Reserves	2021	2025		20,382	27,207	14,759	16,642	4,235	-	
Aerodrome Simulator		Replacement of current Aerodrome Simulator.	7,000		2026	-	-	-	-	-	-	7,000		
Purchase of Fire Tenders Mahe/Praslin		1. Scania 4x4 2. Scania 6x6	37,584		2022	-	-	3,295	21,339	2,590	6,475	3,885		
Purchase of Fire Rescue Boat		1. Sea Ranger Jet ski - Rescue Boat 3. 2. Rescue Boat 5 (With Jet Engine). 3. Rescue Boat (Praslin)	5,463		2023	-	-	-	663	-	1,650	3,150		
EOC/AVSEC/Flaim Virtual Fire Fighting Training Simulator		1. Virtual Fire Fighting Training Simulator. 2. Establishment of EOC. 3. AFRS Virtual Training Programme	3,629		2026	-	-	-	-	-	-	3,629		
SIA Chiller/Air Condition System Replacement		1. SIA Chiller System Replacement. 2. Custom Air Conditioning	6,100		2024	2025	-	-	-	1,206	4,894	-		
New PA - SIA/Praslin		New PA System	1,972		2023	2025	-	-	-	1,122	-	850		
Specialised Airport Vehicles		1. Tractor. 2 .Articulated Boom Truck. 3. Specialised Fire Service Command Vehicle	6,815		2023	2025	-	-	-	1,095	3,320	2,400		
2 IT UPS		Uninterrupted Power Supply	2,435		2023	2023	-	-	-	2,435	-	-		
Sage Software & Server (Finance)		New Accounting Software + Integration with Departments(Sage 300 Licenses & Training)	2,300		2023	2024	-	-	-	1,208	1,092	-		
X-ray Screening Machine Replacement		1. X-ray Screening Machine (Int'l Hold Baggage Screening + Gate2/Departure Terminal). 2. Explosive Body Scanner. 3. Walk Through Screening Machine. 4. Explosive Trace Detector	38,669		2023	-	-	-	-	2,502	5,554	17,924	12,689	
VHF & UHF Portable Radio Systems			-		2025	-	-	-	-	-	-	894	2,681	
Display Advertisement Project			-		2024	-	-	-	-	-	1,131	2,263	1,131	
Parking Management System Upgrade			-		2022	2025	-	-	20	-	631	1,263	-	
Document Management System and Digital Signature			-		2025	2025	-	-	-	-	-	1,500	-	
Praslin VSS Project Phase 3			-		2023	2025				679	950	2,850	-	
Land and Building							6	-	1,435	-	-	-	-	
Plant/Machinery & Equipment			-				3,803	2,952	4,378	4,211	4,650	4,320	5,400	
Telecom, IT Equipment & Sec Surveillance			-				1,525	477	4,522	4,222	4,900	4,725	5,198	
Utility Vehicles			-				1,135	-	488	5,100	5,000	5,000	5,000	
Other Assets			-				1,037	590	1,285	4,446	3,900	3,325	3,281	
Total Capital Costs								7,506	24,401	52,958	79,964	101,079	140,265	123,109

6.4.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

6.4.3.1 *Tax Implications by the Operations of Seychelles Civil Aviation Authority* SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
Business Tax	(28,647)	(648)	34,059	25,771	28,363	32,528	36,746
PIT	17,701	17,407	18,052	21,935	22,318	22,876	23,448
VAT	2,269	4,235	6,518	7,817	8,358	8,440	8,836
PSF levy	5,788	8,587	14,673	18,295	20,376	21,396	22,466
Net tax in SCR	2,888	29,580	73,303	73,819	79,415	85,239	91,495
Disembarkation fee	530	2,146	3,927	4,158	4,290	4,751	5,226

- 2020 and 2021 tax outcome is the result of SCAA restating its financial statements to IFRS and was also facing losses (COVID). The deferred tax losses was adjusted in 2021 financial statement where SRC owed SCAA a net amount of SCR5.5 million. The amount is yet to be settled.
- The business tax computation is after adjusting tax capital allowance (assets under the value of SR100k completely amortised as per business tax and deferred tax on non-cash provision. Prevailing business tax rate is used. 2023 onwards is at 25%.
- PIT: The average rate of PIT on actual total Salary as at 2022 is 10%. Thus the forecasted rate is then set at 11% to take into account recruitment of employees above senior position where their marginal tax rate could be above 15%.
- PSF Levy: This is forecasted based off resident departing passengers at a rate of SR400 as the PSF Regulation.
- Disembarkation Levy: This is forecasted based off arriving passengers including children at a rate of US\$10. The fee is yet to be enacted

