



ISO 9001:2015 CERTIFIED

# 2021 ANNUAL REPORT

Civil Aviation  
Authority of Fiji



PARLIAMENT OF FIJI  
Parliamentary Paper No. 26 of 2022



# Our Vision

To be a model aviation regulator.

# Our Mission

To promote effective aviation safety and security in  
Fiji and the region.

# Our Values

We strive to reflect certain key values that characterise the organisation; professionalism in the discharge of our responsibilities, accountability to the travelling public, government and our stakeholders, commitment to our vision and mission and integrity in all that we do.





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# LETTER TO THE MINISTER

06th September 2022

The Honorable Aiyaz Sayed – Khaiyum  
Attorney-General and Minister for Economy, Civil Service and Communications

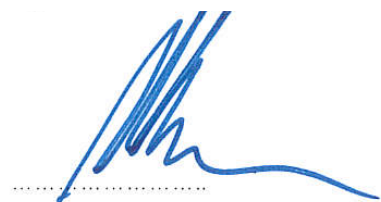
Dear Minister,

## **CIVIL AVIATION AUTHORITY OF FIJI 2021 ANNUAL REPORT**

On behalf of the Civil Aviation Authority of Fiji, I present to you the Annual Report for the year 01st January 2021 to 31st December 2021.

The report has been prepared in accordance with Section 28 (1) of the Civil Aviation Authority of Fiji Act, 1979 (Cap. 174A) and provides a detailed account of the Civil Aviation Authority of Fiji's operational performance and audited accounts for the year ending 31st December 2021.

Yours sincerely,



Nilesch Prasad  
Chair  
CAAF Board



## CHAIRPERSON'S MESSAGE

Greetings,

2021 was a year of adversity for aviation in Fiji. In April 2021, Fiji battled its second wave of COVID-19 infections after almost one year without community transmission. The rapid surge in community transmission during the second wave resulted in the implementation of restrictions on domestic and international flights.

Despite the unprecedented circumstances brought by COVID-19 in the early months of 2021, the Civil Aviation Authority of Fiji (Authority) remained strong and was not deterred from fulfilling its core functions effectively and efficiently.

The Authority continued to promote effective aviation safety and security in Fiji and the region with insistence and resilience. Inspectorate staff who were considered frontline workers due to the nature of their duties continued overseeing the safety and security activities at Fiji's international airports.

The Authority also continued striving to maintain independence, accountability and commitment to its vision and mission.

This time last year I wrote that times of adversity provide opportunities for development and growth, forging character, building resilience and creating innovation for the betterment of an organisation determined to succeed. I firmly believe this was the case for the Authority in 2021.

Here at the Authority, we pride ourselves in our commitment to working in partnership with the aviation stakeholders to improve the levels of safety, security and the development of aviation in Fiji. We therefore acknowledge the feedback and support we have received from all sectors of the industry.

Going forward, the Board's intention is to continue aligning the Authority to international best practices in tune with requirements of International Civil Aviation Organisation including ways to become self-sufficient and sustainable.

In conclusion, I would like to sincerely thank the Department of Civil Aviation and my fellow Board members for their unwavering support and counsel. I would also like to sincerely thank the management



**Nilesch Prasad**  
Chairperson

and staff of the Authority for their hard work and continued commitment to the development and improvement of the Authority. I have no doubt that the Authority will emerge from the shadows of COVID-19 as a more resilient organisation.

I am confident that this Annual Report will provide an overview of the accomplishments of the Authority in the past year, and the Board's direction into the coming year.

Vinaka

A handwritten signature in blue ink, consisting of stylized, overlapping loops and a long horizontal stroke at the end.

Nilesch Prasad  
Chairperson



## ACTING CHIEF EXECUTIVE'S MESSAGE

The year began on a positive note with much optimism that global passenger traffic would recover modestly in 2021. The aviation sector was expected to return to some normalcy and bring with it much-needed growth in the aviation and related sectors of our economy. A second wave of the COVID-19 pandemic as a result of the Delta variant disrupted this vision, negatively impacting the projected rate of air traffic recovery as the country went back into lockdowns and travel restrictions. To stem the spread of the virus, mitigation strategies were implemented and greater coordination and collaboration facilitated, introducing new workplace protocols nationwide.

With the protracted lockdowns and travel restrictions implemented in 2021, Fiji's air transport (domestic and international) passenger numbers dropped by 84% compared to 2020 and 97% compared to pre-COVID 2019. Aircraft movement numbers (domestic and international) dropped by 47% compared to 2020 and 77% compared to pre-COVID 2019. 2021 played out to be far bleaker than 2020 was.

On the home front, Fiji continued in its efforts to implement WHO and ICAO recommendations, including those issued by the ICAO Council's Aviation Recovery Task Force, and adopted in the Ministerial Declaration at ICAO's High-level Conference on COVID-19. These were essential to support the elimination of travel restrictions disproportionate to public health risks, and to diminish the pandemic's effect on global mobility, allowing for air travel, trade and tourism to make a strong recovery.

On the legislation front, the work that had commenced in 2020 to review Fiji's Primary Aviation Legislation remains a work in progress and it is envisaged to undergo consultation in 2022. Once this has been enacted, the harmonisation of the Air Navigation Regulations will follow.

The year, with all its challenges, was not without its gains. The slowdown in pace of the aviation industry allowed CAAF to work on its resources, specifically manpower. Key technical staff were able to be recruited and onboarded throughout the year. A good portion of technical training provided by overseas training institutes not normally available online were made available during this period and this opportunity was fully utilised.



**Theresa Levestam**  
Acting Chief Executive

A major component of CAAF's income, derived from a portion of the international passenger departure tax, was lost as a result of the travel restrictions. CAAF was very grateful for the assistance that was provided in the form of a \$3.5million Government Grant allocated to the organisation in the 2021 / 2022 Fiji Government Budget.

As we move into 2022, our focus is to discharge our responsibilities under the Civil Aviation Authority of Fiji Act 1979 (as amended) more effectively and align ourselves to achieve our goals and objectives as set out in CAAF's Corporate Plan 2021-2023.

At this juncture, I would like to thank the CAAF Board for their valuable support and guidance throughout the year. To the CAAF family, we weathered the storm, coming through the year stronger and better than we were going into it, this is a testament to your commitment and hard work. CAAF is fortunate to have you on board as part of the team, your contribution is appreciated.

To the Team at the Department of Civil Aviation, thank you for your support and assistance. Last but not least, to the Fiji aviation community, we acknowledge the role you play in ensuring safe skies for all and we thank you for your support and collaboration throughout a turbulent 2021.

Vinaka

A stylized handwritten signature in blue ink, appearing to read 'Theresa Levestam'.

Theresa Levestam  
Acting Chief Executive



## CAAF BOARD OF DIRECTORS

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The CAAF Board is established under Section 4 of the Civil Aviation Authority of Fiji Act 1979. The Board is appointed by the Minister to ensure that CAAF performs its functions in accordance with the Act and is well managed to ensure that any risks are identified early and prudently managed.



**Mr. Nilesh Prasad**  
*Chairperson*



**Mr. Satish Patel**



**Ms. Kamni Naidu**



**Mr. Peceli Baleikorocau**



**Mr. Reginald Jokhan**

## EXECUTIVE TEAM

The CAAF Executive team consists of a Chief Executive and four (4) Department Heads; Controller Aviation Security and Facilitation (CASF), Controller Air Safety (CAS), Controller Ground Safety (CGS) and the Manager Corporate Services (MCS). The CAAF Executive team works with the Board to set the strategic direction for the organisation, planning how it will achieve its objectives and the actions and resources required to do so. The Executive team manages CAAF's risks and ensures the organisation operates effectively and efficiently, meeting regularly as a team and as required with the Board.



**Ms. Theresa Levestam**  
*Acting Chief Executive &  
Controller Ground Safety*



**Mr. Suresh Kumar**  
*Acting Manager  
Corporate Services*



**Mr. Rigamoto Aisake**  
*Controller Aviation Security  
& Facilitation*



**Mr. George Tudreu**  
*Controller Air Safety  
Jan 2021 - May 2021*



**Mr. John Slater**  
*Acting Controller Air Safety  
May 2021 - Aug 2021*



**Mr. Jimmy Samson**  
*Acting Controller Air Safety  
Aug 2021 - Dec 2021*



# SAFETY

*Oversight System*

## Establish

### **CE-1**

Primary Aviation Legislation

### **CE-2**

Specific Operation Regulations

### **CE-3**

State System & Functions

### **CE-4**

Qualified Technical Personnel

### **CE-5**

Technical Guidance, Tools & Provision of Safety-Critical Information

ICAO

8

**CRITICAL  
ELEMENTS**

## Implement

### **CE-6**

Licensing, Certification, Authorization of Safety & Approval Obligations

### **CE-7**

Surveillance Obligations

### **CE-8**

Resolution Of Safety Issues



# SECURITY

*Oversight System*

## Establish

### **CE-1**

Primary Aviation Legislation

### **CE-2**

Aviation Security Programmes and Regulations

### **CE-3**

State Appropriate Authority for Aviation Security and Responsibility

### **CE-4**

Personnel Qualifications and Training

### **CE-5**

Provision of Technical Guidance, Tools and Security Critical Information

## Implement

### **CE-6**

Certification and Approval Obligations

### **CE-7**

Quality Control Obligations

### **CE-8**

Resolution of Security Concerns

ICAO

8

**CRITICAL  
ELEMENTS**

# CORPORATE PROFILE

The Civil Aviation Authority of Fiji (Authority) is an independent statutory authority established under the CAAF Act 1979.

The main objective of this Act is to establish CAAF 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.

## Functions of CAAF as stipulated in section 14 of the Civil Aviation Authority of Fiji Act 1979

1. The Authority has the following function—
  - a. any functions conferred on it by or under the CAAF Act 1979 or the Civil Aviation Act 1976 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 Organization (ICAO) 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 an 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 regular and timely assessment of international safety developments;
  - g. conducting regular reviews of aviation security programmes and activities;



## CORPORATE PROFILE

- 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.

## CAAF Corporate Objectives

It is from CAAF's legislated functions that our corporate goals and objectives have been derived.

- a. Carry out the States obligation arising out of its membership of the ICAO;
- b. Maintain an effective regulatory framework and enforcement system;
- c. Develop clear and concise Standards and an effective consultation process;
- d. Assess the decisions taken by industry management at all levels for their Impact on Aviation Safety;
- e. Review and assess civil aviation system safety trends and risk factors;
- f. Conduct regular reviews of aviation security programmes and activities;
- g. Maintain a system for conducting safety education, giving timely safety advice and improved awareness;
- h. Continuously review and enhance the ICT system capacity to support the efficient delivery of regulatory services;
- i. Maintain a competent, adequately resourced and motivated workforce.

## Quality Management

### Our Commitment and Policy

CAAF is committed to ensuring that the highest safety and security standards are met, our products and services are provided in an efficient manner meeting both the regulatory requirements and the needs of our customers.

Our Quality Management System is specifically formulated and structured in a way that best meets the needs of CAAF and its customers.

Various elements of the Quality Management System combine to assist in determining that all quality and regulatory requirements are complied with and that consistency and uniformity in service delivery is maintained.

CAAF is committed to meeting customer expectation by consistently improving and implementing the highest level of aviation safety and security standards.

# CORPORATE GOVERNANCE

Good governance will ensure that CAAF remains on track to achieve our Vision, Mission and Objectives and that our strategies are dynamic and adaptable to the ever-changing civil aviation environment.

CAAF subscribes to and promotes best practice principles of corporate governance. The CAAF governing legislation and other applicable legislation, govern the affairs of the Board and the Authority as a whole. The Board ensures that its members, the CAAF executive leadership team and staff subscribe to and implement adopted principles of good Corporate Governance and best practices.

As a statutory body, the financial audits of CAAF are undertaken by the Office of the Auditor General of Fiji. As an aviation regulator, CAAF is audited by ICAO under the Universal Safety Oversight Audit Programme and Universal Security Audit Programme to ensure that ICAO Standards and Recommended Practices are adhered to and necessary differences are filed where Fiji deviates from such aviation standards.

In addition, Regulatory Authorities from other States

with which Fiji has aviation/air services agreements such as Civil Aviation Safety Authority of Australia (CASA), New Zealand Civil Aviation Authority (NZCAA) and the US Federal Aviation Authority (FAA) and Transportation Security Administration (TSA) also conduct surveillance / audits as required to ensure that Fiji's aviation standards meet their specific requirements.

As an ISO Certified Organisation, CAAF also undergoes audits by Bureau Veritas to maintain its Quality Management System under ISO 9001:2015. CAAF has a Corporate Plan to assist CAAF keep pace with the fast evolving changes in the aviation industry and annual budgeting requirements.

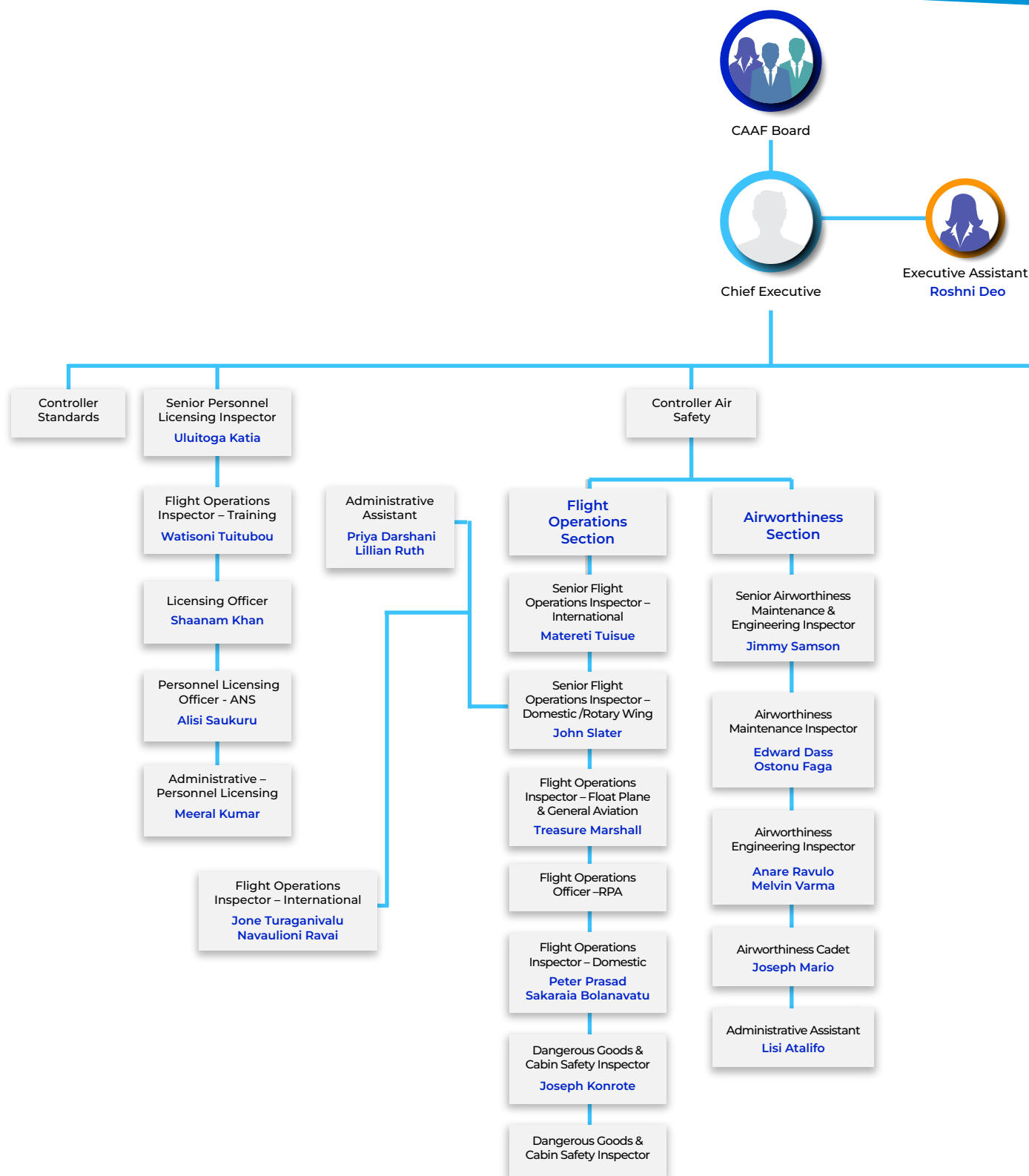
CAAF's challenge is to balance the regulatory oversight required to ensure effective safety and security aviation activity against expectations of the aviation stakeholders. The organisation must ensure that our decisions are effective, just, timely, transparent, and comply with legal requirements.

CAAF strives to reflect the key values of professionalism, accountability, commitment and integrity in its conduct.



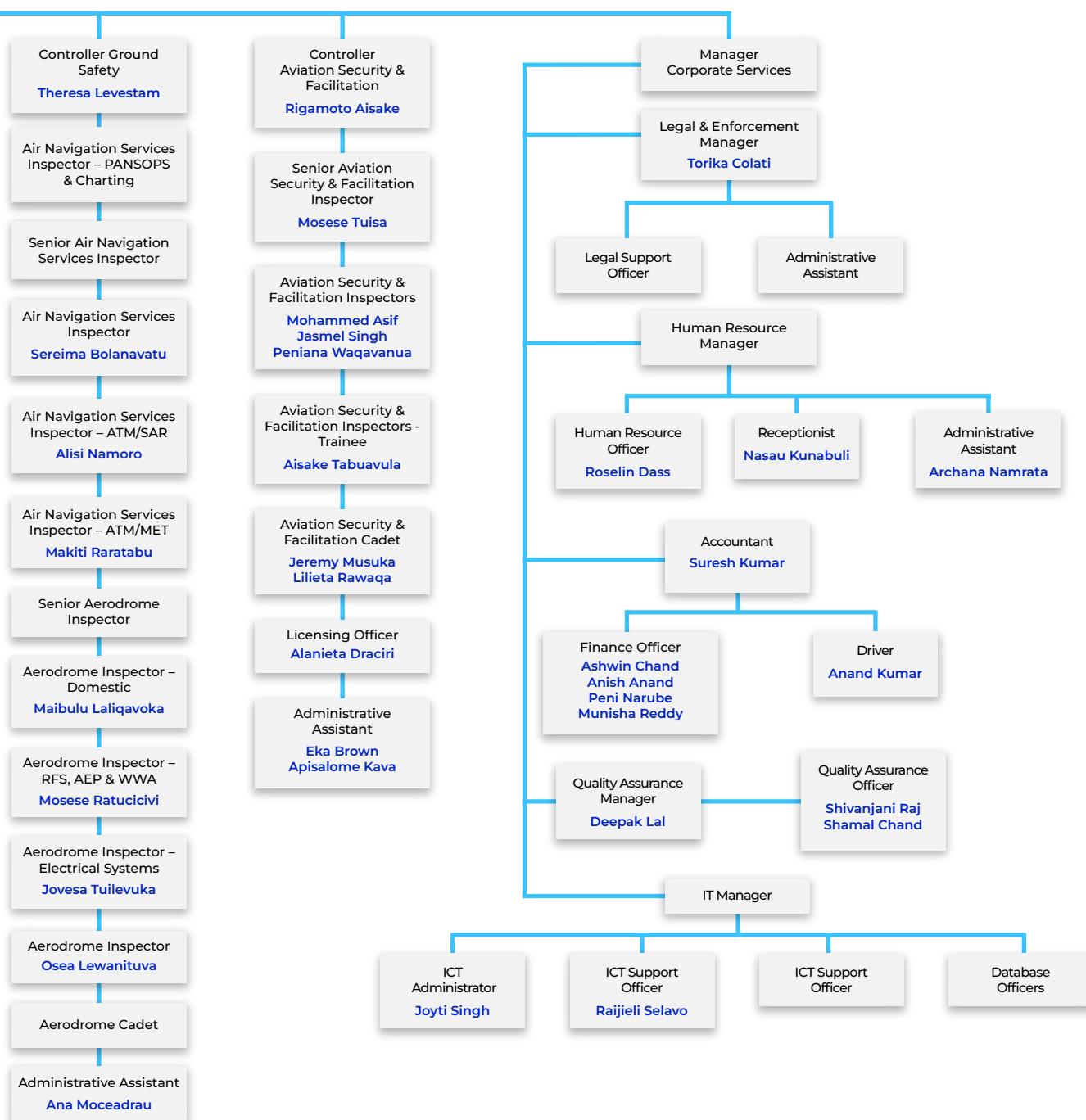
*The CAAF Team.*

# CAAF ORGANISATION STRUCTURE





# CAAF ORGANISATION STRUCTURE



# LEGISLATION



*The CAAF Legal Team.*

The Civil Aviation Act 1976, the CAAF Act 1979, the Civil Aviation (Security) Act 1994 and the Civil Aviation Reform Act 1999 set the platform for the role of the CAAF as the statutory authority responsible for ensuring the safety and security regulation of civil aviation operations in Fijian territory and the operation of Fiji registered aircraft outside of Fijian territory.

Having in place up-to-date secondary aviation legislation or regulations, consistent with the provisions adopted by ICAO, including the Annexes to the Chicago Convention provides a strong foundation for aviation activities.

