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## **STANDING COMMITTEE ON SOCIAL AFFAIRS**

### **Review of the Civil Aviation Authority of Fiji 2020 Annual Report**



**PARLIAMENT OF THE REPUBLIC OF FIJI**  
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## COMMITTEE MEMBERSHIP



### **Chairperson**

Hon. Alitia Bainivalu MP  
Government Member

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### **Deputy Chairperson**

Hon. Ratu Rakuira Vakalalabure MP  
Government Member

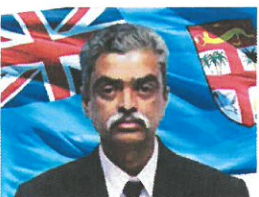
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### **Member**

Hon. Sashi Kiran MP  
Government Member

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### **Member**

Hon. Viam Pillay MP  
Opposition Member

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### **Member**

Hon. Parveen Kumar Bala MP  
Opposition Member

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## **CHAIRPERSON'S FOREWORD**

I am pleased to present the report of the Standing Committee on Social Affairs on the review of Civil Aviation Authority of Fiji 2020 Annual Report.

The Standing Committee on Social Affairs in the last term of Parliament was referred the Civil Aviation Authority of Fiji 2020 Annual Report. The Committee was tasked by Parliament to review the Annual Report. The same report have been reintroduced and was referred to the current Standing Committee on Social Affairs to scrutinise and report back on its findings.

The Committee took note of and deliberated on the previous Committee's succinct work done on the mentioned report. This Report will reiterate the work done by the previous Committee in reviewing and highlighting the contents of the Civil Aviation Authority of Fiji and make recommendations on the observations and findings noted in the report. It will further highlight the discussions held by the Committee with CAAF in relation to the issues noted from its report.

The year 2020 was an unprecedented one in the history of aviation due to the substantial impact of the coronavirus disease (COVID-19) pandemic on the aviation industry. Due to the drop in international passenger traffic, the total aircraft movements, both domestic and international, at Fiji's two international aerodromes dropped by 50% and within the Nadi Flight Information Region traffic levels dropped by 61.30% compared to 2019 numbers.

Government Grant of 2.5million dollars in the 2020/2021 financial year helped sustain Civil Aviation Authority of Fiji's (CAAF) operations as a result of funding constraints due to the reduction in international passenger travel.

In 2020, work commenced for the review of Fiji's Primary Legislation; the Civil Aviation Act 1976, the Civil Aviation Authority of Fiji's Act 1979 and the Civil Aviation Reform Act 1999. The objective of this project was to amalgamate into one document all of the civil aviation primary legislation except security and ensure that all International Civil Aviation Organisation (ICAO) Protocol Questions relating to primary legislation were adequately addressed.

At this juncture I would like to acknowledge the Members of the Standing Committee on Social Affairs in the last term of Parliament for their efforts and input, which has greatly assisted our Committee in the completion of this report.

I would also like to thank the Honourable Members of the current Standing Committee on Social Affairs, the secretariat staff and all other support staff for their valuable input and support.

I also extended my gratitude to the former Acting Chief Executive Officer of the Civil Aviation Authority of Fiji, Mr Rigamoto Aisake and his staff for their timely assistance in this review process.

On behalf of the Standing Committee on Social Affairs, I commend this Report to Parliament and request all members of this august Parliament to take note of the Report.

  
.....  
**Hon. Alitia Bainivalu**  
**Chairperson**

## RECOMMENDATION:

The Standing Committee on Social Affairs has conducted the annual review of the Civil Aviation Authority of Fiji for 2020 and recommends that Parliament take note of its report.

### 1.0 INTRODUCTION

The 2020 Annual Report of the Civil Aviation Authority of Fiji was tabled in Parliament in the May 2022 sitting and referred to the previous Standing Committee on Social Affairs. The same report was reinstated in February 2023 and referred to the current Standing Committee on Social Affairs for its scrutiny and report back on its findings.

Standing Orders 109(2)(b) allows Standing Committee on Social Affairs to examine matters related to health, education, social services, labour, culture and media.