6.4.3.2 *Anticipated Dividend Declarations By Seychelles Civil Aviation Authority* SCR ('000)

Nature of Dividend	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
Dividends in Cash	20,000	-	15,000	17,000	20,000	25,000	25,000
Dividends in lieu of Cash	-	-	-	19,037	22,073	28,230	27,147
Custom Rental	-	-	-	600	600	600	600
Xtray Screening (Replacement)	-	-	-	-	-	1,120	-
Air Seychelles Met Office Land Lease	-	-	-	1,334	1,368	1,402	1,437
GOS - Land Facility	-	-	-	102	105	108	110

Dividend in Cash

- Dividend is forecasted based on net profit after tax and taking the amount of capital investment program over the years. Net retained profit should not be lower than SR50m after paying all the contributions to government.
- Dividend proposed for the next 3 years has been revised downward compared to 2023-2025 forecast. This is due to an anticipated increased in Air Navigation Services (ANS) fees, that has not materialised. To be prudent the forecast 2024-2026 does not include revised ANS fees.

Dividend in Lieu of Cash

- Customs Rental of Cargo Building: Supposed to charge SRC SR50,000 per month. Provisional amount for the year 2023-2026 includes inflation increase at 2.5% pa.
- Xtray Screening (Replacement): The xray machine at Cargo to be replaced in 2025 at estimated cost of SR1.1 million.
- Met Office: Land Lease (Area: 295m² @ SR350/- per m² SCR103,250.00 per month). Provisional sum increase at a rate of 2.5% pa to cater for inflation.
- GOS: Inad Facility: In providing the service to the Government of Seychelles which is estimated at SR103K in 2023 and forecasted to increase by 2.5% pa (to cater inflation).

6.4.3.3 *Debt Payments Forecasts By Seychelles Civil Aviation Authority*

SCR ('000)

Lending Organization	Description	Purpose of Borrowings	Total Debt Amount (Capital)	Total Borrowings and Debt Servicing							
				Actual Figures			Provisional	Forecast			
				2020	2021	2022	2023	2024	2025	2026	
Loan 01 From Nouvobanq	Borrowings	Financing Infrastructure Projects and Purchase of Other Assets	\$5,000	-	\$2,082	\$2,130	\$787	-	-	-	
	Interest for the Year			-	R1,478	R1,479	R1,480	R1,481	R1,482	R1,483	
	Repayment of Capital			-	R30,577	R47,137	R46,475	R34,474	R21,147	R5,890	
	Balance carried forward			-	\$2,082	\$3,350	\$3,325	\$2,450	\$1,481	\$406	

6.4.3.4 *Anticipated Subventions and Grants By Seychelles Civil Aviation Authority*

SCAA does not anticipate in obtaining any subventions or grants.

6.4.3.5 *Contingencies of Seychelles Civil Aviation Authority*

SCR ('000)

Nature of Contingencies	Purpose	Total Liability Amount	Realized Guarantees							
			Actual Figures			Provisional	Forecast			
			2020	2021	2022	2023	2024	2025	2026	
Guarantees	SCAA Separation - SSR seed fund	-	-	-	-	-	-	-	-	
	SAHC - Seed fund (USD)	-	-	-	-	1,300	-	-	-	
	ADAC - Airport Development Costs	-	-	-	-	-	-	-	-	
Potential Payments Due to Legal Actions by 3 rd Parties	Kankan- Litigation following damage of shop in Terminal during repair work. (SCR)	1,085	-	-	-	542	-	-	-	
	GIBBS	-	-	-	-	-	-	-	-	
	Other litigation (SCR)	-	-	-	-	-	100	100	100	

Other litigations: The amount is only a provision in case we have an incident or accident to passengers or meter and greeter at the terminal. While such is mitigated under insurance, there may be cases where SCAA pays to alleviate insurance costs.

Aeronautical Revenue:**Landing Fees**

The assumption is based on the total flight movement, type of aircraft and its maximum take-off weight. For International Scheduled Landings, an average of 60 flights per week is assumed from commercial flights. The fees also include parking fees and a night surcharge for aircraft with long layovers over six hours parked and those landings and take-offs between 1700hrs to 0530hrs. The same principle is applied for Adhoc flights and is charged in USD.