The aviation regulations to which the aviation industry must operate are contained in the following:

- a. Air Navigation Regulations 1981;
- b. Civil Aviation (Security) Regulations 1994;
- c. Civil Aviation (Fees & Charges) Regulations 2007; and
- d. Civil Aviation (Occurrence Reporting and Investigation) Regulations 2009.

A balanced aviation safety and security oversight system is one in which both CAAF and the aviation industry share responsibilities for the safe, secure, regular and efficient conduct of civil aviation activities. This relationship is best established in

the primary and secondary aviation legislation and specific standards implemented by CAAF.

Implementation of ICAO Standards and Recommended Practices is effected via Fiji's legislation. Thus, as a first step towards discharging our obligations and responsibilities, Fiji has enacted a legislative framework referred to as the primary aviation legislation.

In 2020, work commenced with an assigned team from the Office of the Solicitor-General to review Fiji's Primary Aviation Legislation; the Civil Aviation Act 1976, the CAAF Act 1979 and the Civil Aviation Reform Act 1999.

The objective of this project was to amalgamate into one (1) document all of the civil aviation primary legislation except security and ensure that all ICAO Protocol Questions relating to primary legislation were adequately addressed. This project continues into 2022.

Following the finalisation of the draft primary aviation legislation, the harmonisation of the Air Navigation Regulations will be addressed. CAAF strives to reflect the key values of professionalism, accountability, commitment and integrity in its conduct.

# Aviation Security and Facilitation Department

ICAO designated 2021 as the Year of Security Culture (YOSC). The primary objective of the YOSC is to promote security culture as a way of life, where everyone has a significant part to play in aviation security. From creating greater awareness on security matters to reporting of security incidents, security culture epitomizes a unique way of life, values, processes and procedures which focus on integrating security culture philosophy in everything we do, for the common good. As part of its contribution to the YOSC, the Aviation Security and Facilitation Department (ASFD) helped promote awareness through videos and written articles, each depicting different aspects of security.

The ASFD is responsible for all matters relating to aviation security and facilitation mandated under the ICAO Annex 17 (Security) and Annex 9 (Facilitation) Standards and Recommended Practices (SARPs), including other aviation security provisions contained in Annex 2 Rules of the Air, Annex 6 Operation of Aircraft, Annex 10 Aeronautical Telecommunications, Annex 11 Air Traffic Services, Annex 13 Aircraft Accident and Incident Investigation, Annex 14 Aerodromes and Annex 18 Dangerous Goods. In total, the ASFD is responsible for nine (9) different ICAO Annexes. Not only does this show the range of the department's scope of work, it also demonstrates the significance and complexity of aviation security. Security is the cornerstone of aviation and must continue to be relevant and fit for purpose to mitigate and manage emerging threats to air travel in a systematic manner.

2021 was another challenging year which required a lot of sacrifice, perseverance and commitment from everyone in the department to perform their functions satisfactorily, during a time of much uncertainty. Despite the proliferation of COVID-19 in the country, there was renewed hope that Fiji's vaccination campaign would be successful and effective.



*The CAAF Aviation Security & Facilitation Team.*

## The Year in Review

Work continued unabated during the year despite the indefinite closure of borders and the lingering threat of the proliferation of COVID-19. From 1st January to mid-April 2021, the ASFD was able to conduct scheduled audits, inspections, tests, certification of screeners, investigations, AVSEC specific training for the aviation industry and other administrative functions until the second wave of COVID-19 hit. The second wave of COVID-19 resulted in the indefinite closure of borders around the country and the re-introduction of additional COVID-19 protocols which prevented face to face meetings and gatherings. Workplace staffing was affected with limitations placed on the number of staff present at work on any given day. Furthermore, the department had to realign its Yearly Work Plan to reflect the changing circumstances.

The practice of working from home took on new meaning as staff were required to work from home at one point or another and remain in their separate bubbles. Each staff member working from home was given assigned work to complete for the week. Upon completion, the work was signed off by the staff member, verified and then signed off by the supervisor. This working arrangement continued until September when domestic borders were opened and Government rolled out



its COVID-Safe Economic Recovery Programme in anticipation of the opening of Fiji's international borders on 1st December.

### **Three (3) Month Extension of Certificates and Approvals**

At the time of the closure of domestic borders, the ASFD made recommendations to the Acting Chief Executive Ms Theresa Levestem for the extension of operator certificates and approvals for a period of three (3) months to ensure operational continuity and ease the burden on operators brought about by the closure of international borders and domestic operations. Similar extensions were given for screener licences and mandatory AVSEC training / refresher training for staff performing aviation security functions.

### **Review of AVSEC Documentation**

It was also an opportune time for the ASFD to review documentation in the form of national programmes namely; the National Civil Aviation Security Programme (NCASP), National Civil Aviation Security Quality Control Programme (NCASQCP) and the National Civil Aviation Security Training Programme (NCASTP), Standard Operating Procedures (SOP), Standard Documents (SD's) and the respective Operator Security Programmes. These programmes reflect the ICAO Annex 17 Standards, Fiji's unique requirements for aviation security and capture best operational practices. The ASFD has been working to strengthen Fiji's documentation in preparation for the next ICAO AVSEC Audit of Fiji.

### **ICAO Obligations**

#### **Domestic Monitoring and Oversight**

Monitoring and oversight of existing aviation security measures at Nadi Airport continued on an ad hoc basis despite the absence of face to face interactions and the closure of the Airport. It was important to ensure that

aviation security measures at the airport were not compromised. From April to September monitoring and oversight of the aviation industry was limited to inspections at Nadi Airport.

When domestic borders reopened, the department was able to resume monitoring and oversight of all operators through audits, inspections and tests. The screener certification programme resumed as aviation security service organisations and regulated agents sought to renew their screener licences and provide sufficient certified manpower for the reopening of international borders.

Aviation security audits provided valuable feedback on the 'health' status of individual operators; all of whom had suffered significant losses from the pandemic and were eager to recover as soon as practicably possible. The department worked closely with each operator to provide guidance to help in recovery efforts.

### **Review of Civil Aviation Legislation**

Establishing robust aviation security legislation is one of the critical elements of a State's Security Oversight System. The ASFD has been working closely with the Office of the Solicitor General in the review of the Civil Aviation Security legislation to ensure the legislation are relevant and fit for purpose. There have been changes in the aviation environment and gaps in legislation which warranted a comprehensive review. It is envisaged that the draft legislation will be ready for implementation in 2022.

### **Programmes and Regulations**

Security programmes provide guidance to the operator on how to implement Fiji's security requirements consistently. Each operator has a security programme which is reviewed by the inspector on a yearly basis. Part of the inspector responsibility is to review operator security programmes and expositions to ensure that they comply with the requirements of Fiji's National Civil Aviation Security Programme (NCASP).

Civil Aviation Security Programme (NCASP), National Civil Aviation Security Quality Control Programme (NCASQCP) and National Civil Aviation Security Training Programmes (NCASTP). These national programmes are reviewed regularly by the ASFD and have their legal basis in the Civil Aviation (Security) (Amendment) Regulations 2006 (as amended). The security programmes must reflect the operator's current practices on the ground and Fiji's aviation security requirements.

## Appropriate Authority for Aviation Security

The Minister responsible for Civil Aviation has delegated CAAF as the Appropriate Authority for Aviation Security in Fiji. Since then, the ASFD has been discharging this function judiciously throughout the passage of time. As the Appropriate Authority, the ASFD ensures compliance and maintains active oversight of the aviation industry through its audits, inspections, tests and surveys.

## Personal Qualifications & Training

Having the right qualifications and being able to translate to practice what one has learnt is critical to the success of any organization. Over time the ASFD has raised the bar for the recruitment and selection of staff for its cadet scheme. While having a Diploma in Aviation Security is the minimum qualification requirement to become an Aviation Security and Facilitation Inspector, a base degree is now a prerequisite for recruitment. Currently, personal qualifications within the department range from Diploma holders to Masters Graduates and CAAF continues to develop capacity (and staff) within the department. Going forward, the department intends to establish and strengthen its research capability.

## Aviation Security Training

The ASFD conducted aviation security specific training for the aviation industry before the

closure of domestic borders in April but was unable to conduct further training after the opening of borders due to the backlog of work brought about by the pandemic. There has also been a significant demand for training because of high attrition rates. The ASFD rescheduled all aviation security courses to a later date and is liaising with its counterparts abroad on the possibility of them providing some training in 2022.

## ASFD Cadet Scheme

Scheduled courses for the department's Aviation Security and Facilitation Cadets (ASFIC) in Singapore were put on hold because of the closure of international borders for a second year in a row, thereby delaying the duration of the cadets training. The cadets' training was readjusted and focused on the development and review of security documentation, including standard operating procedures. When borders opened, cadets were given the opportunity to accompany the inspectors on audits and inspections to broaden their knowledge.

This fieldwork provided the cadets with hands on experience in inspectorate work and augers well for their transition into the inspectorate role. Assessments on cadet performance are provided by the supervisors at the end of each assignment.

## Guidance Tools and Information

From time to time, ICAO, through the ASFD provides guidance tools and information in relation to aviation security and facilitation to the aviation industry. These guidance tools help the operators implement the SARPs consistently.

The CAAF Aviation Safety Bulletin provides important safety and security guidance information for the aviation industry. For the Year of Security Culture (YOSC) in 2021, the ASFD developed videos and written security material to promote global aviation security awareness. This information

was shared with ICAO and the aviation industry and is also available on the ICAO website.

Apart from ICAO Guidance material, other security information was shared through collective meetings with the operators namely; the Aviation Security Service Organisations (ASSO), Regulated Agents (RA) and through the respective Airport Security Committees (ASC).

## Certifications and Approvals

The ASFD is responsible for certification of the following namely;

- i. Screeners (both cargo and security screeners);
- ii. Aviation Security Service Organisations (ASSO);
- iii. Regulated Agents;
- iv. Ground Handling Service Providers (GHSP); and
- v. Aviation Security Instructors.

Similarly, the ASFD provides approvals for Air Cargo Operators, Catering Service Providers and Quality Control Officers.

## Quality Control Obligations

The conduct of proper quality control activities remains a constant challenge in Fiji despite the yearly conduct of quality control courses by the department. There seems to be a reluctance on the part of most operators to conduct regular quality control audits, inspections or tests of their processes and systems to determine effectiveness. ICAO also identified that the absence of effective quality control is not limited to Fiji alone but to many other countries around the world.

As part of its approach to strengthen the conduct of audits, inspections and tests, the ASFD has focused on the training of quality control officers to ensure they master the basics and be able to translate that to practice. Within the department, new inspectorate staff are trained to identify the

different elements to audit, inspect or test. This is supplemented by a 'hands on approach' in the field.

## Resolution of Security Concerns

Apart from conducting robust quality control activities, there is also a need for operators to appropriately address security audit findings in a timely manner. ICAO noted that the resolution of security concerns remains a challenge as findings from audits, inspections and tests remain unaddressed by many operators. The ASFD continues to work in partnership with our operators to rectify deficiencies and create a greater awareness on the importance of closure of findings.

## Amendments to ICAO Annexes

The Proposed ICAO Amendment 18 to Annex 17 and Amendment 29 to Annex 9 were circulated by ICAO for discussion and comments. The ASFD will incorporate these amendments in the national documents, currently being reviewed after consultations with the aviation industry.

## ICAO State Letters/Regional Letters

The ASFD is working closely with Quality Assurance and the Manager Legal & Enforcement to appropriately address all ICAO State Letters and Regional Letters.

## ICAO Initiatives

In October, ICAO offered Fiji an Implementation Package (iPack) for Establishing a Public Health Corridor (PHC), generously sponsored by the Federal Aviation Administration (FAA) of the United States of America. The iPack PHC contains relevant COVID-19 information and documentation, two (2) training packages and two (2) workshops for establishing safe public health travel corridors, amongst different States who mutually recognize each others COVID-19 protocols. The iPack PHC is due for implementation in 2022 and will be shared with Vanuatu. CAAF will be the Point of Contact for all matters relating to the iPack.



## Future

The ASFD hopes to strengthen communication, coordination and collaboration with all stakeholders, including ICAO in 2022. In terms of capacity development, the department has a mixture of youth and experience which augers well for the Authority. What is apparently clear is that aviation security will continue to grow and become more prominent in the future. Despite the setbacks in 2021, the department is grateful to all stakeholders who partnered with it and ensured the safety and security of aviation in Fiji in 2021.



*The ASFD team during an audit with an operator.*

**Table 1 - Aviation Security and Facilitation Department Stakeholders**

Stakeholders	2021
International Airlines	12
Domestic Airlines	10
Regulated Agents	13
Ground Handling Service Providers	4
Catering Service Providers	3
Air Cargo Operators	1
Aviation Security Service Organisations	4
International Security Airports	2
Government Domestic Airports	12
Private Domestic Airports	8
Concessionaires	0
<b>Total</b>	<b>69</b>

**Table 2 - Aviation Security & Facilitation Department  
Certificates Issued**

	2020		Total	2021		Total
License Type	Initial	Renewal		Initial	Renewal	
Aviation Security Screener Certification	21	271	<b>292</b>	24	205	<b>229</b>
Aviation Security Instructor Approval Certificate	1	0	<b>1</b>	1	0	<b>1</b>
Aviation Security Quality Control Approval Certificate	2	18	<b>20</b>	3	14	<b>17</b>

**Table 3 – Audits, Inspections, Tests and MOR's**

	2021	
Activity	Audit	Follow Up
Audits	22	51
Inspections	5	
Tests	5	
	Open	Closed
MOR's	12	11

## Air Safety Department

The fundamental role of the Civil Aviation Air Safety Department (ASD) is ensuring that the Fiji's civil aviation system is safe. We identify and target risk within the civil aviation system and work to reduce these risks to improve the overall performance of the system.

Safety performance in our civil aviation system ranges from high in large aircraft (airline) to low in the general aviation areas.

To maintain and improve safety we carry out a number of functions, including:

- Controlling entry, on going operation and exit from the civil aviation system - we certify the Air Operators Certificate, Maintenance Organization Certificate and products.
- Monitoring activities such as conducting inspections, audits and investigations and taking necessary action as needed.

### COVID-19

In 2021, the 200 millionth case of COVID-19 was reported to the World Health Organization (WHO), just six months after the world passed 100 million reported cases.

No country and no community have been spared the direct and indirect impacts of the COVID-19 pandemic. As at 7 September 2021, more than 220 million confirmed cases and more than 4.5 million deaths have been reported to WHO.

### Work Place Protocol

From 21 July 2021, CAAF was divided into two teams to ensure continuity of operations. The teams were to remain within their respective bubbles. Should one team be affected, the other team would be ready to operate and keep CAAF functioning. New operating procedures were implemented with operations at a maximum capacity of 50%,

entailing some staff to work shifts rostered in the office and other staff to work from home. The office layout and work stations were also reviewed.



*The CAAF Air Safety Team.*

### Wellbeing of Aviation Personnel

CAAF was very proactive in managing the staff health and wellbeing during the pandemic period, monitoring vaccination registrations and locations for vaccinations, updating the Ministry of Health and Medical Services advisories and Frequently Asked Questions (FAQs). The Ministry of Commerce, Trade, Tourism and Transport (MCTTT) published protocols for essential business operating during the COVID-19 period.

Like it has in many industries, the pandemic has taken its toll on the wellbeing of aviation personnel. Operators reported that staff reported increased fatigue after returning to work following a long period of inactivity. Constant alertness to ongoing fears and concerns around employment, infection and protection had a cumulative effect on the psyche. Reports on increased stress due to non-standard operations and increased level of reports



on mental health issues during the pandemic.

### Inspectorate Staff

CAAF inspectorate staff are considered frontline staff due to the nature of their duties, safety and security activities at the international and domestic airports, and emergency response in the event of a serious incident or accident. CAAF was working closely with the Industry to assist them with their operations by carrying out surveillance. The human factor issues due to ongoing fears and concern of wellbeing were also looked at.

Aside from aircraft flight and airworthiness operations, ground handling was also under the microscope to avoid vehicles colliding with aircraft, mishaps that occurred during aircraft towing, wing to wing collisions during taxiing and damage during maintenance. Failure to adhere

to standard operating procedures, using work arounds instead of following maintenance manuals steps, and operational pressures often cited as contributory factors to incidents and accidents.

### Borders Open

The borders opened in December 2021 with Fiji Airways ramping up regional and international operations with the flow on effect to the tourism industry with hotels and resorts opening up.

The assessment from the Ministry of Health and Medical Services (MOH) that the increase in COVID-19 cases represents the beginning of the third wave in Fiji. The MOH advised people to develop safe COVID habits, wearing masks when leaving home, washing hands regularly with soap and water and using hand sanitizer, maintaining safe physical distancing of two meters.



*Senior Flight Operations Inspector conducting a simulator check.*

Concurrently the testing numbers increased from international repatriates and travellers including Fijians visiting families and friends.

### **Variant Omicron**

The emergence of the new variant of concern; B.1.1.529, named Omicron, noted to have several mutations, was a cause for concern. The Fiji border health measures and surveillance were strengthened to maintain Fiji defense system.

### **Travel Restrictions**

The aviation industry entered 2021 with hopes that availability of COVID-19 vaccines and testing would encourage governments to lift travel restrictions that placed enormous burdens on families, the global economy, and the air transport sector. As a result, international passenger traffic was 75% below 2019, while the total number of flights was down 45% compared to pre-pandemic levels. Fiji's annual visitor arrivals in 2021 was 31,618, a significant decrease from the 894,389 visitors in pre – pandemic 2019 level.

### **Pandemic and Safety Challenges**

The COVID-19 pandemic's impact on Fiji's aviation community has been unprecedented. It resulted in a major reduction in aviation activity and, in some cases with general aviation operators, a near complete shutdown of operations. Fiji Airways operated two or three combination Airbus, B737 and ATR aircraft a week. The operation was mainly cargo flights to the region and international with restrictions. The domestic operation reduced as well. The rest of the fleet were put in storage in Nadi and offshore, with two B737 Max aircraft stored in Alice Springs, Australia and additional three in Boeing Seattle, USA.

### **ICAO Target Exemptions**

Targeted Exemptions (TEs) are tightly scoped and time limited State-issued exemptions to a specified subset of Standards, granted as a result of the COVID-19 pandemic.

TEs should not be granted in response to systemic issues. TEs represent a temporary transitional option for States as they move back from reliance on the use of alleviations towards compliance with the Standard and Recommended Practices [SARPs]. TEs should only be considered by CAAF once it is clear that all other options have been considered and determined to be unsatisfactory.

The shutdown and subsequent return to service have led to changes to the operating environment and those changes were managed effectively. With requests from Operators, CAAF provided TEs or extended period of expiries, related pilot proficiency checks and recency experience, licence renewal and medical certificates. The approved TEs were published to ensure acceptance by other States when Fiji Airways flies to its regional and international destinations.

These and other types of changes identified were managed within the operator's Safety Management System (SMS).

### **Fiji Airways B737 MAX 8 Deliveries**

ASD Flight Operations and Airworthiness team carried out the inspection and certification work in Boeing, Seattle USA, of the three remaining Fiji Airways B737 Max 8 aircraft from March to July 2021. The airline's first B737 Max 8 entered service in December 2018. Boeing paused deliveries following the grounding of the world fleet in March 2019. This was following the Lion Air and Ethiopian accidents, attributed to the new flight control system, called the maneuvering



characteristic augmentation system. [MCAS]. The aircraft was re-certified by the FAA and gradually more authorities around the world. The Civil Aviation Authorities of Fiji, Australia and New Zealand followed with the lifting of the Max suspensions in December, 2020. This allowed Boeing to resume deliveries of the type, while airlines could resume flights with the type.

On 1st April 2021, Fiji Airways announced accepting the return to service requirements for the Boeing Max 8 aircraft stipulated by CAAF, paving the way for the remaining aircraft to arrive in Fiji. Fiji Airways has taken delivery of the five B737 Max 8 aircraft which it had on order following the conclusion of the purchase agreement with Boeing in 2016.



*Airworthiness Inspectors conducting audits.*



### Safety Management System [SMS]

SMS is the cornerstone of an effective strategy to prevent hazards from becoming unrecoverable risks. An important element of SMS is change management. The myriad changes introduced at all organizational levels – slashed schedules, parked / stored aircraft, layoffs, loss of experience personnel, recruiting new employees to keep pace with recovery,

quickly bringing back mothballed aircraft and developing COVID-19 related safety and wellness procedures, to name a few – have tested change management like never before.

CAAF was also faced with identifying and managing pandemic – related safety issues – both issues related to the oversight of operators and issues related to its own workforce about the ability to staff safety critical roles.



*Airworthiness Inspector on surveillance inspection.*

**Table 1 - Air Safety Department Stakeholders**

	2021
Aircraft on Fiji Register	113
Air Operator Certificate	09
Private Operators	06
Aviation Training Institution Certificate	05
Remotely Piloted Aircraft Systems - Commercial	31
Remotely Piloted Aircraft Systems - Private	109
Miscellaneous – Private Applications	01
Skydive Operators	01
<b>Total</b>	



*ASD Assistants conducting checks on Accident Go-Kits.*





CAAF Executive Team.



