

STANDING COMMITTEE ON
JUSTICE, LAW AND HUMAN RIGHTS

**[Verbatim Report of Interview with
Fiji Airport Limited (FAL)]**

HELD AT THE

FIJI AIRPORT LIMITED, NADI AIRPORT

ON

FRIDAY, 12TH APRIL, 2019

**VERBATIM NOTES OF THE MEETING OF THE STANDING COMMITTEE ON JUSTICE,
LAW & HUMAN RIGHTS HELD AT FIJI AIRPORT LIMITED, NADI AIRPORT, ON
FRIDAY, 12TH APRIL, 2019 AT 9.54 A.M.**

In Attendance:

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|----|-------------------------------|---|--------------------------|
| 1. | Hon. Alvick A. Maharaj | - | Chairperson |
| 2. | Hon. Rohit R. Sharma | - | Deputy Chairperson |
| 3. | Hon. Ratu Suliano Matanitobua | - | Opposition Member |
| 4. | Hon. Mosese D. Bulitavu | - | Opposition Member |
| 5. | Mrs. Jeanette Emberson | - | Deputy Secretary-General |

Apology

- | | | | |
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| 1. | Honourable Dr. Salik R. Govind | - | Government Member |
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Interviewee/Submittee: Fiji Airport Limited

In Attendance:

- | | | | |
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| 1. | Mr. Faiz Khan | - | Executive Chairman |
| 2. | Mr. Isei Tudreu | - | General Manager |
| 3. | Ms. Sanjana Mishra | - | Financial Controller |

MR. CHAIRMAN.- Honourable Members, let us call the meeting to order. On behalf of my Committee, I would like to thank Airports Fiji Limited (AFL) for accommodating us this morning. Thank you very much for that.

I would also like to welcome Honourable Members this morning. Hope you had a great night after a long session yesterday in Lautoka and then Sigatoka. Today's main objective is collecting submissions from AFL with regards to the Public Enterprises Bill, and if you have any further comments with regards to the Registration of Sex Offenders Bill, you are most welcome to do so as well.

Before proceeding further, I would like to request the Honourable Bulitavu to lead us with a word of prayer.

(Opening Prayer by the Honourable Mosese Bulitavu)

MR. CHAIRMAN.- Thank you, Honourable Bulitavu. Before we proceed further, I would just like to introduce my team.

(Introduction of Committee Members by Mr. Chairman)

MR. CHAIRMAN.- Thank you very much. That was the formality bit on our side and now the floor is yours to present with regards to the Public Enterprises Bill. I believe you are one of the Commercial arms of Government, and this particular Bill is designed to govern the operations, et cetera, when it comes to any public enterprise. The floor is open, Sir.

MR. F. KHAN.- Thank you, Honourable Chairperson. Mr. Chairman and the Honourable Members of the Standing Committee on Justice, Law and Human Rights and Parliament Secretariat who are here, welcome to Fiji Airports.

We have a very short submission. I would like to say that having read the Bill, we are supportive of the Bill. We do not have any major issue to highlight to the Standing Committee on which we have a disagreement. In fact, I would like to highlight to the Standing Committee first and foremost that it is the 20th Anniversary of Fiji Airports Limited since its incorporation on 12th April, 1999.

Coincidentally, you called a meeting on this day when it is our 20th Anniversary. Also important to highlight that in 1999, the profit of Airports Fiji Limited was about \$380,000. As of last year, Fiji Airports Limited made a profit of around \$80 million, so from \$380,000 which was 20 years ago to \$80 million last year.

Today, Fiji Airports Limited is one of the most successful, if not the most successful public enterprise entity in Fiji. The reason I mentioned that is not to boast about anything, but it rings a lot of good cords with the Bill on the way the Bill is presented because when we read the Bill, as proposed in Clause 18, it says and I quote: "The primary objective of a public enterprise is to be a successful business."

Then it goes on to say that of course, in order to be a successful business, you need to make profits; in order to pay your workers well, you need to make profits; in order to ensure that we continue to invest in capital infrastructure, you need to make profits; otherwise the business cannot grow.