Passenger Service Fees

A total of 410,716 International paying passengers expected to depart at the Seychelles International Airport of which expected visitors is 359,775 and the remaining 50,941 being residents. The forecast is based on actual data and stats collected, past trends and new developments provided by airlines (i.e., increase in frequencies or cancellations) is factored in the assumptions.

Air Navigation Fees

The fee is calculated on any aircraft (except those who have been granted exemptions) trespassing to and from the Seychelles Flight Information Region (FIR). The fees are classified into Scheduled FIR at Seychelles International Airport (SIA), scheduled overflights, and non-scheduled flights and are calculated on the distances, a fixed rate and MTOW of an aircraft when entering and exiting the Seychelles Airspaces. Scheduled commercial flights at SIA are based on the flight schedules, overflights are assumed on the current movements and any changes in the region are considered and non-scheduled a calculated based on the trending and regional factors which may affect or increase revenue.

Non- Aeronautical Revenue:

Revenue generated from this service will continue to increase with the surge in passenger movements and contributions from airport operators. Cargo Concessions: Substantial increase over 100% as result of increase in rates from SR0.10cts to SR0.15cts. Advertising:, further increase is anticipated with the implementation of Digital advertising which is currently ongoing.

Operating Expenses

Increase as result of anticipated recruitments for replacement, promotions and creation of post of staff as well as salary review aimed to attract, retain competent and talented workforce . Additionally with the expected separation of SCAA there may be additional cost to implement the separation including Uniforms, additional promotional marketing etc. Additional cost is for the continued maintenance of the existing ageing infrastructure. ICT cost is expected to increased with additional recruitment, for new as new software license is required. With the ATM Modernization project almost completed, new subscription of more than SCR9m for Aireon continues to increase Aeronautical Telecommunication cost annually.

6.4.4 KPIs, Risk Management Strategy and Reporting Obligations

6.4.4.1 Key Performance Indicators of the Seychelles Civil Aviation Authority

Title of Key Performance Indicators	Description	Achievements of KPIs						
		Actual Figures			Provisional		Forecast	
		2020	2021	2022	2023	2024	2025	2026
Air Transport Planning	Average No. of Weekly Flights operating into SEZ.	-	-	54	58	60	-	-
	International Passenger Throughput.	-	-	795,634	869,842	923,478	-	-
	New Routes.	-	-	1	1	1	-	-
	Growth in Aeronautical Revenue.	-	-	66%	3%	11%	-	-
Business Development	New Airport Business Ventures.	-	-	2	2	1	-	-
	Average Spending per passenger.	-	-	USD 29	USD 27.7	USD 27.5	-	-
	% increase in non-aeronautical Revenue.	-	-	26%	10%	11%	-	-
	Way Finding.	-	-		25	20	-	-
Marketing & Customer Experience	Recorded Complaints.	-	-	51	30	25	-	-
	Website Traffic.	-	-	-	1,000	2,000	-	-
	Stakeholder Engagement Meetings.	-	-	0	2	4	-	-
	Passenger Satisfaction.	-	-		75%	80%	-	-
Corporate Communication	Number of media communications.	-	-	44	48 (4 per month) + consistent annual adverts and monthly pages.	52 + consistent annual adverts and monthly pages.	-	-
	Social Media followers (facebook).	-	-	9103	11,000	15,000	-	-
	First Bag on Belt.	-	-	16 mins	<14mins	≤12	-	-
	Luggage Delivery Efficiency.	-	-	6.8	6.2	>7.0	-	-
Airport Management	Average clearance time of all passengers.	-	-	41	≤45	≤40	-	-
	Deviation from SOBT (Standard off Block Time).	-	-	-100%	Mean: <3	Mean: ≤ 0	-	-
Airport Infrastructure & Contract	Feedback to airport stakeholders for airport works application within 14 days of receiving application.	-	-	57% of the time	85% of the time	86% of the time	-	-
	Providing initial response to Planning Authority applications with 10 days of receiving applications.	-	-	71% of the time	85% of the time	86% of the time	-	-
	Timely renewals/updating of airport service contracts and formalizing new service contracts as required by the airport within contractual framework.	-	-	n/a	80% of the time	80% of the time	-	-
	Management of project cost to remain within planned value (within budget).	-	-	50% of the time	50% of the time	55% of the time	-	-
Electrical & Technical Services	Electrical Power.	-	-	100%	100%	100%	-	-
	Availability of airfield Lighting.	-	-	100%	99.90%	99.90%	-	-
	Availability of water supply.	-	-	100%	100%	100%	-	-
	Availability of Fire Tender for CAT 9 operations.	-	-	99.90%	99.90%	99.90%	-	-
Fire & Rescue Services	Category 9 Fire Cover at SIA.	-	-	99.90%	99.90%	99.90%	-	-
	Category 3 Fire at PRA.	-	-	99.90%	99.90%	99.90%	-	-
Air Navigation Services	No. of ATS incidents /accidents (Occurrence reports).	-	-	0	0	0	-	-
	Reliability of Communications (Loss of Contact).	-	-	99.90%	99.90%	99.90%	-	-