As a signatory to the Chicago Convention, Fiji has undertaken to adopt measures to ensure that every aircraft flying over or manoeuvring within our territory complies with the rules and regulations relating to the flight and manoeuvre of aircraft therein. This requires that Fiji provides, within our territory, certified aerodromes and air navigation services such as air traffic services, communication, navigation and surveillance services, search and rescue services, meteorological services and aeronautical information services, to facilitate the safety and efficiency of air navigation. To achieve this, the adoption and application of the appropriate international and national standards for aerodrome and air navigation facilities and services is paramount.

Furthermore, Fiji has been delegated by the ICAO, the responsibility for the provision of air navigation services within its six and a half million square kilometres flight information region and in its sovereign airspace consisting of control areas, control zones and uncontrolled airspace.

To ensure an acceptable level of air navigation services and aerodrome services and facilities are provided, the Ground Safety Department conducts safety oversight of operators and service providers involved in these areas to ensure implementation of formal and systematic safety management programmes for the services under its jurisdiction.

The Standards established and Practices recommended in these areas are defined in the following Annexes which the Ground Safety Department has been charged with providing oversight on:

- Annex 1 – Personnel licensing (pertaining to air navigation service personnel), in conjunction with the Personnel Licensing Office;
- Annex 2 — Rules of the Air;

- Annex 3 — Meteorological Service for International Air Navigation;
- Annex 4 — Aeronautical Charts;
- Annex 10 — Aeronautical Telecommunications;
- Annex 11 — Air Traffic Services;
- Annex 12 — Search and Rescue;
- Annex 14 — Aerodromes, and
- Annex 15 — Aeronautical Information Services.

The year 2021 continued to be impacted by the COVID-19 pandemic and changed the way the department discharged its responsibilities. Hybrid safety oversight procedures were implemented and participation at international and regional meetings continued in the virtual plane.

To meet Fiji's overall aviation safety oversight responsibilities, the critical elements for safety oversight (CE) identified by ICAO as essential safety defence tools of a safety oversight system, were addressed to ensure effective implementation of safety-related policy and associated procedures. CAAF's goal is to implement the safety oversight critical elements in a way that assumes the shared responsibility by the CAAF and aviation stakeholders.

This report is presented in terms of the Ground Safety Department's activities in each of the eight critical elements of the States' safety oversight system.

## Critical Element 1 Primary Aviation Legislation

Implementation of ICAO Standards and Recommended Practices is effected via Fiji's Legislation. Thus, as a first step towards discharging our obligations and responsibilities, Fiji has enacted a legislative framework referred to as the primary aviation legislation.

In 2020, work commenced with an assigned team from the Solicitor General's office to review Fiji's Primary Legislation; the Civil Aviation Act 1976, the CAAF Act 1979 and the Civil Aviation Reform Act 1999. The objective of this project is to amalgamate into one (1) document all of the civil aviation primary legislation and ensure that all ICAO Protocol Questions relating to primary legislation was adequately captured. This project continues into 2022.

## Critical Element 2 Specific Operating Regulations

Following the finalisation of the draft primary aviation legislation, the harmonisation of the Air Navigation Regulations will be addressed.

The Standards Documents issued by CAAF provide the safety and security standards required for operating within Fiji. Although there were no new standards documents (SD) published by the Ground Safety Department in 2021, each SD was reviewed to ensure any new standards and recommended practices adopted by ICAO were incorporated in our SDs.

It is essential that as much as possible, Fiji's regulations and standards be in conformity with the Annexes to the Convention. The Annex provisions are designed to provide the minimum requirements to be met, therefore it falls to CAAF to develop equivalent regulations containing sufficient details to ensure that satisfactory compliance will result in the desired level of safety.

The following Standards Documents fall within the ambit of the GSD:

1. Standards Document - Aerodromes Edition 3 published May 2019; amended to include ICAO amendments on Global Reporting Format applicable in 2021.
2. Standards Document - Air Traffic Services Edition 4 published in June 2019; nil amendments.
3. Standards Document - Aeronautical Charts Edition 1 published in May 2019; nil amendments.
4. Standards Document - Aeronautical Information Services Edition 3 published May 2019; nil amendments.
5. Standards Document - Aeronautical Meteorological Service Provider Edition 3 published October 2020; nil amendments.
6. Standards Document - Aeronautical Telecommunications Edition 4 published in August 2019; nil amendments.
7. Standards Document - Instrument Flight Procedure Edition 2 published May 2019; nil amendments.
8. Standards Document - Search and Rescue Edition 2 August 2012; nil amendments
9. Standards Document - Designation and Classification of Airspace Edition 1 published February 2019; nil amendments.
10. Standards Document - Units of Measurement to be used in Air and Ground Operations (UMAGO) Edition 1 published in May 2019; nil amendments.
11. Standards Document - Personnel Licensing Edition 1 published January 2019; nil amendments.
12. Standards Document - Air Traffic Management Synthetic Training Devices Edition 1 published December 2017; nil amendments.
13. Standards Document - Medical Standards, Tests and Certification Edition 1 published April 2013; nil amendments.
14. Standards Document - Aviation Training Institutions Edition 3 published March 2013; nil amendments.

### **Critical Element 3 State Civil Aviation System and Safety Oversight Functions**

An important part of CE 3 for CAAF is the fulfillment of staffing requirements to enable effective and efficient discharge of its safety oversight functions.

The Ground Safety Department operated with two (2) positions vacant, that of the Senior Aerodrome Inspector and Air Navigation Service Inspector AIS / AIM PANS-OPS and Charting. Suitable applicants were not able to be recruited and as such the roles and responsibilities of these positions were contracted out or absorbed by other inspectorate staff in the GSD with assistance from the Controller Ground Safety.

### **Critical Element 4 Technical Personnel Qualification and Training**

The aviation safety oversight responsibilities include a wide range of complex evaluations, inspections, analysis and interventions. Effective implementation of these tasks requires the input of highly qualified personnel during the various stages of the process. Therefore, the satisfactory execution of the various functions of CAAF depend, largely on the qualifications, experience, technical competency in performing certification, inspection and surveillance functions and dedication of individual inspectors.

CAAF has always invested heavily in the capacity building of its staff to ensure that it has a team of qualified and competent inspectors. Due to the impacts of the COVID-19 pandemic, in particular, the implementation of border restrictions, most trainings and meetings were held via virtual platforms such as Zoom and Microsoft Teams. This allowed GSD inspectors to attend a host of international, regional and national webinars, meetings, seminars and workshops on-line.

### **Critical Element 5 Technical Guidance, Tools and the Provision of Safety-Critical Information**

The effectiveness of Fiji's safety oversight system and the implementation of standards are supported by technical guidance material issued by CAAF. The Ground Safety Department has developed and published several guidance material documents pertaining to its area of oversight and these are:

1. Guidance Material – Aerodrome Manual
2. Guidance Material – Aeronautical Study and Safety Assessment
3. Guidance Material – Calculation of Declared Distances
4. Guidance Material – Certification and Registration Approval of Aerodromes
5. Guidance Material – Control of Obstacles
6. Guidance Material – Establishment of Runway Safety Teams
7. Guidance Material – Procedure for accepting non-compliances at aerodromes
8. Guidance Material – Runway Surface Friction Characteristics and Friction Testing
9. Guidance Material – Strength Rating of Aerodrome Pavements
10. Guidance Material – Wildlife Hazard Management
11. Guidance Material – Siting and Maintaining Wind Sensors on Aerodromes
12. Guidance Material – Issuance of Snowtam
13. Guidance Material – Flight Inspection
14. Guidance Material – GRF for Aerodrome Operators (issued in 2021)



The department has established an Inspectors' Manual to assist the department's inspectors in their safety oversight responsibilities. The manual covers all functional areas of the department and is reviewed, at a minimum, on an annual basis.

Publication of CAAF's Aeronautical Information Circulars (AIC) are the responsibility of the Ground Safety Department. These circulars contain explanatory or advisory information concerning technical, legislative or administrative matters, as well as information on the long-term forecast of major changes in legislation, regulations, procedures or facilities liable to affect flight safety. The AICs are accessible to the public via the CAAF website. AICs issued in 2021:

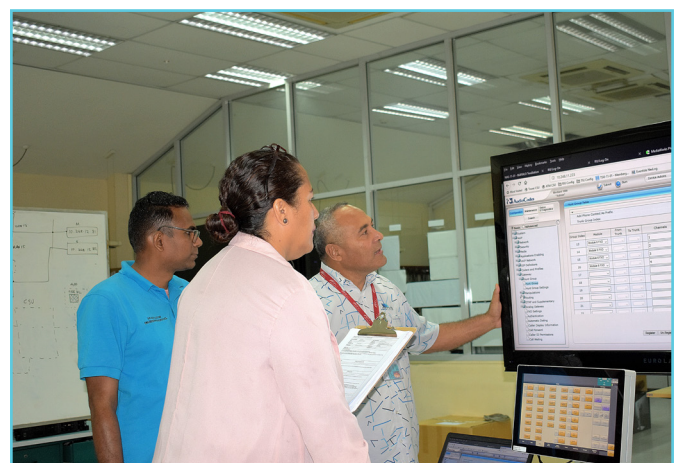
1. 01-2021 AIC Checklist
2. 02-2021 ATS & ASOL renewal Examinations and Schedule for 2021
3. 03-2021 Domestic AOC Areas of Operation
4. 04-2021 Promulgation of IFP
5. 05-2021 Public Transport and Aerial Work Operations
6. 06-2021 AFCON NOTAM
7. 07-2021 Implementation of the new GRF for runway surface conditions
8. 08-2021 Assessing Aerodrome Readiness for the Re-Start of Operations Post COVID-19
9. 09-2021 AFCON NOTAM Implementation in Fiji
10. 10-2021 ATS & ASOL renewal Examinations and Schedule for 2022
11. 11-2021 Medical Standards, Tests and Certification
12. 12-2021 Implementation of the Common Aeronautical Virtual Private Network (CRV)

### Critical Element 6 Licensing, Certification, Authorization and Approval obligations

The Ground Safety Department is responsible for the issuance of certificates, approvals and permissions required by legislative requirements for relevant parts of the aviation system of operators and service providers, this includes aerodrome operators, aerodrome service providers and air navigation service providers.

Due to the continued impacts of the COVID-19 pandemic on some domestic flights, hybrid oversight (employing both virtual and in person audits) was employed. The lifting of Fiji's border restrictions in December 2021 saw much activity in the last quarter of the year to ensure operators were ready for the restart.

Five service providers, twenty one aerodrome operators (two international aerodromes and nineteen domestic / private aerodromes) were issued with certificate renewals in 2021.



*Air Navigation Services Inspector -CNS conducting surveillance inspection of ATM systems.*

## Service Provider Certificates

1. Air Traffic Service Provider (ANR145A) 3 locations	28/08/21 (01month) 28/09/21(11 months)
2. Aviation Training Institute Certificate – Air Traffic Services (ANR145B) 1 location	28/08/21 (2 months) 28/10/21 (10 months)
3. Approved Maintenance Organisation – Communications, Navigation and Surveillance (ANR145C) 2 locations	28/08/21 (3 months) 28/11/21 (9 months)
4. Aviation Meteorology Service Provider (ANR145D) 2 locations	14/05/21 (12 months)
5. Aeronautical Information Service (ANR145E) 1 location	28/08/21 (3 months) 28/11/21 (12 months) ** Certificate date changed to month of November as part of workload distribution.

## Aerodrome Certificates<sup>1</sup>

1. Nadi International	07/10/21 (12months)
2. Nausori International <sup>2</sup>	28/07/21 (12months)
3. Gau Domestic	31/03/21 (12months)
4. Koro Domestic	31/03/21 (12months)
5. Lakeba Domestic	31/03/21 (12months)
6. Vanuabalavu Domestic	31/03/21 (12months)
7. Moala Domestic	30/09/21 (12months)
8. Cicia Domestic	30/03/21 (12months)
9. Yasawa Private	21/04/21 (12months)
10. Malololailai Private	21/10/21 (12months)
11. Nanuku Private	28/04/21 (12months)
12. Bureta Domestic	30/04/21 (12months)
13. Kadavu Domestic	30/04/21 (12months)
14. Mago Private	28/06/21 (12months)
15. Kaibu Private	29/06/21 (12months)
16. Labasa Domestic	28/08/21 (12months)
17. Savusavu Domestic	29/08/21 (12months)
18. Matei Domestic	30/08/21 (12months)
19. Rotuma Domestic	20/09/21 (12months)
20. Wakaya Private	30/10/21 (12months)
21. Laucala Private	30/10/21 (12months)
22. Mana Private*	27/11/20 (12months) *expired - not renewed

## Ground Safety Department

Of the seven helicopter landing site operators, three were issued with registration approvals in 2021 whilst the remaining four which had closed due to the pandemic did not renew their approvals.

<b>Aerodrome Registration Approvals – HLS<sup>3</sup></b>	1. Fiji Marriott Resort HLS [Renewal]	29/01/21 (12months)
	2. Nanuku Resort HLS [Renewal]	01/06/21 (12months)
	3. Likuliku Lagoon Resort HLS [Renewal]	28/12/21 (12months)
	4. Vunabaka HLS*	Not renewed
	5. Pacific Island Air 1 (PDM Pontoon) HLS	Not renewed
	6. Tokoriki Island Resort HLS	Not renewed
	7. Island Hoppers Limited Denarau HLS	Not renewed

<sup>1</sup>**Ono-i-lau aerodrome certificate** not renewed by the aerodrome operator due to infrequency of flights. Medical Evacuation flights to the aerodrome are operated on an as need basis; a risk assessment is conducted by the aircraft operator and coordinates this with the aerodrome operator and CAAF's Aviation Safety Department.

<sup>2</sup>**Nausori aerodrome**, upgrade project commenced in 2019 to enable operation of wide-bodied aircraft into the aerodrome, implement the required Runway End Safety Areas (RESA) and install an Instrument Landing System (ILS) was completed in December 2021.

<sup>3</sup>Of the 42 **Helicopter Landing Sites (HLS)** documented in the various Helicopter Operator's Operations Manual (OM), seven (7) HLS have been issued with Registration Approvals by Ground Safety Department. Of the seven (7), four (4) HLS operators did not renew their registration approval in 2021 due to the COVID-19 pandemic. The other 35 sites are operating via approval granted by the Air Safety Department during acceptance of the route guides documented in the OMs. Coordination with these HLS operators to have the HLS' registered continued in 2021, however, with the impacts of the COVID-19 pandemic, most of these sites have been closed.

Aerodrome Inspectors continue to engage with the Ministry of Health to provide guidance on the registration of hospital HLSs. This coordination is on-going and several site inspections have been conducted.

**Permissions** issued by the Ground Safety Department pertain to the operation of aerial devices within the restricted areas of an aerodrome; i.e. within 5km of an International aerodrome and within 3km of a Domestic aerodrome, or elsewhere above 200ft. The aerial devices for which permissions are issued include Unmanned Aerial Vehicles (UAVs) also known as Remote Piloted Aircraft Systems (RPAS), Sky lanterns, pyrotechnics and balloons. Permissions granted in 2021 was much lower compared to pre-COVID years (2018/2019), a result of the lack of activity due to the COVID-19 pandemic. Majority of the permissions issued in this area pertain to balloon, pyrotechnic and sky lantern releases for festive events such as weddings, special holidays etc. which had come to a halt from March 2020 due to the COVID protocols implemented. The only permissions issued during 2021 pertained to



UAV / RPAS activity.

**Exemption(s)** from provisions of a Standards Document or Air Navigation Regulations pertaining to air navigation services and aerodromes are issued following an application for an exemption with the supporting risk assessment/aeronautical study from the operator/service provider and subsequent review by the Authority identifies that mitigations implemented (imposition of limiting conditions or compensatory measures / controls) will maintain the level of risk of such an exemption being issued at an acceptable level (as low as reasonably possible). The exemptions issued in 2021 were COVID related e.g. exemption from on-the-job-training hours and implementation of

alternative means of compliance due to low traffic levels and exemption from flight deck hours for air traffic service licence issue due to travel restrictions.

**Off-Airport-Development** applications are assessed by the Ground Safety Department subject matter experts. The assessment is two-fold; firstly, an assessment against the requirements of the aerodrome obstacle limitation surface criteria and secondly against the PANSOPS instrument flight procedure criteria, prior to endorsement. OAD assessments in 2021 has increased by 75% in comparison to 2020.



*Air Navigation Services Inspector ATM/MET conducting inspection of meteorology facilities.*

## Ground Safety Department

The following is a comparison of Permissions, Exemptions and Off Airport Development Approvals issued between 2018 and 2021.

TYPE	2018	2019	2020	2021
Permissions (Pyrotechnic displays, Sky lantern / balloon releases / RPAs within the Control Zone)	53 (26 UAVs)	84 (63 UAVs)	48 (45 UAVs)	30 (28 UAVs)
Exemptions provided from Standards Requirements	6	6	3	7
Approval Off Airport Development	27	150	12	48
<b>TOTAL</b>	<b>86</b>	<b>240</b>	<b>64</b>	<b>85</b>

### Air Traffic Control Surveillance Service

Provider is working towards the implementation of an ATC Surveillance Control Service in Fiji's Approach Control airspace. The ANS inspectors worked in coordination with the service provider to ensure equipment, training and licensing aspects are implemented in accordance with standards. Due to the lack of traffic to conduct adequate on-the-job training (OJT), exemptions were provided to the service provider and licence holders, to enable the conduct of a portion of the OJT hours in an approved simulator. The safety case, and additional mitigations stated therein, provided assurance that a level of safety equal to or better than the standard would be maintained.

Five air traffic controllers have completed their simulator training and are awaiting migration to the live traffic platform. This is scheduled for the later half of 2022 following the installation of the new ADS-B ground stations.

### Implementation of Safety Management Systems (SMS)

SMS audits continue to be a part of the Ground Safety Department's certification audits conducted on the operators. Nil operator has reached 100% implementation in the area of SMS. Of the main four areas of implementation; safety policies, safety objectives and safety risk management have been implemented across all organisations. However, the areas of safety assurance and safety promotion have not been adequately implemented. Although some of the criteria in these areas have been implemented, other criteria such as safety performance monitoring / measurement and safety training / education / communication have not reached maturity level.

Guidance material on SMS has been issued to industry and the Ground Safety Department will continue to raise awareness and monitor this important component of certification.

### **Fiji Search and Rescue (SAR)**

The final draft of the Fiji SAR Bill was submitted to the Solicitor General's office by the Fiji SAR Task Force (which CAAF is a member) in 2021 and it is envisaged that it will be tabled in Parliament in the later part of 2022.

A Memorandum of Agreement between the Fiji Rescue Coordination Centre (RCC) and Maritime New Zealand (RCC New Zealand) was signed on 09th November 2021.

### **Critical Element 7 Surveillance Obligations**

The Ground Safety Department, in line with the direction of CAAF in this area, is moving towards a Performance Based Approach in our safety oversight surveillance activities. This is reflected in the department's surveillance programs and plans. Surveillance of certified operators conducted via virtual platforms, meetings / desktop audits and in person inspections.

There was an increased number of surveillance visits to Nausori aerodrome by the aerodrome inspectors as a result of the major upgrade that was in progress.

### **Critical Element 8 Resolution of Safety Concerns**

The resolution of safety concerns relates to the non-compliances, non-conformances and safety related concerns identified with the operator / service provider during certification audits and surveillance inspections. This continues to be an area where additional resources are required to ensure that monitoring is robust and follow-up with operators / service providers are efficient. Due to high workload faced by inspectors, the resolution of safety concerns requires the operator/service providers to be proactive and provide the required assurances in a timely manner that safety issues have been adequately addressed. Safety and Compliance meetings are held with the larger operators / service providers

to facilitate monitoring of this area. A major priority for the year was for the GSD aerodrome team to work closely with the international aerodrome operator to ensure readiness for the restart of international aviation.

Another important aspect of the resolution of safety concerns is the effective investigation of the Mandatory Occurrence Reports (MORs). The MORs are assigned as either assessments or safety investigations to the appropriate inspector. In 2021, the Ground Safety Department had 34 MOR assignments and following the required assessment/investigation, progressed 29 MORs to closure with 05 MORs as investigation-in-progress carried through to 2022.

Safety awareness and education of aviation stakeholders are provided during inspections, audits and meetings. Furthermore, articles dealing with areas highlighted as a concern during safety oversight or new initiatives, are compiled and submitted for publication in the CAAF Aviation Safety Bulletin.

Several enforcement matters were taken before the Enforcement and Compliance Committee (ECC) for deliberation and decision. The Ground Safety Department participated as part of the committee on two of the ECC cases.

### **ICAO Initiatives**

#### **ICAO Global Air Navigation Plan (GANP)**

The Global Air Navigation Plan (GANP) is the strategy to achieve a global interoperable air navigation system offering safe, secure and efficient air transport for people and goods worldwide, while limiting the impact of aviation on the environment. The GANP serves as a worldwide reference to transform the air navigation system in an evolutionary and inclusive manner so that no State or Stakeholder is left behind. It serves to assist States to prepare their navigation plans.





