



Civil Aviation Authority of Fiji (CAAF)
ISO Certified 9001 : 2015

2022 Annual Report



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO: 61 OF 2023

ADVANCING INNOVATION
FOR GLOBAL AVIATION
DEVELOPMENT

VISION

To be a model aviation regulator.

MISSION

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

VALUES

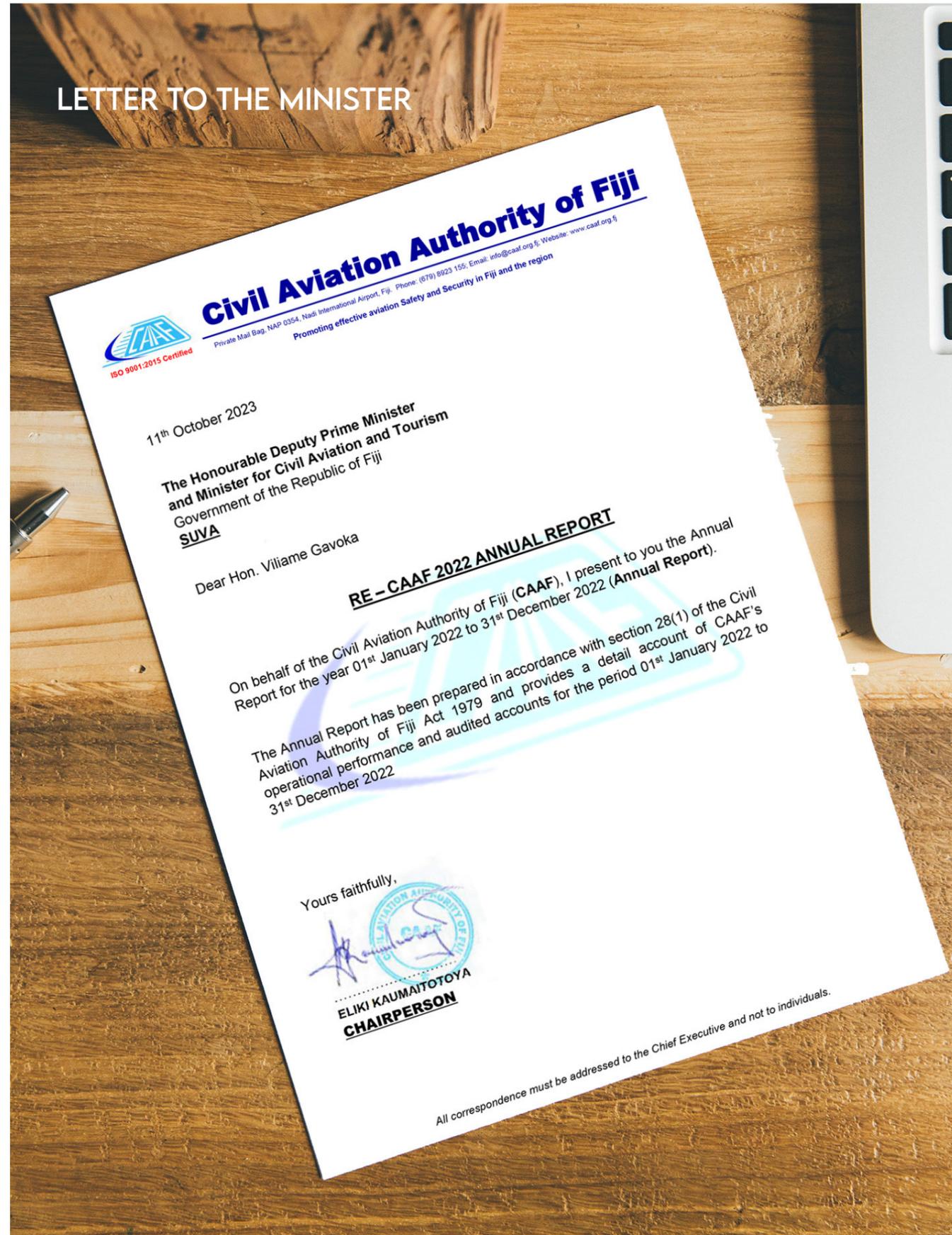
We strive to reflect certain key values that characterise the organisation; professionalism in the discharge of our responsibilities, accountability to the travelling public, government and our stakeholders, commitment to our vision and mission and integrity in all that we do.

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LETTER TO THE MINISTER



CHAIRPERSON'S MESSAGE



The Financial Year 2021/22 was characterised by the implementation of measures for survival in the long term, business continuity and the commencement of the recovery of the aviation industry.

The past year has remained a turbulent time for the Civil Aviation Authority of Fiji (Authority). The effects of the COVID-19 pandemic continued to impact the Authority's revenue generation abilities and resulted in the Authority resorting to substantial cost saving measures to ensure the continuity of its operations. Resilience has emerged as a key operational requirement as the Authority tries to sustain itself in the long term.

Global upheaval continues to impact our lives and every organisation with the pandemic, war in Ukraine and the effects of climate change. These have resulted in the disruption to the supply chains and the movement of labour, creating inflationary pressure and manifesting in rising costs for day-to-day essentials. While Fiji continues to weather the storm comparatively well, these factors impact every organisation, including the Authority. Domestically, demands for the Authority's services and the public expectations on the Authority as regulator continue to grow.

The Financial Year 2021/22 was characterised by the implementation of measures for survival in the long term, business continuity and the commencement of the recovery of the aviation industry. The Authority did very well in combatting the various challenges presented and its devastating impact on the aviation industry across the globe.

One of the highlights of 2022 was Fiji's receipt of the International Civil Aviation Organisation (ICAO) Council President Certificate which was awarded in a special ceremony at the 41st Session of the ICAO Assembly. This certificate was awarded following the ICAO In-Country Validation Mission in 2019, whereby Fiji was found to have improved its effective implementation of its safety oversight systems in compliance with ICAO Standard and Recommended Practices (SARPs) from 60.55% to 76.3%, sitting above the Asia Pacific average of 64.6% and the Global average of 67.5%.

Despite the challenges, the Authority continued to achieve and this award is a testament of it. I would like to extend my sincere appreciation to the staff and management of the Authority, past and present, for their commitment and effort in improving Fiji's effective implementation of its safety oversight systems and for their hard work throughout the year. Keep up the excellent work!

A big thank you is also extended to the Department of Civil Aviation and my fellow Board members for their unwavering support, commitment and counsel throughout the year.

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

Vinaka.


Nilesch Prasad
 Chairperson

YEAR IN REVIEW



ACTING CHIEF EXECUTIVE'S MESSAGE

Fiji was awarded the International Civil Aviation Organisation (ICAO) Council President Certificate in a special ceremony at the 41st Session of the ICAO Assembly held in September 2022.

I have much pleasure in presenting to you the Civil Aviation Authority of Fiji's 2022 Annual Report.

This Report provides an overview on the Civil Aviation Authority of Fiji's activities during the year 2022, highlighting our achievements and ongoing efforts to ensure that we discharge our role safely and effectively.

The easing of travel restrictions and opening of our international borders in December 2021 saw the aviation sector recover much faster than anticipated. Fiji's air travel passenger numbers surpassed 70% of the pre-COVID, 2019 numbers. This meant that operators and services providers needed to recruit and train personnel as well as have all systems and equipment up and running to meet the surge in aviation activity. The same was required of CAAF, the need to ramp up our certification, licensing and surveillance activities to match industry's needs.

This did not come without its challenges, with labour shortage being the top challenge for both industry and CAAF, changes were implemented to make recruitment and selection more robust and, ensure competency-based training to facilitate quicker and better onboarding of aviation personnel. The agility of our systems, processes and people to bounce back was our saving grace and this saw us safely through 2022.

To meet the growing demands of aviation and industry, there is a need to build CAAF's capability. To this end, and as a means of improving staff retention and recruitment, the CAAF Job Evaluation Exercise (JEE) and Capability Framework Exercise, to ensure that CAAF is able to meet its current and future needs was concluded in 2022.

It is anticipated that following further coordination in early 2023, the recommendations of these exercises will be implemented. The Capability Framework Exercise included a review of the CAAF organisational structure.

CAAF's austerity measures implemented in 2020/2021 continued into 2022. Projects such as CAAF's ICT upgrade and digitisation remain on hold and it is anticipated that these critical projects will recommence in 2023.

A key action item in CAAF's Corporate Plan 2021-2023, is the establishment of a Standards and Compliance Department. This key item was commenced with the appointment of a Controller Standards, commencing August 2022. Recruitment for other positions in the department will be done in 2023.

Review of Fiji's primary aviation legislation is still a work in progress with consultation on the draft civil aviation bill, now moved to 2023, pending further review and coordination between the Solicitor General's Office and CAAF.

The long awaited "Harmonisation of the Air Navigation Regulations" will follow, once the primary legislation work is complete. To ensure we are able to see these projects to efficient conclusion, the recruitment of staff for the legal department, previously on hold as part of austerity measures, has commenced.

Fiji was awarded the International Civil Aviation Organisation (ICAO) Council President Certificate in a special ceremony at the 41st Session of the ICAO Assembly held in September 2022.



This Certificate was awarded based on Fiji's results determined through the Universal Safety Oversight Audit Programme, recognising our progress in resolving safety oversight deficiencies and improving the effective implementation of our safety oversight systems. We owe this award to CAAF staff, past and present, and our industry partners without whose support this would not have been possible.

On the aviation security front, CAAF is preparing for the Universal Security Audit Programme – Continuous Monitoring Approach Audit to be held in June 2023. We look forward to the audit and the health check it will provide on Fiji's aviation security and facilitation systems. As a lead up to the audit and to ensure industry personnel are trained and competent, the aviation security and facilitation department conducted numerous aviation security training sessions throughout the year.

A major component of CAAF's income is derived from its allocated share (\$5 VIP) of departure tax paid by international passengers, as such, the increase in passenger numbers in 2022 saw an increase in revenue from this source, as compared to 2020/2021. This cushioned the decrease, from 3.5million to 2.5million, in CAAF's 2022/2023 Government Grant allocation. Government's support is critical to CAAF maintaining its position as a civil aviation leader in the Pacific.

Fiji's bid to host the ICAO Pacific Small Island Developing States Liaison Officer has been accepted by ICAO. There are many benefits to be gained from this and CAAF is excited to be a part of this arrangement. Coordination with ICAO

is underway to have the office set up in the second half of 2023.

As we move into 2023, our focus continues to be on the effective discharge of our responsibilities under the Civil Aviation Authority of Fiji Act 1979 and to ensure we are continuously working towards the achievement of our goals and objectives as set out in CAAF's Corporate Plan 2021-2023.

The achievements and progressive movement of the organisation would not have been possible without the contribution of each and every staff member of CAAF, who gave their all, particularly during a year marred by staff shortages. I am so very grateful for your tireless efforts.

To the CAAF Board, your invaluable support and guidance throughout the year was very much 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 a safe and secure aviation system and we thank you for your support and collaboration throughout 2022. We look forward to building back stronger in 2023.

Vinaka Saka Vakalevu



Theresa Levestam
Acting Chief Executive



A major component of CAAF's income is derived from its allocated share of departure tax.

CORPORATE PROFILE

The main objective of the CAAF Act is to establish the Authority 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.

The Civil Aviation Authority of Fiji (Authority) is an independent Statutory Authority, established under the Civil Aviation Authority of Fiji Act 1979.

The Civil Aviation Act 1976, the Civil Aviation Authority of Fiji Act 1979, the Civil Aviation (Security) Act 1994 and the Civil Aviation Reform Act 1999 set the platform for the Authority's role as the State's safety and security oversight organisation.

The Authority's functions, as provided under section 14 of the Civil Aviation Authority of Fiji Act 1979:

1. The Authority has the following function
 - a) any function conferred on it by the Civil Aviation Act 1976, the Civil Aviation Authority of Fiji Act 1979 or the Civil Aviation (Reform) Act 1999; and
 - b) carrying out such obligations of the State arising from the 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. issuing certificates, licenses, approvals, registrations and permits after appropriate inspection, audit and examination;
- b. developing and promoting of 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;
- h. the prosecution of any offence committed under the Civil Aviation Authority of Fiji 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.

Nature and Scope of activities

The Authority maintains a corporate culture which encourages compliance with the law. The Authority requires that managerial agents of the corporate body comply with all aspects of the law and requires the same of its agents, officers and employees. The Authority works to ensure it has in place adequate systems of management control and supervision over the conduct of its employees, agents and officers to protect CAAF from criminal acts of negligence.

CAAF achieves its functions by:

- working in collaboration with its stakeholders to maintain the safety and security of aviation
- managing the entry and exit of participants to the aviation system
- certifying, licensing and approving participants in the aviation system
- working to promote health, safety, security and better risk management
- working to promote stakeholder awareness of safety and security requirements
- taking enforcement action where necessary
- ongoing surveillance of the civil aviation system

- research and development activities
- incident investigation
- engaging internationally with other aviation bodies, security agencies and ICAO
- supporting other Pacific Island aviation activities, this includes secondment opportunities for Pacific Island States to develop capacity and in the process, enhance aviation safety and security in the region
- collecting fees and charges for services rendered
- providing policy advice to the Ministry of Tourism and Civil Aviation on the aviation system
- working with the Ministry of Tourism and Civil Aviation and the Office of the Solicitor-General on aviation legislation changes
- maintaining accountability for the aviation system to the Fiji Government

CAAF obtains its funding from several sources; a share of the International Passengers

Departure Tax (\$5 VIP), Fees and Charges from industry for services rendered and Government Grant.



Longest Serving CAAF Staff: Finance Officer Peni Narube



CORPORATE OBJECTIVES

Goal 1: Aviation regulatory oversight

Practice consistent aviation safety and security regulatory oversight.

Objective 1a - Improve Fiji's Universal Safety Oversight Audit Programme - Continuous Monitoring Approach Effective Implementation rating to above 80% in all areas (except accident investigation) and Fiji's Universal Security Audit Programme - Continuous Monitoring Approach Effective Implementation rating to above 80% in all areas, by the end of 2023.

Objective 1b - Full implementation of Fiji's State Safety Programme (SSP) by the end of 2023.

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

Objective 1c - Full implementation of the National Civil Aviation Security Programme (NCASP), National Civil Aviation Security Quality Control Programme (NCASQCP), National Civil Aviation Security Training Programme (NCSTP) and National Air Transport and Facilitation Programme (NATFP) by the end of 2023.

Goal 2: Aviation Industry

Engage collaboratively with aviation stakeholders to promote and support a positive safety and security culture resulting in improved safety and security performance.

Objective 2a - Implementation of a robust industry consultation system before the end of 2021.

Objective 2b - Implementation of a comprehensive safety and security awareness programme by the end of 2022.

Goal 3: Organisation

Continuously improve organisational performance.

Objective 3a - Establish robust and effective structures, systems and processes supporting good governance, including the appropriate remuneration and retention of qualified personnel.

Our Commitment to Quality Management

The Authority has developed and implemented a quality management system to ensure it is able to provide consistent services that meets both the customer and applicable aviation regulatory requirements. Our Quality Management System is intended to address customer satisfaction through the effective application of the system, including continual improvement and the prevention of nonconformity.

The quality system complies with the international standard ISO 9001:2015.

Our Quality Policy

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

BOARD OF DIRECTORS

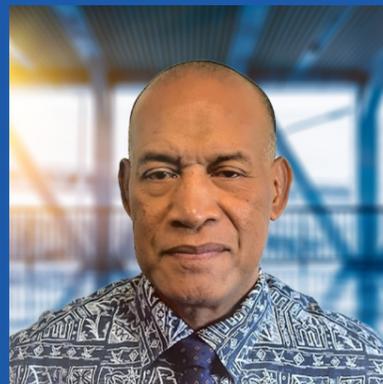
The CAAF Board is established under Section 4 of the Civil Aviation Authority of Fiji Act 1979. The Minister of Public Enterprise with the approval of the Prime Minister appoints the CAAF Board to ensure that the Authority fulfils its obligations in accordance with the Act and is well managed to ensure that any risks are identified early and prudently managed.



Mr. Nilesh Prasad
Chairperson



Mr. Satish Patel



Mr. Peceli Baleikorocau



Mr. Reginald Jokhan

CORPORATE GOVERNANCE

Good corporate governance ensures that the Authority fosters an environment of integrity, trust, transparency, accountability and collaboration in the discharge of our responsibilities and the achievement of our vision and mission.

The Authority is committed to good corporate governance.

It is the responsibility of the Authority's Board to ensure that the Authority's leadership team and the staff implement the principles of good corporate governance at CAAF.

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 also audited by the International Civil Aviation Organisation (ICAO) under the Universal Safety Oversight Audit Programme and Universal Security Audit Program to ensure that Fiji has in place a robust safety and security oversight system which is established and maintained and where ICAO standards and recommended practices are effectively implemented.