	Reliability of Navigational Facilities.	-	-	100%	100%	100%	-	-
	Reliability of Data Link.	-	-	99.90%	99.90%	99.90%	-	-
	Number of data errors identified and fixed.	-	-	99.90%	99.90%	99.90%	-	-
	Accuracy and data rates in data sets.	-	-	99.90%	99.90%	99.90%	-	-
	Quantitative measure of data completeness, consistency, integrity and timeliness.	-	-	100%	100%	100%	-	-
Safety & Security Regulation	ICAO USOAP overall safety oversight compliance rating.	-	-	42.14%	75%	78%	-	-
	Number of safety audits and inspections to be conducted during 2022-2024 (minimum).	-	-	77	Increase by 10%	Increase by 10%	-	-
	ICAO USAP overall security oversight compliance rating.	-	-	58%	Above 85%	above 90%	-	-
	No. of audited areas below 60%.	-	-	6	50% Decrease	50% Decrease	-	-
Safety Management	Number of Aircraft Accident.	-	-	0	0	0	-	-
	Number of Near misses/10,000 movements where avoiding actions are required.	-	-	0%	0 (50% improvement over previous year)	0%	-	-
	Number of RWY incursions where avoiding actions are required.	-	-	0	0	0	-	-
	Number of RWY incursions where no avoiding actions were required.	-	-	1.35	0.675 (50% improvement over previous year)	50% improvement over previous year	-	-
	Number of Failures of ATS NAVAID function.	-	-	0.27	0	0	-	-
	Number FODs (including animal carcasses) resulting in a hazardous or potentially hazardous situation.	-	-	24	17.64 (25% improvement over previous year)	25% improvement over previous year	-	-
Finance	Number Animal activities resulting in a hazardous or potentially hazardous situation.	-	-	17.03	12.77 (25% improvement over previous year)	25% improvement over previous year	-	-
	Annual Revenue Growth Rate.	-	-	60%	9%	17%	-	-
	Profit Margin.	-	-	21%	19%	25%	-	-
	Annual Return on Investment.	-	-	0	0	0	-	-
	Liquidity Ratio.	-	-	5.7:1	04:01	05:01	-	-
	Debt Ratio.	-	-	13%	Below 30%	Below 30%	-	-
Corporate Strategy	Minimum Cash Reserve.	-	-	100 million	100 million	100 million	-	-
	Preparation of Performance Reports as per the SCAA Planning & Reporting Framework.	-	-	50%	100%	100%	-	-
Internal Audit	Ensure completion of audits as per the annual audit plan.	-	-	93%	95%	95%	-	-
Injuries.	-	-	12	<3	<3	-	-	
Human Resources & Administration	Labour Turnover.	-	-	8.48%	<10%	<10%	-	-
	Number of staff disciplined due to absenteeism and lateness.	-	-	11	<10	<10	-	-
	Key positions filled internally as per Succession Plan.	-	-	11	100%	100%	-	-
	Availability of ICT Core infrastructure services.	-	-	-	97%	97%	-	-
ICT	Customer Satisfaction Survey.	-	-	-	70%	70%	-	-
	Ratio of Earned Value (EV) to Planned Value (PV).	-	-	1.15	0.70	0.80	-	-
	Ratio of Earned Value (EV) to Actual Cost (AC)	-	-	1.30	0.85	0.95	-	-