Furthermore, Standing Orders 110(1)(c) authorises the Standing Committee to “*scrutinise the government departments with responsibility within the Committee's subject area, including by investigating, inquiring into, and making recommendations relating to any aspect of such a department's administration, legislation or proposed legislative program, budget, rationalisation, restructuring, functioning, organisation, structure and policy formulation.*”

### 1.1 Committee Procedure

To reiterate as major work of the report scrutiny was undertaken by the members of the Committee in the last term of Parliament. The Committee met to deliberate on and formulate questions pertaining to the 2020 Annual Report of the Civil Aviation Authority of Fiji. Following this, the Committee held an audience with the Executive Management of CAAF for their response to the Committee's questions and clarification of issues. Upon receipt of all relevant information on the Committee's queries, we compiled our findings on the Annual Report where the current Committee further deliberated upon and subsequently endorsed the report in March of this year.

The previous Committee received written response from the Civil Aviation Authority of Fiji for this annual review. It is available on the Parliament website, at the following link:

<https://www.parliament.gov.fj/Committees/standing-Committee-on-social-affairs/>



## **2.0 About the Civil Aviation Authority of Fiji**

The Civil Aviation Authority of Fiji is an independent statutory authority established under the Civil Aviation Authority of Fiji Act 1979. The main objective of this Act is to establish the Civil Aviation Authority of Fiji with functions relating to civil aviation in particular the safety of civil aviation and matters incidental thereto. It provides for the establishment of a regulatory framework for maintaining, enhancing, and promoting the safety and security of civil aviation in Fiji, with particular emphasis on preventing aviation accidents and incidents.

Section 14 of the CAAF Act 1979 stipulates the functions of CAAF as:

1) The Authority has the following function:

- a) any functions conferred on it by or under this Act or the Civil Aviation Act or the Civil Aviation Reform Act 1999; and
- b) carrying out such obligations of the State arising from its State's membership of the International Civil Aviation Organisation as the Minister directs.

2) The Authority also has the following safety-related functions:

- a) encouraging a greater acceptance by the aviation industry of the industry's obligation to maintain high standards of aviation safety, through:
  - i. comprehensive safety education and training programmes;
  - ii. accurate and timely aviation safety advice; and
  - iii. fostering awareness in industry management, and within the community generally, of the importance of aviation safety and compliance with relevant legislation;
- b) promoting full and effective consultation and communication with all interested parties on aviation safety issues; and
- c) establishing and implementing a State Safety Programme in order to achieve an acceptable level of safety in civil aviation.

3) The Authority also has the function of regulating the safety of civil aviation operations in Fiji, among other things:

- a) issue certificates, licences, approvals, registrations and permits after appropriate inspection, audit and examination;
- b) developing and promoting appropriate, clear and concise aviation safety standards;
- c) developing effective enforcement strategies to secure compliance with aviation safety standards;

- d) assessing decisions taken by industry management at all levels for their impact on aviation safety;
- e) conducting regular reviews of the system of civil aviation safety in order to monitor the safety performance of the aviation industry, to identify safety-related trends and risk factors and to promote the development and improvement of the system;
- f) conducting a regular and timely assessment of international safety developments;
- g) conducting regular reviews of aviation security programmes and activities;
- h) the prosecution of any offence committed under the provisions of this Act and its Regulations, other than an offence under Part II of the Civil Aviation (Security) Act 1994;
- i) doing any other thing which the Authority deems necessary for the enforcement of aviation safety.



### 3.0 COMMITTEE OBSERVATION AND KEY FINDINGS

- 3.1 *Management database* – The Committee noted that CAAF is vigorously pursuing the establishment of the Management Database which was delayed as a result of the impact of COVID-19 on CAAF's sources of revenue. This project is part of its strategic plans to digitize its modus operandi and enhance its service delivery. CAAF presently has a number of standalone databases ranging from Finance and HR to Aircraft, Personnel licenses and exams which were developed in house on an ad-hoc basis and do not have the capability to integrate with each other thus leading to manual processing of data and trends which in turn affects the efficient strategic decision-making process and efficiency of CAAF's service to its customers.

The proposed database will integrate all CAAF's individual databases into a consolidated database for seamless and automated flow of data and information across each other and provide continuous information for effective management and control. Tasks that are presently being manually performed will be automated. The Management Database project was approved by the CAAF Board in its first meeting of 2020. This project includes implementation of an e-examination and e-licensing system for CAAF.

- 3.2 The auditor issued an unmodified opinion on the 2020 accounts of CAAF due to two issues identified.

#### **Audit Issue 1:**

Note 5 to the financial statements noted the waiver the Authority provided to Fiji Airways and Airports Fiji Limited as a result of the severe impact of COVID-19 pandemic. As set out in the Note, the waiver was for the remainder of 2020 certificate of airworthiness and aerodrome license renewal fees respectively and amounted to \$318,426.