Based on the profitability and the success of our business, we have done many investments over the last five years, in particular the Nadi Airport Terminal Modernisation Project that I hope all Fijians are proud of because it is one of the landmark Airports, not only in the South Pacific, but also in the wider Asia Pacific Region today.

Going into the core, Clause 20 says a public enterprise may undertake non-commercial obligation. So we have been undertaking a number of Non-Commercial Obligations (NCO) as well.

For the information of the Standing Committee, 13 outer island airports that we manage and Nausori, are non-profitable entities for us. The only airport that makes profit from is Nadi. To give an example, last year, we incurred expenditure and cash outflows for capital projects from Nausori and the 13 outer island airports in the sum of about \$18 million. One of the key projects that we undertook and successfully completed for outer islands was Rotuma Runway Upgrade and that was done at a cost of about \$13 million, and it was successfully completed.

It is worth mentioning that, that project was a project that was a work in progress for about four decades (40 years). The reason it was unfulfilled or it remained a work in progress for 40 years was because of its isolation factor. Rotuma is about 600 kilometres from Nadi, roughly about 650 kilometres from Suva.

The isolation factor brings about a lot of challenges in undertaking any capital project. Every bit of material has to be barged over a lengthy barging process that brings risks with it, and also the second most important thing was the cost factor.

Fiji Airports Limited undertook that project through the guidance of the Government of Fiji and the support of the Honourable Prime Minister. We spent that money largely from Fiji Airports' cashflow generated from its Nadi Airport profitability.

So the point we are trying to make is, when we read the Bill, many of the things that have been mentioned in the Bill and the reason we support is because we have been practising over the last few years and we have seen that the capacity of our people has grown. We are a lot more dynamic, a lot more energetic, because we are service-driven and we are success-driven.

But that success is not just about money making, it is also about ensuring that we improve the lives of our Fijians in isolated and less developed places. Just on Rotuma, and if I may say, you may have already heard of this before, but before the upgrade, we could only take a Twin Otter to Rotuma which should have a passenger limitation of about six, depending on the flying conditions. So on average about six passengers, and now with the ATRs, it can take 70 passengers at one point in time.

It is about tenfold more increase in the passenger-carrying capacity which has the potential to transform Rotuma and make Rotuma realise its potential. So that is part of the thing that we do in our NCO based on Government's directives.

In terms of various provisions on transparency and accountability, we fully support it. We believe that openness and transparency is one of the fundamentals to achieve good governance and achieve success in any organisation.

So in general, we have the support of the entire Bill. We do have a recommendation based on the NCOs that we undertake. We are submitting that the Committee takes into consideration the amount of money that we spend on non-commercial, non-profit making airports be treated as part of the dividend contribution that we make towards the Government.

So that is the only recommendation that we have, Mr. Chairman, and Honourable Member. We will invite questions from you.

MR. CHAIRMAN.- Thank you, CEO, for that brief with regards to the Bill itself, in particular highlighting Rotuma. We do take note of it and we will be deliberating on that at a later stage once we do sit in as a Committee to deliberate on all the submissions that we have collected.

You are the second entity that has provided us with a submission. The first one was Yaqara Pastoral Company Limited and they have shown support to the Bill as well. They also mentioned the same thing that they have been doing all this, whatever is now in this particular Bill.

Just a quick one, I believe there was a Public Enterprises Act 1996, if I am not wrong. What are some of the changes you have seen in that particular Act and this Bill?

MS. S. MISHRA.- In 1996, I believe a lot of emphasis was placed on the reorganisation of public enterprises and dividend contribution. However, I noted in this Bill that there is nothing on dividend contribution and I am told that it will be under a separate policy, I believe. Also, reorganisation, et cetera, has been taken out. Those were the major changes, Sir.

MR. CHAIRMAN.- While we are talking about AFL, how have we seen AFL grow in the past 20 years?

You mentioned that there was a time when you made a profit of \$380,000 compared to now which is \$80 million within this transitional period of 20 years. Would you like to highlight some of the changes or reforms that had taken place in the past 20 years, that made AFL a successful public enterprise today, as it stands?

MR. F. KHAN.-Mr. Chairman, Mr. Tudreu will answer that.