6.4.4.2 Risks and Resilience Plan of the Seychelles Civil Aviation Authority

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	Ratio of Earned Value (EV) to Actual Cost (AC) Delays in implementation of infrastructure projects leading to capacity constraints, could negatively impact the passenger experience, impact operational efficiency, and cause financial and reputational damage. Delays in implementation of infrastructure projects leading to capacity constraints, could negatively impact the passenger experience, impact operational efficiency, and cause financial and reputational damage.	Defined procedures in place to manage infrastructure projects, ensuring that they are closely monitored and delivered within budget and specified timeframe.
	Constraints on revenue could lead to a weaker financial position and impact on SCAA's financial sustainability. Our current and future operating decisions and /or capital investment plans are not supported by key stakeholders, leading to an inability to deliver on our corporate strategy and/or capital investment Programme. Funding of unplanned projects beyond SCAA's mandate.	Cost containment strategies. Commercial strategy for diversification of revenue. Review of fees. Engage and maintain ongoing dialogue and consultations with stakeholders in relation to key plans and developments, and our mandate.
	Decline in service levels leading to loss of customer.	Maintain focus on improving service offerings. Participation in the ACI Accreditation Programme. Promoting a Service Excellence Culture in SCAA and the Airport Community. Airport Surveys and complaint handling system. Customer Relationship Management Strategy/System.
Financial Risks	Fluctuating interest rates, exchange rates, credit risks and liquidity risks. Failure to deliver the planned sources of funding would have a significant negative financial impact on the delivery of SCAA capital investment plans	Strong focus on cost containment. Reserves Management Strategy. Strong financial control systems with regular operational cash flow and cash balance position reporting.
Operational Risks	Disruptions to operational activities could result in a significant financial/reputational impact on SCAA.	Put in place well-developed business continuity plans and ensure resilience in our key systems and processes to ensure optimal response to any business continuity events and minimise the impact of the disruption.
	Safety and Security incidents at the airport, impacting on airport operation.	Strong safety culture with supporting processes and procedures in place. Safety and Security systems and processes are subject to inspections and audits by the regulator. Testing and ongoing improvement of Airport Emergency Response and Contingency Plans.
	IT Failure/Cyber Security	Development of ICT Business Continuity Plan to manage significant disruption from a failure of ICT systems and preventive ICT security management. Investment in ICT infrastructure, network, and IT professionals.
	Ageing Airport Infrastructure & airport/aviation equipment/systems becoming obsolete.	Prioritization of funding of business-critical investment areas e.g. departure lounge, ATM modernization, passenger and cargo security screening machine and airside projects. Finalization of Airport Master Plan Review and implementation plan. Asset Replacement plan.
	Failure to attract and/or retain critical and scarce talent in the aviation industry.	Development of the Staff Retention Policy and review of the Remuneration Framework.
Compliance and Regulatory Risks	Ineffective aviation safety and security oversight, and administration, resulting in non-compliance with ICAO SARPS.	Closure of the ICVM CAP and Universal Security Audit Programme (USAP) Continuous Monitoring Approach (CMA) Corrective Actions. Recruitment & Training of qualified personnel Technical Cooperation with other states.
Environmental and Social Risks	Non-compliance with regulations and standards related to climate change and environmental sustainability.	Development of Roadmap to implement mitigation measures under CORSIA for period 2023-2025. Implement New Environment Policy for the Airport Authority. Ensure aviation-related environmental activities are consistent with the ICAO and UN system environmental protection policies and practices.
PESTEL	Global economic uncertainty, resulting in a reduction in passengers, rising fuel and energy costs, supply chain issues and significant currency fluctuations. These could have potential adverse impact on our business and operations.	Close monitoring of the economic environment to ensure macroeconomic risk factors are well understood and mitigated where possible.

6.4.4.3

List of External Reporting's by the Seychelles Civil Aviation Authority

Name / Title of the Report	Frequency and Timing of the Report
Annual Budget	4 months prior to the commencement of the preceding financial year.
Annual Report	Within 5 months from the end of every financial year.
Audited Financial Statements	Within 5 months from the end of the financial year.
Quarterly Reporting (Statement of the financial position, showing changes in cash position and operational performance of the public enterprise during that Quarter, including details of debt performance)	Within 20 days after the end of every quarter of the financial year.
Statement of Corporate Intent (Note that this has been merged with the MTFS)	One month after the start of the financial year. End of January.
Statement of Financial and Operational Performance	20 days after the end of every month.
Estimates of the Profit & Loss, Capital Expenditure, Cash flow and Balance sheet projections.	As may be determined by the commission.

6.4.5 Stakeholder Engagement

6.4.5.1 Statement by CEO

We are pleased to set out the SCAA's Medium Term Financial Strategy (MTFS) for the years 2024-2026. The MTFS sets out in financial terms SCAA's plan for achieving its objectives and priorities, balancing available funding and spending ambitions over the next three years.