*Aerodrome Inspector - RFS conducting inspection of fire facilities.*

The Fiji ANS / AGA group, members consist of CAAF, Fiji Airports and the Fiji Meteorological Service. Due to the COVID-19 pandemic and the restrictions placed on meetings during the first half of 2021, the meetings of the smaller task force groups replaced the main ANS/AGA group meeting. The task force groups continued the work of the ANS/AGA group to discuss/monitor Fiji's progress against the Aviation Safety Block Upgrades identified in the GANP. These updates are provided to ICAO via an online reporting system.

### **Effective Implementation of ICAO Standards in ANS and AGA**

The effective implementation (EI) of the critical elements is an indication of the State's capability for safety oversight. The EI scores for GSD areas are as follows:

- ANS EI score 79.25% (Asia Pacific Average 63.46%), and
- AGA EI score 76.15% (Asia Pacific Average 60.47%).

### **ICAO Global Reporting Format for reporting Runway Surface Conditions**

The new ICAO Global Reporting Format (GRF) for the reporting of runway surface conditions was to have been implemented across the globe in November 2020 but due to the onset of the COVID-19 pandemic, the implementation date was shifted to November 2021. Fiji successfully implemented the new GRF for runway surface conditions for its two international aerodromes on 04 November 2021.

The change impacted the areas of aerodrome reporting, aeronautical information service and air traffic services with regards to reporting of runway surface condition to the aircrew. Fiji Aeronautical Information Circulars 06/21 (AFCON NOTAM Implementation in Fiji), 07/21 (Implementation of GRF for RWY Surface Conditions) and 09/21 (AFCON NOTAM Implementation in Fiji) were issued to reflect the changes to procedures.

### ICAO State & Regional Letters and Material

ICAO letters and surveys were attended to throughout the year. This included coordination with the relevant aviation stakeholders and submission of surveys or updates via online reporting systems as appropriate. To assist States through the pandemic, several guidance documents were issued by ICAO.

### ICAO Webinars and Meetings

ICAO utilised the down time in aviation to host several virtual trainings and webinars for its Member

States. GSD took full advantage of this, providing the inspectorate staff opportunity to attend.

The APANPIRG Sub Groups, Working Groups and Task Force meetings continued via virtual teleconference (VTC). In previous years, participation by CAAF staff was limited due to budget required to travel to the ICAO Asia Pacific Regional Office for the meetings, however, with the conduct of the meetings via VTC, CAAF was able to participate in additional meetings to those normally attended in person.



*Aerodrome Inspector - Electrical Services conducting Surveillance Inspection on Passenger Boarding Bridge.*



### General

The reduction in the work week from five to four days that was implemented in the second half of 2020 as part of the austerity measures implemented by CAAF to absorb the impact of the loss in CAAF revenue was removed at the start of 2021. CAAF reverted to the five day work week. However, the implementation of bubbles and work from home scenarios as part of COVID-19 safety protocols put some strain on resources. These were addressed through procedural work arounds.

Staffing wise, the Ground Safety Department faced a few challenges. We were fortunate to have gained a

competent administration assistant who came with a wealth of experience, however, the vacancies at inspectorate level remained status quo throughout 2021. The three Air Navigation Service Inspectors (ANSI) assisted with the responsibilities of the vacant role of ANSI AIS/AIM, PANSOPS & Charting and the Aerodrome Inspector – Domestic took on the responsibility of Senior Aerodrome Inspector, this alleviated the lack of personnel in these areas. Controller Ground Safety continued to discharge the responsibilities of the CAAF Chief Executive's role throughout 2021. A feat that was only possible through the team work of the Ground Safety Department staff.



*The CAAF Ground Safety Team.*



**Table 1 - Ground Safety Department Service Provider Certificates Issued**

Certificates Issued	2021 #	Issued To
Air Traffic Service Provider Certificate <b>(ANR145A)</b>	2	<b>Fiji Airports</b> (8 locations); 1. Extension Certificate 2. Renewal Certificate
Aviation Training Institute Certificate <b>(ANR145B)</b>	2	<b>Fiji Airports</b> Aviation Academy (ATS) 1. Extension Certificate 2. Renewal Certificate
Aviation Maintenance Organisation Certificate – GSD <b>(ANR145C)</b>	2	<b>Fiji Airports - ANES</b> (2 locations) 1. Extension Certificate 2. Renewal Certificate
Aeronautical Meteorology Service Provider Certificate <b>(ANR145D)</b>	2	<b>Fiji MET Service</b> (2 locations) 1. Extension Certificate 2. Renewal Certificate
Aeronautical Information Service Provider Certificate <b>(ANR145E)</b>	2	<b>Fiji Airports AIS</b> ; 1. Extension Certificate 2. Renewal Certificate



*Aerodrome Inspectors conducting inspection of the apron area.*

**Table 2 - Aerodrome Licenses / Registration Approvals Issued**

Issued	2021 #	Aerodrome Name
International Aerodromes	3 2	<ul style="list-style-type: none"> <li>Nausori Aerodrome                             <ol style="list-style-type: none"> <li>Extension Certificate</li> <li>Renewal Certificate</li> </ol> </li> <li>Nadi Aerodrome                             <ol style="list-style-type: none"> <li>Extension Certificate</li> <li>Renewal Certificate</li> </ol> </li> </ul>
Domestic Aerodromes – Public	12	<ul style="list-style-type: none"> <li>Moala Aerodrome</li> <li>Gau Aerodrome</li> <li>Lakeba Aerodrome</li> <li>Koro Aerodrome</li> <li>Vanuabalavu Aerodrome</li> <li>Cicia Aerodrome</li> <li>Bureta Aerodrome</li> <li>Kadavu Aerodrome</li> <li>Savusavu Aerodrome</li> <li>Labasa Aerodrome</li> <li>Matei Aerodrome</li> <li>Rotuma Aerodrome</li> </ul>
Domestic Aerodromes – Private	8	<ul style="list-style-type: none"> <li>Malololailai Aerodrome</li> <li>Nanuku Resort Aerodrome</li> <li>Kaibu Aerodrome</li> <li>Mago Aerodrome</li> <li>Laucala Aerodrome                             <ol style="list-style-type: none"> <li>Extension Certificate</li> <li>Renewal Certificate</li> </ol> </li> <li>Wakaya Aerodrome</li> <li>Yasawa Aerodrome</li> </ul>
Helicopter Landing Sites (HLS)	3	<ul style="list-style-type: none"> <li>Fiji Mariot HLS</li> <li>Likuliku Lagoon Resort HLS</li> <li>Nanuku Resort HLS</li> </ul>

**Table 3 - Ground Safety Department Other Issuances**

Type	2019	2020	2021
Permissions (Pyrotechnic displays, Sky lantern / balloon releases / RPAs within the Control Zone)	84 (63 RPAs)	48 (45 RPAs)	30 (28 RPAs)
Exemptions issued from Standards requirements	06	03	07
Approvals granted for 'Off - Airport Development'	150	13	48
<b>Total</b>	<b>240</b>	<b>64</b>	<b>85</b>

**Table 4 - Ground Safety Department Stakeholders**

Stakeholders	Comments
Aerodrome Operators	<ul style="list-style-type: none"> <li>• Fiji Airports Limited</li> <li>• Mago LLC</li> <li>• Pyrmont (Air Kaibu)</li> <li>• Sanctuary Fiji LLC t/a Nanuku Auberge Resort</li> <li>• Laucala Resort – Air Laucala Ltd</li> <li>• Leeward Island Services Ltd Malololailai</li> <li>• ACK Management PET Ltd Wakaya</li> <li>• Edge Resorts Fiji Ltd t/a Yasawa Island Resort</li> </ul>
Helicopter Landing Sites Operators	<ul style="list-style-type: none"> <li>• Momi Bay Resort Limited</li> <li>• Nanuku Auberge Resort</li> <li>• Likuliku Lagoon Resort Limited</li> </ul>
Fiji Airports - Air Navigation Service Provider & Air Navigation Engineering Services	<ul style="list-style-type: none"> <li>• Air Traffic Management and support services; Control Towers, Area Control Centre, International Flight Information Services, Local Flight Information Service, Rescue Coordination Centre, Aeronautical Information Service – Briefing / NOTAM Office</li> </ul>
Fiji Airports Aviation Academy	<ul style="list-style-type: none"> <li>• Aviation Academy including BCST Basic Communication System &amp; Training</li> </ul>
Aeronautical Meteorological Service Provider - Fiji Meteorological Services	<ul style="list-style-type: none"> <li>• Nadi, Nausori and Laucala Bay Meteorological Offices</li> </ul>
Town and Country Planning Department	<ul style="list-style-type: none"> <li>• Off Airport Developments assessments (masts)</li> </ul>
Mobile Telecommunications Providers; Digicel Fiji Ltd, Vodafone Fiji Ltd and Telecom Fiji Limited	<ul style="list-style-type: none"> <li>• Off Airport Developments assessments (masts)</li> </ul>
Developers, Architects, Property owners	<ul style="list-style-type: none"> <li>• Off Airport Developments assessments (masts)</li> </ul>
Hotels, Event Management companies, RPA operators, Laser Light Operators	<ul style="list-style-type: none"> <li>• Permissions (Pyrotechnic displays, Sky lanterns / balloon releases / Fire Works Display and RPAs within the Control Zone)</li> </ul>
Others	<ul style="list-style-type: none"> <li>• Aerodromes / Helicopter Landing Sites / Water Landing Sites – Development Queries and advice</li> <li>• Off Airport development queries</li> <li>• Air Navigation Service queries and complaints</li> <li>• Aerodrome Queries and complaints</li> </ul>







The Senior Personnel Licensing Inspector who is in charge of the Personnel Licensing Office (PEL Office) reports to the Chief Executive and is responsible for the oversight of ICAO Annex 1 requirements. To discharge its responsibilities, the PEL office has to carry out many functions / tasks which are organised around five major functional areas:

## 1. Examination Tasks

Examination tasks are complex and require a high level of experience and expertise in the various areas of licensing (typically flight crew, aircraft maintenance personnel and air traffic controller). The examination tasks include:

- designing written examinations for flight crew members, aircraft maintenance personnel, air traffic controllers and ground operations personnel who intend to apply for the issue or renewal of licences or to add new aircraft types, ratings or authorisations to their licence;
- reviewing, evaluating and marking written tests;
- administering oral examinations of different specialties, as required;
- administering flight and simulator tests followed by generating the required test reports;
- administering practical tests as required for the different specialties and generating the necessary test reports;
- coordinating with approved medical assessors and examiners on aspects related to medical examinations and the issuance of medical assessments, in compliance with Annex 1 provisions and supporting guidance in Doc 8984;
- administering language proficiency examinations, as required; and
- participating in committees or advisory groups to review and recommend improvements to examination syllabi, questions, practical tests and licensing matters.

## 2. Licensing Tasks

Licensing tasks cover the routine tasks associated with the physical issuance and maintenance of personnel licences and include:

- drafting detailed procedures for licensing staff;
- evaluating foreign licences and certificates, and taking appropriate action, including consultation with the State of licence issue as necessary;
- reviewing the limitations and recent experience of flight crew members, maintenance personnel, air traffic controllers and ground operators and taking the necessary action; and
- issuing and renewing licences, adding ratings and issuing temporary approvals or authorisations.

## 3. Training Tasks

Training tasks cover the activities related to the certification, approval and surveillance of training organisations (or schools) and training programmes. These tasks include:

- studying the PEL training standards and making the necessary recommendations for improvement of domestic and foreign training programmes and oversight;
- developing and executing plans for the surveillance of different aviation training activities;
- reviewing training curricula and programmes submitted for approval;
- approving training organisations and training sections at operational and maintenance organisations, air traffic control units;
- qualifying flight simulation training devices, conducting their recurrent evaluations and authorising their use for defined training tasks; and
- exercising continued surveillance of approved training organisations, in cooperation with other Contracting States as necessary.

## 4. Regulatory Tasks

Regulatory tasks cover the development and maintenance of the regulatory support of personnel licensing and include:

- drafting and amending regulations and rules or specific operating regulations related to the training and licensing of aviation personnel;
- enforcing licensing laws and regulations; and
- developing procedures, taking into account best practices and applicable quality standards.



*Flight Operations Inspector Training conducting a flight test.*

## 5. Administrative Tasks

Administrative tasks include:

- maintaining an up-to-date, efficient and secure record system for licensing, certification, designation, approval and authorization actions;
- maintaining lists of civil aviation authority and designated examiners;
- maintaining currency of all regulatory material and PEL documents in use by staff;
- drafting and promulgating examination schedules;
- printing and collating examination papers and distributing them in order to meet the

published scheduled times;

- handling routine correspondence in respect of requests for matters such as study guidance material, dates of examinations, application forms and examination fees;
- dealing with the public, when necessary, on matters related to:
  - scheduled examinations;
  - licence, rating, approval or examination applications; and
  - requests for regulatory interpretation;
- handling routine correspondence with respect to applications for licences or ratings, flight tests or other routine clerical matters;
- processing all licence applications and preparing the material for review and action by technical licensing officers; and
- completing licence forms and preparing licences for official signature.



*Invigilator conducting exams.*

This year was a challenging year for the PEL Office, with the borders remaining closed, work from home requirements became mandatory and PEL Office staff had to work within the curfew hours in place. The fast-changing norm meant that the PEL Office had to comply with current laws and procedures and adapt to international best practice. Licence and certificate



## Personnel Licensing Office

holders who were granted regulatory relief by way of exemptions and extensions in 2020, were informed that this relief was coming to an end, mid-year in July, as agreed by ICAO member States. A further extension was granted till the end of October 2021.

Aviation Training Institute Certificate holders continued with video conferencing classes from 2020 in order to comply with the COVID-19 restrictions. All non-essential staff worked from home and in order to meet the maximum number of staff required in a workplace, a flexible work schedule was implemented when required in the office.

Flying students and instructors were required to have a temperature check daily and a rapid antigen test weekly. This allowed for students to apply for written examinations and flight test with the PEL Office, during the pandemic.

All PEL activities were conducted under the strictest COVID-19 protocols, exam room occupancies were

restricted to 50% capacity and candidates outside the Nadi and Lautoka bubble were required to submit a medically conducted negative rapid antigen test report 36 hours prior to travelling. All training aircrafts were disinfected and signed off at the end of each flight test.

While we continue to face considerable uncertainty for the future, the PEL Office have received an increase in application for engineering examinations. This shows that people are still committed to the aviation sector despite its downturn due to COVID-19. Whilst we strive to be a model aviation regulator, together, PEL Office will continue to support the industry and our stakeholders, we will assist where we can to overcome the difficulties faced in the post-pandemic environment.

The PEL Office has no doubt that it will overcome all of the challenges that we currently face and return the industry to some degree of normalcy.



*The CAAF Personnel Licensing Team.*

**Table 1 – Personnel Licensing - Flight Crew Licenses / Medicals**

	2019		2020		2021	
License Type	Issue	Renewal	Issue	Renewal	Issue	Renewal
ATPL	74	924	12	205	–	42
CPL	127	1146	43	353	9	89
PPL	42	8	6	2	5	–
FTP	152	160	60	67	2	17
Medical	172	1120	100	367	2	82
<b>TOTAL</b>	<b>567</b>	<b>3,358</b>	<b>221</b>	<b>994</b>	<b>18</b>	<b>230</b>

**Table 2 - Personnel Licensing - Aircraft Engineers Licenses**

	2019		2020		2021	
License Type	Issue	Renewal	Issue	Renewal	Issue	Renewal
AME	37	136	18	48	1	14
AMC	14		9		3	
Medical	100		26		8	

**Table 3 – Personnel Licensing - Other Licenses Issued**

	2019		2020		2021	
License Type	Issue	Renewal	Issue	Renewal	Issue	Renewal
ANR 45 Approval	39	91	3	18	2	10
Validation Issue	115		12		2	
Verification Issue	149		41		7	

**Table 4 – Personnel Licensing - Medical Activities**

	2019	2020	2021
Number of CAAF AMA	11	9	8
Medical Board Sitzings	56	11	4
Medial Cases reviewed by Board	99	16	6
Medical reports reviewed by Medical Assessor	191	165	50
<b>Total</b>	<b>357</b>	<b>201</b>	<b>68</b>



*Finance Officer facilitating payment from a student pilot.*



**Table 5 - Personnel Licensing - Examinations**

	2019	2020	2021
Type Rating	218	60	9
Air Law	344	83	13
ATPL	286	224	73
CPL	448	511	114
PPL	-	NIL	-
FIRX	45	59	15
AME	137	51	13
AMC	609	220	42
Rating (Oral)	100	31	5
<b>Total</b>	<b>2,187</b>	<b>1,239</b>	<b>284</b>

**Table 6 – Personnel Licensing – Licenses / Permits Issued**

Type	2019	2020	2021
Aeronautical Facility Technicians License (AFTL)	21	27	11
Air Traffic Control License (ATCL)	43	86	1
Aeronautical Station Operators License (ASOL)	169	71	85
Flight Information Service License (FISL)	1	22	9
Aeronautical Facility Technician Trainee Permit	Nil	27	-
Air Traffic Control Trainee Permit	12	NIL	-
Flight Information Service Trainee Permit	Nil	NIL	-
<b>Total</b>	<b>246</b>	<b>233</b>	<b>106</b>

## Man Power

CAAF employed 58 staff in 2021. The Air Safety Department had 17 staff, Personnel Licensing Office had 5, Ground Safety Department had 9, Aviation Security & Facilitation Department had 11 and Corporate Services Department had 16 staff.

### Staff Composition for 2021

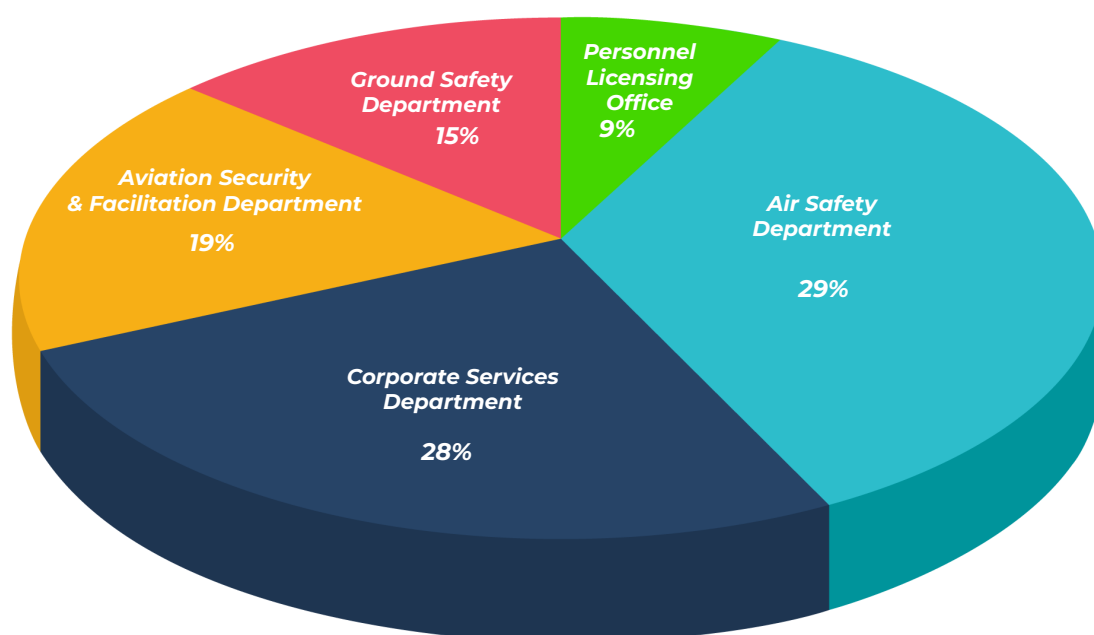


Figure 1.0 – Staff Composition for 2021

There was a total of sixteen vacancies as a result of staff resignations, contract expiries / renewals and other positions that had been created to assist in the increasing workload over the years.



Human Resources Team; HR Officer and HR Administration Assistant.