MR. I. TUDREU.- From a net operational perspective, I think we have grown in leaps and bounds.

We contribute to the global matrix as an Air Navigation service provider. And in that, we provide Air Traffic Management and also Communication Navigation Surveillance, Search and Rescue, all meteorological issues that pertain to Air Navigation and also we have Flight Information Service that comes under the umbrella of Air Navigation Service.

As a service provider, we are obligated because we are signatory to the Chicago Convention, one of the 192 States, and this is my 40th year in this industry. I have seen it grown from leaps and bounds and right now, as far as Fiji is concerned, we look after 6,500,000 square kilometres of air space.

If you are travelling to New Zealand, it is one hour 20 minutes flight time from Nadi, you are still within Fiji's airspace. If you are going to Australia, in the four-hour flight, one hour 20 minutes from Sydney, you are still in Fiji's airspace. Going up North two hours from Nadi, you are still in Fiji's airspace and going East just short of Samoa and Tonga. So apart from that large pocket of airspace, we have the latest equipment and, Mr. Chairman, I would share with you that for the next five years, we are committing \$50 million to upgrade the facilities. And that is not forgetting the present upgrades that we have continued to have over the years that we have existed. So right now, our equipment harmonises with Australia to the West, to the North the United States and to the East and South, New Zealand.

Our equipment is the latest equipment. In fact, just to a case study last week, when we transferred about 10 aircrafts to the United States, they said, "Nadi, can you separate them vertically, our equipment is limited", because in Nadi, we not only provide vertical separation, we provide minimum separation as far as longitudinal separation is concerned.

So in as far as operations, we are good. In the last five years, under the leadership of Mr. Khan, we have looked at capacity building. So as far as our equipment is concerned, I think we are punching in the heavyweight division. Thank you.

MR. CHAIRMAN.- I will now open the floor to the Honourable Members if they have any comment, queries or clarifications they wish to sought from AFL.

HON. RATU S. MATANITOBUA.-Thank you, Honourable Chairman. Thank you, Mr. Khan for your briefing. Your Board Members of AFL, is there any civil servant included in that Board?

MR. F. KHAN.- Honourable Matanitobua, through the Chairperson, we have the representative of the Ministry of Public Enterprises, who attends all of our Board Meetings.

HON. RATU S. MATANITOBUA.- As a Board Member?

MR. F. KHAN.- As an observer.

HON. M.D. BULITAVU.-Thank you, Honourable Chairman, through you, I would like to thank Mr. Khan and your Team for that very brief presentation and a very comprehensive one. Just a few questions in terms of the Bill; Clause 45 in terms of the Code of Conduct for the company and also how this Bill has also inserted one in there, do you have an existing one?

MR. F. KHAN.-That is correct, Honourable Bulitavu. We have an existing code of conduct that we follow. In fact all of the public enterprises have an existing one, but through this Bill, it will be codified and made a positive obligation but we already have one in place.

HON. M.D. BULITAVU.- My question comes down to when we were moving around to do consultation on the Code of Conduct Bill and given now that we are trying to move into getting people from the private sector into our Boards and also how they share their knowledge into how to move our Government Owned Entities into the commercial line, given the fees that are there that some of them might not want to come in if they have to disclose more of their assets, liabilities, spouses, et cetera, and all of that, given that we need these people to come in and if that code of conduct only applies to the organisation and with them coming into the Board, how has it helped, especially with AFL? And to move from leaps and bounds as stated by the Manager, what have they brought into the Board that has helped you move forward?

MR. F. KHAN.- That is a really good question, Honourable Bulitavu. I believe this Bill does not require the Board of Directors to disclose their assets, but I think you are referring to a separate requirement, is that correct because this Bill does not require the Directors to disclose under the Code of Conduct?

But on the requirement and I cannot remember there was a separate Bill, that was requiring the Directors to provide personal information...

HON. M.D. BULITAVU.- Code of Conduct Bill.

MR. F. KHAN.- Under the Code of Conduct Bill, thank you.

So the question as I understand is, that the Government is trying to get more people from the private sector to lead the Government owned organisations, and if there is a requirement that the Directors will have to disclose all of their assets, together with the assets of their spouses and their family members, that will be a deterrent from them becoming or entering or taking positions as Directors.