#### **CAAF's Response:**

Section 29 of the Civil Aviation Authority of Fiji Act 1979 [CAAF Act 1979], allows for the Authority, with the approval of the Minister, by regulation, to prescribe fees payable in connection with the issue, validation, renewal, extension or variation of any certificate, license or other document for which the Authority has been made responsible for under the Act.

Section 31 of the CAAF Act 1979 provides the Authority, with the approval of the Minister, the power to reduce, refund or waive any fees and charges payable in terms of regulations made under section 29.

Fiji Airports and Fiji Airways submitted requests for waivers from fees and charges to cushion the impact COVID-19 was having on their operations. Due process was followed and much consideration put into the matter, including CAAF's own finances, before the decision was made to grant the waiver.

#### **Audit Issue 2:**

Note 18 of the financial statements disclosed the second wave of COVID-19 outbreak subsequent to 31 December 2020 and how this was considered by the Directors in the preparation of the financial statements. With the significant decline in the international air

travel, the Authority's share of the Airport Departure tax, which accounted for approximately 61% of annual revenue, diminished.

In addition, major aviation players were also significantly impacted due to the closure of borders and travel restrictions implemented. This had a flow-on effect on the Authority as some small private aerodrome operators established to service private resorts temporarily closed their operations which impacted revenue received by Authority in aerodrome certification fees. The Authority anticipated that the financial impact of the COVID-19 pandemic on amounts and estimates was consistent with the first wave of the outbreak in April 2020.

**CAAF's Response:**

The Authority operated on austerity mode since March 2020 due to the substantial loss in its revenue from departure tax. Furthermore, the Government had allocated a \$2.5m Grant to CAAF for the 2020-2021 year to make up for the shortfall and enable the continued discharge of the Authority's functions as required by the CAAF Act 1979.

While providing a waiver from the Fees and Charges as requested by Fiji Airports and Fiji Airways impacted the Authority's cash flow, (in keeping with Government's policy of leaving no Fijian behind), it was deemed a necessary sacrifice that was justified to ensure all was not lost in the greater scheme of things.

The Authority was mindful of the impact that the COVID-19 pandemic had on Fiji Airports (a fully owned Government Commercial Company), Fiji Airways (national airline), and that the Government was providing CAAF with some reprieve through the grant it had been allocated. The CAAF, by way of waivers from certain Fees and Charges, was cognizant of the impact of COVID-19 on the entire aviation industry and provided some assistance through this unprecedented period. Today, this has triggered a national renaissance as air travel sets the platform for Fiji's economic recovery.

## **4.0 COMMITTEE RECOMMENDATIONS**

The Committee recommends:

- 4.1 That CAAF vigorously pursue the establishment of the management database as part of its strategic aim to digitise its modus operandi to enhance its service delivery.
- 4.2 That CAAF complete its Job Evaluation Exercise and accordingly remunerate its staff to enable greater staff retention.
- 4.3 That CAAF continue to educate and undertake awareness of Mandatory Occurrence Reporting amongst aviation operators and ensure the implementation of a robust reporting culture and corresponding practices.

## **5.0 CONCLUSION**

The Committee has fulfilled its mandate to review the 2020 Annual Report of the Civil Aviation Authority of Fiji. As part of its review process, the Committee heard evidence from the Executive Management of CAAF and received a written response.


In this review report, the Committee has highlighted various areas that need to be strengthened by CAAF and relevant recommendations have been made for the resolution of issues.

## COMMITTEE MEMBERS' SIGNATURE

We, the Members of the Standing Committee on Social Affairs, hereby agree with the contents of this report:



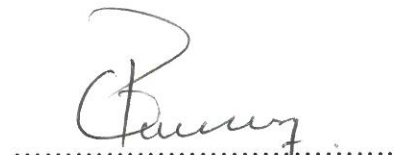
.....  
Hon. Alitia Bainivalu  
(Chairperson)




.....  
Hon. Ratu Rakuira Vakalalabure  
(Deputy Chairperson)



.....  
Hon. Sashi Kiran  
(Member)



.....  
Hon. Viam Pillay  
(Member)



.....  
Hon. Parveen Bala  
(Member)

28/03/2023

.....  
(Date)

## APPENDICES

### **Published written evidence**

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Written evidence was received from the Civil Aviation Authority of Fiji and can be viewed on the Parliament website at the following link:  
<https://www.parliament.gov.fj/Committees/standing-Committee-on-social-affairs/>