Surveillance audits by regulatory authorities from other States with which Fiji has aviation/air services links such as the Civil Aviation Safety Authority of Australia (CASA), CAA New Zealand, US Federal Aviation Administration (FAA), Australian Ministry of Home Affairs and the US Transportation Security Administration (TSA) are conducted as appropriate, on CAAF and Fiji's aviation industry to ensure 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 certification.

In addition, an industry feedback process is in place, whereby industry is encouraged to provide feedback to CAAF on our services; this includes general complaints regarding the level of service and any suggestions for improvements. This includes general complaints regarding the level of service and any suggestions for improvements. As part of this Feedback process, CAAF carries out an annual customer survey using Survey Monkey after which a review is conducted to identify the areas where CAAF needs to improve and achieve better customer satisfaction. Furthermore, a Confidential Reporting System known as FCAIR is also in place.

CAAF will ensure that all decisions are made in a timely, effective and transparent manner which complies with all legal requirements. We will ensure our key values of professionalism, accountability, commitment and integrity are reflected in all that we do.



CAAF Executive Team

EXECUTIVE MANAGEMENT TEAM



Ms. Theresa Levestam
Acting Chief Executive
& Controller Ground Safety

Mr. Suresh Kumar
Accountant /Acting Manager
Corporate Services

Mr. Niroskana Perera
Manager Corporate
Services

Mr. Jimmy Okete Samson
Controller Air Safety

Ms. Sereima Bolanavatu
Controller Standards &
Compliance

Mr. Rigamoto Aisake
Controller Aviation Security
& Facilitation

Theresa Levestam joined the Authority in 2007 and currently holds two portfolios, Controller Ground Safety and Acting Chief Executive. As the Controller Ground Safety, she is responsible for the strategic leadership and management of the Ground Safety Department to ensure effective aviation safety oversight of air navigation service providers and aerodrome operators in Fiji. She has over 32 years of aviation experience with a background in Air Navigation Services; Air Traffic Management and Search and Rescue.

Suresh joined the Authority in 1990 and is responsible for the provision of financial information and reports for executive decision-making and provides financial and administrative support to all divisions within the Authority. He has over 33 years of experience with the Authority and acted in the role of Manager Corporate Services from July 2020 till July 2022.

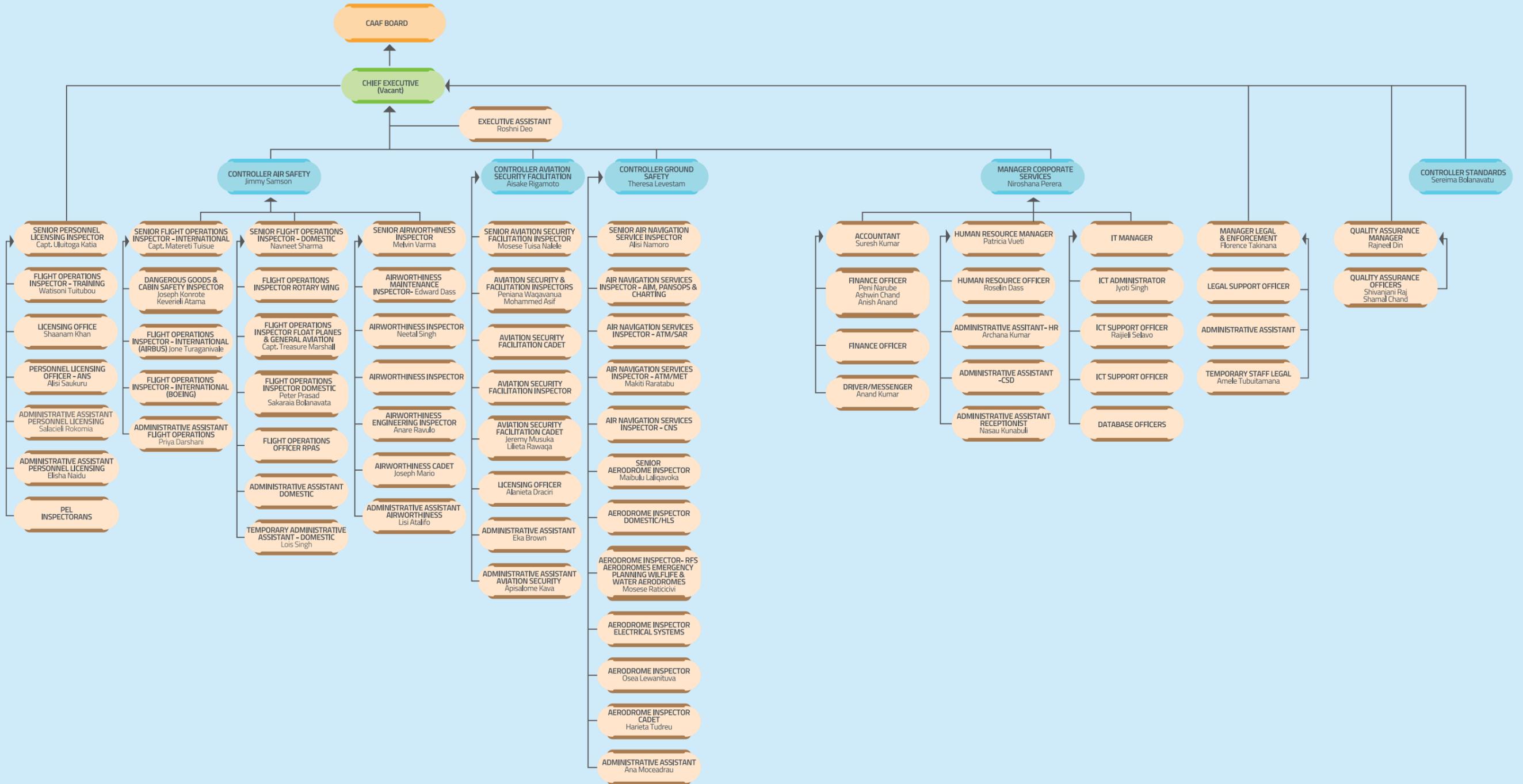
Niroskana joined the Authority in July 2022 and is responsible for the strategic leadership and management of the Corporate Services Department to ensure adequate support services for CAAF's regulatory oversight role. He has over 20 years experience in senior management roles in several industries.

Jimmy joined the Authority in 2017 and is responsible for the strategic leadership and management of the Air Safety Department to ensure effective aviation safety oversight of flight operations and aircraft airworthiness in Fiji. He has over 47 years aviation experience with a background in aircraft engineering.

Sereima joined the Authority in 2018 and is responsible for the strategic leadership and management of the Standards & Compliance Department to ensure CAAF is discharging its functions in accordance with Fiji's national legislative and regulatory framework. She has over 31 years aviation experience with a background in Air Navigation Services; Communications, Navigation and Surveillance. Her role also serves as the National Continuous Monitoring Coordinator and supports Fiji's fulfilment of its responsibilities and duties under the Universal Safety Oversight Audit Programme - Continuous Monitoring Approach.

Rigamoto joined the Authority in 2005 and is responsible for the strategic leadership and management of the Aviation Security and Facilitation Department to ensure effective aviation security oversight in Fiji. He has over 17 years aviation experience with a background in security. Rigamoto is one of the two ICAO Certified AvSec Instructors in Fiji.

ORGANISATION STRUCTURE



OPERATIONAL OVERVIEW



CAAF Executive Team 2022

PRIMARY AVIATION LEGISLATION AND SPECIFIC OPERATING REGULATIONS

The objective is the promulgation of a comprehensive and effective aviation law, commensurate with the size and complexity of Fiji’s aviation activity and consistent with the requirements contained in the Convention on International Civil Aviation, to enable the oversight and management of civil aviation safety and security, and the enforcement of regulations through the Civil Aviation Authority of Fiji. The aviation law is required to provide personnel performing safety oversight functions access to the aircraft, operations, facilities, personnel and associated records, as applicable, of individuals and organizations performing an aviation activity.

Furthermore, there is a requirement to promulgate regulations to address, at a minimum, national requirements emanating from the primary aviation legislation, for standardized operational procedures, products, services, equipment and infrastructures in conformity with the Annexes to the Convention on International Civil Aviation.

The Primary Aviation Review Project commenced in 2020, with the objective of amalgamating into one (1) document Fiji’s civil aviation primary legislation; the Civil Aviation Act 1976, the Civil Aviation Authority of Fiji’s Act 1979 and the Civil Aviation Reform Act 1999, and to ensure that all ICAO Protocol Questions relating to primary legislation were adequately addressed.

This project continued into 2022 with the second draft of the proposed Fiji Civil Aviation Bill in circulation.

It is envisaged that following finalization of the draft Fiji Civil Aviation Bill, the harmonisation of the Air Navigation Regulations will be addressed.

In the interim, changes that need to be made now have been coordinated with the Solicitor General’s office, namely, amendments to Air Navigation Regulations 79 and 81. Other requirements are published through the appropriate Standards Documents.

The Civil Aviation (Security) Act 1994 will remain as a separate Act to the Fiji Civil Aviation Bill.

In preparation for the ICAO Universal Security Audit Programme – Continuous Monitoring Approach Audit, the Civil Aviation (Security) Act 1994 and the Civil Aviation (Security) Regulations 1994 were reviewed to identify gaps in relation to ICAO Standards and Recommended Practices. Gaps identified and coordinated with the Solicitor General’s office have resulted in draft amendments that are under further review. It is planned that following the ICAO Audit in 2023, another review will be conducted to capture any shortfalls highlighted.

CAAF must ensure that we have in place robust safety and security regulations and standards that align with international best practices, industry guidelines, and applicable laws. This requires the regular review and update of these regulations to address emerging risks and changing security dynamics. The Legal Department of CAAF is being expanded to be able to effectively perform these functions.

Furthermore, the newly set up Standards Department is working closely with the Legal Department and other departments across CAAF to address the Protocol Questions highlighted by ICAO. This is to ensure that CAAF’s standards, policies and procedures align with ICAO’s Standards & Recommended Practices and satisfy the Protocol Questions under Critical Element 1 and Critical Element 2. The procedures pertaining to the processing of ICAO State Letters and the filing of differences were also amended.

CAAF provides input to various draft legislation received from other agencies. In 2022, input was provided on the draft Fiji Search and Rescue Bill.



CAAF Legal Team

Industry Consultation

Several Standards Documents underwent extensive review in 2022 and this resulted in the industry consultation process being activated. These documents have now been finalised and uploaded on the CAAF website:

- Standards Document Airworthiness of Aircraft; published 08th March 2022
- Standards Document Mercy Flights; undergoing further review
- Standards Document Remote Piloted Aircraft Systems; undergoing further review
- Standards Document Extended Diversion Time Operations (EDTO); published 26th May 2022
- Standards Document Aeronautical Telecommunications; published 06th June 2022

- Standards Document Personnel Licensing; published 20th June 2022
- Standards Document Aeroplane Upset Prevention & Recovery Training (UPRT); published 12th September 2022
- Standards Document All Weather Operations (AWO) Low Visibility Ops (LVO); published 02nd November 2022

Appeals

One (1) appeal against a decision of CAAF was received by the office of the Chief Executive in accordance with section 12F of the CAAF Act 1979 and this was progressed accordingly.

STATE CIVIL AVIATION SYSTEM AND AVIATION SAFETY & SECURITY OVERSIGHT FUNCTIONS

The establishment of the relevant civil aviation authority, supported by sufficient and qualified personnel and provided with adequate financial resources for the management of safety. CAAF has specific safety functions and objectives to fulfil its safety management responsibility. An important aspect of CAAF's function is ensuring that an appropriately established, organised, funded and empowered civil aviation system is maintained. The following sub-topics elaborate on the various areas.

ORGANISATION STRUCTURE

CAAF is made up of five (5) departments that cover the various areas of the State's safety and security oversight system.

The Air Safety Department (ASD) comprises three (3) sections; Airworthiness, Flight Operations Domestic and Flight Operations International. The Department is headed by the Controller Air Safety who is supported by Flight Operations Inspectors, Airworthiness Inspectors, Dangerous Goods & Cabin Safety Inspectors and Administrative Assistants.

The Airworthiness Section is responsible for the certification of aircraft maintenance organisations and airworthiness of aircraft, including inspections, maintenance standards, and aircraft registration. The section also provides assistance to the Personnel Licensing Office for aircraft maintenance engineers training and licensing activities.

The Flight Operations Section is responsible for the certification and approval of airlines, general aviation activities including Remote Piloted Aircraft activities and oversight of flight operations in Fiji. The section also provides assistance to the Personnel Licensing Office for pilot training and licensing activities.

The Aviation Security and Facilitation Department (ASFD) is headed by the Controller Aviation Security and Facilitation and comprises of Aviation Security and Facilitation Inspectors and, Cadets, Administrative Assistants and a Licensing Officer.

The department is responsible for the regulatory oversight of the implementation of ICAO aviation security and facilitation standards and recommended practices in Fiji. This includes aviation security and facilitation services provided by airport

and aircraft operators; catering agents, air cargo operators, regulated agents, ground handling service providers, aviation security service organisations and screeners. Furthermore, it oversees the implementation of approved security programmes, including bilateral inspection of screening procedures and security controls at foreign airports to which Fiji Airways seeks exemptions.

A hallmark of the ASFD is its ongoing commitment to the provision of aviation security specific training for the aviation industry. Over the years, the ASFD has stepped in, to provide training due to the scarcity in accessing such training locally and the absence of trained and certified aviation security instructors. In doing so, it has quickly become the 'go to' for aviation security training, not only in Fiji but also regionally.

The Ground Safety Department (GSD) comprises two (2) sections; Aerodromes and Air Navigation Services (ANS). The Department is headed by the Controller Ground Safety who is supported by Aerodrome Inspectors, Air Navigation Service Inspectors and an Administrative Assistant.

The Aerodromes Section is responsible for the certification of aerodromes and the registration approvals of Helicopter Landing Sites and Water Landing Sites. The section also provides assistance to the Personnel Licensing Office for Airport Rescue Fire Service training.

The ANS Section is responsible for the certification of all air navigation services (Air Traffic Management, Search & Rescue, Communications Navigation Surveillance, Meteorology, PANSOPS, Aeronautical Information Services, Charting) provided in Fiji and in airspace administered by Fiji (the Nadi Flight Information Region). The section also provides assistance to the Personnel Licensing Office for ANS training and licensing activities.

The Personnel Licensing Office (PEL) is headed by the Manager Personnel Licensing who is supported by a Flight Operations Inspector Training, Flight Operations, Aerodromes and ANS Inspectors, Licensing Officers, Administrative Assistants and external examiners.

The PEL Office has been established in accordance with ICAO Doc 9379, Part 1 – Manual of Procedures for Establishing and Management of a State’s PEL System. The PEL Office discharges its responsibilities around five major functional areas: Examinations, Licensing, Training, Regulatory and Administrative. Medical Assessments are delegated to approved medical assessors (designated medical examiners).

The PEL Office is responsible for the certification of aviation training institutes, approval of synthetic training devices (simulators) and licensing of aviation personnel; pilots, aircraft engineers, air traffic controllers, flight information service officers, aeronautical station operators and aeronautical facility technicians.

The Standards Department (SD) was formed in 2022 and is headed by the Controller Standards who is supported by an administration assistant and consultants who are subject matter experts in technical writing for the various audit areas. Permanent staff are planned for recruitment in 2023.

The Standards Department is responsible for discharging the responsibilities of the National Continuous Monitoring Coordinator to ICAO. Its core function is to manage compliance to the ICAO standards contained in the Annexes to the Convention and Procedures for Air Navigation Services (PANS) that CAAF has established in its local standards document as a national regulatory requirement. Fiji ratified the Chicago Convention in 1947. As a signatory to the convention, member states are obligated to adopt and implement the SARPS (Standards & Recommended Practices) to ensure uniformity. The Department works closely with other departments within CAAF to effectively implement ICAO’s state safety oversight system that is monitored continuously under the ICAO Universal Safety Oversight Audit Programme.



Personnel Licensing Team



Corporate Services Department Team

The Corporate Services Department (CSD)

comprises five (5) sections; Finance, Legal, Human Resources, Information Communications Technology and Quality Assurance. The department is headed by the Manager Corporate Services who is supported by the Accountant, Manager Legal & Enforcement, Human Resources Manager, ICT Administrator, Quality Assurance Manager, various Officers and Administration Assistants.

The Corporate Services Department provides the much-needed support to the Authority’s operational arm.

The Legal & Enforcement section, previously under the Corporate Services Department, became a standalone section in 2022, with the head of the section, Manager Legal & Enforcement, reporting to the Chief Executive. In addition to heading the Legal Department, the Manager Legal & Enforcement, also discharges the role of the Board Secretary.

The Authority meets its responsibilities through the roles and functions of its various departments/sections as further detailed in **Appendix A**. This is supported by appropriately qualified technical and non-technical staff in accordance with the Authority’s structure provided in **Appendix B**.