I believe that is a legitimate concern that people in the private sector will have, not because they fear disclosing their assets or because of taxation issues, but because what they own becomes part of public scrutiny and in the public space. So people like to keep what they have in private, as opposed to making that public and allowing people who have no sense and understanding to discuss this on blog sites, et cetera. So the privacy of the family of an individual is lost.

So I believe, yes, there are some legitimate concerns and that people in the private sector will not want to join directorships of State-Owned Enterprises, if they have to declare all those assets. That is not part of this Bill, it is part of a separate Bill, but yes. Does that answer your question, Honourable Bulitavu?

HON. M.D. BULITAVU.- Yes, thank you.

MR. CHAIRMAN.- Mr. Chairman, just by way of background where the Honourable Bulitavu is coming from, initially when we started the consultation with regards to the Code of Conduct Bill, there was concerns raised as to why public enterprises Board Members, are especially excluded from that particular Bill, especially Part 6 of it whereby you have to declare.

I believe we initially had different views but towards the end, I am not too sure about other Opposition Members, but I can rely on my Members over here from the Opposition that they will be standing up and defending why we have excluded people coming in from public enterprises and trying to help Government, especially with regards to Commercially Owned Companies and them sitting in Boards so as to why they are not supposed to declare all their assets, et cetera. At the end of the day, how we see it, if we have a public enterprise or commercially-owned company, they are there to make profit and if our commercial companies make profit, then we can only reduce the tax burden on the general public, that is what we have been doing.

Have you not been making that amount of profit and paying us dividend, we would have been able to increase the threshold from \$16,000 to \$30,000, which gives more money in the hands of the general public to, at least, spend. Then we collect revenue in terms of VAT, so it is a lower rate at a broader spectrum that it is totally dependant on the people on how they want to spend and where they want to spend. So if you can afford to buy a DVD disc for \$2 and the whole family watches it, you are merely paying 18 cents as VAT. But if you want to go to the theatre and you spent \$20 on the ticket, you are basically paying 9 percent of it which is around \$1.80 or so. So that is the way forward.

With regards to the taxation, we found that we are doing currently. Our Members are in agreement as well and the Honourable Bulitavu actually agreed to speak on behalf of the Committee as to why we need to protect, especially the Board Members who are coming from the private sector because it is a deterrent factor, no doubt about it. And if we say that you need to declare your 50 years or 60 years of income and everything, they will say, "Alright, just keep your \$15,000 that you pay as allowance because our monthly expenditure is more than \$15,000." So it is more like a social obligation for them coming on board and helping the Government, and the whole nation as well. That is where we are coming from.

As far as I believe, the Code of Conduct which is part of this, the major aspect of that would be, declaring if there is any conflict of interest. That is the major thing that we would like to see if the Board Members are elected from the private sector coming into Boards.

If there is any conflict of interest, then we need to declare, and I believe, the Code of Conduct itself would be line with the Code of Conduct Bill, but Part 6 of the Code of Conduct Bill does not apply to public enterprises. It will apply to them as members to abide by it, but for the Board Members, their code of conduct would be designed in line with the Code of Conduct Bill.

HON. M.D. BULITAVU.- In terms of the dynamics, given that this Act is quite old since 1996 and given today you have celebrated the 20 Year Anniversary, another journey started way back in 1999 and it has come up to a profitable level now and given the global footprint that you have gone into, the new technologies that had been introduced and now that this Bill is proposing the change in dynamics and also complying with international best practice and other good governance - monitoring, reporting and accountability, how will this particular Bill help AFL in terms of raising its standards or already in the practice of doing most of its international best practices but they are not reflected in the law? How will the Bill harmonise with the modern trend that AFL is taking right because the Act seems to be archaic? The Act and the changes brought about by the Bill, will it harmonise with the way you are at right now?

MR. F. KHAN.- Correct. Honourable Bulitavu, I think your question self-answers itself, because many things that we are doing as I have said in our submissions, is what the Bill proposes to codify and make it as part of the law. When we talk about not just profitability but in terms of governance, the processes that we have put in over here, because we are not dealing with our own money, we are the custodians of the State and the manner in which simple things, like spending money or buying something, or some of the more complicated things, like building projects or building new infrastructure and ensuring that you still have your governance procedures which are up to any scrutiny, to any audit, those are the things that we put into place over the last few years.