Staff Recruitment and Retention

CAAF is continuously challenged with the need to recruit and retain key operational personnel who hold scarce skills and are difficult to find. Due to several key projects and the inability to recruit full-time staff in a timely manner, CAAF has engaged staff on temporary basis to assist in discharging the increasing workload. A summary of staff movements which indicates staff recruitment and staff turnover for the year was as follows:

Staff Composition for 2021

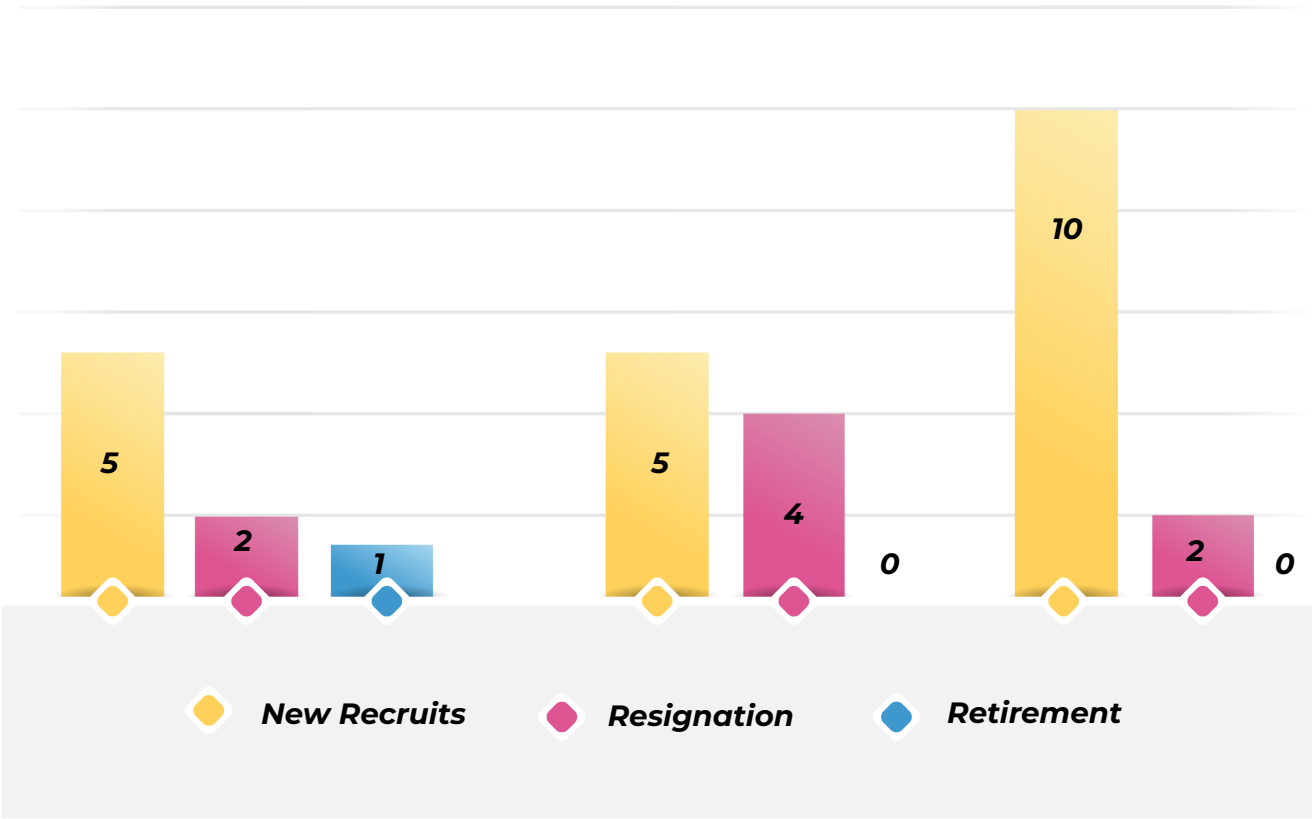


Figure 2.0 – Staff Movement



## Staff Training & Development

As a result of travel restrictions and border controls, overseas trainings were put on hold and online trainings were being undertaken by staff. CAAF also conducted training sessions for industry in the area of approved maintenance organisation.

### Training Conducted by CAAF for Industry

No.	Date	Course Title	Training Provider
1	15th to 17th February 2021	ANR 145C Post Holder Training	CAAF
2	1st to 3rd March 2021	ANR 145C Post Holder Training	CAAF

### Training Undertaken by CAAF Staff

No.	Date	Course Title	Training Provider
1	8th to 9th January 2021	Fiji Law Society Convention 2021	Fiji Law Society
2	26th January 2021	Inhouse ESS Refresher Training	CAAF
3	28th January 2021	Airside Drivers Permit Course	CAAF
4	22nd to 26th February 2021	Online State Safety Programme Implementation Course	Singapore Aviation Academy
5	1st to 5th March 2021	Incident Investigation: Effective Safety Risk Management Training	Singapore Aviation Academy
6	4th March 2021	AQD User Training	Quality Assurance Team
7	8th to 12th March 2021	Resolution of Safety Issues	Singapore Aviation Academy
8	22nd to 26th March 2021	Aeronautical Information Services – Aeronautical Information Management (AIS – AIM)	Singapore Aviation Academy
9	24th March 2021	Fire Warden & Fire Evacuation Training	National Fire Authority

## Corporate Services Department

No.	Date	Course Title	Training Provider
10	12th to 16th April 2021	Online AVSEC Risk Management Workshop	CAA NZ
11	21st to 22nd May 2021	Online Training on Cyber Security Hygiene	Datec
12	6th June 2021	Global Reporting Format for Runway Surface Conditions - ANS Providers	ICAO
13	8th to 10th June 2021	Taking Lead in Stemming Financial Crime	Leadership Fiji
14	9th to 10th June 2021	Safety Oversight Inspectors (Air Navigation Services) Course	FAA
15	12th to 16th July 2021	Safety Oversight Inspectors (Air Navigation Services) Course	Singapore Aviation Academy
16	16th to 20th August 2021	Online Safety Oversight Inspectors Course	Singapore Aviation Academy
17	23rd to 24th August 2021	Online ACI / ICAO Global Reporting Format for Runway Surface Conditions for Airport Operators Training	ICAO
18	26th to 27th August 2021	AviAsian 2021 Virtual Conference	Singapore Aviation Academy
19	6th to 10th September 2021	State Safety Programme Implementation eLearning Course	Singapore Aviation Academy
20	18th to 22nd October 2021	25th Meeting of the Communications, Navigations & Surveillance of APANPIRG	ICAO
21	18th to 22nd October 2021	Security Culture Workshop	Hong Kong International Aviation Academy Limited
22	18th to 22nd October 2021	Air Traffic Flow Management & Collaborative Decision Making	Singapore Aviation Academy
23	26th to 27th August 2021	Online FPP Procedure Design Initial Seminar & Course	ICAO Asia-Pacific Flight Procedure Programme
24	26th to 27th August 2021	AviAsian 2021 Virtual Conference	Singapore Aviation Academy

## Corporate Services Department

No.	Date	Course Title	Training Provider
25	26th to 27th November 2021	Fiji Human Resource Institute Convention	Fiji t Resource Institute
26	29th November to 17th December 2021	Online ICAO Government Safety Inspectors Airworthiness – Air Operator and Approved Maintenance Organisation Certification	Singapore Aviation Academy
27	29th November to 1st December 2021	Online DVOR Theory (Asia Pacific)	Republic of Korea
28	1st to 3rd December 2021	APANPIRG Meeting 2021	ICAO
29	26th to 27th August 2021	Judicial & Legal Responses to the Rape Epidemic in Fiji – Re - examining the roles of the bench, prosecutors and defense counsel	Fiji Women Lawyers Association
30	8th to 10th December 2021	Virtual ICAO/ACI Obstacle Limitation Surfaces Symposium	ICAO / ACI
31	13th to 17th December 2021	Safety Management Systems Implementation e-Learning Training	Singapore Aviation Academy
32	15th December 2021	COVID-19 – Aviation Safety Risk Management for CAA's	ICAO



*Quality Assurance Team during an internal quality audit with the Finance Team.*



CAAF has developed and implemented a Quality Management System to demonstrate its ability to provide consistent services that meets both the customer and applicable aviation regulatory requirements. Additionally, the Quality Management System is intended to address customer satisfaction through the effective application of the system, including continual improvement and the prevention of nonconformity.

CAAF Quality Management System is specifically formulated and structured in a way that best meets the needs of CAAF and our customers. Various elements of the Quality Management System combine to assist in determining that all quality and regulatory requirements are complied, and that consistency and uniformity in service delivery is maintained. The Quality section ensured continued certification to the ISO 9001:2015 requirements through successful audit by Bureau Veritas New Zealand. The section was instrumental and provided support for ICVM audit done by ICAO by ensuring policies and procedures were amended and in line with ICAO requirements.

## CAAF Quality Policy

CAAF is committed to meeting its customer satisfaction by continuously improving and implementing the highest level of aviation standards and security standards effectively.

## CAAF Service Charter & Delivery

The Authority's service charter documents its commitment to timely and effective service delivery to stakeholders. The service delivery standards in this charter are based on time-frames for each process e.g., how many days CAAF will take to process a license, certificate or exemption application etc. The service charter is reviewed every year to ensure that all activities are captured, as well as to ensure the timelines stated are reasonable. The measurement of the Authority's performance against the service charter is carried out at quarterly intervals and results show the percentage of targets met for each of the departments. The results help CAAF identify improvements areas.



*The CAAF Quality Assurance Team.*

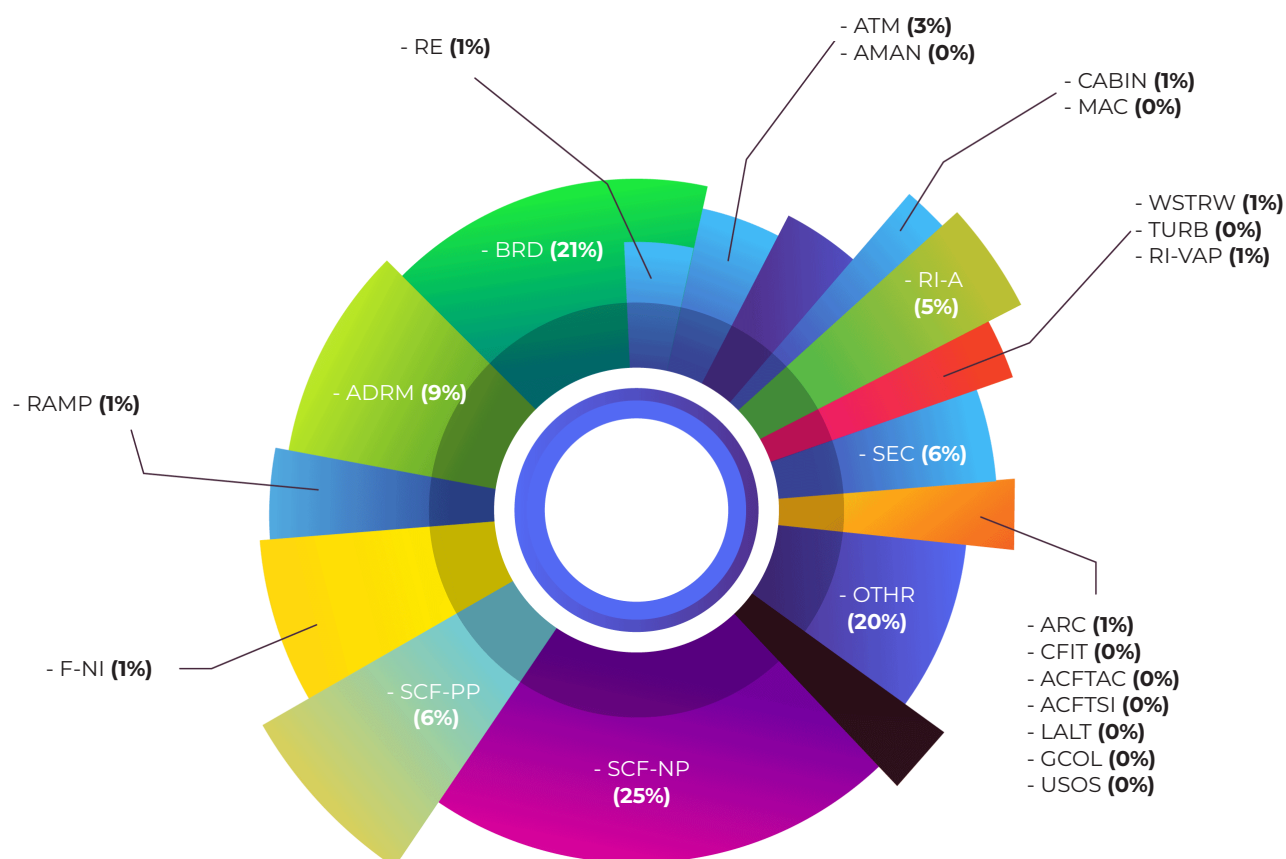
# QUALITY REPORT

The Following Table Shows the Status of CAAF Service Delivery Standards Performance Measurement for the Period January to December 2021:

Department / Section	Number of Activities	Average Target (%)	Average Target Achievement (%)
Flight Operations	8	89.4	97.9
Airworthiness	10	89	98.2
Personnel Licensing	16	93.4	98.9
Ground Safety	14	95.7	97.9
Aviation Security & Facilitation	15	95.3	99.6
Personnel Licensing – Aviation Security & Facilitation	4	90	81.7
Finance / Administration	3	95	99.5
Standards	2	97.5	99.5
Human Resources	5	91	100
Safety Education	1	100	100

# QUALITY REPORT

## Mandatory Occurrence Reporting (MOR Data) 2021



The graph above represents the overall occurrence trend over the last 12 months including the trends for the top four reported incident categories as in the above pie chart (SCF-NP 25%, BRD 21%, OTHER 20% & ADRM 9%)

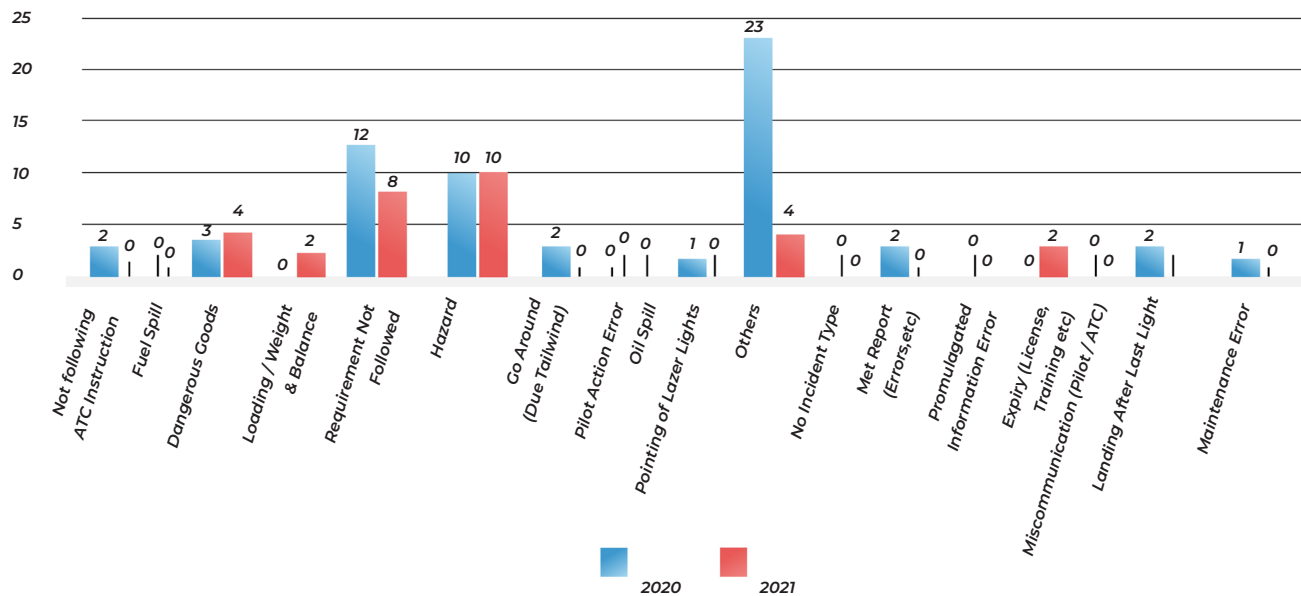
Take-off, Landing, and Ground Operations		Airborne		Aircraft	
Ground Handling	RAMP	Mid-air/Near Mid-Air Collision	MAC	System/Component Failure or Malfunction (Powerplant)	SCF-PP
Ground Collision	GCOL	Controlled Flight Into/Toward Terrain	CFIT	System/Component Failure or Malfunction (Non-Powerplant)	SCF-NP
Loss of Control - Ground	LOC-G	Loss of Control - Inflight	LOC-I	Fire/Smoke (Non-Impact)	F-NI
Runway Excursion	RE	Fuel Related	FUEL	<b>Miscellaneous</b>	
Runway Incursion – Vehicle, Aircraft or Person	RI-VAP	Low Altitude Operations	LALT	Security Related	SEC
Runway Incursion – Animal	RI-A	Abrupt Manoeuvre	AMAN	Cabin Safety Events	CABIN
Undershoot/Overshoot	USOS			Other	OTHR
Abnormal Runway Contact	ARC	Windshear or Thunderstorm	WSTRW	WSTRW Unknown Or Undetermined	UNK
Fire/Smoke (Post-Impact)	F-POST	Turbulence Encounter	TURB	<b>Non-Aircraft-Related</b>	
Evacuation	EVAC	ICING	ICE	Atm/Cns	ATM
				Aerodrome	ADRM



# QUALITY REPORT

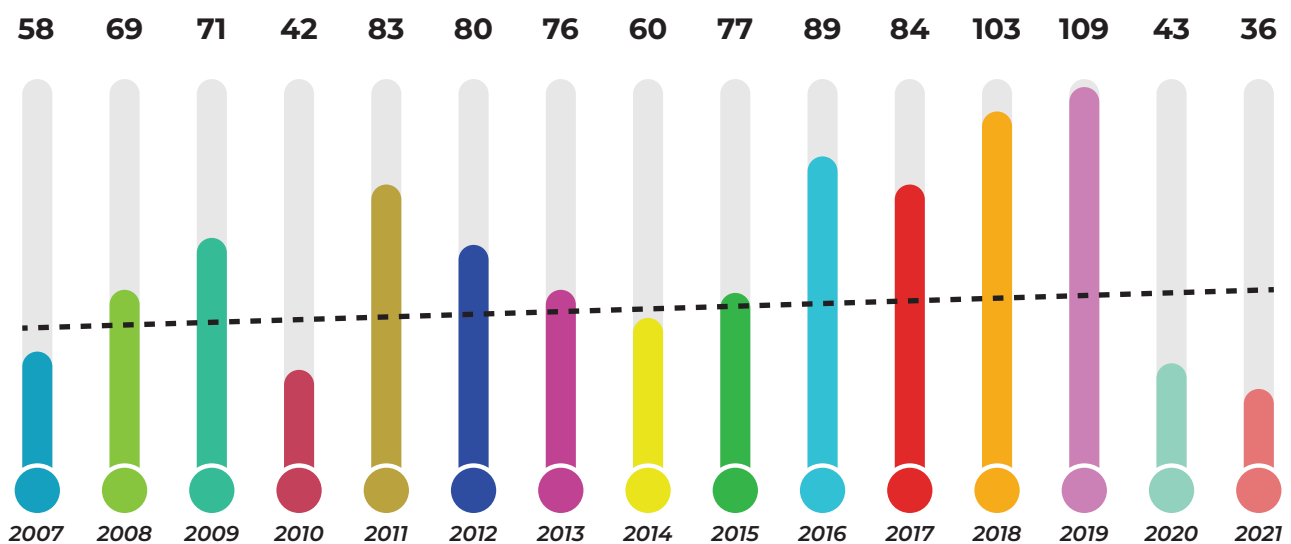
## Comparison of OTHERS Category (MOR Data) 2020 & 2021

Breakdown of "OTHERS" Data for the Year 2020 & Year 2021



## Birdstrike Report Data

Bird Incident Recorded From 2007 - 2021



The trend line illustrates an upwards drift of the bird incident rates

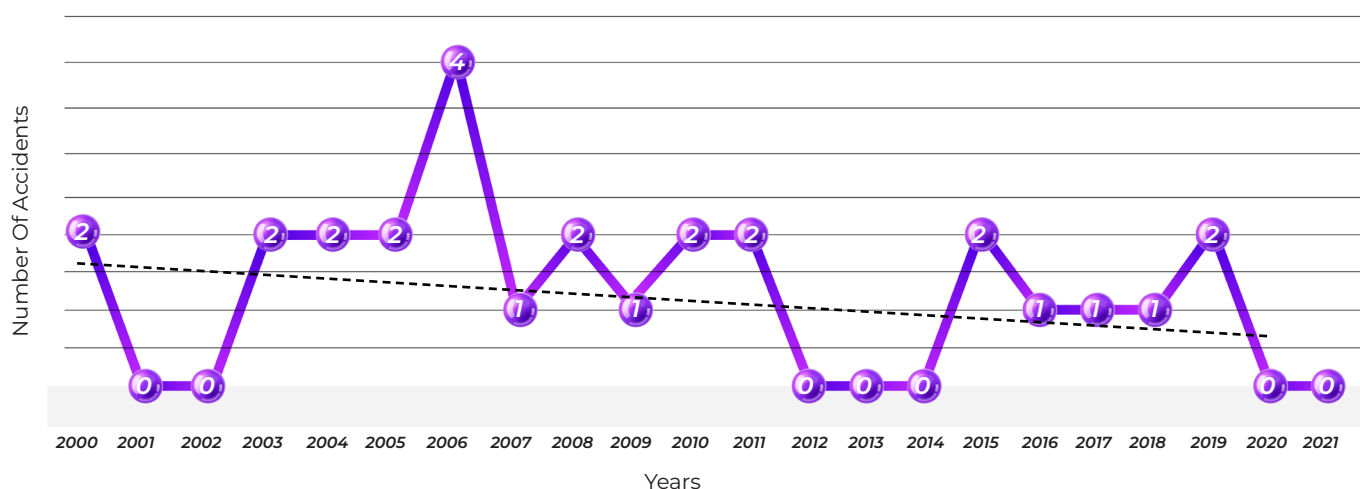
# QUALITY REPORT

## Accident Details / Figures From 2010 Till 2021

Year	REGN	Operator	Date/ Time	Location
2010	FOIAN	Air Alize	26/04/10 (02.04)	NFFN
2011	DQ-KKT	AAT	16/10/11 (19.40)	NFFN - 09
	DQ-SSS	Northern Air	18/08/11 (01.50)	NFNK
2015	DQ-IBT	Island Hoppers	23/12/15 (00.30)	NFRS
	DQ-IHI	Island Hoppers	10/06/15 (15.06)	Island of Beqa
2016	DQ-SST	AAT	26/08/16 (20.19)	NFFN
2018	DQ-FTR	PFS	23/02/18 (12.00)	Delaikoro (Vanua Levu)
2019	DQ-HPT	Savusavu Helicopters	02/08/19 (18:33)	NFNL (Naitaubu)
2020	-	-	-	-
2021	-	-	-	-

## Aircraft Accident Data (2010 – 2021)

### Breakdown of “OTHERS” Data for the Year 2020 & Year 2021



The graph above represents the number of Aircraft Accidents recorded from 2010 to 2021.