The Authority meets its responsibilities through the roles and functions of its various departments/sections as further detailed in Appendix A.



CAAF Human Resource Team

MANPOWER, STAFF RECRUITMENT AND RETENTION

At the commencement of 2022, there were a total of 57 full-time positions with 2 temporary staff in position and 22 vacancies.

Manpower issues continue to be one of the Authority's biggest challenges. It is difficult to compete with commercial operators on remuneration due to the shortage of aviation professionals globally.

As a result, additional retention strategies have been implemented; professional development and capacity building, engagement in meetings at international and regional level, promoting better work life balance through the offering of flexi-hours and wellness sessions, staff medical benefits (inpatient and outpatient) and an effective performance management system. In addition, a Job Evaluation Exercise is currently underway to enable more competitive salaries so as to not only retain the staff we have, but be able to attract qualified personnel into the organisation.

The reopening of our international borders at the end of 2021, saw an increase in oversight activities which necessitated the quick recruitment of personnel to fill the vacant positions. However, just as CAAF was able to recruit staff into the vacant positions, the growing demand for

air travel saw other players in the aviation industry who were ramping up their operations, offer more lucrative remuneration to beef up their numbers. This impacted CAAF, with several staff taking up these offerings, leading to the high staff turnover rate of 18% we experienced in 2022.

Due to several key projects and the inability to recruit full-time staff in a timely manner, CAAF has had to engage staff on a temporary basis to assist in discharging the increasing workload. Where inspectorate staff are not able to be recruited, consultants were engaged to assist CAAF meet its deliverables. In other administrative areas, temporary staff were engaged or responsibilities taken on by current staff as recruitment was conducted.

A Human Resources (HR) audit and Capability Framework exercise which was commenced in 2021 by Human Resources Consultancy firm, Maxumise (Fiji) Pte Ltd, was completed in 2022. The objective of the audit and exercise was to look at CAAF's current capabilities against the requirements of the organisation and expectations of industry, then provide recommendations on how CAAF could better provide its services to its stakeholders and maintain and enhance its international standing with the International Civil Aviation Organisation.

The conclusions of the HR audit provided CAAF with an informed basis to review our processes in this area. Several improvements have been implemented as a result.

The Authority's organisational structure was evaluated as part of the Capability Framework Exercise that was conducted in 2022. This Exercise examined the competencies CAAF required to be able to deliver on its strategic objectives. The Exercise provided recommendations for the improvement of CAAF's structure in order to make it more effective and fit for purpose.

The Air Safety Department's (ASD) manpower requirements are; one (1) Controller, two (2) Senior Flight Operations Inspectors (International and Domestic), one (1) Senior Airworthiness Inspector, four (4) Airworthiness Inspectors, six (6) Flight Operations Inspectors (2 International and 4 Domestic); two (2) Dangerous Goods & Cabin Safety Inspectors and three (3) Administrative Assistants.

There were several inspectorate and administrative positions vacant in 2022. At the end of 2022, one (1) cadet is in training to fill one (1) of the two (2) vacant Airworthiness Inspector roles, one (1) of the administrative positions that has been vacated was being filled by a temporary staff whilst the recruitment process was underway and consultants were being engaged to assist with the responsibilities of the flight operations inspector for international and rotary wing, both of which remained vacant when the incumbents left.

The Aviation Security and Facilitation Department (ASFD) manpower requirements are; one (1) Controller, one (1) Senior Aviation Security & Facilitation Inspector, five (5) Aviation Security and Facilitation Inspectors, two (2) administrative assistants and one (1) Personnel Licensing Officer.

There are three (3) inspectorate roles that are vacant. To fill the vacant roles, there were three (3) cadets in training, which had been delayed as a result of the closure of international borders.

However, with the reopening of international borders, the cadetship training programme abroad has recommenced with expectation that they will become inspectors by late-2023. One (1) cadet left CAAF during the year, leaving this cadet position vacant. Plans are to recruit another cadet in late 2023/early 2024, once the current cadets have completed their cadetship.

There are plans to grow the department to cater for expected growth in both aviation security and facilitation standards. While there is currently sufficient manpower to discharge aviation security functions, facilitation will require additional manpower and experience to cover complex facilitation issues.

ICAO conducted a Virtual Follow-up CAT (VFCAT) mission from the 29th August to 9th September 2022 in the following audit areas; LEG, ORG, PEL, OPS, AIR, ANS and AGA.

The Ground Safety Department (GSD) manpower requirements are; one (1) Controller, two (2) Senior Inspectors (Aerodromes and ANS), four (4) Aerodrome Inspectors, four (4) ANS inspectors and one (1) administrative assistant.

There was one (1) cadet recruited to fill the aerodrome inspector position and recruitment activated for the other vacant positions of one (1) aerodrome inspector and three (3) ANS inspectors, as a result of departures from the department. Unfortunately, the recruitment drives were not successful and recruitment was again reactivated in the 4th quarter of 2022, with the positions expected to be filled in 2023.

The Controller Ground Safety continued to discharge the responsibilities of the CAAF Chief Executive's role throughout 2022.

The Personnel Licensing Office (PEL) manpower requirements are; one (1) Manager, one (1) Flight Operations Inspector – Training, two (2) Personnel Licensing Officers and two (2) Administrative Assistants (AA's).

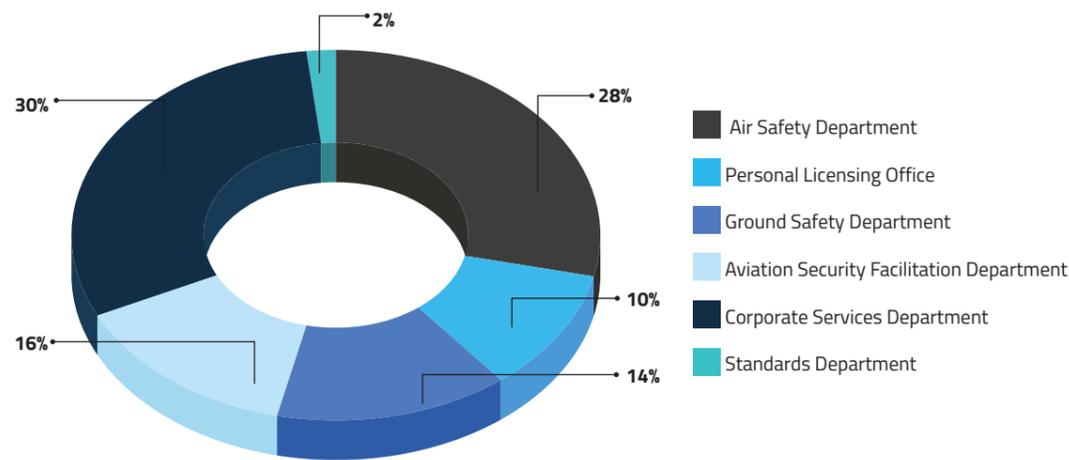
At the beginning of 2022 there were two (2) positions vacant. These were filled in 2022 putting the PEL office at full complement. The PEL Office is considered a medium size PEL office and as such does not employ its own full-time subject matter experts, but utilises the expertise from the Air Safety Department and Ground Safety Department as required. Plans are in place in terms of automation and manpower growth to ensure that the PEL Office is able to meet the needs of the growing aviation industry.

The Standards Department (SD) manpower requirements are; one (1) Controller and two (2) subject matter experts. The Controller Standards was appointed to the role in July 2022 and in CAAF Board meeting 05/2022 held in October 2022, the structure of the Standards Department was approved. Recruitment for these positions (Standards & Compliance advisor/specialist – Air Safety & – Ground Safety) will be activated in 2023.

The Corporate Services Department (CSD) manpower requirements are; one (1) Manager for the department, three (3) in Human Resources, five (5) in Finance, three (3) in Information Communications Technology and three (3) in Quality Assurance.

During the year several vacancies were filled; Manager Legal & Enforcement, Manager Corporate Services, Human Resources Manager and Quality Assurance Manager. At the end of 2022, recruitment was underway for other vacancies that had arisen during the year, namely, Finance Officer, Legal Officer with the recruitment of the ICT Manager to be activated in 2023.

Figure 1.0 – Staff Composition for 2022



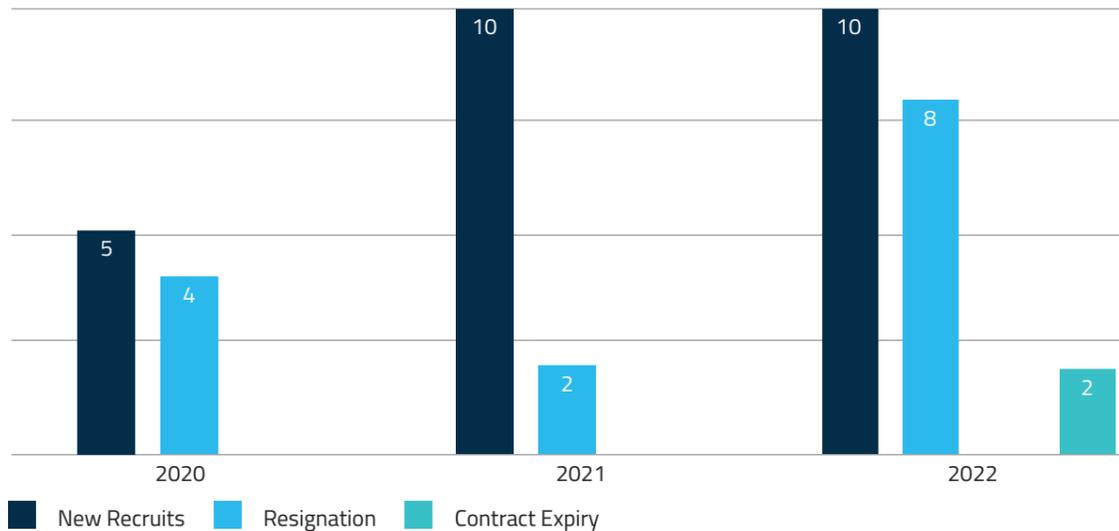
In summary, there were a total of 22 vacancies arising out of contract expiries/renewals, staff resignations, vacancies that had been put on hold as part of the COVID-19 austerity measures and other positions that had been created to assist in the increasing workload over the years.

The Authority continues to face ongoing challenges in recruiting and retaining essential operational personnel with scarce skill sets as they are in high demand and hard-to-find.

A summary of staff movement which indicates staff recruitment and staff turnover for the year is depicted below:

Figure 2.0 – Staff Movement

Staff Movement for 2022



*Note: There were Nil Retirement for the period 2020 to 2022.

Operating Results

With the opening of our international borders in December 2021, the year 2022 was a demanding year. Our national carrier, Fiji Airways, ramped up operations which resulted in an influx in foreign licence holders to complement the local aviation personnel. This saw an increase in licensing activity which continues into 2023.

Despite our shortfall in staff, CAAF continued to discharge its responsibilities diligently in line with its 2022 workplan; all service providers and operators underwent audits in a timely manner and Certificates, Approvals and Authorisations were subsequently issued and testing and licensing of aviation personnel assured.

Resolution of Safety Concerns were addressed during meetings, follow-up audits and surveillance activities. Investigations into reported incidents were conducted in accordance with CAAF policies and procedures and safety actions taken as and when required.

As part of regional cooperation and assistance, the New Zealand Government offered Fiji observer status at the ICAO audit of New Zealand conducted from late August to early September. New Zealand funded the two (2) week audit observation programme. The main objective of the trip was to observe how the audit is conducted and better prepare Fiji for the impending ICAO audit in 2023.

ICAO conducted a Virtual Follow-up CAT (VFCAT) mission from the 29th August to 9th September 2022 in the following audit areas; LEG, ORG, PEL, OPS, AIR, ANS and AGA. The VCAT mission saw the review of the Corrective Action Plans to address the unsatisfactory protocol questions. Using the VFCAT report, the Standards Department has been working in collaboration with other departments to progress the implementation of the CAPS to satisfy all the Protocol Questions that have been highlighted as unsatisfactory.

The SMS implementation checklists have been reviewed and are now in use by inspectors during audits and surveillance inspections.

- CA102A – Safety Management Inspectorate Checklist- Routine Assessment
- CA104A – SMS Implementation Status Matrix – Ground Safety Department
- CA104B – SMS Implementation Status Matrix – Air Safety Department

Work will continue on the unsatisfactory Protocol Questions and actions taken by Fiji updated in the ICAO Online Framework, which is used to monitor State’s progress and effective implementation. Fiji’s aviation activity will determine the schedule of our next audit, which, at this stage is envisaged for 2024.

CAAF, through the Aviation Security and Facilitation Department, ensures the implementation of comprehensive security measures that encompass both physical and procedural aspects.

This includes screening procedures for passengers and baggage, access control measures, surveillance systems, security training programs, and collaboration with law enforcement agencies. The department works in collaboration with the aviation industry to ensure that pending audit findings are appropriately addressed in a timely manner. This can be challenging for many operators and requires management will and commitment. Collaboration with key industry stakeholders, including airlines, airports, and industry associations is vital as it ensures engagement in information sharing, joint exercises, and cooperation to address safety and security concerns collectively.

The conduct of risk assessments to identify and prioritize safety and security concerns within the aviation regulatory system is an important function of CAAF. This ensures that potential hazards, threats, and vulnerabilities that could affect the safety and security of aviation operations in Fiji are effectively evaluated.

A culture of continuous improvement by analysing safety and security data, conducting trend analysis, and implementing lessons learned from incidents and near-miss events is encouraged. This includes the regular review and update of safety and security procedures based on emerging threats and industry advancements.

International cooperation and collaboration with other civil aviation authorities, regulatory bodies, and international organizations is another important focus of CAAF. This allows for the sharing of best practices, participation in joint initiatives, and contribution to global efforts that work to enhance aviation safety and security.

Capital Works

To gain additional work space without extending the office area, a new concept of workstations (4-way design) were implemented in two (2) departments. This has provided more room in these departments and will be the design for replacement of workstations moving forward.

Due to an increase in files, additional filing cabinets have been implemented in various departments. However, it is planned that CAAF will slowly move into a digital archiving which will see the freeing up of space when filing cabinets are no longer required.

Collaboration with key industry stakeholders, including airlines, airports, and industry associations is vital as it ensures engagement in information sharing, joint exercises, and cooperation to address safety and security concerns collectively.

PERSONNEL QUALIFICATIONS AND TRAINING

It is critical that minimum qualification requirements for the technical personnel performing safety-related functions is established and the appropriate initial and recurrent training to maintain and enhance their competence at the desired level is provided. CAAF is required to implement an effective capacity building program to ensure that all its staff are able to operate at the competence level required.

Training and Development of Staff

The aviation safety and security 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.

The ICAO guidance for national civil aviation authorities require CAAF inspectorate staff to be properly trained, well organized and resourced to accomplish the diverse and complex technical safety and security oversight activities assigned to them. Put differently, they have to be equal to or better than those they oversight.

ICAO has forecast that there will be significant shortage of aviation professionals to meet the anticipated growth in the aviation industry and has emphasized the need for ongoing training to build capacities in the civil aviation industry and in the civil aviation authorities and administrations, in order to address the anticipated short fall.

The CAAF Training Plan for 2022 was implemented with some of the training unable to be conducted due to unavailability of space on the external courses. Where virtual training and virtual seminar and meeting attendance was possible, this was utilised.

The CAAF Training Plan for 2022 was implemented with some of the training unable to be conducted due to unavailability of space on the external courses.

The Singapore Aviation Academy, under the Singapore Aviation Programme, conducted a customized in-country 'Auditor and General Audit Techniques' training for Fiji and other Pacific Island States at the CAAF Head Quarters. This was funded by the Civil Aviation Authority of Singapore with CAAF covering training facility costs and refreshments for the participants.

There has also been a concerted effort to strengthen training of non-technical staff to ensure that they develop the skillset and broaden their knowledge in their specific areas of work. In addition, some staff have taken the initiative to enhance their professional development and qualifications through short courses and tertiary programmes of study.

Training Needs Assessments are conducted for all CAAF staff. This is reviewed annually to identify the knowledge, skills, and competencies required to perform their roles effectively.

Comprehensive training programs to enhance safety and security awareness and competencies among aviation stakeholders, including regulatory staff, airline personnel, airport staff, and security personnel continued in 2022. This included training on emergency response procedures, threat recognition, and risk management.

The various capacity development programs conducted by CAAF are elaborated below.

1. Regulatory Training Programs: these are specific to the regulatory functions and responsibilities of staff and includes training on aviation regulations, safety oversight practices, compliance procedures, and regulatory processes.



Flight Operations Inspectors on Simulator Checks.