- It also seeks to link spending to the Authority's strategic priorities.
- It highlights the underlying financial strategy, financial assumptions, and financial risks.
- It summarises the financial projections for income and expenditure.

As part of the SCAA's Financial Planning process, the MTFS informs the annual Budget (2024) and sets parameters to guide SCAA's deployment of resources and management of finances to ensure that a balanced budget and sustainable financial position is maintained. This plan also considers the rate of inflation, international regulatory requirements, and the low activity period in 2020 and 2021, which has impacted on the cost and areas that require critical attention. It also considers the costs associated with the impending separation of the SCAA, into two separate entities.

SCAA's focus for the three years ahead will be to maintain the continuity of operations, through targeted investment in key business critical areas, including replacement of ageing equipment. A key element of the Authority's growth strategy will be to ensure there is considerable investment in airport infrastructure and timely provision of facilities to accommodate increased activity levels. This will also allow opportunities for the business community to partake in new commercial opportunities, contributing to the country's economy. Excellence in customer service will remain as a core priority further emphasizing SCAA's commitment to ensuring a positive and pleasant customer experience. There will be continued emphasis on safety and security to ensure our readiness to protect public safety, prevent unlawful interference and provide a safe environment at our airports.

Being a highly regulated industry, compliance with regulations remains critical for SCAA to effectively execute its mandate. Enforcement and strengthening of the Authority's capabilities and efforts towards achieving this objective will remain in the forefront. The required budgetary support will be allocated towards activities aimed at achieving the SIA Aerodrome certification.

To note that the Authority has declared the year 2024 theme as Employee Happiness. This is in line with one of our strategic priorities. A dedicated program towards this theme will be deployed throughout the year, targeting implementation of organisation wide efforts and initiatives to improve employee wellbeing and promote engagement.

Over the next three years, several fee reviews are being planned for implementation namely for Air Navigation, Passenger Service Fee, landing and parking. Revenue diversification is also an important element of the Authority's commercial strategy, to reduce reliance on traditional revenue sources, mitigate risks and enable business continuity through diversification.

Under the stewardship of its Board, the SCAA remains committed to delivering on the plans laid out whilst ensuring that we maintain a financially sustainable financial position and continue reaping maximum returns for its shareholders.

6.4.5.2

Foreword by Chairperson

Building upon the achievements of 2023, the financial strategy set out in this MFTS ensures that SCAA's finances are aligned to the delivery of its strategic objectives through the coming years and presents a clear route which – if followed carefully – will secure a much-improved financial position in future years. It also enhances the process of deepening the transparency and inclusivity of our strategic financial planning.

With its renewed financial strength, the SCAA is now in a better position to re-energise its business, and to deliver on its strategic objectives which are Financial Sustainability, Service and Operations excellence and Safety and Security compliance. The investments planned for the next three years will ensure that key risks such as the airport's ageing infrastructure are addressed and will support the increased capacity demand for the air transport industry.

The aviation industry will always face challenges, which if not addressed in good time, impedes our ability to deliver quality products and services and achieve set targets. A persisting challenge is the recruitment and retention of qualified staff, and implementation of major projects required and critical for continued smooth and safe operation of the airports. We will be putting forward a staff retention strategy, inclusive of a review of our remuneration framework to tackle our human capital challenges. We will also endeavor to modernize our operations and venture into alternative forms of investments as will be further detailed in our updated investment plan.

Despite unforeseen delays for the separation of the SCAA, the process is expected to be completed in 2024. This separation will allow the new Civil Aviation Authority and the Airport Authority to renew their vision, further strengthen their mandate and pave ahead with plans to modernise the civil aviation industry and continued success for the future. Government is also expected to pronounce on a concrete way forward for implementation of the Airport development project as per the Master Plan Review.

Whilst we acknowledge that there are several risks associated with the medium-term financial forecast as clearly future events cannot be accurately predicted, and the economic outlook can change quickly, the Authority remains aware of these risks and will actively be managing them.

The Board remains committed to ensuring that SCAA continues to improve its financial sustainability, remain a high performance by the organization, improve its service delivery & enhance passenger experience through more efficient, smooth, and safe operations.

6.4.5.3

Statement by the Minister Responsible for Transport

The MTFS of SCAA has not yet been presented to and discussed with the Minister responsible for Transport.