CAAF Corporate Services Team.

# QUALITY REPORT

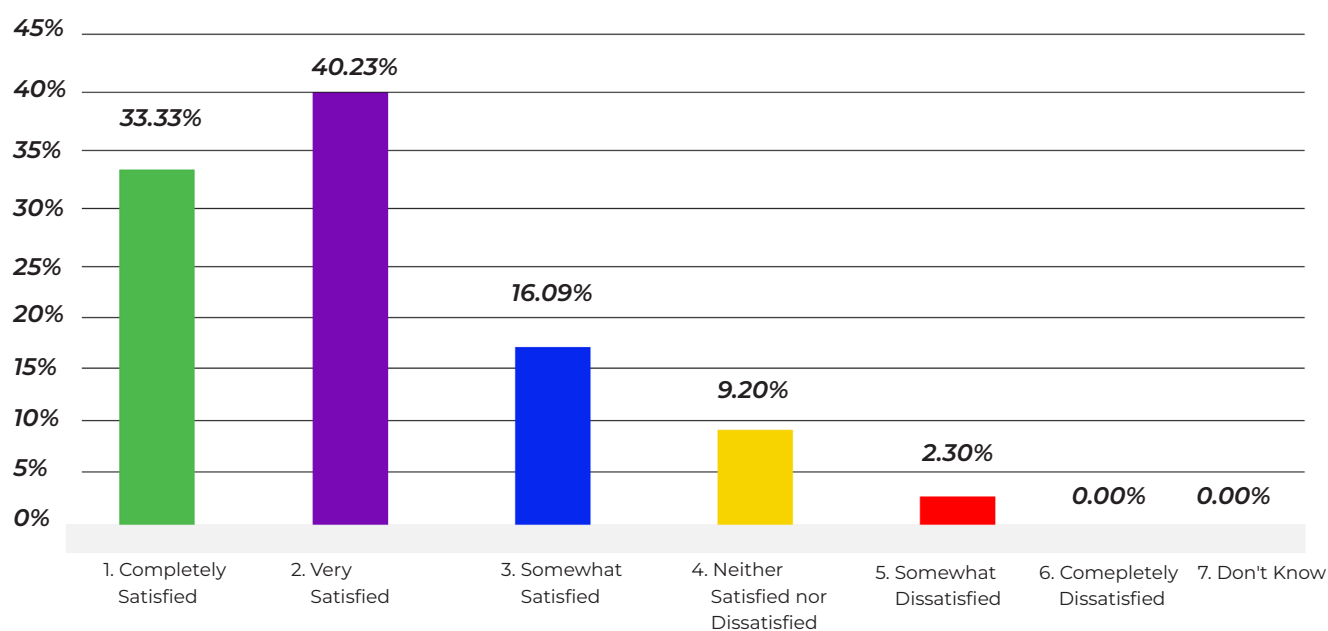
## Customer Satisfaction Survey Results for 2021

The customer survey measurement is an ongoing process and results show the responses from customers on various services provided by the Authority.

The results help the Authority identify areas that need improvements in terms of service delivery and total turn-around times.

The Authority used the online customer survey methodology using the Survey Monkey Software for the second time in 2021 and found it to be very effective.

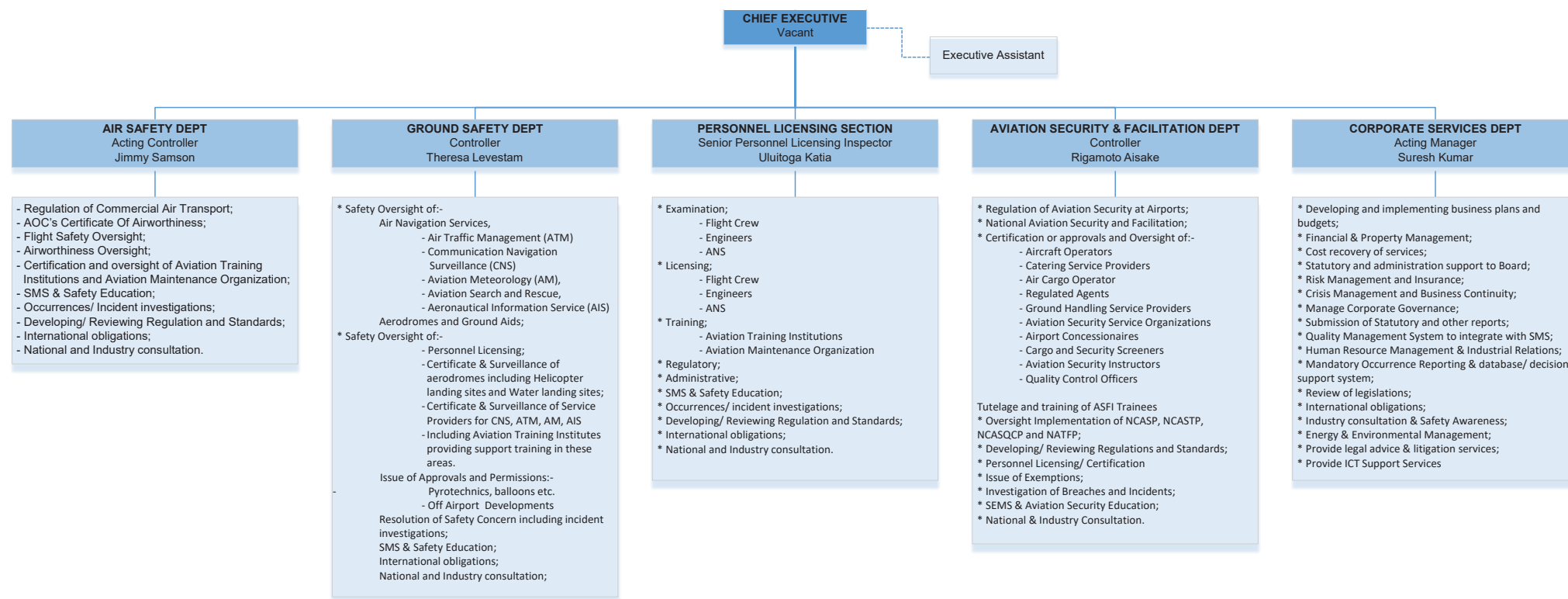
### Overall, How Satisfied Are You with CAAF's Services?



*The chart above represents the overall satisfaction of customers with the Authority's service for 2021.*



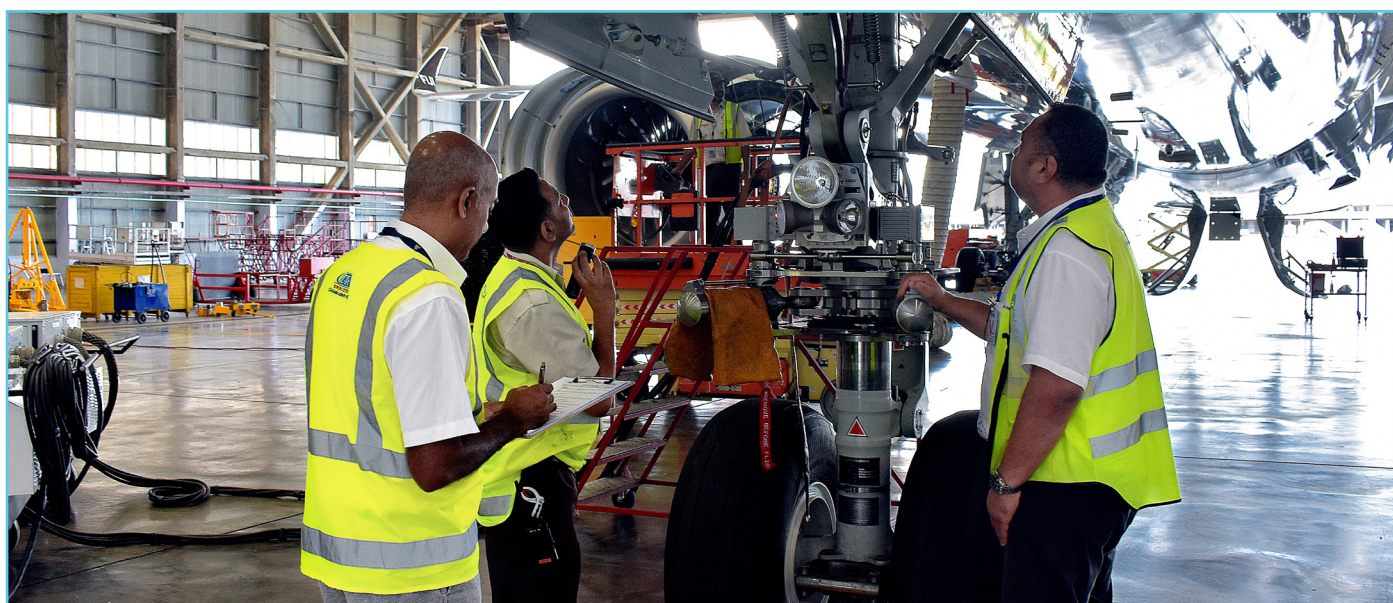
# CAAF DEPARTMENTAL FUNCTIONS



# FINANCIAL STATEMENTS

For Year Ended 31st December 2021

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*Airworthiness Inspectors on surveillance inspection.*

# Director's Report

## CIVIL AVIATION AUTHORITY OF FIJI DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Civil Aviation Authority of Fiji (the Authority) presents its report together with the financial statements for the year ended 31 December 2021 and the auditors' report thereon.

### Directors

The Directors in office during the year and up to the date of this report were:

Mr Nilesh Prasad	Chairman
Mr Satish Naran Patel	Deputy Chairman
Mr Peceli Baleikorocau	Director
Mr Reginald Johkan	Director
Ms Kamni Naidu	Director (resigned on 07/03/22)

### State of affairs

In the opinion of the Board of Directors, the accompanying statement of financial position gives a true and fair view of the state of affairs of the Authority as at 31 December 2021 and the accompanying statement of comprehensive income, statement of changes in equity, and statement of cash flows give a true and fair view of the results of the Authority for the year then ended.

### Principal activities

The principal activities of the Authority during the course of the financial year were as follows:

- 1) Regulating civil aviation operations in Fiji by, among other things -
  - a) Issuing certificates, licenses, 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 legislation and safety standards.
  - d) Assessing decisions taken by industry for their impact on aviation safety.
  - e) Conducting regular review of civil aviation systems 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 regular and timely assessment of international aviation safety developments.
  - g) Conducting regular reviews of aviation security programmes and activities.
- 2)
  - a) Any function conferred on it by or under the Civil Aviation Authority of Fiji Act 1979 Cap 174A or the Civil Aviation Reform Act 1999.
  - b) Carrying out such obligations of the State arising from its membership of the International Civil Aviation Organisation as directed by the Minister.
- 3) 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.
    - (iii) Fostering an awareness in industry management and within the community generally, of the aviation safety and compliance with relevant legislations.
  - b) Promoting full and effective consultation and communication with all interested parties on aviation safety issues.

### Operating results

The net loss of the Authority for the year ended 31 December 2021 is \$889,943 (2020: \$1,669,462) after an income tax benefit of \$19,065 (2020: income tax expense of \$297,525).

### Bad and doubtful debts

Prior to the completion of the financial statements, the Authority took reasonable steps to ascertain that action had been taken to establish bad debts and the provision for doubtful debts.

As at the date of this report, the Authority was not aware of any circumstances, which would render the amount written for bad debts or the provision for doubtful debts, inadequate to any substantial extent.



# Director's Report

## CIVIL AVIATION AUTHORITY OF FIJI DIRECTORS' REPORT (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

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### Non current assets

Prior to the completion of the financial statements, the Authority took reasonable steps to ascertain whether any non current assets were unlikely to be realised in the ordinary course of business compared to their values as shown in the accounting records. Where necessary, these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that might be expected to realise.

As at the date of this report, the Authority was not aware of any circumstances, which would render the values attributed to non current assets in the financial statements misleading.

### Unusual transactions

Apart from other matters specifically referred to in the financial statements, in the opinion of the Authority, the results of the operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, likely to affect substantially the results of the operations of the Authority in the current financial year, other than those reflected in the financial statements.

### Significant events during the year

The impact of the COVID-19 pandemic on Fiji's economy and the aviation industry was still very much apparent in 2021. Border closures, travel restrictions and quarantine measures remained in place for almost the whole year until Fiji and a few of its travel partner countries eased the restrictions in December 2021.

The continued low levels in international air travel in 2021 impacted the Civil Aviation Authority of Fiji's (CAAF) revenue received from its share of Airport Departure tax. Pre-COVID, this revenue accounted for approximately 61% of our total annual revenue. Furthermore, our major aviation stakeholders who were significantly impacted, sought relief through fee waivers and this had a flow-on effect to CAAF. Small private aerodrome operators which had closed their aerodromes in 2020 remained closed in 2021 and this also impacted revenue received by CAAF in aerodrome certification fees.

The scale and duration of these developments remain uncertain as at the date of this report however they are having an impact on our earnings, cash flow and financial condition. The Directors confirm that they considered all currently known impacts of COVID-19 when preparing the financial statements and applying the going concern concept.

### Events subsequent to balance date

#### (i) Recovery of Aviation Industry from the Impact of COVID-19 Outbreak

The revenue stream from Departure Tax saw a major downturn in 2020 which flowed through the year 2021. Now, with the easing of travel restrictions, international air travel is recovering, albeit slowly. The national airline has commenced scheduled operations to most of its pre-COVID destinations and other international airlines have resumed scheduled operations into Fiji. In this regard, revenue from Departure Tax revenue is expected to increase gradually during the 01st and 02nd quarter of 2022.

With international passenger air travel coming to an all-time low, the past two years have been challenging ones. Despite this, the wheels of the aviation industry continue turning and all players; operators, service providers and CAAF, has had to evolve with the changes that the pandemic has brought, to ensure we remain relevant, safe and secure as the industry moves towards restart and recovery.

### Other circumstances

As at the date of this report:

- a) no charge on the assets of the Authority has been given since the end of the financial year to secure the liabilities of any other person;
- b) no contingent liabilities have arisen since the end of the financial year for which the Authority could become liable; and
- c) no contingent liabilities or other liabilities of the Authority have become or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Authority, will or may substantially affect its ability to meet its obligations as and when they fall due.

As at the date of this report, the Authority is not aware of any circumstances that have arisen, not otherwise dealt with in this report or the financial statements, which would make adherence to the existing method of valuation of assets or liabilities misleading or inappropriate.

# Director's Report

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**CIVIL AVIATION AUTHORITY OF FIJI  
DIRECTORS' REPORT (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Directors' benefits**

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements or received as the fixed salary of a full-time employee of the Authority) by reason of a contract made by the Authority with the Director of a firm of which he is a member, or with a company in which he has a substantial financial interest.

Dated at Nadi this 24th day of June 2022.

Signed in accordance with a resolution of the Board of Directors.

  
.....  
**Chairperson**  
.....  
**Director**

## OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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### INDEPENDENT AUDITOR'S REPORT

#### Civil Aviation Authority of Fiji

#### Report on the Audit of the Financial Statements

##### Opinion

I have audited the financial statements of Civil Aviation Authority of Fiji ("the Authority"), which comprise the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting standards (IFRS).

##### Basis for Opinion

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Authority in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### Emphasis of Matter

I draw attention to the following matters:

1. Note 5(l) to the financial statements notes 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 waivers were for the remainder of 2021 certificate of airworthiness, aerodrome license renewal fees and audit and inspection charges respectively amounting to \$806,620.
2. Note 17 of the financial statements discloses the second wave of COVID-19 outbreak faced by the aviation industry for the year ended 31 December 2021 and how this has been considered by the Directors in the preparation of the financial statements. As set out in the Note, the continued low levels in international air travel in 2021 impacted the Authority's revenue received from its share of Airport Departure tax which accounted for approximately 61% of their total annual revenue. In addition, the Authority's major aviation stakeholders who had also been significantly impacted, sought relief through fee waivers and this had a flow-on effect to the Authority. Small private aerodrome operators which had closed their aerodromes in 2020 remained closed in 2021 and this also impacted revenue received by the Authority in aerodrome certification fees. The scale and duration of these developments remain uncertain as at the date of this report however they are having an impact on our earnings, cash flow and financial condition.

My opinion is not modified in respect of these matters.



## **Other information**

The Directors and Management are responsible for the other information. The other information comprises the Annual report but does not include the financial statements and the auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report the fact. I have nothing to report in this regard.

## **Responsibilities of the Management and those Charged with Governance for the Financial Statements**

The Management and Directors are responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as the Management and Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management and Directors either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.

## Auditor's Responsibilities for the Audit of the Financial Statements (Con't)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the Management and the Directors' use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements have been prepared in accordance with the requirements of the Civil Aviation Authority of Fiji Act 1979 (Cap 174A), in all material respects, and;

- a) I have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the Authority has kept financial records sufficient to enable the financial statements to be prepared and audited.

  
Sairusi Dukuno  
**ACTING AUDITOR-GENERAL**



Suva, Fiji  
04 July, 2022

# Statement of Comprehensive Income

## CIVIL AVIATION AUTHORITY OF FIJI STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 \$	2020 \$
Income		3,476,118	2,578,447
Other operating income	6.1	<u>296,922</u>	<u>313,269</u>
		3,773,040	2,891,716
Administrative expenses	6.2(a)	(995,920)	(1,027,203)
Operating expenses	6.2(b)	(864,433)	(762,649)
Personnel expenses	6.2(c)	<u>(2,847,479)</u>	<u>(2,539,592)</u>
		(934,792)	(1,437,728)
Net financing income	6.3	<u>25,784</u>	<u>65,791</u>
<b>Operating loss before tax</b>		(909,008)	(1,371,937)
Income tax benefit / (expense)	7(a)	<u>19,065</u>	<u>(297,525)</u>
<b>Net loss after tax</b>		<u>(889,943)</u>	<u>(1,669,462)</u>
<b>Other comprehensive income</b>			
Change in fair value of investments	11(c)	<u>139,175</u>	<u>(1,716,490)</u>
<b>Total comprehensive loss for the year</b>		<u><u>(750,768)</u></u>	<u><u>(3,385,952)</u></u>

*The statement of comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 75- 96*



# Statement of Changes In Equity

## CIVIL AVIATION AUTHORITY OF FIJI STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

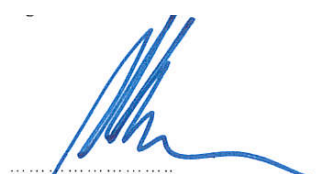
	2021 \$	2020 \$
<b>Asset Revaluation Reserve</b>		
Balance at the beginning of the year	4,080,050	4,080,050
Balance at the end of the year	4,080,050	4,080,050
<b>Fair Value Reserve</b>		
Balance at the beginning of the year	4,929,499	6,645,989
Other comprehensive income/(loss)	139,175	(1,716,490)
Balance at the end of the year	5,068,674	4,929,499
<b>Retained earnings</b>		
Balance at the beginning of the year	9,592,656	11,262,118
Net loss	(889,943)	(1,669,462)
Balance at the end of the year	8,702,713	9,592,656
<b>Total equity</b>	<b>17,851,437</b>	<b>18,602,205</b>

# Statement of Financial Position

## CIVIL AVIATION AUTHORITY OF FIJI STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Notes	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	969,863	1,604,858
Trade receivables	9	271,398	171,230
Current tax asset	7(c)	25,060	53,349
Other receivables	10	542,520	396,407
Investments	11(a)	1,000,000	500,000
<b>Total current assets</b>		<b>2,808,841</b>	<b>2,725,844</b>
<b>Non-current assets</b>			
Investments	11(b)	10,623,676	10,484,501
Property, plant and equipment	12	5,666,331	5,973,181
Intangible assets	13	251,434	443,757
Right-of-use assets	24	174,582	228,872
<b>Total non-current assets</b>		<b>16,716,023</b>	<b>17,130,311</b>
<b>TOTAL ASSETS</b>		<b>19,524,864</b>	<b>19,856,155</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Reserves		9,148,724	9,009,549
Retained earnings		8,702,713	9,592,656
<b>TOTAL EQUITY</b>		<b>17,851,437</b>	<b>18,602,205</b>
<b>Current liabilities</b>			
Trade and other payables	14	862,845	344,086
Employee benefits	15	86,716	111,950
Lease liability	24	58,663	54,981
<b>Total current liabilities</b>		<b>1,008,224</b>	<b>511,017</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	7(b)	526,271	545,338
Lease liability	24	138,932	197,595
<b>Total non-current liabilities</b>		<b>665,203</b>	<b>742,933</b>
<b>TOTAL LIABILITIES</b>		<b>1,673,427</b>	<b>1,253,950</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,524,864</b>	<b>19,856,155</b>

Signed on behalf of the Board of Directors



Chairperson



Director

The statement of comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 75- 96

# Statement of Cash Flows

## CIVIL AVIATION AUTHORITY OF FIJI STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
<b>Operating activities</b>			
Cash receipts from customers		3,374,810	3,558,397
Cash payments to employees and suppliers		(3,723,536)	(4,800,021)
Cash generated from operations		(348,726)	(1,241,624)
Income tax refund/(paid)		28,287	(6,579)
Interest received		25,784	65,791
Dividends received		278,349	278,349
<b>Cash flows used in operating activities</b>		<b>(16,306)</b>	<b>(904,063)</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment		(47,437)	(16,863)
Acquisition of intangible assets		(9,363)	(144,840)
(Acquisition) / withdrawal of investment		(500,000)	1,500,000
<b>Cash flows (used in) / provided from investing activities</b>		<b>(556,800)</b>	<b>1,338,297</b>
<b>Financing activities</b>			
Payment of lease liability		(61,889)	(69,810)
<b>Cash flows used in financing activities</b>		<b>(61,889)</b>	<b>(69,810)</b>
Net decrease in cash and cash equivalents		(634,995)	364,424
Cash and cash equivalents at 1 January		1,604,858	1,240,434
Cash and cash equivalents at 31 December	8	969,863	1,604,858

*The statement of comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 75- 96*



# Notes to and Forming Part of the Financial Statements

## CIVIL AVIATION AUTHORITY OF FIJI NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### NOTE 1. REPORTING ENTITY

Civil Aviation Authority of Fiji (the Authority) is a statutory organisation domiciled in Fiji and established under the Civil Aviation Authority of Fiji Act, 1979 Cap 174A. The Authority's registered office and its principal place of business is located at Namaka, Nadi Airport. The principal activities of the Authority during the course of the financial year included the regulatory oversight of airports and airlines and licensing of personnel.