- 2. Technical Training:** serves to enhance the technical knowledge and expertise of staff in areas such as airworthiness, flight operations, air traffic management, licensing and certification, and aerodrome management. e.g., type ratings
- 3. Legal and Regulatory Training:** this is training on legal frameworks proposed, staff attend international conventions, and regulations relevant to civil aviation. This helps staff understand their legal responsibilities, ensure compliance, and effectively enforce regulatory requirements.
- 4. Safety Management Systems (SMS) Training:** this training enables staff to effectively implement, manage, and monitor safety initiatives within the civil aviation regulatory system. This includes training on safety risk assessment, incident investigation, and safety performance monitoring.
- 5. Leadership and Management Development:** this is geared to develop the skills of supervisors, managers, and leaders within the regulatory system. This includes training on communication, decision-making, team management, and strategic planning.
- 6. Professional Development and Continuing Education:** staff are encouraged to pursue professional development opportunities and continuing education relevant to their roles within the civil aviation regulatory system. In addition, CAAF ensures that the relevant staff attend conferences, workshops, and industry seminars to stay updated on the latest trends, technologies, and best practices.
- 7. On-the-Job Training (New Inspectorate staff):** this training combines formal training programs with on-the-job training and mentorship. This allows new inspectorate staff, cadets and trainees to apply their knowledge in real-world situations and learn from experienced professionals within the regulatory system.
- 8. Performance Evaluation and Feedback:** staff performance is regularly evaluated and constructive feedback provided. This helps identify areas for improvement and enable training and development programs to be tailored to address specific needs.
- 9. Training Resources and Infrastructure:** CAAF ensures that the necessary resources, such as training material, facilities, equipment, and technological tools, are available to support effective training and development initiatives.

An area that CAAF will be looking into for the future is *Collaboration and Exchange Programs*. This will see the facilitation of collaboration and exchange programs with other civil aviation regulatory bodies, industry associations, and international organizations. This will allow staff to learn from counterparts, share experiences, and gain exposure to different regulatory practices and approaches.

Meetings and Seminars

Attendance at international and regional aviation meetings and seminars is important for the capacity building of the inspectorate staff and to ensure that CAAF is kept abreast of the evolving ICAO strategies and initiatives and is able to focus on areas where action by Fiji is required. The knowledge gained at these forums, enables better safety and security oversight of Fiji’s aviation industry and ensures that proper guidance is provided to stakeholders as required.

CAAF participated in various ICAO and Regional Meetings, Seminars and Conferences, both virtually and in person. A CAAF team formed part of the Government delegation to the 41st Assembly of the ICAO Council held in Montreal, Canada. It was during this meeting that the ICAO Presidents Award was presented to Fiji.

To ensure there is continued dialogue between CAAF and industry/ stakeholders; in addition to meetings with operators during audits and surveillance inspections, several

operator meetings were convened by CAAF held in 2022. In addition, CAAF attended industry meetings to ensure that issues raised were noted and addressed; “Airspace Users Forum”, Airport Security and Facilitation Committee Meetings, RAMP Safety and Airport Wildlife Committee meetings.

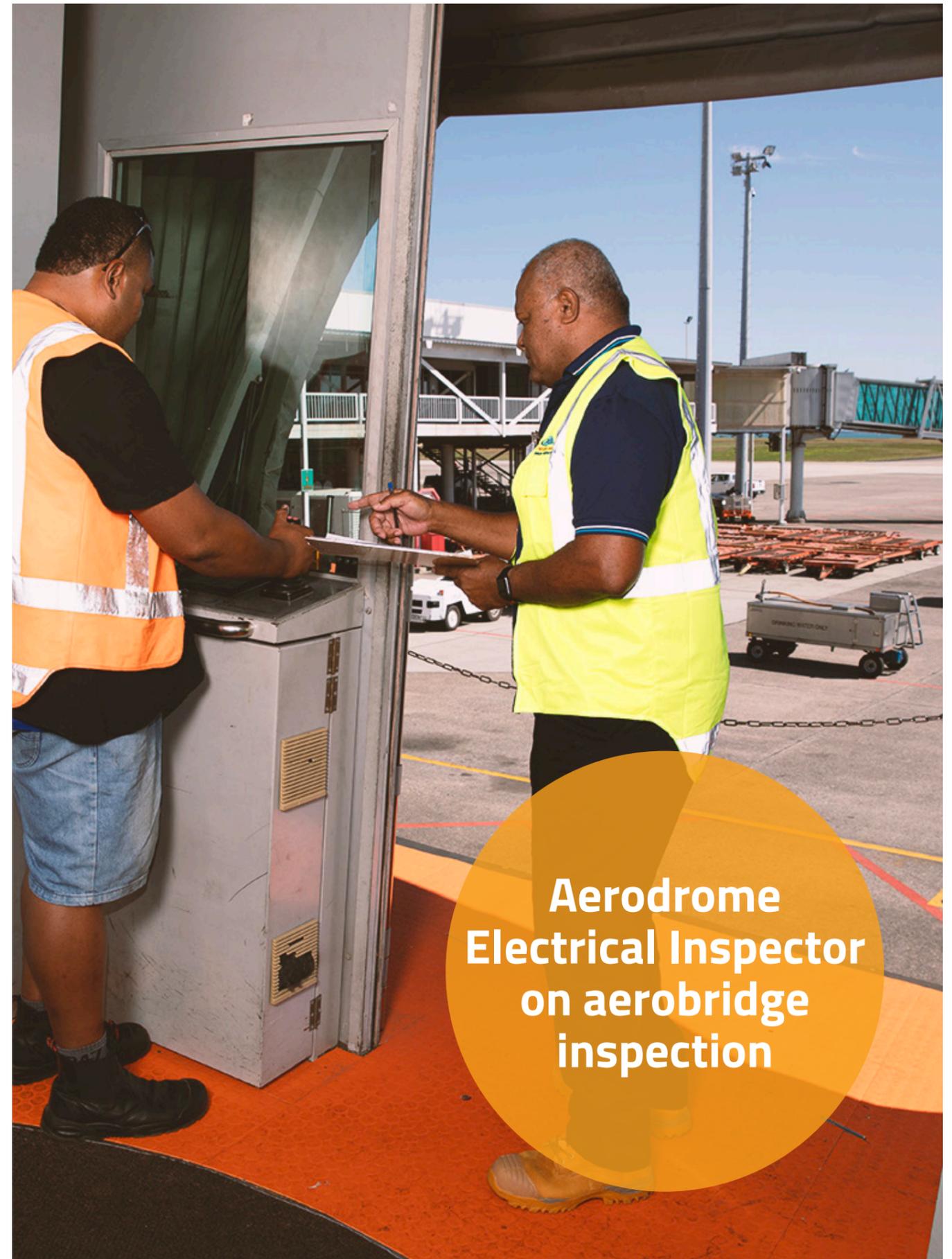
Industry Training Conducted

CAAF strives to be a learning organisation, where knowledge and training acquired are imparted and shared. This is essential in order to fulfil its aviation safety and security-related functions through the development of comprehensive safety and security education and awareness programmes.

Partnership with industry stakeholders in capacity building is a key development objective for the Authority. To achieve this, the Authority facilitated the following aviation security training in 2022.

The aviation industry continues to place a premium on suitable aviation security training for airlines, aviation management, behavioral assessment, cargo, cyber security, quality control, screening, and developing vigilant supervisors. At this stage, the Authority is unable to meet the growing demand for training as it has its core functions to focus on first. The aviation sector has been encouraged to invest in the development of their own instructors.

No.	Date	Course Title	Training Provider
1	17 th to 18 th February 2022	ASTP 123 Airline Course	CAAF
2	28 th February to 04 th March 2022	ASTP 123 Air Cargo & Mail Security Course	CAAF
3	08 th to 10 th March 2022	TSA Behavioural Awareness Training	Transportation Security Administration
4	21 st to 25 th March 2022	AVSEC Quality Control Course	CAAF
5	25 th to 29 th April 2022	AVSEC Quality Control Course	CAAF
6	12 th to 21 st July 2022	AVSEC Supervisors Course	CAAF & AVSEC New Zealand
7	26 th July to 04 th August 2022	AVSEC Supervisors Course	CAAF & AVSEC New Zealand



**Aerodrome
Electrical Inspector
on aerobridge
inspection**



Air Navigation Services monitoring flight movements

TECHNICAL GUIDANCE TOOLS AND PROVISION OF SAFETY/SECURITY CRITICAL INFORMATION

Appropriate facilities, comprehensive and up-to-date technical guidance material and procedures, safety and security critical information, tools and equipment, and transportation means, as applicable, is provided by CAAF to the technical personnel to enable them to perform their safety and security oversight functions effectively and in accordance with established procedures in a standardized manner. CAAF provides technical guidance to the aviation industry on the implementation of relevant regulations.

CAAF Standards Documents

The Standards Documents (SD) issued by CAAF provide the safety and security standards required for operating an aviation activity within the Fiji aviation system.

There were some new and some revised SDs published in 2022.

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. To this end, all SDs are reviewed to ensure any new standards and recommended practices adopted by ICAO are incorporated in our SDs and translated into our oversight activities.

The following SDs have been published by CAAF: -

1. SD Aerodromes
2. SD Air Traffic Services
3. SD Aeronautical Charts
4. SD Aeronautical Information Services Provider
5. SD Aeronautical Meteorological Service Provider
6. SD Aeronautical Telecommunications
7. SD Instrument Flight Procedure
8. SD Search and Rescue
9. SD Designation and Classification of Airspace
10. SD Units of Measurement to be used in Air and Ground Operations
11. SD Personnel Licensing
12. SD Air Traffic Management Synthetic Training Devices
13. SD Aeroplane Flight Simulators Training Devices
14. SD Aeroplane Upset Prevention & Recovery Training (UPRT)
15. SD Medical Standards, Tests and Certification
16. SD Aviation Training Institutions
17. SD Air Operators Certificate of Competency
18. SD Safety Management Systems
19. SD Airworthiness of Aircraft
20. SD Aircraft Weight and Performance
21. SD Aircraft Nationality & Registration Marks
22. SD ANR-145C Approval of Aircraft Maintenance Organizations
23. SD Avoidance of Fatigue
24. SD Carriage of Dangerous Goods
25. SD Electronic Flight Bag
26. SD Foreign Air Operator Certificate
27. SD Guidance & Procedures for Check Captains and Examiners of Airmen
28. SD International Commercial Air Transport
29. SD Mercy Flights
30. SD Performance Based Navigation
31. SD RNAV (GNSS) Approaches
32. SD SEIFR Operations
33. SD EDTO
34. SD Aeroplane Flight Simulators Training Devices
35. SD Aeronautical Facility Technician Licensing
36. SD Certification of Aviation Training Institutions
37. SD Guidance Procedures for Check Captains Examiner of Airmen
38. SD All Weather Operations (AWO) Low Visibility Ops (LVO)

In addition, aviation security SDs and national programmes to incorporate new ICAO Annex 17 – Aviation Security and Annex 9 – Facilitation requirements have been published.

CAAF Guidance Material

The effectiveness of Fiji’s safety oversight system and the implementation of standards are supported by technical guidance material issued by CAAF. CAAF has developed and published several guidance material documents.

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
15.	Guidance Material – Flight Inspection
16.	Guidance Material – Training AMO

In addition to guidance material, Inspectors’ Manuals have been developed to provide guidance to CAAF’s inspectors in their safety and security oversight responsibilities. These manuals cover all functional areas and is reviewed, at a minimum, on an annual basis.

Publication of Fiji’s Aeronautical Information Circulars (AIC) are the responsibility of the CAAF. 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. There was a total of 14 AICs issued in 2022.

Aviation safety/ security awareness

Transparent and effective communication channels to provide timely safety and security information to the public, aviation stakeholders, and relevant authorities is essential. This includes promoting awareness campaigns to educate air travelers about safety and security measures and encourage their active participation in maintaining a secure aviation environment.

Safety and Security awareness and education of aviation stakeholders on areas of concern and on any new requirements, are provided during inspections, audits and meetings. 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.

CAAF Industry meetings held in 2022 also provided a platform to provide awareness on the various areas of CAAF oversight.

An increase in laser light reports in 2022 saw the publication of a safety poster in the daily newspapers, on CAAF website, in the Aviation Safety Bulletin and on posters put up in areas identified as hot spots.

CAAF Aviation Safety Bulletin

The Authority issued Aviation Safety Bulletin (ASB) is one of the many platforms that CAAF uses to discharge its responsibility under the Civil Aviation Authority of Fiji Act 1979; to encourage a greater acceptance by the aviation industry of its obligation to maintain high standards of aviation safety and security through comprehensive safety education and fostering of awareness within industry, and within the community generally, of the importance of aviation safety and security and the need for compliance with relevant legislation.

The ASB is issued on a quarterly basis and articles are aligned to themes that have been identified during surveillance inspections and occurrence reporting, as well as emerging technologies/ practices, that require more awareness by CAAF.

Safety and Security awareness and education of aviation stakeholders on areas of concern and on any new requirements, are provided during inspections, audits and meetings.



Airworthiness Inspector conducting maintenance audit inspection

LICENSING, CERTIFICATION, AUTHORISATION, APPROVAL & SURVEILLANCE OBLIGATIONS

CAAF must ensure the implementation of documented processes and procedures to ensure that individuals and organizations performing an aviation activity meet the established requirements before they are allowed to exercise the privileges of a licence, certificate, authorization or approval to conduct the relevant aviation activity.

Furthermore, CAAF must ensure the implementation of documented surveillance processes, by defining and planning inspections, audits and monitoring activities on a continuous basis, to proactively ensure that aviation licence, certificate, authorization and approval holders continue to meet the established requirements. This includes the surveillance of personnel designated by the Authority to perform safety oversight functions on its behalf. Regular safety and security audits of aviation organizations, airports, and service providers to assess compliance with safety and security regulations, identify any gaps or deficiencies and provide guidance on corrective actions is ongoing.

CAAF 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 operators, service providers and aviation training institutes.

The following information, tables and graphs provide a summary of the various Licensing, Certification and Approval (Critical Element 6) activities conducted by CAAF in 2022.

GROUND SAFETY DEPARTMENT (GSD)

Certification of Aerodrome Operators (Refer to detailed list in Appendix A)	International Aerodromes x2	Fiji Airports
	Government Domestic Airports x13	Fiji Airports
	Private Aerodromes x7	Private Operators
Registration Approval of Helicopter Landing Sites (Refer to detailed list in Appendix A)	Private Resort owned HLSs x6	Private Operators*
Certification of Air Navigation Service Providers (Refer to detailed list in Appendix B)	Aviation Meteorological Service Provider	Fiji Meteorology Service
	Aeronautical Maintenance Organisation – CNS	Fiji Airports
	Air Traffic Service Provider	
	Aeronautical Information Service Provider	

*CAAF is in coordination with the Ministry of Health for the registration of hospital Helicopter Landing Sites.



Ground Safety Department Team

AIR SAFETY DEPARTMENT (ASD)

Certification of ANR145C Operators	15	<ul style="list-style-type: none"> Out of the 15 certified, 10 are Fiji based and 5 are overseas based The current number of certificated operators is 26; 10 Fiji based and 16 overseas based.
Aircraft Certificate of Airworthiness Audits	63	<ul style="list-style-type: none"> Fiji has 110 registered aircraft; 63 operational and 47 nonoperational aircraft. The 63 aircraft had their Certificate of Airworthiness renewed in 2022.
Aircraft Certificate of Registration Audits	02	<ul style="list-style-type: none"> DQ-LIS DQ-GCA
Aircraft - Deregistration	05	<ul style="list-style-type: none"> De-registered aircraft; DQ-FJO, DQ-FJP, DQ-FJM, DQ-VXN and DQ-LIH.
Airline Operators Certificate (AOC)	5	<ul style="list-style-type: none"> Refer to detailed list in Appendix C
AOC Variations	21	<ul style="list-style-type: none"> Refer to detailed list in Appendix C
Foreign AOCs	05	<ul style="list-style-type: none"> Refer to detailed list in Appendix C
Foreign AOC Variations	03	
Emergency Procedure Approvals	18	
Foreign Licence Conversion Check Approvals	38	<ul style="list-style-type: none"> Foreign Licence Conversions
Type Rating Checks	28	<ul style="list-style-type: none"> 19 International 9 Domestic
Approval of Check Captains	15	<ul style="list-style-type: none"> Check & Training Captain - Base & Instrument Rating Checks Check & Training Captain - Line Check

ANR 145C Variations; were carried out at the request of the operator as a result of COVID19 restrictions, temporary location of maintenance facilities, new aircraft inclusion and new postholders. The changes were carried out with supporting risk assessments/ safety cases. Singapore Airlines Engineering, GMF Aero Asia Engineering in Indonesia and Kokomo Resorts in Nadi had their ANR 145C approvals varied in 2022.

ANR145C Extensions; were carried out as a result of COVID19 issues, aircraft being in storage and to allow time to prepare for normal operation. There were three (3) extension requests approved, which were supported by the appropriate risk assessments.