We had to because we undertook one of the most complex projects in trying to build, whilst continuing to operate Nadi International Airport and then we have been through audit, et cetera, so the Bill harmonises that. I think for us, it is not about doing something just because we are legislated to do it, as Directors we owe a responsibility, we are accountable to our shareholders. That is a separate part of our responsibility which yes, it is codified into the Public Enterprises Bill but it harmonises all the various responsibilities and accountabilities that we have.

So all thumbs up for the Bill, but I am saying that that is the responsibility that should exist, nonetheless or regardless of the Bill. It would be good to put that into focus and have a consistent message to all the public enterprises.

Mr. Tudreu has been in this field, as he said, for 40 years. He used to be in Civil Aviation Authority of Fiji and then he moved here. He has been part of this whole culture of change and that is why I gave him the opportunity to speak, Mr. Chairman, when you asked how we have changed over the last few years. But hopefully, we are doing things in the right way. There is always room for improvement and growth, things are not perfect, but it is more the business approach which you need to take regardless of any legislation.

In the private sector, you do not have any legislations governing you. You desire to do the right thing whether it is to drive success in terms of profitability, or to do right by your corporate social responsibilities because that itself ensures sustainability and long term survival of the business. But I guess this imposes an obligation by law on all of the public enterprises to do so.

HON. M.D. BULITAVU.- Last question, Honourable Chairman, through you, given that you have a state-of-the-art facility down here now, the state-of-the-art International Airport and also how are we getting more airliners coming into Fiji using or transiting through our airport facilities and also how we are meeting international standards from other jurisdictions.

We had that recently solved, probably the difference in terms of the workers at the Control Tower and also how that was resolved and how we have met the standards of the international community, are we in par with those standards? In dealing with any situations, what happened and how were we able to maintain, to minimise, or to prevent any problem or crisis from happening our airports?

MR. F. KHAN.- Honourable Bulitavu, your question is specifically regarding the recent strike by the Controllers?

I think first and foremost we need to understand that the act of 38 Controllers all going on leave at the same time was an act of an unlawful strike that was ruled by the Arbitration Court twice, but also prior to that, the Honourable Minister for Employment, Productivity and Industrial Relations had ruled it as an act of unlawful strike.

We, as an organisation, felt that our reputation at that time and even now, was damaged because we as an organisation promote good human resource management, open door policies and we promote dialogue. When we have any employment issues, we tried to resolve it without it going to any third parties.

But what happened on this particular instance, we had no agitation. As you would know that if you are an employee of an organisation, you are not happy with something, you raise it with your line Managers, you agitate about it, you say, "Look, I am not happy with the salaries that I am getting, I am not happy with the working conditions," but there was no such agitation that took place prior to 38 Controllers deciding to take what we call 'coordinated leave' or 'simulated leave' for various reasons, either they were sick or they had someone, or bereavement or for some special leave, et cetera, non-genuine reasons for taking leave.

So, we as an organisation, like I said, one of the first and foremost thing for us is the fact having done a lot, we felt that we were betrayed by a few of our Controllers and we need to rebuild. We have started that process. That is our internal first line of reaction to anything that happens as what happened when the Controllers went on strike.

Many of them came back within three or four days and they were remorseful for the actions that were taken and they said that they were under pressure of the group, as opposed to doing this individually. So the question on safety being comprised or are we compliant with all of the ICAO regulations.

When the strike happened, we adopted a procedure which is published in our Aeronautical Information Publication (AIP) in Fiji. That allowed us to work with reduced number of Controllers, whilst ensuring that flights, particularly international flights and domestic scheduled flights, continue to operate.

You would note that all the scheduled flights continue to operate, and that the procedure that we adopted was published in our AIP. It is because we continue to operate, then all sorts of false information started going to the media, that we are operating in an unsafe environment, it started going to politicians, and it started going to other affiliate union bodies around the world, questioning how we continued to operate because the mere fact that we continue to operate was that some of the Controllers were on strike. They did not achieve their purpose.