### NOTE 2. BASIS OF PREPARATION

#### (a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board.

#### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis. The accounting policies have been consistently applied by the Authority and are consistent with those used in the previous year.

The financial statements were authorised for issue by the Authority on 24th June 2022.

#### (c) Functional and presentation currency

The financial statements are presented in Fiji dollars, and are rounded to the nearest dollar, except otherwise indicated.

### NOTE 3.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

#### New and amended standards and interpretations

The Authority applied for the first-time certain standards and amendments listed below, which are effective for annual periods beginning on or after 1 January 2021. (unless otherwise stated). These amendments did not have an impact on the Authority.

- Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The Authority has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### NOTE 3.2. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Authority's financial statements are disclosed below. The Authority intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. These amendments are not expected to have a material impact on the Authority.

New standards and amendments	Effective date
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	1 January 2023
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (including Amendment to IAS 1 – Classification of Liabilities as Current or Non-current – Deferral of Effective Date issued in July 2020)	1 January 2023
Amendments to IAS 37 – Onerous Contracts: — Cost of Fulfilling a Contract	1 January 2022
Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
AIP (2018-2020 cycle): IFRS 9 Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities	1 January 2022
Amendments to IFRS 3 – Reference to the Conceptual Framework	1 January 2022

# Notes to and Forming Part of the Financial Statements

## CIVIL AVIATION AUTHORITY OF FIJI NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

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### NOTE 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Authority's financial statements requires Management to make judgments, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

#### **Judgements**

In the process of applying the Authority's accounting policies, Management has made the following judgement, apart from those involving estimations, which has the most significant effect of the amounts recognised in the financial statements.

#### **Operating lease commitments**

The Authority has entered into a commercial property lease. The Authority has determined, based on an evaluation of the terms and conditions of the arrangements, that it does not retain all the significant risks and rewards of ownership of the property and so accounts for the contracts as operating lease.

#### **Estimations and assumptions**

The key assumptions concerning the future and other key sources of estimation of uncertainty at the balance sheet date, that have a significant risk of causing material adjustments to the carrying amount of assets and liabilities within the next financial year are discussed below:

##### *Deferred tax assets*

Deferred tax assets are recognised for all unused tax losses to the extent that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely and level of future taxable profits together with future tax planning strategies.

##### *Impairment of non financial assets*

The Authority assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

##### *Leases - Estimating the incremental borrowing rate*

The Authority cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Authority would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Authority 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Authority estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

##### *Provision for expected credit losses of trade receivables*

The Authority uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating).

The provision matrix is initially based on the Authority's historical observed default rates. The Authority will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Authority's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Authority's trade receivables is disclosed in Note 21.

# Notes to and Forming Part of the Financial Statements

## CIVIL AVIATION AUTHORITY OF FIJI NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

### NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Foreign currency

Transactions in foreign currencies if it may take place, are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities if denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transaction. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates when the fair value is determined.

Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined. Any goodwill arising on acquisition of foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

#### (b) Property, plant and equipment

##### *Recognition and measurement*

Property, plant and equipment are measured at revalued amount less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

##### *Subsequent expenditure*

The cost of replacing part of the property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Authority and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

##### *Depreciation*

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives are as follows:

Administration buildings	40 years
General administrative assets	5- 20 years
Plant, furniture and office equipment	10 - 20 years
Vehicles	5 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Minor equipment and tools that cost less than \$1,000 are expensed in the year of purchase. Capital work-in-progress is subject to depreciation in the year of completion and is capitalised at the actual amount spent.

#### (c) Leases

The Authority assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### *Authority as a lessee*

The Authority applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Authority recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.



# Notes to and Forming Part of the Financial Statements

## CIVIL AVIATION AUTHORITY OF FIJI NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

### NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (c) Leases (continued)

##### i) Right-of-use assets

The Authority recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land	102 years
Dedicated internet access lease line	6 years

If ownership of the leased asset transfers to the Authority at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (f) Impairment of non-financial assets.

##### ii) Lease liabilities

At the commencement date of the lease, the Authority recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Authority and payments of penalties for terminating the lease, if the lease term reflects the Authority exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Authority uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Authority's lease liabilities are presented in leases (see Note 24).

##### iii) Rental concession

During the financial year, the Authority elected to account for a COVID-19-related rent concession that meets all of the following conditions in the same way as they would if they were not lease modification:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

The Authority accounts for such COVID-19-related rent concession as a variable lease payment in the period(s) in which the event or condition that triggers the reduced payment occurs. The Authority presents the impacts of rent concessions within operating expenses.

Until 31 December 2019, the accounting required by IFRS 16 for a change in lease payments, other than those arising from a change in amounts expected to be payable under residual value guarantees or in an index or rate used to determine lease payments, depends on whether that change meets the definition of a lease modification.

If a rent concession results from a lease modification, the Authority accounts for the rent concession as either a new lease or as a remeasurement of an existing lease liability, depending on the criteria set in IFRS 16.

If a rent concession does not result from a lease modification, the Authority accounts for the rent concession as a variable lease payment in the period(s) in which the event or condition that triggers the reduced payment occurs.

# Notes to and Forming Part of the Financial Statements

## CIVIL AVIATION AUTHORITY OF FIJI NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

### NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (c) Leases (continued)

##### iv) Short-term leases and leases of low-value assets

The Authority applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

##### Authority as a lessor

Leases in which the Authority does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### (d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### (e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or infinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of intangible asset.

Intangible assets with infinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit and loss when the asset is derecognised.

The Authority assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Authority estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate value model is used.

# Notes to and Forming Part of the Financial Statements

## CIVIL AVIATION AUTHORITY OF FIJI NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

### NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (f) Impairment of non financial assets (*continued*)

The following criteria are also applied in assessing impairment of specific assets:

For assets an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the Authority estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

#### (g) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another company.

#### (i) Financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Authority's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Authority has applied the practical expedient, the Authority initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Authority has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section (I) Revenue.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Authority's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Authority commits to purchase or sell the asset.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

##### Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Authority. The Authority measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



# Notes to and Forming Part of the Financial Statements

## CIVIL AVIATION AUTHORITY OF FIJI NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

### NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (g) Financial instruments - initial recognition and subsequent measurement (continued)

##### *Financial assets at amortised cost (debt instruments) (continued)*

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Authority's financial assets include cash and cash equivalents, trade and other receivables.

##### *Financial assets at fair value through OCI (debt instruments)*

The Authority measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Authority presently does not hold any debt instruments at fair value through OCI.

##### *Financial assets designated at fair value through OCI (equity instruments)*

Upon initial recognition, the Authority can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Authority benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Authority elected to classify irrevocably its non-listed equity investments under this category.

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

##### *Derecognition*

A financial asset (or, where a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flow from the asset have expired.
- The Authority has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Authority has transferred substantially all the risks and rewards of the asset, or (b) the Authority has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

# Notes to and Forming Part of the Financial Statements

## CIVIL AVIATION AUTHORITY OF FIJI NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

### NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (g) Financial instruments - initial recognition and subsequent measurement (continued)

#### (i) Financial assets (cont'd)

##### *Derecognition (continued)*

When the Authority has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Authority's involvement in the asset. In that case, the Authority also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Authority has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Authority could be required to repay.

#### (ii) Impairment of financial assets

The Authority recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Authority expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Authority applies a simplified approach in calculating ECLs. Therefore, the Authority does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Authority has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Authority considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Authority may also consider a financial asset to be in default when internal or external information indicates that the Authority is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Authority. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### (iii) Financial liabilities

##### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Authority's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

##### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

# Notes to and Forming Part of the Financial Statements

## CIVIL AVIATION AUTHORITY OF FIJI NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

### NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (g) Financial instruments - initial recognition and subsequent measurement (continued)

#### (iii) Financial liabilities (continued)

#### Financial liabilities at fair value through profit or loss (continued)

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Authority that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Authority has not designated any financial liability as at fair value through profit or loss.

#### Loans and borrowings

This is the category most relevant to the Authority. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### (h) Inventories

Inventories are stated at the lower of costs and net realizable value. Cost includes invoice price plus associated costs into store. Costs are assigned to individual items of inventory mainly on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expense.

#### (i) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

#### (j) Employee benefits

##### (i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

##### (ii) Pension obligations

Contributions to the Fiji National Provident Fund are charged to the income statement in the period to which the contributions relate.



# Notes to and Forming Part of the Financial Statements

## CIVIL AVIATION AUTHORITY OF FIJI NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

### NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Employee benefits (continued)

##### (iii) Other employee benefits

The Authority has a collective agreement to provide long service leave and retirement gratuity to its employees. The entitlement to this benefit is conditional on completion of a minimum service period and the employee remaining in service up to the retirement age. A liability for long service leave and retirement gratuity is calculated as the present value of expected future payments to be made in respect of services provided by the employees at the balance sheet date. This is adjusted for employee departure trends and appropriate inflation and discount rates. The accruals are divided into current (expected to be paid in the ensuing twelve months) and non-current portions.

#### (k) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost (inclusive of Value Added Tax where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Authority. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial year.

#### (l) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

##### *Sales*

- (i) Revenue comprising rental of agricultural sites, airworthiness fees, pilots/ engineers license fees, airport licenses and inspection fees and charges, and other income are brought to account when the relevant service has been provided / goods are sold; customers have accepted the goods; and collectability of related receivables is reasonably assured.

The Authority provided waivers to Fiji Airways and Airports Fiji Limited as a result of the severe impact of COVID-19 pandemic. These waivers were for the remainder of 2021 certificate of airworthiness, aerodrome licence renewal fees and audit and inspection charges respectively amounting to \$806,620 during the year.

##### *Other operating income*

- (ii) Interest income is recognised on a time-proportion basis using the effective interest method.
- (iii) Dividend income from other investments is recognised when the right to receive payment is established.
- (iv) Movement in fair value of investments (including investment property) are recognised as income and are determined as the differences between the fair value at year end or consideration received (if sold during the year) and the fair value as at prior year end or cost (if the investment was acquired during the period).

#### (m) Finance income and expenses

Net financing income comprises of interest income on term deposits, interest expense on bank overdraft, borrowing and foreign currency gains or losses.

#### (n) Taxes

##### *Current Tax*

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current tax relating to items recognised directly in equity is recognised in equity and not in income statement.

##### *Deferred tax*

Deferred tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

# Notes to and Forming Part of the Financial Statements

## CIVIL AVIATION AUTHORITY OF FIJI NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

### NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (n) Taxes (continued)

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of any unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax related to the same taxable entity and the same taxation authority.

#### Value Added Tax (VAT)

Revenue, expenses and assets are recognised net of the amount of respective sales tax except:

- where the Value Added Tax incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables that are stated with the amount of Value Added Tax included and payables that are stated with the amount of Value Added Tax included.

The net amount of Value Added Tax recoverable or payable to the tax authority is included as part of the receivables or payables in the statement of financial position.

#### (o) Provisions

A provision is recognised in the balance sheet when the Authority has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### (p) Current versus non-current classification

The Authority presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Authority classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

# Notes to and Forming Part of the Financial Statements

## CIVIL AVIATION AUTHORITY OF FIJI

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

#### NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (q) Government grants

Government grants are recognised when the grant is received. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Authority receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

##### (r) Comparative information

Comparative figures have been amended where necessary, for changes in presentation in the current period.

NOTE 6.1. OTHER OPERATING INCOME	2021 \$	2020 \$
Dividends	278,349	278,349
Sundry	18,573	34,920
	<u>296,922</u>	<u>313,269</u>

#### NOTE 6.2. EXPENSES

##### (a) Administrative expenses

Amortisation expenses	(31,122)	(30,332)
Amortisation expense of right-of-use assets	(54,290)	(54,290)
Auditors remuneration and accounting fees	(15,000)	(15,000)
Board member allowance and related expenses	(27,576)	(39,400)
Expected credit loss	(15,032)	(23,914)
Depreciation	(354,287)	(351,141)
Insurance	(483,814)	(494,876)
Interest expense on lease liabilities	(14,799)	(18,250)
	<u>(995,920)</u>	<u>(1,027,203)</u>

##### (b) Operating expenses

Advertising	(24,843)	(23,861)
Accident investigation	-	(18,329)
Consultancy	(286,044)	(164,682)
Customs duty and freight	(5,178)	(3,535)
Legal fees	(846)	(44,729)
Medical supplies	(30,794)	(47,167)
Other expenses	(12,431)	(41,799)
Travel and accommodation	(92,495)	(89,751)
Protective gear	(2,803)	(1,046)
Publications	(1,718)	(6,706)
Repairs and maintenance	(28,307)	(12,988)
Utilities and supplies	(334,085)	(274,418)
Vehicle maintenance and fuel	(44,889)	(33,638)
	<u>(864,433)</u>	<u>(762,649)</u>



# Notes to and Forming Part of the Financial Statements

## CIVIL AVIATION AUTHORITY OF FIJI NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 6.2. EXPENSES (continued)	2021 \$	2020 \$
<b>(c) Personnel expenses</b>		
Salaries	(2,347,350)	(1,999,662)
Fringe benefit tax	(12,289)	(14,822)
FNPF employers contribution	(114,032)	(132,207)
FNU levy	(26,814)	(25,741)
Leave expenses	(308,809)	(326,680)
Staff training	(38,185)	(40,480)
	<u>(2,847,479)</u>	<u>(2,539,592)</u>
The average number of employees during the year	<u>62</u>	<u>58</u>
<b>NOTE 6.3. FINANCE INCOME</b>		
Interest income	<u>25,784</u>	<u>65,791</u>
<b>NOTE 7. INCOME TAX</b>		
<b>Income tax expense recognised in the income statement</b>		
Current tax (benefit)/expense	<u>(19,065)</u>	<u>297,525</u>
	<u>(19,065)</u>	<u>297,525</u>
<b>(a)</b> A reconciliation between tax (benefit)/expense and the product of accounting profit multiplied by the tax rate for the years ended 31 December 2021 and 2020 is as follows:		
Accounting profit before income tax	<u>(909,008)</u>	<u>(1,371,937)</u>
Fiji's statutory income tax rate 20%	(181,802)	(274,387)
Tax effect of non-deductible items	(74,950)	(71,904)
Under provision from prior year	10,859	24,026
Prior year tax losses derecognised	-	289,177
Tax losses not recognised	226,828	330,613
Income tax (benefit)/expense attributable to operating loss	<u>(19,065)</u>	<u>297,525</u>
<b>(b)</b> Deferred income tax at 31 December relates to the following:		
<b>(i) Deferred tax asset (recognised at 20% tax rate)</b>		
Provisions for employee entitlements	17,344	22,390
Allowance for expected credit loss	8,298	5,292
Balance at the end of the year	<u>25,642</u>	<u>27,682</u>
<b>(ii) Deferred tax liability</b>		
Accelerated depreciation for tax purposes	347,118	368,225
Capital Gain	204,795	204,795
Balance at the end of the year	<u>551,913</u>	<u>573,020</u>
Net deferred tax liabilities	<u>(526,271)</u>	<u>(545,338)</u>
The Authority has tax losses that arose in the current year of \$1,134,140 that are available for the next four years for offsetting against future taxable profits of the Authority. Deferred tax assets have not been recognized in respect of the current year tax losses as there is insufficient evidence of recoverability in the near future. If the Authority were able to recognize these deferred tax assets, the profit would increase by \$226,828. The total tax losses arising from the past 3 years which are available for set-off against future taxable profits is \$2,969,687.		
<b>(c) Current tax asset</b>		
Balance - 1 January	53,349	46,770
Add: withholding taxes paid	<u>2,578</u>	<u>6,579</u>
	<u>55,927</u>	<u>53,349</u>
Less: refund received	<u>30,867</u>	<u>-</u>
	<u>25,060</u>	<u>53,349</u>

# Notes to and Forming Part of the Financial Statements

## CIVIL AVIATION AUTHORITY OF FIJI NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 8. CASH AND CASH EQUIVALENTS	2021 \$	2020 \$
Cash on hand	550	550
Cash at bank	969,313	1,104,308
Short term deposit	-	500,000
	<u>969,863</u>	<u>1,604,858</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 6 months and 12 months, depending on the immediate requirements of the Authority, and earn interest at the respective short-term deposit rates.

NOTE 9. TRADE RECEIVABLES		
Trade receivables	89,936	24,635
Receivables from related parties (Note 20)	222,954	173,055
Less: allowance for expected credit loss	(41,492)	(26,460)
	<u>271,398</u>	<u>171,230</u>

Trade and other receivables are non-interest bearing and are generally on 30-90 day terms. As at 31 December 2021, trade receivables at nominal value of \$41,492 (2020: \$26,460) were impaired.

Movement in the provision for impairment of receivables were as follows:

At 1 January	26,460	2,546
Charge for the year	15,032	23,914
31 December	<u>41,492</u>	<u>26,460</u>
0 - 3 months	273,619	154,599
More than 3 months	39,271	43,091
	<u>312,890</u>	<u>197,690</u>

NOTE 10. OTHER RECEIVABLES		
Prepayments and deposits	229,781	162,778
Unit Trust of Fiji dividends accrued	139,175	139,175
Departure Tax (Note 20)	62,890	9,435
Receivable from related parties (Note 20)	-	37,942
Other assets	38,564	47,077
VAT receivable	72,110	-
	<u>542,520</u>	<u>396,407</u>

NOTE 11. INVESTMENTS		
(a) <i>Current</i>		
Interest-bearing deposits	<u>1,000,000</u>	<u>500,000</u>
(b) <i>Non-current</i>		
Units in Unit Trust of Fiji	<u>10,623,676</u>	<u>10,484,501</u>
Total investments	<u>11,623,676</u>	<u>10,984,501</u>
(c) Reconciliation of available-for-sale financial assets		
Opening balance	10,484,501	12,200,991
Change in fair value of Unit Trust of Fiji units - transfer to fair value reserve	139,175	(1,716,490)
	<u>10,623,676</u>	<u>10,484,501</u>
(d) Units in Unit Trust of Fiji held by the Authority is represented by:		
1,413,636 units purchased at \$1.10 per unit	1,555,000	1,555,000
1,339,286 units purchased at \$1.12 per unit	1,500,000	1,500,000
641,026 units purchased at \$1.17 per unit	750,000	750,000
555,556 units purchased at \$ 1.35 per unit	750,001	750,001
689,656 units purchased at \$ 1.45 per unit	1,000,001	1,000,001
Revaluation on current market value	5,068,674	4,929,499
	<u>10,623,676</u>	<u>10,484,501</u>

4,639,160 units valued at re-purchase price of \$2.29 per unit (2020: @ \$2.26).