AOC Variations; as a result of change in post holder(s), inclusion of new destination(s), removal of aircraft type(s), approval of electronic flight bag.



Air Safety Department t Team

AVIATION SECURITY AND FACILITATION (ASFD)

Licensing of Screeners	2021	2022
Licence issued for initial screeners	24	93
Licence renewed for screeners	205	188
Total number of screener Licence issued	229	281

Audit Activities	2021	2022
Audits	22	24
Follow up Audits	51	28
Re-audits	0	30
Total number of audits combined	73	82

ASFD Activities	2021	2022
Certification of Regulated Agents	40	36
Certification of Aviation Security Service Organisation	19	21
Certification of Ground Handling Service Provider - Security	25	26
Certification of Aircraft Catering Service Providers	1	2
Certification of Air Cargo Operators	1	3
Aviation security instructor certifications	1	1
Aviation security quality control officer approvals	0	21
Evaluation and Approval of Security programmes/ expositions	1	0
Evaluation and Approval of all other Security Programme	8	4

Apart from the conduct of audits, inspections, investigations and tests as part of its work schedule, the ASFD also conducted surveys for Fiji Airways new ports of call in Adelaide and Vancouver. In addition, the ASFD also resumed

its validation inspections of transfer hold baggage and transfer air cargo in Sydney, Brisbane and Los Angeles. The department will validate other Fiji Airways last port of call in the coming year.



Aviation Security and Facilitation Team

PERSONNEL LICENSING OFFICE

Certification of Aviation Training Institutes <i>(Refer to detailed list in Appendix D)</i>	Air Navigation Services Training (Air Traffic Services)	Fiji Airports Aviation Academy
	ATR Training	Ansett Brisbane
	BE900 Training	ATS –Denver Colorado
	Boeing Training	Boeing Singapore Training & Flight Services
	Airbus Training	Airbus Asia Training Centre Limited, Singapore
Restricted Aviation Training Institute Certificates <i>(Refer to detailed list in Appendix D)</i>	Instrument Landing System Training	Fiji Airports ANES
	ADS-B Technical Training	
	Basic Fire Fighting (Certificate 1) Training	Private Contractor

Licensing Activity	2021		2022	
	Issue	Renewal	Issue	Renewal
Airline Transport Pilots Licence	0	42	59	260
Commercial Pilots Licence	9	89	25	378
Private Pilot’s Licence	5	0	12	3
Flight Trainee Permit	2	17	58	82
MEDICAL (Pilot licence)	2	82	97	402
Aircraft Maintenance Engineer	1	14	8	61
AMC	3	0	13	0
MEDICAL (AME licence)	8	0	8	0
Aeronautical Facility Technicians License (AFTL)	0	11	0	11
Air Traffic Control License (ATCL)	0	1	0	3
Aeronautical Station Operators License (ASOL)	0	85	0	29
Flight Information Service Operators License (FISOL)	0	9	0	9
Aeronautical Facility Technician Trainee Permit	0	0	0	0
Air Traffic Control Trainee Permit	0	0	0	3
Flight Information Service Trainee Permit	0	0	0	9
TOTAL	30	350	280	1250

Approvals and Validations	2021		2022	
Type	Issue	Renewal	Issue	Renewal
ANR 45 APPROVAL	2	10	12	21
Validation Issue	2	0	60	0
Verification Issue	7	0	43	0
TOTAL	11	10	115	21

Medical Activities	2021	2022
Type	Issue	Issue
Number of CAAF AMA	8	9
Medical board sittings	4	13
Medical cases reviewed by Board	6	25
Medical reports reviewed by Medical Assessor	50	187
TOTAL	68	234

Examination Activities	2021	2022
Type	Issue	Issue
Type Rating	9	42
Air Law	13	123
ATPL	73	330
CPL	114	502
PPL	0	0
FIRX	15	47
AME	13	45
AMC	42	294
Rating (Oral)	5	30
TOTAL	284	1413

OTHER PERMISSIONS, APPROVALS AND EXEMPTIONS ISSUED

Type	2021	2022
Permissions issued	31	85
Exemptions issued <i>(Refer to detailed list in Appendix E)</i>	26	19
Off-Airport-Development Assessments	48	22
Commercial Remote Piloted Aircraft Systems (RPAS) Authorisations	26	29
Approvals of Manuals/ Expositions & Revisions	72	90
Authorization to conduct tests and examinations	01	10
Flight Simulation Training Device Approvals <i>(Refer to detailed list in Appendix C)</i>	02	02
ETOPS Approvals	01	0

Permissions;

- Issued by CAAF GSD 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.
- Issued by CAAF ASD pertain to the carriage of dangerous goods, including firearms, on board an aircraft, carriage of live animal, conduct of aerial work, operating below permitted minimum altitude for aerial work including suspension of articles

Exemption(s) from provisions of a Standards Document or Air Navigation Regulations 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).

Off-Airport-Development applications are assessed by CAAF. 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.

Emergency Procedures Approval; Approval of Emergency Procedures (EP) training apparatus, controlling person approval and, the approval to conduct EP Training and Checks.



Ground Safety Department Administrative Assistant working with ANSI on permissions

SURVEILLANCE

In our safety oversight surveillance activities, CAAF is moving towards a Performance-Based Approach. This is reflected in the work plans of the various departments.

Our surveillance activities increased as a result of the restart and ramp-up of aviation activities.

During the year hybrid surveillance activities, which had become a part of our operational strategy during the COVID lock down periods continued, which saw surveillance activities undertaken through virtual platforms, meetings/virtual audits, and in-person inspections.

RESOLUTION OF SAFETY AND SECURITY CONCERNS

The resolution of safety and security concerns relate to the non-compliances, non-conformances and safety/security 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/security concerns requires the operator/service providers to be proactive and provide the required assurances in a timely manner that safety/security issues have been adequately addressed. Compliance meetings are held with the larger operators/service providers to facilitate monitoring in this area. A major priority for 2022 was the coordination with all aviation operators to ensure readiness for the recovery (increase in activity) of international aviation.

The maturity of an operator's safety management system is monitored as this is an important indicator of the operator's ability to identify and manage safety risks. Furthermore, through the exchange of information regarding safety incidents and best practices, industry is able to learn from past experiences to improve safety measures. For security concerns, CAAF works with industry stakeholders to develop and implement regulations and standards to reduce the risk of security incidents, this includes passenger and baggage screening at airports, background checks for aviation personnel, and the use of enhanced security measures in high-risk areas. The aviation industry also closely collaborates with law enforcement agencies and other organizations to gather and analyze threat intelligence information to identify and mitigate emerging security threats. In summary, the aviation industry's resolution of safety and security concerns involves a comprehensive and collaborative approach, proactive risk mitigation strategies, the use of technology and data analysis, and compliance with regulations and standards.

The aviation industry also closely collaborates with law enforcement agencies and other organizations to gather and analyze threat intelligence information to identify and mitigate emerging security threats.

PREPARATION FOR THE ICAO AVIATION SECURITY AUDIT OF FIJI

ICAO officially notified Fiji that its aviation security system would be audited in June 2023. A project team from the Aviation Security and Facilitation Department has been planning and preparing for the audit. This will be the first time that Fiji will be audited under the Continuous Monitoring Approach (CMA) in what is a more comprehensive ICAO method of auditing when compared with the last two (2) audits.

MANDATORY OCCURRENCE REPORTS

It is critical that CAAF establishes an effective incident reporting; Mandatory Occurrence Reports (MORs), and investigation system to promptly identify safety and security incidents. Stakeholders are encouraged to report incidents and conduct thorough investigations to determine root causes and develop corrective actions.

This is an important aspect of the resolution of safety concerns. The MORs are assigned as either assessments or safety investigations to the appropriate inspector.

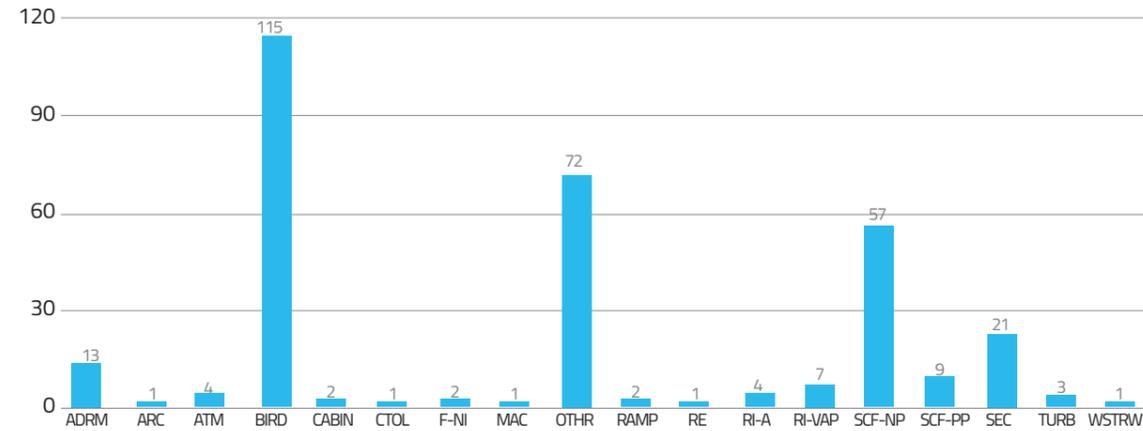
CAAF received a total of 299 MOR in 2022, out of which 182 required assessment/investigation. Of the 182 assignments, 144 assessment/investigation were closed and 38 in-progress carried through to 2023. 117 occurrences were Logged for Statistics only.

This reporting system is required by ICAO Annex 13 to facilitate the collection of information on actual or potential safety deficiencies. The primary purpose of the system is to improve flight safety by enabling the occurrence reporting of all occurrences, including those that do not meet a reporting threshold and those which would be embarrassing or reputationally damaging. It applies to all aviation industry stakeholders, such as operators, manufacturers, maintenance, repair and overhaul (MRO), air traffic control services, and aerodrome managers.

The Quality Section manages the Aviation Quality Database (AQD) for all Mandatory Occurrence Reports, which includes timely receipt, distribution, assignment of investigations or assessments and closure upon successful completion of investigations and assessments. AQD is also utilised for Internal Quality Audits and any other audits carried out by departments (including certification audits etc.)

The following shows the number of Mandatory Occurrence Reports (MOR) received for each 'Type' (as classified using ICAO's Taxonomy for occurrences) during 2022.

2022 MOR by Type

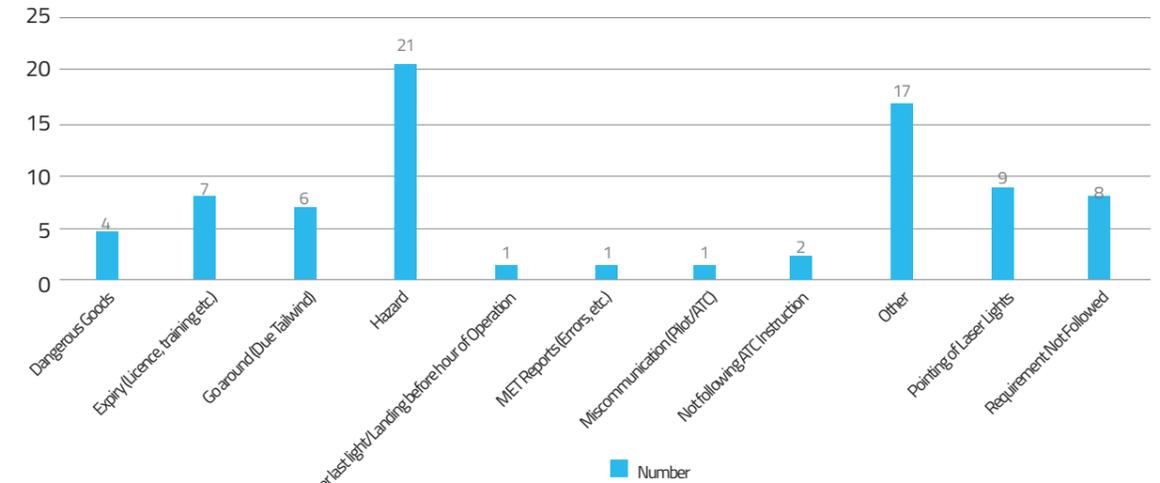


Airborne	
Abrupt maneuver	AMAN
Airprox/tcas alert/loss of separation/near midair collisions/midair collisions	MAC
Controlled flight into/toward terrain	CFIT
Fuel related	FUEL
Glider towing related events	GTOW
Loss of control-inflight	LOC-I
Loss of lifting conditions en route	LOLI
Low altitude operations	LALT
Unintended flight in imc	UIMC
Aircraft	
Fire/smoke(non-impact)	F-NI
System/component failure or malfunction (non-powerplant)	SCF-NP
System/component failure or malfunction (powerplant)	SCF-PP
Ground operations	
Evacuation	EVAC
Fire/smoke(post-impact)	F-POST
Ground collision	GCOL
Ground handling	RAMP
Navigation errors	NAV
Loss of control-ground	LOC-G
Runway excursion	RE
Runway incursion - animal	RI-A
Runway incursion - vehicle, aircraft or person	RI-VAP

Miscellaneous	
Bird	BIRD
Cabin safety events	CABIN
External load related occurrences	EXTL
Other	OTHR
Security related	SEC
Unknown or undetermined	UNK
Non-aircraft-related	
Aerodrome	ADRM
Atm/cns	ATM
Takeoff and landing	
Abnormal runway contact	ARC
Collision with obstacle(s) during takeoff and landing	CTOL
Undershoot/overshoot	USOS
Weather	
Icing	ICE
Turbulence encounter	TURB
Wind shear or thunderstorm	WSTRW

Breakdown of OTHERS (OTHR) Data for the Year 2022

2022 OTHR DETAILS



Items classified as "Other" includes PAN CALLS, laser light, duty exceedance, crew complement, go-arounds, rejected takeoffs and dangerous goods incidents.

MOR Reports from 2013 to 2022 (Including Bird strike)

Bird strike occurrences compared to total MORs and accidents from 2007 to 2022.

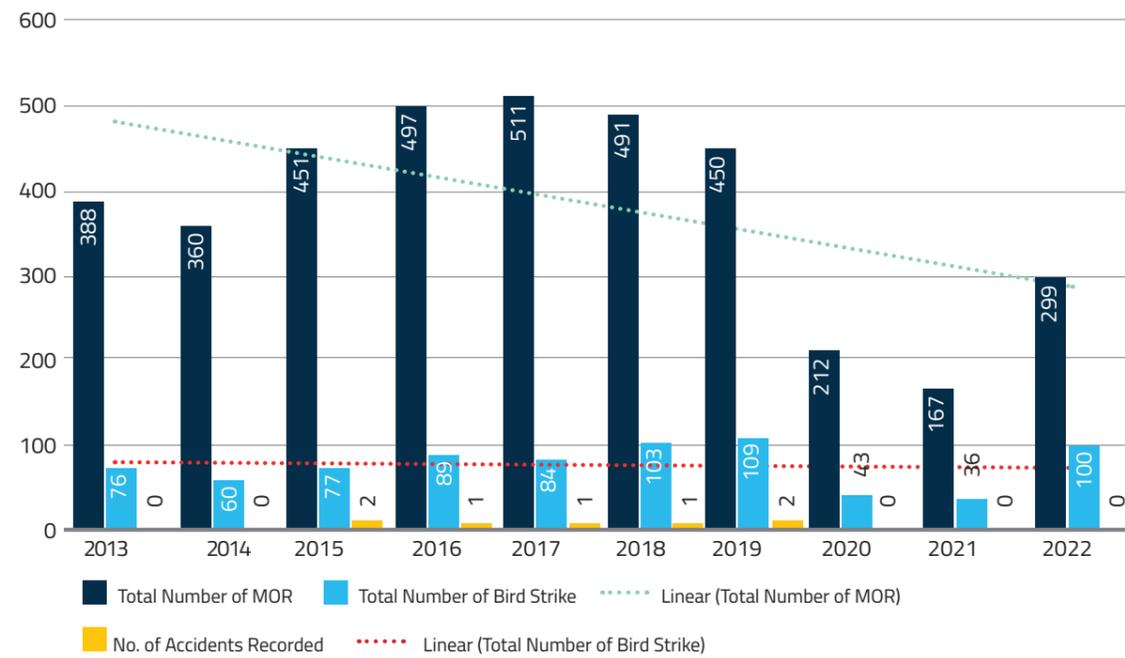
The Bird Strike reports include confirmed bird strikes, near misses, suspected bird strikes, birds sighted (including bird carcass found airside).