So I can say categorically and unequivocally that safety was never comprised. We had Civil Aviation Authority of Fiji (CAAF) continually monitoring the processes that we had undertaken in order to ensure that we continue to serve our customers which are the international domestic flights.

For your information, you may have also heard that we stopped all training flights in our controlled air space and we stopped all leisure flights. We were in the Tower everyday, we were in our Oceanic Control Centre everyday, and the feedback we received from the pilots, because we can hear them on the radio, they actually said that it was one of the best times to operate because the little planes were out of the skies, so we did all those things. We took those measures to ensure that we continue to operate and we told the Controllers who went on strike, "This is not the manner in which you do things, go back to work, make your case. This is an act of thuggery."

Also for your information, Mr. Chairman, through you, this has been an old culture. The last time, it was done by Air Traffic Controllers was, I believe in 2006, so the ugly face resurfaced somehow. Like I said, an act of betrayal in many ways because while the strike was going on, we

presented some facts and figures. On average our Controllers, between 2013 to 2018 for five years, on average they earn 61 percent more in 2018 than in 2013 for working 43 percent less in overtime, because we brought in more controllers.

If you have time, we can take you to the Oceanic Tower for you to have a look. We have got a shift called “Day Monitoring Shift”. There is another name for it and I will tell you after the microphone is off.

(Laughter)

Day Monitoring Shift was created to ensure that the additional number of controllers that we have, those whom we have recruited, are able to do their 40 hours because there are too many of them. They come, they do their studies, they do their reading, and if they train some new controller for a particular post, they get 25 percent additional allowance, et cetera. So that is why, we have got additional numbers, we have done all of these things and when the strike happened, it was a complete shock to our system. But as I said earlier, we will rebuild. Thank you.

HON. M.D. BULITAVU.- Honourable Chairman, I thank the CEO and also the Management for that. Actually I had asked that because we were all concerned, but again you have cleared that, and we thank you for the effort of rebuilding and also how you handled the situation properly, so as your leadership on how those 38 stray sheep were brought back so that they can realise not to rely on misinformation, et cetera. But again, we are thankful that at the end, our airport is safe.

MR. F. KHAN.- Mr. Chairman, if I may clarify, so that nothing incorrect is recorded. All the 38 Controllers are not back, so our approach from day one was tell the Controllers, “Get back to work. Our doors are open, come back.” We kept saying that repeatedly and repeatedly, “Come back to work.”

On the 15th day, we had to issue charge letters to eight of the Controllers and that disciplinary proceedings is still active. So 30 of the 38 Controllers who went on strike are back and eight, there is a disciplinary proceedings going on. So I won’t be able to comment until their proceedings cease.

(Inaudible)

MR. F. KHAN.- Yes, they did not.

MR. CHAIRMAN.-Anyway, just a comment on that, I think what we need to encourage more within our population is about civic pride, because at the end of the day, whatever their action is tarnishes the name of Fiji at a global arena and that is something that people need to realise.

Those people who have travelled to Singapore, in one place, even if we are sitting in a taxi, the taxi would rather keep emphasising on the importance of Singapore, on how they have built it and they are really proud of their country which we basically do not see in Fiji these days. Would you like to emphasise a little bit further on the relationship between AFL and Air Terminal Services (ATS), how do they operate?

MR. F. KHAN.- Mr. Chairman, thank you for that question. ATS are the ground handlers at Fiji Airports. So ground handling services include things like, pushing back aircrafts, removing

baggage, they also do some catering, so they provide the ground assistance to the aircrafts and they also do a lot of the check-in services for most of the airlines.

ATS does not pay us anything for the ground handling services that they undertake. Some of the airports around the world charge a particular percentage to the ground handling company because they are operating out of the airport, then deriving revenue out of it, so that the airport authority do get some form of concession, but ATS does not pay us any concession.

That is because they are a Government-owned entity and they do pay us lease money for the spaces that they lease from us, but that too is at a very concessionary rate. Their contracts directly would be with the airlines but they use our infrastructure facilities in order to provide that service to the airlines. We tried to get money, but we could not.