# Notes to and Forming Part of the Financial Statements

## CIVIL AVIATION AUTHORITY OF FIJI NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 12. PROPERTY, PLANT AND EQUIPMENT	2021 \$	2020 \$
<u>Freehold land</u>		
<i>Deemed cost:</i>		
At 1 January	2,500,000	2,500,000
At 31 December	2,500,000	2,500,000
<u>Buildings</u>		
<i>Deemed cost:</i>		
At 1 January	2,893,738	2,881,582
Additions	4,300	12,156
At 31 December	2,898,038	2,893,738
<i>Depreciation and impairment</i>		
At 1 January	262,994	190,690
Depreciation charge for the year	72,371	72,304
At 31 December	335,365	262,994
Net book value	2,562,673	2,630,744
<u>Motor vehicles</u>		
<i>Deemed cost:</i>		
At 1 January	580,035	580,035
At 31 December	580,035	580,035
<i>Depreciation and impairment</i>		
At 1 January	360,558	244,551
Depreciation charge for the year	116,007	116,007
At 31 December	476,565	360,558
Net book value	103,470	219,477
<u>Furniture, fittings &amp; equipment</u>		
<i>Deemed cost:</i>		
At 1 January	1,175,662	1,170,954
Additions	43,137	4,708
At 31 December	1,218,799	1,175,662
<i>Depreciation and impairment</i>		
At 1 January	552,702	389,872
Depreciation charge for the year	165,909	162,830
At 31 December	718,611	552,702
Net book value	500,188	622,960
Net book value	5,666,331	5,973,181



# Notes to and Forming Part of the Financial Statements

## CIVIL AVIATION AUTHORITY OF FIJI NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 13.	INTANGIBLE ASSETS	2021 \$	2020 \$
	<u>Software costs</u>		
	At 1 January	311,226	216,322
	Additions	-	94,904
	At 31 December	311,226	311,226
	<u>Amortisation and impairment:</u>		
	At 1 January	87,969	57,637
	Amortisation	31,122	30,332
	At 31 December	119,091	87,969
	Net book value:	192,135	223,257
	<u>Work in progress</u>		
	<u>Deemed cost:</u>		
	At 1 January	220,500	170,564
	Additions	9,363	49,936
	Transfer from WIP	(170,564)	-
	At 31 December	59,299	220,500
	Net book value:	251,434	443,757
NOTE 14.	TRADE AND OTHER PAYABLES		
	Trade payables	18,194	14,105
	VAT payable	-	26,073
	Airport license billed in advance	278,071	25,365
	Income received in advance from related parties (Note 20)	457,239	180,997
	Other payables	109,341	97,546
		862,845	344,086
NOTE 15.	EMPLOYEE BENEFITS		
	<u>Current</u>		
	Employee leave entitlements	86,716	111,950

The employee leave entitlements is calculated as the leave balances at the end of the period multiplied by the employees pay rate at that time.

### NOTE 16. CONTINGENT LIABILITIES

The Authority's contingent liabilities comprise of property insurance and for aircraft accident with the following amounts:

- aviation liability cover of \$750,000,000
- material damage of \$6,750,182
- business interruption of \$3,420,000
- cyclone of \$8,934,000

There are 5 matters in court arising out of enforcement actions taken by the Authority under the Air Navigation Regulations. The cases were in relation to licensing issues. No amount is recognised or is estimated for this possible liability, as the existence of which is dependent upon the outcome of the legal proceedings.

# Notes to and Forming Part of the Financial Statements

## CIVIL AVIATION AUTHORITY OF FIJI NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

### NOTE 17. SIGNIFICANT EVENTS DURING THE YEAR

The impact of the COVID-19 pandemic on Fiji's economy and the aviation industry was still very much apparent in 2021. Border closures, travel restrictions and quarantine measures remained in place for almost the whole year until Fiji and a few of its travel partner countries eased the restrictions in December 2021.

The continued low levels in international air travel in 2021 impacted the Civil Aviation Authority of Fiji's (CAAF) revenue received from its share of Airport Departure tax. Pre-COVID, this revenue accounted for approximately 61% of our total annual revenue. Furthermore, our major aviation stakeholders who were significantly impacted, sought relief through fee waivers and this had a flow-on effect to CAAF. Small private aerodrome operators which had closed their aerodromes in 2020 remained closed in 2021 and this also impacted revenue received by CAAF in aerodrome certification fees.

The scale and duration of these developments remain uncertain as at the date of this report however they are having an impact on our earnings, cash flow and financial condition. The Directors confirm that they considered all currently known impacts of COVID-19 when preparing the financial statements and applying the going concern concept.

### NOTE 18. EVENTS SUBSEQUENT TO BALANCE DATE

#### Recovery of Aviation Industry from the Impact of COVID-19 Outbreak

The revenue stream from Departure Tax saw a major downturn in 2020 which flowed through the year 2021. Now, with the easing of travel restrictions, international air travel is recovering, albeit slowly. The national airline has commenced scheduled operations to most of its pre-COVID destinations and other international airlines have resumed scheduled operations into Fiji. In this regard, revenue from Departure Tax revenue is expected to increase gradually during the 01st and 02nd quarter of 2022.

With international passenger air travel coming to an all-time low, the past two years have been challenging ones. Despite this, the wheels of the aviation industry continue turning and all players; operators, service providers and CAAF, has had to evolve with the changes that the pandemic has brought, to ensure we remain relevant, safe and secure as the industry moves towards restart and recovery.

### NOTE 19. EXPENDITURE COMMITMENTS

	2021 \$	2020 \$
(i) Capital commitments:	<u>3,402</u>	<u>13,607</u>
(ii) Future commitments in respect of operating lease are as follows:		
Within one year	5,727	5,727
After one year but more than five years	22,908	22,908
More than five years	194,718	200,445
Minimum lease payments	<u>223,353</u>	<u>229,080</u>

# Notes to and Forming Part of the Financial Statements

## CIVIL AVIATION AUTHORITY OF FIJI NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

### NOTE 20. RELATED PARTIES

#### (a) Directors

The Directors in office during the year and up to the date of this report were:

Nilesh Prasad	Chairman
Satish Naran Patel	Deputy Chairman
Peceli Baleikorocau	Director
Reginald Jokhan	Director
Kamni Naidu	Director (resigned 07/03/22)

Board member allowances are disclosed under Note 6.2 (a).

#### (b) Transactions with related entities and key management personnel

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Authority. Key management personnel comprises of Chief Executive Officer, Controller Air Safety, Controller Ground Safety, Controller Aviation Safety and Facilitation and Manager Corporate Services.

Transactions with key management are no more favourable than those available, or which might be reasonably be expected to be available, on similar transactions to third parties at arm's length.

	2021	2020
	\$	\$
<b>Key management compensation</b>		
Remuneration	493,034	417,009
FNPF (Employer Share 5% from 01/04/2020)	20,063	18,654
	<u>513,097</u>	<u>435,663</u>

#### Related party relationships

The Authority is a Fijian Government controlled entity. Related parties to the Authority are Key Management Personnel including the Portfolio Minister, the Authority's Board of Directors and other Fijian government entities.

All transactions with related parties are on normal commercial terms and conditions. During the year, the aggregate amounts included in the determination of operating loss before income tax that resulted from significant transaction with those related parties were as follows:

Name	Nature		
Fiji Airways	Revenue	1,035,666	707,673
	Expenses	14,696	36,938
Airports Fiji Limited	Revenue	327,432	304,055
	Expenses	4,768	4,399
Fiji Revenue and Customs Service	Departure tax	97,931	741,815
Government of Fiji	Grant	2,836,786	400,099

#### (Payables)/receivables from related parties disclosed in the financial statements as follows:

Fiji Revenue and Customs Service	62,890	9,435
Airports Fiji Limited	189,278	155,741
Fiji Airways	33,676	55,256
Fiji Airways	(457,239)	(180,997)
<b>Total net amount owing as at 31 December</b>	<u>(171,395)</u>	<u>39,435</u>

#### Disclosed as:

Departure tax (Note 10)	62,890	9,435
Income in advance (Note 14)	(457,239)	(180,997)
Receivable from related parties (Note 10)	-	37,942
Trade receivables (Note 9)	222,954	173,055
	<u>(171,395)</u>	<u>39,435</u>

# Notes to and Forming Part of the Financial Statements

## CIVIL AVIATION AUTHORITY OF FIJI NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

### NOTE 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### Financial risk factors

The Authority's activities expose it to a variety of financial risks: market risk (including low returns on investments), credit risk, liquidity risk and cash flow interest rate risk. The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

#### (a) Market risk

##### (i) Foreign exchange risk

The Authority is exposed to foreign exchange risk arising from overseas specialised training payable in foreign currency.

##### (ii) Price risk

The Authority is not exposed to commodity price risk.

##### (iii) Cash flow and fair value interest rate risk

The Authority exposure is to the interest bearing term deposits. The interest rates are fixed over the term of the deposits and are reviewed on maturity.

#### (b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Authority is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Authority has no significant concentrations of credit risk. It has policies in place to ensure that sales are made to customers with an appropriate credit history. The Authority has policies that limit the amount of global credit exposure to any customer.

#### Trade receivables

Customer credit risk is managed by each business unit subject to the Authority's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. At 31 December 2021, the Authority had 1 customer that owed more than \$150,000 for approximately 60.5% of all the receivables. (2020: 2 customers that owed totalled more than \$100,000 and accounted for approximately 88% of all the receivables).

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, and customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Authority does not hold collateral as security. The Authority evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

Set out below is the information about the credit risk exposure on the Authority's trade receivables using a provision matrix:

31 December 2021	Days past due				Total
	< 30 days	31-60 days	61-90 days	> 91 days	
	\$	\$	\$	\$	\$
Expected credit loss rate	1%	7%	40%	50%	
Estimated total gross carrying amount at	88,009	159,470	26,140	39,271	312,890
Expected credit loss	855	10,546	10,456	19,635	41,492
31 December 2020	Days past due				Total
	< 30 days	31-60 days	61-90 days	> 91 days	
	\$	\$	\$	\$	\$
Expected credit loss rate	5%	7%	10%	30%	
Estimated total gross carrying amount at	48,115	10,299	7,760	74,859	141,033
Expected credit loss	2,221	723	777	22,739	26,460



# Notes to and Forming Part of the Financial Statements

## CIVIL AVIATION AUTHORITY OF FIJI NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

### NOTE 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Authority aims to maintain flexibility in funding by keeping committed credit lines available.

The Authority monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivables, other financial assets) and projected cash flows from operations.

The table below summarises the maturity profile of the Authority's financial liabilities at 31 December 2021 based on contractual undiscounted payments.

Year ended 31 December 2021

	On demand	Less than a year	> 5 years	Total
			\$	\$
Trade and other payables	-	862,845	-	862,845
Lease liabilities	-	69,780	508,020	577,800
	-	932,625	508,020	1,440,645

Year ended 31 December 2020

	On demand	Less than a year	> 5 years	Total
			\$	\$
Trade and other payables	-	344,086	-	344,086
Lease liabilities	-	69,780	577,800	647,580
	-	413,866	577,800	991,666

#### Capital Management

The primary objective of the Authority's capital management is to ensure that it maintains a strong credit rating and a healthy capital ratio in order to support its business and maximise shareholder value.

The Authority manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Authority may adjust the dividend payment to shareholders. No changes were made in the objectives, policies or processes during the year 31 December 2021.

The Authority monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Authority includes within net debt, trade and other payables less cash and cash equivalents. Capital includes equity attributable to equity holders less the net unrealised gains reserve.

	2021	2020
	\$	\$
Trade and other payables	862,845	344,086
Less: cash and short term deposits	(969,863)	(1,604,858)
Net debt	(107,018)	(1,260,772)
Equity	17,851,437	18,602,205
Total capital	17,851,437	18,602,205
Capital and net debt	17,744,419	17,341,433
Gearing ratio	-0.60%	-7.27%

### NOTE 22. FINANCIAL INSTRUMENTS

Set out below is a comparison by category of carrying amounts and fair values of all of the Authority's financial instrument that are carried on the financial statements.

	Fair Value	
	2021	2020
	\$	\$
Financial assets		
Cash and cash equivalents	969,863	1,604,858
Available-for-sale investments	10,623,676	10,484,501
Trade and other receivables	271,398	171,230

# Notes to and Forming Part of the Financial Statements

## CIVIL AVIATION AUTHORITY OF FIJI NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021

### NOTE 22. FINANCIAL INSTRUMENTS (Continued)

#### Financial liabilities

Trade and other payables	862,845	344,086
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Market values have been used to determine the fair value of available-for-sale financial assets. The Authority does not have any borrowings or loan notes.

### NOTE 23. REVALUATION RESERVE

The Authority engaged an independent valuer Professional Valuations Limited on 13th January 2017 to value land, buildings, motor vehicles, furniture fittings and equipment. The revaluation figures have been incorporated into the financial statements for the year 2017. The next re-valuation will be carried out in 2022.

### NOTE 24. LEASES

#### AUTHORITY AS A LESSEE

The authority has lease contracts for land and office space used in its operations. Lease has a lease term of 51 years. The Authority's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Authority is restricted from assigning and sub-leasing the leased assets.

During the financial year, as a result of COVID-19 pandemic, the Authority has received rent concession in the form of reduced rental payments for a certain period of time.

The Authority has applied the practical expedient to all rent concessions that meet the conditions of the IFRS 16 amendment.

The amount recognised in the Authority's 31 December 2021 profit or loss to reflect changes in lease payments that arise from rent concessions to which the Authority has applied the practical expedient is \$7,891. The lease liability is reduced by \$7,891.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Land \$	TFL Dedicated \$	Total \$
<b>As at 1 January 2020</b>	69,003	214,159	283,162
Additions	-	-	-
Amortisation expense	(750)	(53,540)	(54,290)
<b>As at 31 December 2020</b>	68,253	160,619	228,872
Additions	-	-	-
Amortisation expense	(750)	(53,540)	(54,290)
<b>As at 31 December 2021</b>	67,503	107,079	174,582

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2021 \$	2020 \$
<b>As at 1 January</b>	252,576	304,106
Accretion of interest	14,799	18,250
Payments	(61,889)	(52,333)
Rent Concessions	(7,891)	(17,447)
<b>As at 31 December</b>	197,595	252,576
Current	58,663	54,981
Non-current	138,932	197,595
	197,595	252,576

The following are the amounts recognised in profit or loss:

Amortisation expense of right-of-use assets	54,290	54,290
Interest expense on lease liabilities	14,799	18,250
Variable lease payments (rent concessions)	(7,891)	(17,447)
<b>Total amount recognised in profit or loss</b>	61,198	55,093

The Authority had total cash outflows for leases of \$61,889 in 2021 (2020: \$52,333) and rent concessions for \$7,891 (2020: \$17,447) was provided by the lessor.

# Notes to and Forming Part of the Financial Statements

## **CIVIL AVIATION AUTHORITY OF FIJI NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **NOTE 25. GOVERNMENT GRANT**

For the year 2021, a grant of \$2,836,786 VEP (2020: \$400,099 VEP) was received from the Government of Fiji to enable the Civil Aviation Authority of Fiji to carry out its functions effectively and efficiently. The grant was recognised in income as the Authority has unconditional entitlement to it.

### **NOTE 26. REGISTERED OFFICE**

Civil Aviation Authority of Fiji is domiciled in Fiji, the registered office and principal place of operation is located at:

Civil Aviation Authority of Fiji  
Ottawa Road  
Korowai  
AFL Compound  
Namaka  
Nadi

# Detailed Statement of Comprehensive Income

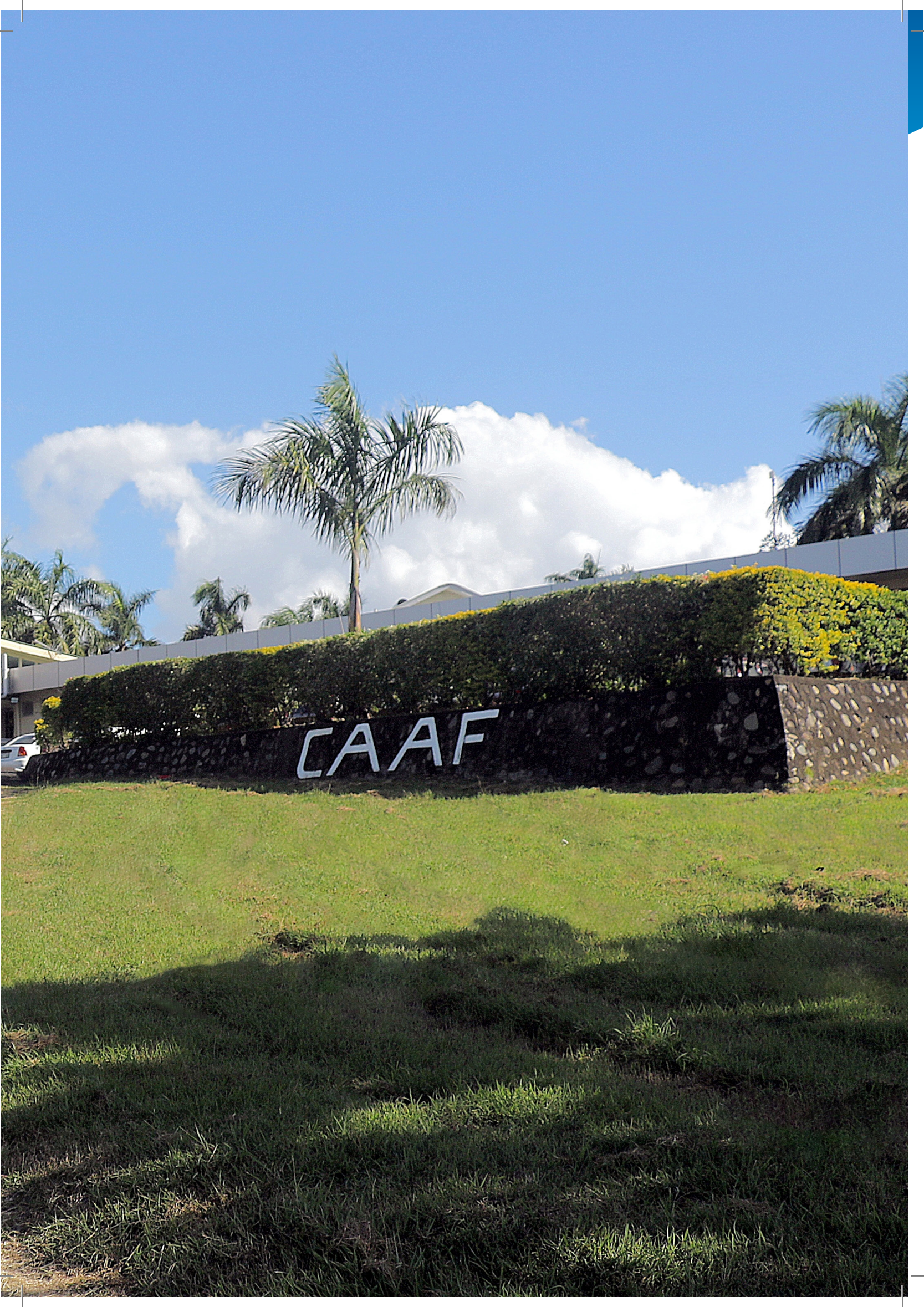
## CIVIL AVIATION AUTHORITY OF FIJI DETAILED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
<b>Income</b>		
Airworthiness fees	27,118	647,512
Pilots/engineers license/airport license fees	512,821	787,559
Government grant	2,836,786	400,099
Departure tax	97,931	741,815
Rental from agricultural lease	1,462	1,462
	<u>3,476,118</u>	<u>2,578,447</u>
Other operating income	322,706	379,060
<b>Total income</b>	<u><b>3,798,824</b></u>	<u><b>2,957,507</b></u>
<b>Expenses</b>		
Advertising	24,843	23,861
Accident investigation	-	18,329
Auditors remuneration and accounting fees	15,000	15,000
Amortisation of software license	31,122	30,332
Amortisation expense of right-of-use assets	54,290	54,290
Board member allowances and related expenses	27,576	39,400
Consultancy	286,044	164,682
Customs duty and freight	5,178	3,535
Depreciation	354,287	351,141
Expected credit losses	15,032	23,914
Insurance	483,814	494,876
Interest expense on lease liabilities	14,799	18,250
Leave expenses	308,809	326,680
Legal fees	846	44,729
Medical supplies	30,794	47,167
Other expenses	12,431	41,799
Protective gear	2,803	1,046
Publications	1,718	6,706
Repairs and maintenance	28,307	12,988
Salaries and wages	2,500,485	2,172,432
Staff training	38,185	40,480
Travel	92,495	89,751
Utilities and supplies	334,085	274,418
Vehicle maintenance and fuel	44,889	33,638
<b>Total expenses</b>	<u><b>4,707,832</b></u>	<u><b>4,329,444</b></u>
<b>Loss before income tax</b>	<u><b>(909,008)</b></u>	<u><b>(1,371,937)</b></u>









CAAF





**ISO 9001:2015 CERTIFIED**

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