	Confirmed	Unconfirmed
Bird Strikes Reported	40	57

ACCIDENTS RECORDED 2013 - 2022

Date	Operator	Aircraft Model	Aircraft Registration	Location
10 Jun 2015	AOC Holder	AS350B2	DQ-IHI	Island of Beqa
23 Dec 2015	AOC Holder	AS350 BA	DQ-IBT	Treasure Island
29 Aug 2016	Flying School	C150	DQ-SST	Nadi
24 Dec 2017	AOC Holder	Havilland BHC2 MK1	DQ TAM	VIWA
23 Feb 2018	Flying School	C172	DQ-FTR	NFNL
8 Apr 2019	AOC Holder	DHC-2	DQ-REJ	Saweni
2 Aug 2019	Private Operator	R44	DQ - HPT	NFNL

2013 - 2022 MOR Data



ENFORCEMENT ACTIONS TAKEN

Five (5) Enforcement Actions were undertaken in 2022.

EXTERNAL AUDITS

The Quality Section has ensured continued certification to the ISO 9001:2015 requirements through successful audits by Bureau Veritas New Zealand. In 2023, another ISO 900:2015 Re-certification Audit will be carried out.

CUSTOMER SATISFACTION SURVEY RESULTS

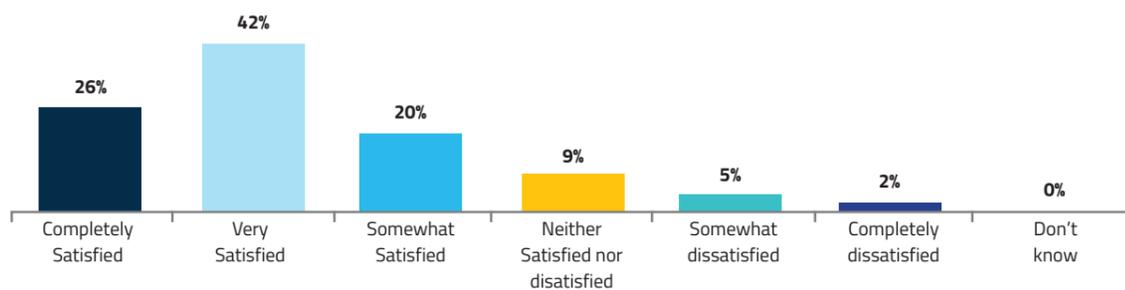
The customer survey measurement is an ongoing process that is used to obtain customer feedback on the services provided by CAAF.

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

CAAF used the online customer survey methodology using the SurveyMonkey tool to gather feedback from customers in 2022 (July – August).

The following graph depicts the results of the survey.

2022 CAAF Survey Data



**Communication
Navigation &
Surveillance
Inspector on
routine
inspection**

CAAF SERVICE CHARTER & DELIVERY

CAAF’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 licence, certificate or exemption application etc. the service charter is reviewed every year to ensure the timelines stated are reasonable.

The measurement of CAAF’s performance against the service charter is carried out at quarterly intervals and results help CAAF identify improvements areas.

The following table shows CAAF Service Delivery Standards Performance Measurement for the period January to December 2022:

Department/Section	Number of activities	Target (%)	Target Achieved (%)
Flight Operations	8	89.40%	100.00%
Airworthiness	13	89.20%	100.00%
Personnel Licensing	15	93.67%	99.76%
Ground Safety	21	97.60%	100.00%
Aviation Security & Facilitation	15	95.33%	100.00%
Personnel Licensing – Aviation Security & Facilitation	4	90.00%	100.00%
Finance / Administration	3	95.00%	100.00%
Standards	2	97.50%	86.16%
Information and Communications Technology (ICT)	2	90.00%	100.00%
Human Resources	14	90.35%	100.00%
Safety Education	1	100.00%	100.00%

AIR TRAFFIC CONTROL SURVEILLANCE SERVICE

CAAF worked in coordination with the ATS provider Fiji Airports to ensure equipment, training and licensing aspects were correctly implemented in accordance with the 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.

Following the installation of additional and replacement ADS-B ground stations, the ATS Provider implemented ATC Surveillance Control Service in Fiji’s Approach Control airspace on the 06th October 2022. This saw the issuance of Approach Surveillance Control Ratings (first of type) following endorsement by CAAF.

IMPLEMENTATION OF SAFETY MANAGEMENT SYSTEMS (SMS)

SMS audits continue to be a part of the CAAF certification audits conducted on operators. No operator has yet to achieve 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 organisation’s. 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 CAAF will continue to raise awareness and monitor this important component of certification.

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.

The Fiji ANS/AGA 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 on-line reporting system.

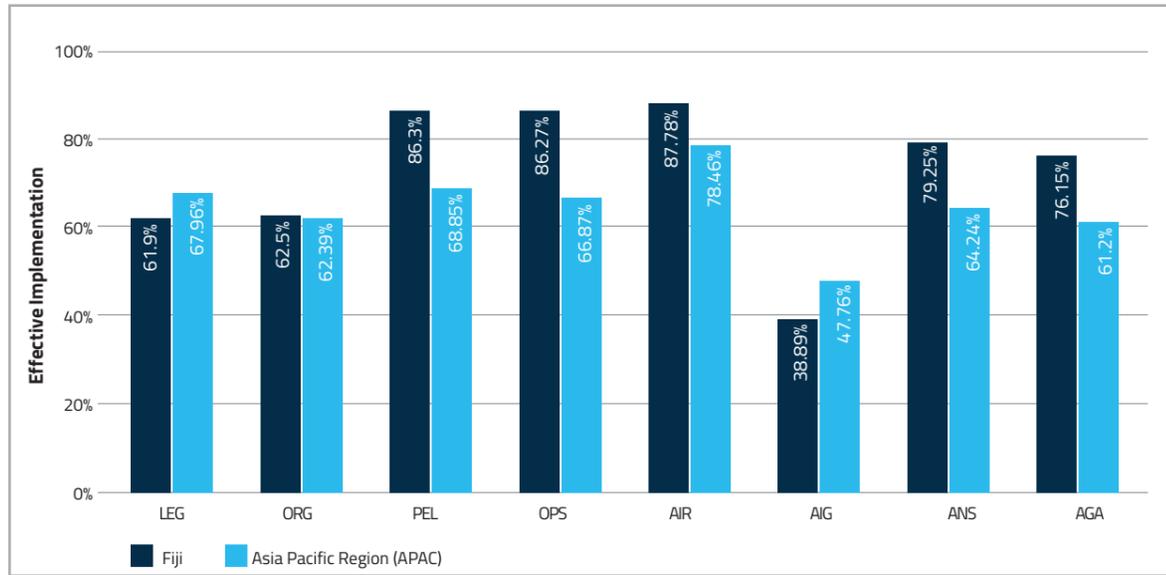
EFFECTIVE IMPLEMENTATION OF ICAO STANDARDS

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

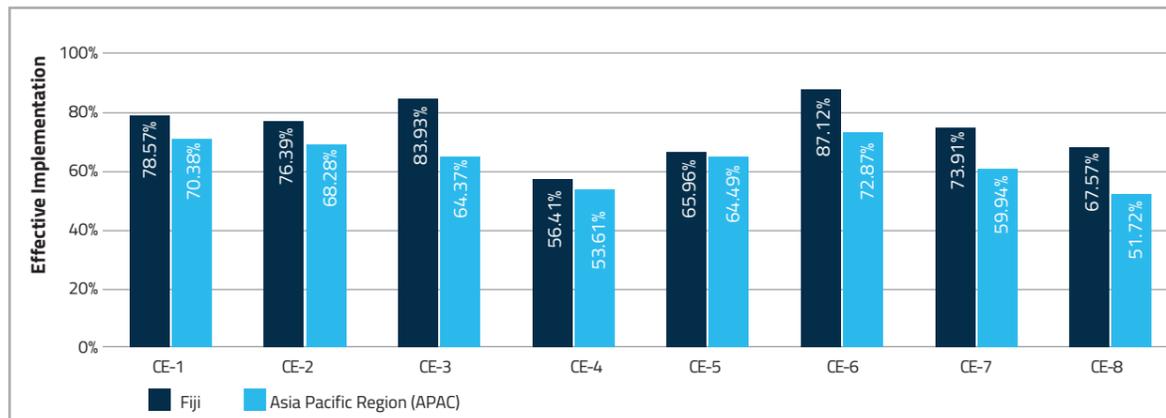
- Primary Aviation Legislation and Civil Aviation Regulations (LEG) score 61.9% (Asia Pacific Average 67.96%)
- Civil Aviation Organization (ORG) score 62.5% (Asia Pacific Average 62.39%)
- Personnel Licensing and Training (PEL) score 86.3% (Asia Pacific Average 68.85%)
- Aircraft Operations (OPS) score 86.27% (Asia Pacific Average 66.87%),
- Airworthiness of Aircraft (AIR) score 87.78% (Asia Pacific Average 78.46%),
- Aircraft Accident and Incident Investigation (AIG) score 38.89% (Asia Pacific Average 47.76%),
- Air Navigation Services (ANS) score 79.25% (Asia Pacific Average 64.24%),
- Aerodromes and Ground Aids (AGA) score 76.15% (Asia Pacific Average 61.2%)



Standards Department



EI BY AUDIT AREA



EI BY CRITICAL ELEMENTS (CE)

ICAO GLOBAL REPORTING FORMAT FOR REPORTING RUNWAY SURFACE CONDITIONS

Following the successful implementation by Fiji of the ICAO Global Reporting Format (GRF) for the reporting of runway surface conditions at Nadi and Nausori airports in November 2021, CAAF continued to monitor the implementation particularly the AFCON NOTAM Implementation. Issues encountered with acceptance by other countries of format was adequately addressed in a timely manner.

ICAO STATE & REGIONAL LETTERS AND MATERIAL

ICAO letters and surveys were addressed as they were received. This included coordination with the relevant aviation stakeholders and submission of surveys or updates via online reporting systems as appropriate.





FIJI AWARDED “ICAO COUNCIL PRESIDENT CERTIFICATE”

Fiji was awarded the International Civil Aviation Organisation’s (ICAO) Council President Certificate in a special ceremony at the 41st Session of the ICAO Assembly held in Montreal, Canada.



Fiji delegation to the ICAO 41st Assembly, Montréal, Canada.

The ICAO Council President Certificate (Certificate) was established in 2015 to support the ICAO’s “No Country Left Behind” initiative. This Certificate is awarded to Member States based on results determined through the Universal Safety Oversight Audit Programme (USOAP) to recognise Member States that have made significant progress in resolving their safety oversight deficiencies and improving the effective implementation (EI) of their safety oversight systems in compliance with ICAO Standard and Recommended Practices (SARPs).

The eligibility criteria used for this recognition certificate are based on the results of USOAP Continuous Monitoring Approach (CMA) activities and include:

- improvement in the EI of the critical elements (CEs) of a State’s aviation safety oversight system above 15 per cent;
- meeting the Global Aviation Safety Plan target of at least 75 per cent EI; and
- the absence of a Significant Safety Concern.

In 2019, following the ICAO In-Country Validation Mission, Fiji improved its EI from 60.55% to 76.3%, sitting above the Asia Pacific average of 64.6% and the Global average of 67.5%.

The 41st Session of the Assembly of the ICAO was held from the 27th September to 07th October 2022.



Fiji’s Head of Delegation receiving the ICAO Council President Certificate at the special ceremony held at ICAO Headquarters in Montréal, Canada.

APPENDIX

APPENDIX A – AERODROMES

2022 CERTIFICATION OF AERODROME OPERATOR - Fiji Airports		
No.	Aerodrome Name	Validity Period
1	Bureta (NFNB) Domestic	01 May 2022 – 30 April 2023
2	Cicia (NFCL) Domestic	01 April 2022 – 31 March 2023
3	Gau (NFNG) Domestic	01 April 2022 – 31 March 2023
4	Kadavu (NFKD) Domestic	04 May 2022 – 30 April 2023
5	Koro (NFNO) Domestic	01 April 2022 – 31 March 2023
6	Labasa (NFNL) Domestic	29 Aug 2022 - 28 Aug 2023
7	Lakeba (NFNK) Domestic	01 April 2022 - 31 March 2023
8	Matei (NFMN) Domestic	01 Sept 2022 – 31 Dec 2022
9	Moala (NFMO) Domestic	01 Oct 2022– 30 Sept 2023
10	Nadi (NFFN) International	08 Nov 2022 – 07 Oct 2023
11	Nausori (NFNA) International	29 July 2022 – 28 July 2023
12	Ono-i-Lau (NFOL) Domestic	01 Dec 2022 – 30 Nov 2023
13	Rotuma (NFNR) Domestic	21 Sept 2022 – 31 Dec 2022
14	Savusavu (NFNS) Domestic	30 Aug 2022 – 29 Aug 2023
15	Vanuabalavu (NFVB) Domestic	01 April 2022 – 31 March 2023

2022 CERTIFICATION OF AERODROME OPERATOR - Private Operators		
No.	Aerodrome Name	Validity Period
1	Kaibu (Prymont Ltd – Air Kaibu) (NFKB)	30 June 2022 – 29 June 2023
2	Laucala Island (NFNH) (Air Laucala Ltd)	31 Oct 2022 – 30 April 2023
3	Mago - Private Use (NFGO)	29 June 2022 – 28 June 2023
4	Malololailai (NFFO) (Leeward Island Services Ltd)	22 Oct 2022 - 21 Oct 2023
5	Nanuku Resort (NFND) Sanctuary Fiji LLC t/a Nanuku Auberge Resort	27 April 2022 – 26 April 2023
6	Wakaya (NFNW) (Ack Management PTE LTD)	31 Oct 2022 – 30 Oct 2023
7	Yasawa (NFSW) (Edge Resorts Fiji Ltd T/A Yasawa Island Resort)	22 April 2022 – 21 April 2023

2022 REGISTRATION APPROVALS OF HELICOPTER LANDING SITES		
No.	Aerodrome Name	Validity Period
1	Likuliku Lagoon Resort HLS	28 Dec 2022 – 28 Dec 2023
2	Fiji Marriott Resort Momi Bay HLS	30 Jan 2022- 29 Jan 2023
3	Nanuku Resort HLS – Private Use Sanctuary Fiji LLC t/a Nanuku Auberge Resort	02 June 2022 – 01 June 2023
4	Sheraton Tokoriki Landing Site – Private Use (Sheraton Resort & Spa)	24 May 2022- 23 May 2023
5	Tokoriki Island Resort HLS -Private Use (Moonbeam Investments Ltd)	30 May 2022 – 29 May 2023
6	Vunabaka HLS – Private Use (Vunabaka Bay (Fiji) Ltd)	01 April 2022 – 31 March 2023

APPENDIX B – CERTIFICATION OF SERVICE PROVIDERS

CERTIFICATION OF AIR NAVIGATION SERVICE PROVIDER			
1	Air Traffic Service Provider (ATSP) Certificate	Fiji Airports	28 Sep 2022 – 27 Sep 2023
2	Aeronautical Maintenance Organisation (AMO) CNS Certificate	Fiji Airports	27 Aug 2022 – 26 Aug 2023
3	Aviation Meteorological Service Provider (AMSP) Certificate	Fiji Meteorological Services	14 May 2022 – 13 May 2023
4	Aeronautical Information Service Provider (AISP) Certificate	Fiji Airports	28 Nov 2022 – 27 Nov 2023

APPENDIX C – AIRLINE OPERATING CERTIFICATES ISSUED

AOCs issued 2022		
1	Kokomo Resort	02/02/22-28/08/23
2	Sunflower Aviation Ltd	12/09/22 - 15/09/23
3	Turtle Airways Ltd	22/09/22 - 29/09/23
4	Heli Tours Fiji	03/10/22 - 17/10/22
5	Northern Air Services Charter Ltd	30/12/22 - 30/06/24
6	Fiji Airways (issued in 2021)	27/07/2021 - 31/07/2023.