HON. R. SHARMA.- Thank you. d through you Mr. Chairman, I have a few questions, very simple ones. What are your plans and developments for the Labasa Airport?

MR. CHAIRMAN.- Honourable Member, is that part of the Bill?

(Laughter)

HON. R. SHARMA.- Since we are here, there are a lot of people asking, so this is the right place for the right answer.

MR. F. KHAN.- Honourable Sharma, for Labasa we are building a new terminal because the facilities at present are quite old and the terminal construction should start later this year. You should have a new terminal by next year. So that is on the terminal side.

On the runway, it is difficult for us to do the extension because of two things; one is the river and the other the hills.

So when it comes to an aerodrome, it is not just the ability to expand, but also you have to look at your surroundings. If you have a hill, it is called an obstacle and it comes into the aircrafts flight path. Even to do the night lights, we had to cut some of the hills to put the light markers on the side where the hill is. So those are the limitations for Labasa.

I do not think you will see larger aircrafts than the ATR 72. I think Government has been talking about the possibility of an international aerodrome in Vanualevu, but it will not be in that spot because of the limitations that exists. So we have made certain recommendations and I think the Honourable Bulitavu, you are from Bua?

HON. RATU S. MATANITOBUA.- Macuata, all of them; the Honourable Chairman, Honourable Rohit Sharma and Honourable Mosese Bulitavu.

MR. F. KHAN.- So the preliminary recommendation that we have made is that, to have an international aerodrome, it will be somewhere in Bua, Macuata, more towards Bua, somewhere near Nasarawaqa. But it will have to be a master planning exercise because for any aerodrome, you need a big space for future expansions. So if Government decides to go ahead, then they will have to acquire a lot of land. But the area near Nasarawaqa was the one we identified as the best.

Coincidentally, we calculated the distance and it was about 90 kilometres to the three main centres in Vanualevu which is Labasa, Savusavu and Nabouwalu. It is right in the middle so it has

the potential of drawing the entire island, if that does go ahead but that is at a very, very preliminary state at present.

HON. RATU S. MATANITOBUA.- Thank you, Honourable Chairman, through you. On your recommendation, you spend a lot of money on projects, so you want to acquire that...your dividend to the Government. The money you use for the major development, you want to list that as a dividend from the Government? Can you give a best reason why, so we can fight it in Parliament.

MR. F. KHAN.- Honourable Matanitobua, the recommendation that we have is to only recognise the projects that we are undertaking for non-profit making airports, so outer islands, Labasa, Rotuma, Ono-i-Lau, Savusavu and Nausori we are also requesting because that too is non-profit making. So it is not for the whole company, but only for a non-profit making airport.

The reason is until 1st January 2016, historically all the capital budget for outer islands, not for Nausori, used to come from the National Budget. So as of 1st January, 2016, we undertook the last part of that responsibility. We still have in the National Budget, a few - \$100,000 that the Government may allocate. I think in the last Budget, we had about \$150,000 but it is no way enough to undertake major projects, such as doing buildings, a new runway or to do the terminal.

So we acquired that responsibility on 1st January, 2016 but it is not being recognised as our dividend contribution or as a contribution back to the Government because going back prior to 2016, in order to undertake Rotuma, that money would have had to come from the Government.

MR. CHAIRMAN.- Thank you, Honourable Member, for that question. I believe this brings us to the end of our meeting and submission that we were here to collect.

On behalf of the Committee, Mr. Khan and his Team, we would like to thank you for accommodating us this morning, and showing the support with regards to the Bill. We sincerely hope that this Bill, in future, will aid or support you in your operations and the way forward.

I believe you have come a long way in 20 years and we believe you have grown another threefold or four-fold in the next 20 years from what you are doing at this point in time because it is definitely going to help our nation at large. Thank you.

MR. F. KHAN.- Thank you, Mr. Chairman and Honourable Members. I would like to thank all of you for coming to us, to celebrate our 20th birthday, and I hope we have been able to answer your questions. I am really sorry, we didn't think it was formal, otherwise we would have dressed in tie and suit. If we have done anything wrong, please take our apology. So thank you very much.

The Committee adjourned at 10.47 a.m.