Foreign AOCs issued 2022		
1	Air New Zealand	25/02/22
2	Air Calin	30/11/2022
3	Air Niugini Ltd	23/09/22
4	Solomon Airlines	07/12/22
5	Virgin Australia Airlines Pty Ltd	24/06/22

AOC Variations issued 2022		
1	Turtle Airways Ltd	X1
2	Kokomo Resort	X1
3	Air Laucala Ltd	X1
4	Heli Tours	X2
5	Fiji Link	X2
6	Island Hoppers Ltd	X1
7	Sunflower Aviation Ltd	X1
8	Fiji Airways	X12

APPENDIX D – AVIATION TRAINING

CERTIFICATION OF AVIATION TRAINING INSTITUTES (ATI)				
1.	ATI Certificate	Fiji Airports Aviation Academy	Air Traffic Management Training	28/10/2022 – 27/10/2023
2.	Restricted ATIC	Fiji Airports Aviation Academy	Basic Fire Fighting Course (Certificate 1) Training	31/03/22 – 31/09/22
3.	Restricted ATIC	Fiji Airports Aviation Academy	ADS-B System Technical Training	20/07/22 – 31/08/23
4.	Restricted ATIC	Fiji Airports Aviation Academy	Instrumental Landing System Technical Training	11/03/22 – 29/04/22

FLIGHT SIMULATOR TRAINING DEVICE			
1.	APPROVAL	Airbus Asia Training Centre Limited	A330 and B737
2.	APPROVAL	Boeing Singapore Training & Flight Services	A330 and B737

APPENDIX E – EXEMPTIONS ISSUED

Exemption Issued to:		
1	Fiji Airports	Standards Document – PEL
2	Heli- Tours Fiji	Air Navigation Regulations 1981
3	Fiji Link	Air Navigation Regulations 1981
4	IHL	Air Navigation Regulations 1981
5	IHL	Air Navigation Regulations 1981
6	IHL	Air Navigation Regulations 1981; SD ANR145C – AMC
7	Island Hoppers Ltd	Air Navigation Regulations 1981
8	Island Hoppers Ltd	Air Navigation Regulations 1981
9	IHL -FreeFall Fiji	Air Navigation Regulations 1981
10	Island Hoppers Ltd	Air Navigation Regulations 1981
11	Fiji Airports	SD Aerodromes
12	Fiji Airways	Civil Aviation (Security) Regulations 1994
13	Fiji Airways	Civil Aviation (Security) Regulations 1994
14	Fiji Airways	Civil Aviation (Security) Regulations 1994
15	Fiji Airways	Civil Aviation (Security) Regulations 1994
16	Fiji Airways	Civil Aviation (Security) Regulations 1994
17	Fiji Airways	Civil Aviation (Security) Regulations 1994
18	Fiji Airports	SD Aerodromes
19	Tandem Skydive (Fiji) Ltd	Air Navigation Regulations 1981



Finance Team



CIVIL AVIATION AUTHORITY OF FIJI
FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2022

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CIVIL AVIATION AUTHORITY OF FIJI
DIRECTORS' REPORT
 FOR THE YEAR ENDED 31 DECEMBER 2022

The Civil Aviation Authority of Fiji (the Authority) presents its report together with the financial statements for the year ended 31 December 2022 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 (uptill 19 December 2022)
Mr Satish Naran Patel	Deputy Chairman (uptill 20 April 2023)
Mr Peceli Baleikorocau	Director
Mr Reginald Johkan	Director (uptill 19 December 2022)
Ms Kamni Naidu	Director (resigned on 07 March 2022)
Mr Eliko Kaumaitotya	Chairperson (from 17 April 2023)
Mr James Sowane	Director (from 17 April 2023)
Ms Marigold Moody	Director (from 17 April 2023)
Mr George Tudreu	Director (from 17 April 2023)
Mr Isikeli Tomi Waqa	Director (from 17 April 2023)
Mr Ashneel Chand	Director (from 17 April 2023)
Mr Mikaele Leawere	Director (from 17 April 2023)
Mr Arvind Singh	Director (from 08 May 2023)

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 2022 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 profit of the Authority for the year ended 31 December 2022 is \$2,847,939 (2021: net loss of \$889,943) after an income tax benefit of \$592,788 (2021: \$19,065).

CIVIL AVIATION AUTHORITY OF FIJI
DIRECTORS' REPORT (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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 year 2022 has been a flurry of activity with operations ramping up to meet the demand for air travel following the re-opening of Fiji's Borders at the end of 2021. It has been a complete turnaround from the last two years downtime and preparatory work for the restart of air travel in Fiji. We have seen a steady increase in international passenger numbers, and since September 2022 these numbers have surpassed 90% of the passenger numbers for the same period in 2019, a very positive indication that we are truly on the road to recovery and a return to normalcy after the impact of COVID-19 pandemic.

This increase in activities has meant that CAAF's operations have also ramped up to meet the demands for certification, approvals, permissions, licensing and surveillance activities required to ensure perpetual vigilance is maintained. The Authority has continued to discharge its responsibilities diligently and has played a significant part in maintaining a safe and secure aviation landscape. CAAF is optimistic of the future and this is reflected in the standards it maintains and the positive relationships fostered with aviation operators and personnel. The 41st Assembly of the International Civil Aviation Organisation (ICAO) Council saw the award to Fiji of the prestigious ICAO Council President's Certificate.

The recovery of the aviation industry has 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.

The Authority engaged an independent valuer Professional Valuations Limited on 28th July 2022 to value land, buildings, motor vehicles, furniture fittings and equipment. The revaluation figures have been incorporated into the financial statements for the year 2022.

Events subsequent to balance date

(i) **Increase in Business Activity and Revenue amidst the Recovery of Aviation Industry**

With the opening of the international borders in December 2021, the aviation industry is now in recovery mode. The ramping up of operations and manpower has seen the need to safely balance priorities to ensure that our aviation safety management and security systems remain robust and able to capture and mitigate any hazards to ensure that any risk is maintained at a level that is as low as reasonably practicable.

CAAF is continuously reviewing its operations and realigning our strategies to ensure we remain viable and sustainable and most important of all, able to fulfil our core functions as per the Civil Aviation Authority of Fiji Act 1979. In 2022, the Authority has seen a steady increase in revenue from Departure Tax and other fees with the shortfall being met by the Government Grant allocated for the year 2022-2023. The Authority is optimistic on the increase in revenue during 2023 which will be almost or similar to the pre-COVID period (2019 and prior).

CIVIL AVIATION AUTHORITY OF FIJI
DIRECTORS' REPORT (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2022

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.

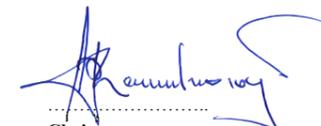
As at the date of this report, the Authority is not aware of any circumstances that have arisen, not otherwise dealt with in this report or the financial statements, which would make adherence to the existing method of valuation of assets or liabilities misleading or inappropriate.

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 06th day of July 2023.

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 2022, 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 2022, 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 Note 5(l) of the financial statements which notes the waiver the Authority provided to 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 first quarter of 2022 for aerodrome licence renewal fees amounting to \$31,187.

My opinion is not modified in respect of this matter.

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

Other information (con't)

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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Directors.
- 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

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

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;

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



Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
11 July, 2023

CIVIL AVIATION AUTHORITY OF FIJI**STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 \$	2021 \$
Income		7,756,075	3,476,118
Other operating income	6.1	401,733	296,922
		8,157,808	3,773,040
Administrative expenses	6.2(a)	(944,465)	(995,920)
Operating expenses	6.2(b)	(1,279,903)	(864,433)
Personnel expenses	6.2(c)	(3,701,147)	(2,847,479)
		2,232,293	(934,792)
Net financing income	6.3	22,858	25,784
Operating profit/(loss) before tax		2,255,151	(909,008)
Income tax benefit	7(a)	592,788	19,065
Net profit/(loss) after tax		2,847,939	(889,943)
Other comprehensive income			
Change in fair value of investments	11(c)	978,254	139,175
Revaluation of property, plant and equipment, net of tax		2,165,189	-
Total comprehensive income/(loss) for the year		5,991,382	(750,768)

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 71-91.

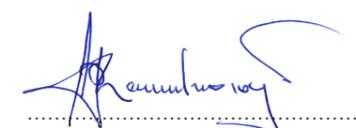
CIVIL AVIATION AUTHORITY OF FIJI
STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
Asset Revaluation Reserve		
Balance at the beginning of the year	4,080,050	4,080,050
Gain on revaluation, net of tax	2,165,189	-
Balance at the end of the year	<u>6,245,239</u>	<u>4,080,050</u>
Fair Value Reserve		
Balance at the beginning of the year	5,068,674	4,929,499
Other comprehensive income	978,254	139,175
Balance at the end of the year	<u>6,046,928</u>	<u>5,068,674</u>
Retained earnings		
Balance at the beginning of the year	8,702,713	9,592,656
Net profit/(loss)	2,847,939	(889,943)
Balance at the end of the year	<u>11,550,652</u>	<u>8,702,713</u>
Total equity	<u>23,842,819</u>	<u>17,851,437</u>

CIVIL AVIATION AUTHORITY OF FIJI
STATEMENT OF FINANCIAL POSITION
 FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022	2021
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	8	2,611,775	969,863
Trade receivables	9	113,034	271,398
Current tax asset	7(c)	11,444	25,060
Other receivables	10	1,776,973	542,520
Investments	11(a)	500,000	1,000,000
Total current assets		<u>5,013,226</u>	<u>2,808,841</u>
Non-current assets			
Investments	11(b)	12,101,930	10,623,676
Property, plant and equipment	12	7,652,926	5,666,331
Intangible assets	13	331,103	251,434
Right-of-use assets	24	66,753	174,582
Total non-current assets		<u>20,152,712</u>	<u>16,716,023</u>
TOTAL ASSETS		<u>25,165,938</u>	<u>19,524,864</u>
EQUITY AND LIABILITIES			
Shareholders' equity			
Reserves		12,292,167	9,148,724
Retained earnings		11,550,652	8,702,713
TOTAL EQUITY		<u>23,842,819</u>	<u>17,851,437</u>
Current liabilities			
Trade and other payables	14	841,811	862,845
Employee benefits	15	82,501	86,716
Lease liability	24	17	58,663
Total current liabilities		<u>924,329</u>	<u>1,008,224</u>
Non-current liabilities			
Deferred tax liabilities	7(b)	322,451	526,271
Lease liability	24	76,339	138,932
Total non-current liabilities		<u>398,790</u>	<u>665,203</u>
TOTAL LIABILITIES		<u>1,323,119</u>	<u>1,673,427</u>
TOTAL EQUITY AND LIABILITIES		<u>25,165,938</u>	<u>19,524,864</u>

Signed on behalf of the Board of Directors



.....
 Chairperson



.....
 Director

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 71-91.

CIVIL AVIATION AUTHORITY OF FIJI
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2022

Note	2022	2021
	\$	\$
Operating activities		
Cash receipts from customers	6,768,781	3,374,810
Cash payments to employees and suppliers	(5,345,039)	(3,723,536)
Cash generated from operations	1,423,742	(348,726)
Income tax refund	13,618	28,287
Interest received	22,858	25,784
Dividends received	312,938	278,349
Cash flows from/(used) in operating activities	1,773,156	(16,306)
Investing activities		
Acquisition of property, plant and equipment	(66,540)	(47,437)
Proceeds from sale of assets	206	-
Acquisition of intangible assets	(62,420)	(9,363)
Acquisition of investment	-	(500,000)
Cash flows used in investing activities	(128,754)	(556,800)
Financing activities		
Payment of lease liability	(2,490)	(61,889)
Cash flows used in financing activities	(2,490)	(61,889)
Net increase/(decrease) in cash and cash equivalents	1,641,912	(634,995)
Cash and cash equivalents at 1 January	969,863	1,604,858
Cash and cash equivalents at 31 December	2,611,775	969,863

The statement of cash flow is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 71-91.

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2022

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 6th July 2023.

(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 2022. (unless otherwise stated). These amendments did not have an impact on the Authority.

- Amendments to IAS 37 – Onerous Contracts: — Cost of Fulfilling a Contract;
- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use;
- AIP (2018-2020 cycle): IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities; and
- Amendments to IFRS 3 – Reference to the Conceptual Framework.

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	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	1 January 2023

CIVIL AVIATION AUTHORITY OF FIJI
**NOTES TO AND FORMING PART
 OF THE FINANCIAL STATEMENTS (CONT'D)**
 FOR THE YEAR ENDED 31 DECEMBER 2022

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.

CIVIL AVIATION AUTHORITY OF FIJI
**NOTES TO AND FORMING PART
 OF THE FINANCIAL STATEMENTS (CONT'D)**
 FOR THE YEAR ENDED 31 DECEMBER 2022

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.

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2022

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	101 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.

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.

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Leases (continued)

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.

(f) Impairment of non financial assets

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired assets, except for property previously revalued where the revaluation was taken to equity. In this case, the impairment is also recognised in equity up to the amount of any previous revaluation.

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.

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 (l) 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.

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.

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NOTES TO AND FORMING PART
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 FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(i) Financial assets (continued)

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.

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.

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(ii) Impairment of financial assets (continued)

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.

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.

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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 Airports Fiji Limited as a result of the severe impact of COVID-19 pandemic. These waivers were for the first quarter of 2022 for aerodrome licence renewal fees amounting to \$31,187 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).

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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.

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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.

	2022	2021
	\$	\$
NOTE 6.1. OTHER OPERATING INCOME		
Dividends	312,938	278,349
Sundry	88,795	18,573
	<u>401,733</u>	<u>296,922</u>

NOTE 6.2. EXPENSES

(a) Administrative expenses

Amortisation expenses	(35,779)	(31,122)
Amortisation expense of right-of-use assets	(750)	(54,290)
Auditors remuneration and accounting fees	(15,000)	(15,000)
Board member allowance and related expenses	(46,517)	(27,576)
Expected credit loss	-	(15,032)
Depreciation	(340,490)	(354,287)
Insurance	(500,965)	(483,814)
Interest expense on lease liabilities	(4,964)	(14,799)
	<u>(944,465)</u>	<u>(995,920)</u>

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART
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 FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
(b) Operating expenses		
Advertising	(26,921)	(24,843)
Accident investigation	(15,670)	-
Consultancy	(87,885)	(286,044)
Customs duty and freight	(7,328)	(5,178)
Legal fees	(72,713)	(846)
Medical supplies	(54,242)	(30,794)
Other expenses	(25,900)	(12,431)
Loss on disposal of assets	(36,295)	-
Fire alarm monitoring	(5,465)	(4,127)
Property survey and valuation	(14,939)	(5,321)
Green management and rubbish disposal	(38,182)	(27,922)
Pilot license books	(25,223)	-
Revaluation loss	(120,586)	-
Travel and accommodation	(226,816)	(92,495)
Protective gear	(7,636)	(2,803)
Publications	(6,183)	(1,718)
Repairs and maintenance	(60,728)	(28,307)
Utilities and supplies	(394,869)	(296,715)
Vehicle maintenance and fuel	(52,322)	(44,889)
	<u>(1,279,903)</u>	<u>(864,433)</u>
(c) Personnel expenses		
Salaries	(2,671,612)	(2,347,350)
Fringe benefit tax	(11,621)	(12,289)
FNPF employers contribution	(168,290)	(114,032)
FNU levy	(31,686)	(26,814)
Leave expenses	(500,507)	(308,809)
Staff training	(317,431)	(38,185)
	<u>(3,701,147)</u>	<u>(2,847,479)</u>
The average number of employees during the year	<u>63</u>	<u>62</u>
NOTE 6.3. FINANCE INCOME		
Interest income	<u>22,858</u>	<u>25,784</u>
NOTE 7. INCOME TAX		
Income tax expense recognised in the income statement		
Current tax (benefit)/expense	<u>(592,788)</u>	<u>(19,065)</u>
	<u>(592,788)</u>	<u>(19,065)</u>
(a) A reconciliation between tax benefit and the product of accounting profit multiplied by the tax rate for the years ended 31 December 2022 and 2021 is as follows:		
Accounting profit before income tax	2,255,151	(909,008)
Fiji's statutory income tax rate 20%	451,030	(181,802)
Tax effect of non-deductible items	(81,039)	(74,950)
Under provision from prior year	-	10,859
Prior year tax losses derecognised	(820,874)	-
Tax losses not recognised	-	226,828
Restatement of deferred tax liability	(186,962)	-
Others	45,057	-
Income tax benefit attributable to operating loss	<u>(592,788)</u>	<u>(19,065)</u>

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
NOTE 7. INCOME TAX (Continued)		
(b) Deferred income tax at 31 December relates to the following:		
(i) Deferred tax asset (recognised at 20% tax rate)		
Provisions for employee entitlements	16,500	17,344
Allowance for expected credit loss	2,754	8,298
Prior year tax loss	403,509	-
Balance at the end of the year	<u>422,763</u>	<u>25,642</u>
(ii) Deferred tax liability		
Accelerated depreciation for tax purposes	118,495	347,118
Capital Gain	626,719	204,795
Balance at the end of the year	<u>745,214</u>	<u>551,913</u>
Net deferred tax liabilities	<u>(322,451)</u>	<u>(526,271)</u>
(c) Current tax asset		
Balance - 1 January	25,060	53,349
Add: withholding taxes paid	2,286	2,578
	<u>27,346</u>	<u>55,927</u>
Less: refund received	15,902	30,867
	<u>11,444</u>	<u>25,060</u>
NOTE 8. CASH AND CASH EQUIVALENTS		
Cash on hand	550	550
Cash at bank	2,611,225	969,313
	<u>2,611,775</u>	<u>969,863</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	62,813	89,936
Receivables from related parties (Note 20)	63,991	222,954
Less: allowance for expected credit loss	(13,770)	(41,492)
	<u>113,034</u>	<u>271,398</u>
Trade and other receivables are non-interest bearing and are generally on 30-90 day terms. As at 31 December 2022, trade receivables at nominal value of \$13,770 (2021: \$41,492) were impaired.		
Movement in the provision for impairment of receivables were as follows:		
At 1 January	41,492	26,460
Charge for the year	(27,722)	15,032
31 December	<u>13,770</u>	<u>41,492</u>
0 - 3 months	126,804	273,619
More than 3 months	-	39,271
	<u>126,804</u>	<u>312,890</u>
NOTE 10. OTHER RECEIVABLES		
Prepayments and deposits	286,164	229,781
Unit Trust of Fiji dividends accrued	162,166	139,175
Departure Tax (Note 20)	1,303,465	62,890
Other assets	25,178	38,564
VAT receivable	-	72,110
	<u>1,776,973</u>	<u>542,520</u>

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 11. INVESTMENTS	2022 \$	2021 \$
(a) <i>Current</i>		
Interest-bearing deposits	500,000	1,000,000
(b) <i>Non-current</i>		
Units in Unit Trust of Fiji	12,101,930	10,623,676
Total investments	12,601,930	11,623,676
(c) Reconciliation of available-for-sale financial assets		
Opening balance	10,623,676	10,484,501
Acquisition of 201,612 units at \$2.48	500,000	-
Change in fair value of Unit Trust of Fiji units - transfer to fair value reserve	978,254	139,175
	12,101,930	10,623,676
(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
201,612 units purchased at \$ 2.48 per unit	500,000	-
Revaluation on current market value	6,046,928	5,068,674
	12,101,930	10,623,676

4,840,772 units valued at re-purchase price of \$2.50 per unit (2021: @ \$2.29).

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

The Authority engaged an independent valuer Professional Valuations Limited on 28th July 2022 to value land, buildings, motor vehicles, furniture fittings and equipment. The revaluation figures have been incorporated into the financial statements for the year 2022.

Freehold land	2022 \$	2021 \$
<i>Deemed cost:</i>		
At 1 January	2,500,000	2,500,000
Revaluations	480,000	-
At 31 December	2,980,000	2,500,000
<i>Buildings</i>		
<i>Deemed cost:</i>		
At 1 January	2,898,038	2,893,738
Revaluations	355,000	-
Additions	13,291	4,300
Disposals	(121,329)	-
At 31 December	3,145,000	2,898,038
<i>Depreciation and impairment</i>		
At 1 January	335,365	262,994
Depreciation charge for the year	73,674	72,371
Elimination of accumulated depreciation on revaluation	(383,627)	-
Disposals	(12,308)	-
At 31 December	13,104	335,365
Net book value	3,131,896	2,562,673
<i>Motor vehicles</i>		
<i>Deemed cost:</i>		
At 1 January	580,035	580,035
Revaluations	(28,670)	-
At 31 December	551,365	580,035

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 12. PROPERTY, PLANT AND EQUIPMENT (Continued)	2022 \$	2021 \$
<i>Motor vehicles (continued)</i>		
<i>Depreciation and impairment</i>		
At 1 January	476,565	360,558
Depreciation charge for the year	108,201	116,007
Elimination of accumulated depreciation on revaluation	(530,887)	-
At 31 December	53,879	476,565
Net book value	497,486	103,470
<i>Furniture, fittings and equipment</i>		
<i>Deemed cost:</i>		
At 1 January	1,218,799	1,175,662
Revaluations	(56,258)	-
Additions	47,746	43,137
Disposals	(122,555)	-
At 31 December	1,087,732	1,218,799
<i>Depreciation and impairment</i>		
At 1 January	718,611	552,702
Depreciation charge for the year	158,613	165,909
Elimination of accumulated depreciation on revaluation	(827,533)	-
At 31 December	49,691	718,611
Net book value	1,038,041	500,188
<i>Work in progress</i>		
<i>Deemed cost:</i>		
At 1 January	-	-
Additions	5,503	-
Transfer from WIP	-	-
At 31 December	5,503	-
Net book value	7,652,926	5,666,331
NOTE 13. INTANGIBLE ASSETS		
<i>Software costs</i>		
At 1 January	311,226	311,226
Revaluations	(7,000)	-
Addition	62,420	-
Disposals	(25,700)	-
At 31 December	340,946	311,226
<i>Amortisation and impairment:</i>		
At 1 January	119,091	87,969
Amortisation	35,779	31,122
Elimination of accumulated depreciation on revaluation	(130,892)	-
Disposal	(14,135)	-
At 31 December	9,843	119,091
Net book value:	331,103	192,135
<i>Work in progress</i>		
<i>Deemed cost:</i>		
At 1 January	59,299	220,500
Additions	-	9,363
Transfer from WIP	(59,299)	(170,564)
At 31 December	-	59,299
Net book value:	331,103	251,434

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 14. TRADE AND OTHER PAYABLES	2022 \$	2021 \$
Trade payables	20,798	18,194
VAT payable	169,885	-
Airport license billed in advance	141,411	278,071
Income received in advance from related parties (Note 20)	404,063	457,239
Other payables	105,654	109,341
	<u>841,811</u>	<u>862,845</u>
NOTE 15. EMPLOYEE BENEFITS		
<i>Current</i>		
Employee leave entitlements	<u>82,501</u>	<u>86,716</u>

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 \$10,009,310

There are 7 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. Two matters out of the above are awaiting judgement. 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.

NOTE 17. SIGNIFICANT EVENTS DURING THE YEAR

The year 2022 has been a flurry of activity with operations ramping up to meet the demand for air travel following the re-opening of Fiji's Borders at the end of 2021. It has been a complete turnaround from the last two years downtime and preparatory work for the restart of air travel in Fiji. We have seen a steady increase in international passenger numbers, and since September 2022 these numbers have surpassed 90% of the passenger numbers for the same period in 2019, a very positive indication that we are truly on the road to recovery and a return to normalcy after the impact of COVID-19 pandemic.

This increase in activities has meant that CAAF's operations have also ramped up to meet the demands for certification, approvals, permissions, licensing and surveillance activities required to ensure perpetual vigilance is maintained. The Authority has continued to discharge its responsibilities diligently and has played a significant part in maintaining a safe and secure aviation landscape. CAAF is optimistic of the future and this is reflected in the standards it maintains and the positive relationships fostered with aviation operators and personnel. The 41st Assembly of the International Civil Aviation Organisation (ICAO) Council saw the award to Fiji of the prestigious ICAO Council President's Certificate.

The recovery of the aviation industry has 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.

The Authority engaged an independent valuer Professional Valuations Limited on 28th July 2022 to value land, buildings, motor vehicles, furniture fittings and equipment. The revaluation figures have been incorporated into the financial statements for the year 2022.

NOTE 18. EVENTS SUBSEQUENT TO BALANCE DATE

Increase in Business Activity and Revenue amidst the Recovery of Aviation Industry

With the opening of the international borders in December 2021, the aviation industry is now in recovery mode. The ramping up of operations and manpower has seen the need to safely balance priorities to ensure that our aviation safety management and security systems remain robust and able to capture and mitigate any hazards to ensure that any risk is maintained at a level that is as low as reasonably practicable.

CAAF is continuously reviewing its operations and realigning our strategies to ensure we remain viable and sustainable and most important of all, able to fulfil our core functions as per the Civil Aviation Authority of Fiji Act 1979. In 2022, the Authority has seen a steady increase in revenue from Departure Tax and other fees with the shortfall being met by the Government Grant allocated for the year 2022-2023. The Authority is optimistic on the increase in revenue during 2023 which will be almost or similar to the pre-COVID period (2019 and prior).

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 19. EXPENDITURE COMMITMENTS	2022 \$	2021 \$
(i) Capital commitments:	<u>-</u>	<u>3,402</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	188,991	194,718
Minimum lease payments	<u>217,626</u>	<u>223,353</u>

NOTE 20. RELATED PARTIES

(a) Directors

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

Mr Nilesh Prasad	Chairman (uptill 19 December 2022)
Mr Satish Naran Patel	Deputy Chairman (uptill 20 April 2023)
Mr Peceli Baleikorocau	Director
Mr Reginald Johkan	Director (uptill 19 December 2022)
Ms Kamni Naidu	Director (resigned on 07 March 2022)
Mr Eliko Kaumaitotoya	Chairperson (from 17 April 2023)
Mr James Sowane	Director (from 17 April 2023)
Ms Marigold Moody	Director (from 17 April 2023)
Mr George Tudreu	Director (from 17 April 2023)
Mr Isikeli Tomi Waqa	Director (from 17 April 2023)
Mr Ashneel Chand	Director (from 17 April 2023)
Mr Mikaele Leawere	Director (from 17 April 2023)
Mr Arvind Singh	Director (from 08 May 2023)

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.

Key management compensation	2022 \$	2021 \$
Remuneration	514,507	493,034
FNPF (Employer Share 6% from 01/01/2022))	30,228	20,063
	<u>544,735</u>	<u>513,097</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	2022	2021
Fiji Airways	Revenue	873,251	1,035,666
	Expenses	47,190	14,696
Airports Fiji Limited	Revenue	318,319	327,432
	Expenses	4,751	4,768
Fiji Revenue and Customs Service	Departure tax	2,626,986	97,931
Government of Fiji	Grant	3,501,068	2,836,786

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 20. RELATED PARTIES (Continued)	2022	2021
	\$	\$
Related party relationships (Continued)		
(Payables)/receivables from related parties disclosed in the financial statements as follows:		
Fiji Revenue and Customs Service	1,303,465	62,890
Airports Fiji Limited	24,333	189,278
Fiji Airways	39,658	33,676
Fiji Airways	(404,063)	(457,239)
Total net amount owing as at 31 December	963,393	(171,395)
Disclosed as:		
Departure tax (Note 10)	1,303,465	62,890
Income in advance (Note 14)	(404,063)	(457,239)
Receivable from related parties (Note 10)	-	-
Trade receivables (Note 9)	63,991	222,954
	963,393	(171,395)

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 2022, the Authority had 2 customers that owed totalled more than \$60,000 and accounted for approximately 50.46% of all receivables. (2021: 1 customer that owed more than \$150,000 for approximately 60.5% of all the receivables).

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2022

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

(b) Credit risk (continued)

Trade receivables (continued)

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 2022	Days past due				
	< 30 days	31-60 days	61-90 days	> 91 days	Total
	\$	\$	\$	\$	\$
Expected credit loss rate	10%	15%	11%	25%	
Estimated total gross carrying	87,496	1,783	37,089	436	126,804
Expected credit loss	9,173	265	4,221	111	13,770

31 December 2021	Days past due				
	< 30 days	31-60 days	61-90 days	> 91 days	Total
	\$	\$	\$	\$	\$
Expected credit loss rate	1%	7%	40%	50%	
Estimated total gross carrying	88,009	159,470	26,140	39,271	312,890
Expected credit loss	855	10,546	10,456	19,635	41,492

(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 2022 based on contractual undiscounted payments.

Year ended 31 December 2022

	On demand	Less than a year	1 to 5 years	> 5 years	Total
				\$	\$
Trade and other payables	-	841,811	-	-	841,811
Lease liabilities	-	4,980	24,900	413,340	448,220
	-	846,791	24,900	413,340	1,285,031

Year ended 31 December 2021

	On demand	Less than a year	1 to 5 years	> 5 years	Total
				\$	\$
Trade and other payables	-	862,845	-	-	862,845
Lease liabilities	-	4,980	24,900	418,320	448,200
	-	867,825	24,900	418,320	1,311,045

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2022

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

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 2022.

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.

	2022	2021
	\$	\$
Trade and other payables	841,811	862,845
Less: cash and short term deposits	<u>(2,611,775)</u>	<u>(969,863)</u>
Net debt	<u>(1,769,964)</u>	<u>(107,018)</u>
Equity	<u>23,842,819</u>	<u>17,851,437</u>
Total capital	<u>23,842,819</u>	<u>17,851,437</u>
Capital and net debt	<u><u>22,072,855</u></u>	<u><u>17,744,419</u></u>
Gearing ratio	-8.02%	-0.60%

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	
	2022	2021
	\$	\$
<i>Financial assets</i>		
Cash and cash equivalents	2,611,775	969,863
Available-for-sale investments	12,101,930	10,623,676
Trade and other receivables	<u>113,034</u>	<u>271,398</u>
<i>Financial liabilities</i>		
Trade and other payables	<u>841,811</u>	<u>862,845</u>

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 28th July 2022 to value land, buildings, motor vehicles, furniture fittings and equipment. The revaluation figures have been incorporated into the financial statements for the year 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 it's 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.

CIVIL AVIATION AUTHORITY OF FIJI
NOTES TO AND FORMING PART
OF THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 24. LEASES (continued)

AUTHORITY AS A LESSEE (continued)

The amount recognised in the Authority's 31 December 2022 profit or loss to reflect changes in lease payments that arise from rent concessions to which the Authority has applied the practical expedient is \$2,490. The lease liability is reduced by \$2,490.

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

	AFL Land	Other Asset	Total
	\$	\$	\$
As at 1 January 2021	68,253	160,619	228,872
Amortisation expense	(750)	(53,540)	(54,290)
As at 31 December 2021	<u>67,503</u>	<u>107,079</u>	<u>174,582</u>
Amortisation expense	(750)	-	(750)
De-recognition of ROU asset	-	(107,079)	(107,079)
As at 31 December 2022	<u><u>66,753</u></u>	<u><u>-</u></u>	<u><u>66,753</u></u>

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

	2022	2020
	\$	\$
As at 1 January	197,595	252,576
Accretion of interest	4,964	14,799
Payments	(2,490)	(61,889)
Rent Concessions	(2,490)	(7,891)
De-recognition of liability	(121,223)	-
As at 31 December	<u><u>76,356</u></u>	<u><u>197,595</u></u>
Current	17	58,663
Non-current	<u>76,339</u>	<u>138,932</u>
	<u><u>76,356</u></u>	<u><u>197,595</u></u>

The following are the amounts recognised in profit or loss:

Amortisation expense of right-of-use assets	750	54,290
Interest expense on lease liabilities	4,964	14,799
Expenses relating to short term leases (de-recognised)	(14,143)	-
Variable lease payments (rent concessions)	(2,490)	(7,891)
Total amount recognised in profit or loss	<u><u>(10,919)</u></u>	<u><u>61,198</u></u>

The Authority had total cash outflows for leases of \$2,490 in 2022 (2021: \$61,889).

Right-of-use asset amounting to \$107,079 and lease liability amounting to \$121,224 previously recognised for dedicated service asset was derecognised at the beginning of the year. A further evaluation of the terms of the service agreement concluded that the Authority does not have control over the asset. Consequently, the recognized asset and liability amounts for the remaining term of the agreement have been derecognized.

Lease Liabilities	830	4,150	24,900	413,340	443,220
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NOTE 25. GOVERNMENT GRANT

For the year 2022, a grant of \$3,501,068 VEP (2021: \$2,836,786 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	Korowai
Ottawa Road	AFL Compound
	Namaka

CIVIL AVIATION AUTHORITY OF FIJI
DETAILED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
Income		
Airworthiness fees	685,937	27,118
Pilots/engineers license/airport license fees	940,622	512,821
Government grant	3,501,068	2,836,786
Departure tax	2,626,986	97,931
Rental from agricultural lease	1,462	1,462
	<u>7,756,075</u>	<u>3,476,118</u>
Other operating income	424,591	322,706
Total income	<u>8,180,666</u>	<u>3,798,824</u>
Expenses		
Advertising	26,921	24,843
Accident investigation	15,670	-
Auditors remuneration and accounting fees	15,000	15,000
Amortisation of software license	35,779	31,122
Amortisation expense of right-of-use assets	750	54,290
Board member allowances and related expenses	46,517	27,576
Consultancy	87,885	286,044
Customs duty and freight	7,328	5,178
Depreciation	340,490	354,287
Expected credit losses	-	15,032
Insurance	500,965	483,814
Interest expense on lease liabilities	4,964	14,799
Leave expenses	500,507	308,809
Legal fees	72,713	846
Loss on disposal of assets	36,295	-
Fire alarm monitoring	5,465	4,127
Property survey and valuation	14,939	5,321
Green management and rubbish disposal	38,182	27,922
Pilot license books	25,223	-
Medical supplies	54,242	30,794
Other expenses	25,900	12,431
Protective gear	7,636	2,803
Publications	6,183	1,718
Repairs and maintenance	60,728	28,307
Revaluation loss	120,586	-
Salaries and wages	2,883,209	2,500,485
Staff training	317,431	38,185
Travel	226,816	92,495
Utilities and supplies	394,869	296,715
Vehicle maintenance and fuel	52,322	44,889
Total expenses	<u>5,925,515</u>	<u>4,707,832</u>
Profit / (loss) before income tax	<u>2,255,151</u>	<u>(909,008)</u>





ISO 9001:2015 CERTIFIED

CIVIL AVIATION AUTHORITY OF FIJI

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